

BUDGET BRINGING LITTLE TAX RELIEF

Age Rental of \$75 Required Housing Project Here Falls

Prince Rupert homeseekers can give assurance that more than 50 families are likely to be housed, the proposed 50-unit housing project is likely to be shelved.

City council last night refused a Central Mortgage & Housing Corporation proposal to further underwrite the housing scheme by a scale reduction of assessments.

A city delegation of City Clerk R. W. Long and Ald. H. M. Daggett learned in Vancouver last week that, according to bids received on construction of the rental units, rents would range from a minimum of \$80 to \$85 a month.

"The federal government feels these rents are too high and that the project would lose money from the beginning," reported City Clerk Long. Federal government housing officials were "a little dubious" as to whether houses could be rented for an average of \$75 a month in Prince Rupert.

"The federal government wants substantial assurance that \$75 a month is obtainable here. We have to be sure enough of this to underwrite the project," said Mr. Long.

Council agreed that it would live up to its original agreement of sharing in losses and profits to extent of 12½ per cent.

City will also make an immediate survey through newspaper questionnaires, asking for applications to rent the proposed units.

This information must be in the hands of the federal government almost immediately," said Mr. Long. Deadline to award contracts for the housing project is April 18.

"But that is as far as I would want to go," said Ald. George (Continued on page 3)

Might Avert Steel Strike

PITTSBURGH (CP)—Outlook for the threatened steel strike being averted looked brighter today when Nathan Feinsinger, Wage Stabilization Board chairman, said that he had "some confidence" the strike may be settled by deadline time at midnight tonight. He said he had presented suggestions to both companies and unions.

Meanwhile the American steel industry rushed toward a complete shutdown today. Earlier government, industry and labor leadership held out scant hope of averting a defence-crippling strike at midnight.

Mill shutdowns have already made idle more than 100,000 of 650,000 United Steel Workers (CIO) who have been ordered to strike against some 98 steel producing companies.

Allied industries, such as railroads, are laying off workers in the expectation of losing business.

President Philip Murray of the steelworkers declared over a radio network: "At midnight the nation's production of steel will come to a halt."

Murray asserted that the steel industry could grant his union's pay demands without raising prices a "single solitary penny a ton."

Industry sources maintained they cannot meet Wage Stabilization Board recommendations for a 17½-cent hourly wage increase.

B.C. Retail Sales Down

VICTORIA (CP)—Retail sales in British Columbia in January totalled \$77,680,000. This was down 2.74 per cent from \$79,869,000—the total for January 1951.

The Minister of Trade, Hon. A. D. Turnbull, said in a statement Monday the January declines shown in the following businesses:

Motor vehicle dealers 23 per cent.

Appliance and radio dealers 11.2 per cent.

Lumber and building material dealers 24.4 per cent.



MOPPING-UP STARTS—Officials report the threat of further damaging floods to Medicine Hat from run-off waters of Seven Persons Creek has passed. A portion of the Alberta city where 1,000 persons were flooded out earlier this week is shown. Clean-up work is in progress but the flood area embracing some 255 homes has been declared a health menace. Fumigation of many homes will be necessary before the evacuated families can return. (CP PHOTO)

British Columbia Lumber Market Facing Lean Days—Orders Down

VANCOUVER (CP)—A lumberman said Monday that British Columbia's timber industry is facing its hardest times in more than a decade. There has been practically no new business with sterling area countries which for years have been taking 40 per cent of the output.

A rapid falling off on the North American market is because of curbs on housing credits in Canada, a sharp reduction in new construction in United States, and growing competition from American supplies in the prairie market.

Bulk buying by the United Kingdom and timber control mainland of the big export mills in B.C. ended with the return to private buying under Britain's Conservative government.

Coast mills still are working on United Kingdom bulk orders for some 680,000,000 board feet placed last year. "But when we complete deliveries in September there is nothing more in sight," a spokesman for exporters said. He estimated North American sales this year to date at 30 per cent of what they were last year.

Not in many years has the industry faced a situation as serious as the present brought about by such a combination of adverse factors, said a director of one forest industry.

Ship Inspector "Not Justified"

Establishment of a resident steamboat inspector, requested by the Canadian Halibut Vessel Owners' Association and endorsed by the Prince Rupert Chamber of Commerce, is considered not justified at the present time, according to communication received from the Department of Transport. When shipping here has increased to such an extent as to justify such an appointment, it will be considered, the department has advised.

