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TOMORROW'S TIDES

Thursday, February 2, 1956.
(Pacific Standard Time)

High	5:18	20.2 feet
	17:47	17.0 feet
Low	11:47	6.4 feet
	23:39	7.8 feet

Premier Bennett Brings Down Record $258,427,024 Budget

Cold War Still On — Pearson

No Recognition For Red China

OTTAWA (CP)— The cold war is still on; there will be no immediate Canadian diplomatic recognition of Red China.

These were the two major points made Tuesday by External Affairs Minister Pearson in launching a short Commons foreign policy debate scheduled to end today.

The opposition concentrated its criticism on government approval of Canadian arms shipments to the Middle East.

The Progressive Conservative and CCF parties moved non-confidence motions in the government on its arms export policy and for "lack of candor" in its handling of the matter in Parliament.

Mr. Pearson, who did not touch on arms shipments—he gave a long speech last week on the subject—made these points:

1. There will be no diplomatic recognition now of Communist China but maybe some day, depending on circumstances at the time, Canadian interests and views of Canada's friends and allies.

UNCHANGED POLICY

2. The Communist threat to the free world remains as strong as ever.

3. Russian foreign policy objectives are unchanged—a world of Communist states controlled by Moscow, subversion of the uncommitted millions of Asia and Africa and destruction of NATO.

4. Russia is harnessing education, science, propaganda and power to Communist imperialism.

5. The U.S.S.R. will not deliberately provoke or risk a hydrogen war but its policy is still conflict short of war.

6. The West should not despair but be prepared to negotiate with the Russians with imagination and flexibility.

7. "We are not going to throw away NATO merely because of doses, large or small, of the Geneva spirit."

PLENTY OF AIR LEFT — Twelve thousand miles without a blowout is quite a record racked up by Louise Sutherland, 29-year-old nurse from Dunedin, New Zealand, as she arrives at Southampton, England, with her bike aboard the Queen Mary. She left New Zealand in January 1949 and has been working her way around the world. She intends to work in England a while to earn enough to take her to Scandinavia.

Russians Asked To Leave South Africa by March 1

CAPETOWN (Reuters)—South Africa today accused Russian diplomats of stirring up trouble among the native population, and asked them to leave the country by March 1.

External Affairs Minister Eric Louw said the government had evidence that the Soviet consulate in Pretoria acted as a "channel of communication" between Moscow and subversive elements in South Africa.

Russian consular authorities had also diffused Communist propaganda among native Africans, he told the House of Assembly here. He was cheered by government supporters when he announced that a note had been sent to the Soviet consul-general asking him and his staff to leave the country.

Russia is represented in South Africa only through the consul-general in Pretoria, who is not of ambassadorial rank.

"The government has evidence that the consulate - general, through members of its staff, has cultivated and maintained contact with subversive elements in South Africa, particularly among the Bantu native and Indian population, and that it has served as a channel of communication between such elements and the authorities of Soviet Russia," Louw said.

"Furthermore, the same channel has been used for the diffusion of communistic propaganda, directed particularly at the Bantu population in transgression of the law, which proscribes communistic propaganda in any form."

PROFESSOR GOES OUT ON LIMB; ASSERTS WOMEN LIKE TV SETS

VANCOUVER (CP) — Women are like TV sets, says Dr. Marcus Long, University of Toronto professor attending the annual meeting of B.C. Association of Broadcasters here.

"They usually come in a beautiful chassis. The upkeep is often greater than initial cost; they are at times entertaining, instructive and annoying.

"Sometimes when they are not performing properly, we are tempted to trade them in for a newer model.

"Once we are captivated by them there is no escape."

New Russian Shakeup Ousts Successor To Beria's Post

MOSCOW (AP) — A new Russian government shakeup has unseated the successor of Lavrenty P. Beria, executed chief of the Soviet secret police.

The Soviet government early today announced the dismissal of S. N. Kruglov, who became internal affairs minister in July 1953, shortly after his former boss was deposed and condemned to death as a traitor.

The secret police were removed from Kruglov's ministry nearly two years ago but he had continued in command of law-enforcement police, known in Russia as the militia.

The terse announcement of the new change, published on a back page of the Communist party paper Pravda, said Kruglov had been "released" from his post and succeeded by Moscow's deputy mayor, N. P. Dudorov.

Dudorov also is listed as chief of the construction department of the Soviet Communist party's central committee, a watchdog post checking all government construction, and adviser to the Soviet council of ministers cabinet on construction.

Otherwise, he is unknown to Western correspondents in Moscow.

CORRECTION

The Daily News was in error Monday when it stated in a news story that the B.C. Kinsmen Polio Fund "made Mr. and Mrs. Victor Nystedt happy this Christmas by bringing their son Dennis home for a few days during the festive season." Mr. Nystedt told the Daily News that the family financed the trip. A Kinsmen spokesman said that while the Polio Fund often pays for passage of polio victims to and from hospital for treatment and equipment, it doesn't pay for trips of this sort. The Daily News regrets any embarrassment it may have caused the Nystedts, the Kinsmen Polio Fund or the Prince Rupert Kinsmen Club.