Y's Protest Rome Edict

ROME (CP)—The national secretary of the Young Women's Christian Association of Italy protested yesterday against an Italian Catholic Union directive warning members against both Young Men and Young Women's Christian Associations.

In a letter to the Rome Daily American, English language newspaper, Mary Rossi said the Catholic action pronouncement "can only bring a sense of dismay" to those Italians who have been in America and seen what religious freedom means.

President of the Catholic group on March 25 told members they "must regard" the YMCA and YWCA as "forbidden organizations" under Roman Catholic canon law.

Telephone Financing Possible

Department of municipalities has ruled Prince Rupert's borrowing power is sufficient to allow the telephone exchange by-law of some \$600,000. A money bylaw to this extent has been prepared for presentation to electors, a city delegate to Victoria reported to council last night.

Meanwhile, council is waiting for further information on possibility of selling bonds at reduced interest to American investors. Present information is that money is available in the U.S. at about one percent less interest than in Canada.

Delegates City Clerk R. W. Long and Ald. H. M. Daggett also informed council that all but \$100,000 of the city's borrowing power will have been used if the telephone bylaw is passed.

Killed on Roadside

HANEY (CP)—An accident involving an automobile and truck killed two pedestrians Monday and injured a third as they stood chatting by the side of the road.

Neither of the motorists was injured. The killed were Albert Joseph Derosia, 68, of nearby Albion and a 35-year-old man from Alberta, whose identity is withheld pending notification of next-of-kin.

The RCMP say they believe the car, in attempting to pass a municipal truck, apparently made a sideswipe and in starting to make a turn the impact pushed it into three pedestrians.

Housing Concern

Chamber of Commerce Going Direct to Minister and Member at Ottawa

Housing and the reversal which it seems is being met by the proposed 50-unit rental housing project here through tenders for the construction substantially exceeding the estimate came in for considerable discussion at the meeting of the Prince Rupert Chamber of Commerce last night.

Taking a serious view of the lack of housing here, the chamber decided to take the matter up immediately with E. T. Applewhite, MP for Skeena, and Hon. R. H. Winters, minister of resources and development (under whom housing comes), with a view to obtaining the latest information and all possible assistance in expediting the project.

Already the matter had been taken up by J. D. McRae, MLA, with Premier Byron Johnson, who has been taking an active interest in the subject, and a telegram received during last night's meeting from the provincial premier said he was unable to give any definite information because of lack of information available at Ottawa.

Whereas the sum of \$535,000 was originally allocated for the 50-house project, the lowest tender is understood to have been \$680,000. Therefore a revision of the proposed rental scale is being suggested and the city has been asked, according to information received at the chamber meeting, to review the rent paying possibilities here on the basis of a minimum of \$60 and upward—or reduce the taxes.

(Elsewhere in today's paper the city council deliberation on housing is reported.)

NEW SCHEDULE

Under the new schedule of flights the flight via Sandspit (Port Hardy is now eliminated) will leave here at 1:50 and arrive Vancouver 6:30 p.m.

The direct flight will arrive from Vancouver 12:30 noon and leave at 3 p.m., arriving Vancouver 7:30 p.m.

The late plane (via Sandspit) will carry the mail.

The Monday, Wednesday and Friday flights for Terrace will leave at 1 p.m. and return at 2:30 p.m.

Eyes Turned on Ottawa Pronouncements Tonight

OTTAWA (CP)—The federal budget, with the story of what the 1952-51 fiscal year holds for the Canadian taxpayer, will be brought down in the House of Commons tonight (5 p.m. Pacific Standard Time) by Finance Minister Douglas Abbott.

Indications of any tax relief are meagre.

Both Mr. Abbott and Prime Minister St. Laurent have warned taxpayers not to expect much tax relief while the Korean war and other international altercations continue.

Three main possibilities exist:

1. Easing of the excise tax on cigarettes which was boosted last year. Preliminary government statistics have already shown that the government lost money on excise duties on tobacco last year because of reduced sales.

2. Realignment of income tax schedules which would incorporate into basic tax rates the 20 per cent defence surcharge played on personal and corporation incomes in the last budget. This does not necessarily mean there will be alterations in the income tax although some adjustments are possible.