General Dies After Rescue

NOME, Alaska (AP) — Death struck Monday night after the dramatic rescue of four officers who had survived an Alaska national guard plane crash and the subzero cold of a barren sub-Arctic mountainside.

Brig.-Gen. John R. Noyes, 54, died at a hospital here of exposure and injuries received in the crash last Friday. He was the Alaska national guard's commanding general.

The other three rescued were reported in satisfactory condition Tuesday. One spent the entire time in the wrecked plane with the injured general. The other two started to hike toward Nome the second day after the crash and had covered about 15 of the 25 miles when picked up Monday.

Man Sentenced To Two Years For Robbery

Richard Hucalak, of no fixed address was sentenced yesterday in Terrace police court to two years in the penitentiary when he pleaded guilty to a charge of robbery with violence in Prince George Christmas Day, police in Prince Rupert reported yesterday.

Charge was laid by Nicholas Gabriele, proprietor of the London Hotel in Prince George. Gabriele said that Hucalak, who stayed at the hotel had pushed him around, struck him and taken his wallet containing $45.

Hucalak also pleaded guilty to a charge of theft and was given a second two-year penitentiary term to run concurrently with the first sentence.

Police said Hucalak was arrested January 21 after he had been located at Terrace General Hospital where he was being treated for a back injury.

Five Projects Will Total $41,256,000

VICTORIA (CP)—Five major projects totalling $41,256,000 have been undertaken by the B.C. toll highways and bridges authority, the 1956-57 budget disclosed today.

Contracts amounting to $16,311,110 have already been let on these developments:

Agassiz-Rosedale bridge $4,000,000; Nelson bridge $4,000,000; two Fraser delta bridges $9,000,000; Vancouver Second Narrows $16,250,000; Okanagan lake bridge $8,000,000.

Sliding Scale Set On Grants

Rupert To Get $21,592 Increase

VICTORIA (CP) — A sliding scale of local government grants, representing an increase of $2,137,931 over the previous year, was announced today when Premier Bennett tabled his 1956-57 budget.

The grants total $9,399,555 and are drawn up on a per capita basis. Cities, representing 581,527 of the 939,127 persons affected, get $5,243,655, with districts drawing $3,336,520 and villages $819,380.

The allowance, with last year's figures in brackets:

Population up to 3,500, $16 ($14); 3,500 to 8,000, $12 ($9); 8,000 to 50,000, $8 ($6); over 50,000 $6.50 ($4.25).

Vancouver, with a proposed grant of $2,362,415, draws an increase of $767,875. Victoria's share is listed at $454,652, up $107,495.

Other grants, with the increase in brackets:

Alberni, $53,166 ($6,646); Kamloops, $110,972 ($20,698); Kelowna, $114,136 ($21,534); Nanaimo, $131,568 ($25,892); Nelson, $95,264 ($16,816); New Westminster, $275,112 ($61,778); Port Alberni, $108,140 ($20,035); Prince George $107,468 ($19,867); Prince Rupert, $114,368 ($21,592); Trail, $137,440 ($27,360).

District municipalities:

Kitimat, $32,496 ($1,062); Powell River, $118,616 ($110,493); Surrey, $315,360 ($71,840).

Villages:

Creston, $26,016 ($3,252); Dawson Creek, $72,600 ($19,102); Fort St. James, $4,656 ($582); Fort St. John $14,144 ($1,768); North Kamloops, $31,664 ($3,958); Stewart, $4,528 ($566); Telkwa, $7,824 ($978); Terrace, $15,376 ($1,922).

Budget Highlights

VICTORIA (CP)—Highlights of the 1956-57 British Columbia budget, presented in the legislature today by Premier Bennett:

- Amusement tax cut from 15 to 10 per cent and earmarked for hospital construction.
- Pensioners to receive $5 a month more.
- Civil servants to receive pay increases of between four and 12 per cent.
- Aid to local government boosted by a total of $2,137,931.
- Capital works program of $80,109,000; $37,480,000 for arterial roads and bridges, forest development roads and mining roads.
- Agriculture department to spend 45 per cent more.
- Education funds up $3,950,000.
- Total budget of $258,427,024 record for province.
- Net debt of province reduced $13.50 per capita in last year.
- Hospital insurance costs up $1,552,710.

Norwegians Hold 14th Soviet Boat

OSLO (Reuters) — The Norwegian navy arrested a 14th Russian fishing boat today as Norway moved in a small fleet of vessels in the face of a feared Soviet "herring invasion" into Norwegian waters.

The Soviet boat was escorted to the west coast port of Aalesund to join 12 other Russian fishing boats and the 7,000-ton depot ship Tambow, arrested for the same reason Monday and Tuesday.

PREMIER W. A. C. BENNETT
Expresses "restrained optimism."

Unparalleled Prosperity Foreseen For Province

VICTORIA (CP)—Premier Bennett, in his "restrained optimism" budget address here today, says British Columbia may be entering a period of prosperity unparalleled in her history.