3. A better break for the taxpayer who has medical bills to deduct from his income for tax purposes. The Commons recently adopted, apparently with government agreement, a private resolution asking that limits on the amount of deductible medical expenses be widened.

WHITE PAPER

A budgetary surplus of \$355,737,000 for 1951-52 fiscal year was reported Monday by Mr. Abbott.

The surplus, sixth in a row for the federal government since the end of the Second World War, compares with \$211,294,000 in the previous year.

Revenues for the year ended March 31 last, setting an all-time record, totalled \$4,003,111,000. Expenditures totalled \$3,647,374,000.

In the previous year, revenues were \$3,112,536,000 and expenditures \$2,901,242,000.

Surplus reduced the country's net debt to \$11,077,600,000, a decrease of \$2,343,800,000 from its peak of \$13,421,400,000 in 1946.

The figures included in the government's annual white paper contained an economic review of the last fiscal year.

Mr. Abbott set a precedent by tabling his white paper a day in advance of the budget speech.

SURPLUS EXPLAINED

A detailed explanation is given

CPA Steps Up Service

The old-type Canso aircraft has been removed from local Canadian Pacific Airlines service and, to replace it, a modernized version — another Landseair — landed here yesterday to take over the Prince Rupert-Sandspit run.

Air Lines officials also announced that the direct Landseair flight to Vancouver would operate daily except Sunday, beginning April 28 and that three times weekly the flight will include a touchdown at Terrace airport.

A Department of Transport ruling recently awarded the Prince Rupert-Terrace franchise to CPA, officials said. It is likely the Terrace runs will be made Monday, Wednesday and Friday.

Meanwhile, Sandspit passengers are viewing with disappointment a company move to discontinue stewardess service on that run.

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Two Nanaimo Lads Drowned

NANAIMO (CP)—Two 12-year-old boys last seen sailing a dug-out canoe into wind-swept waters outside Nanaimo harbor are both believed to have been drowned.

Body of Raymond Lillicombe was found washed ashore and search is being continued by police for the other, Leo Hendrickson.



MAN OF HOUR
... Douglas Abbott, presenting budget tonight

To Check Highway Traffic

Chamber of Commerce Hears of Big Program on Highway Sixteen

A traffic count will be taken at various stations along the Northern Trans-Provincial highway this summer to provide factual data in considering the requirements of this highway for the improvement of which during the coming year \$2,000,000 has been appropriated. The Chamber of Commerce was so advised last night by L. E. Smith, divisional engineer for the public works department.

J. D. McRae, MLA, predicted that a goodly portion of the \$2,000,000 would be spent on relocation, resurfacing and graveling between Prince Rupert and Terrace.

Hugo Kraupner said that tenders would be called soon for reconstruction and relocation of the road between Galloway Rapids and Diana Lake.

Question of Phone Site

Chamber of Commerce Not Satisfied That Liquor Store Purchase Wise Move

Wisdom of the city council in

deciding to purchase the former liquor store building at the corner of Third Avenue and Second Street for use as a telephone exchange was questioned at the meeting of the Prince Rupert Chamber of Commerce with the result that the municipal committee was requested to investigate the whole question and report back to the chamber.

A motion to this effect by Dr. R. G. Large was approved after being given priority by the chair over a previous motion by L. M. Feinsinger that the city council be asked to reconsider its decision to purchase the liquor store and select a different site for the telephone exchange which site would also allow of the erection of other city buildings such as City Hall and Fire Hall.

The matter of the liquor store building purchase came up during a general discussion of municipal affairs in which the chamber was urged by the president, T. Norton Youngs, to take a more active interest.

View appeared to be general that the liquor store property was too valuable to be kept off the tax list and that a new telephone building could be built on a less central site at a cost comparable with the expense that will be entailed in purchasing and rehabilitating the liquor store.

When the urgent necessity of a new City Hall and new Fire Hall was injected into the discussion, Dr. L. M. Greene took the view that these were secondary considerations to the need of water and sewer improvements, better streets—to say nothing of housing.

Costello To Prison

NEW YORK (CP)—Gambler Frank Costello was fined \$5000 and sentenced to 18 months in prison today for refusing to testify before a Senate crime investigating committee.