Mr. Bennett, in tabling his record $258,427,024 budget, said:

"The 10 years ended on December last may well prove to be the decade that precedes the greatest economic forward movement in British Columbia's age of destiny."

"Compare . . . the immense idle wealth in basic natural resources and in natural power located in this province with that of other economic areas throughout the world.

". . . The time has come when this province will be called upon to open its vast storehouse of natural riches for the benefit of our nation and the world at large.

"This call brings with it responsibilities without equal in the past. It requires us to provide the ways and means that will attract and assist capital and labor to convert idle riches and power into products and instruments of benefit to the common good.

". . . Suffice it to say that, even the minimum estimates portray a development that not only challenges the imagination, but a development the fruition of which depends mainly on the vigor, efficacy and wisdom of national and provincial policies as well as the wholehearted co-operation from capital and labor.

". . . The development and use of British Columbia's immense storehouse of wealth will depend, for many years, on exports to foreign markets. We must export 40 per cent of our products. When we cease to export it will be, because we are unable to compete; no longer enjoy favorable international trade facilities; or because we are deprived of ready convertibility or currency exchange."

On economic conditions, the premier said important business and economic indicators reached new heights during 1955.

"Primary industries, with the exception of fisheries, and the weakness in agriculture, showed increases. The highlight in activity is to be found in construction and manufacturing industries."

He credited "the absence of major strikes and a relatively favorable climate in labor-management relations" with contributing toward the lowest unemployment level of "the last few years."

"The budgetary proposals before the house reflect restrained optimism."

How Budget To Be Spent During Year

VICTORIA (CP) — Here is the breakdown of how British Columbia's record $258,427,024 budget will be spent during 1956-57:

Public debt	$13,727,530
Legislation	240,300
Premier's office	33,974
Agriculture	1,750,303
Attorney-general	7,931,251
Education	47,008,501
Finance	21,034,540
Fisheries	44,520
Health and Welfare	20,277,741
Highways	14,906,509
Labor	503,881
Lands and Forests	11,729,986
Mines	783,575
Municipal Affairs	154,054
Provincial Secretary	13,290,455
Public Utilities	329,341
Public Works	3,444,014
Railways	55,637
Trade and Industry	639,261
Total	$167,646,179
Hospital ins. service	30,453,952
Capital expenditure	60,346,893
Total	$258,427,024

Everyone Owes $13.50 Less Than Last Year

VICTORIA (CP)—Every one of the 1,305,000 persons in British Columbia owes $96.50, but at that it's $13.50 less than he owed last year.

Provincial debt-reduction figures, brought down in Premier Bennett's budget today, showed a gross indebtedness of $214,487,297, which broke down to a net figure of $125,937,816 — or $96.50 apiece.

Gross debt at Dec. 31, 1954 was $228,031,706 and the net figure was $139,370,142—or $110 a person.

The reduction in the last year was shown at $13,944,409 on the gross figure and $13,432,325 net.

Pensions Boosted; Amusement Tax Cut

VICTORIA (CP)— Pensioners, municipalities, hospitals and civil servants will all receive more money under British Columbia's record $258,427,024 budget, brought down here today by Premier Bennett.

Sitting as finance minister, the premier also announced a one-third cut in the amusement tax as he tabled the fourth Social Credit budget.

It calls for expenditure of $46,367,683 more than was estimated last year, an increase of $35,332,306 over what was actually spent during the last fiscal year.

To old age pensioners, it means a $5 increase in the $15 bonus paid by the province above the $40 federal pension.

The $20 bonus will make the B.C. pension highest in Canada, a government spokesman said.

Persons in receipt of social assistance, such as the blind, disabled persons and those on mothers' allowances, will receive an extra $5 a month, plus an extra $2 for each dependent.

The increases will cost the province an estimated $2,950,000.

Civil servants will receive a salary increase averaging between four and 12 per cent under a reassessment of individual jobs in a program to cost a estimated $1,710,000 and concerning more than 10,000 persons.

$2,137,931 More in Grants

Local governments will receive an additional $2,137,931 in grants on a per-capita, sliding scale. The increase will amount to $767,875 for Vancouver, bringing her grant up to $2,362,415. Victoria benefits by $107,495, bringing the capital's grants to $454,652.

The budget calls for a cut to 10 per cent from 15 per cent in the Amusements' Tax Act and a change in the name of the act to the Hospital Construction Act "and to apply the net proceeds of the tax exclusively towards the construction costs of new hospitals throughout the province."

"As a result of the reduction . . . a yield of some $400,000 to general revenue will be eliminated but the yield for hospital construction will be maintained."

Estimated cost of operating the hospital insurance service is $30,433,952 — $1,552,710 more than was spent during the current year.

On the over-all picture, the budget estimates revenues at $224,537,019 and departmental expenditures—including hospital insurance—at $198,080,131, leaving an estimated revenue surplus of $26,456,888.

Revenue Surpluses Available

This surplus, added to $35,478,450 surplus at March 31, 1955, and $2,935,319 anticipated surplus for 1955-56, gives B.C. a total of $64,870,657 in revenue surpluses available for appropriation.

Against this, the budget shows $60,346,893 in capital expenditure chargeable to net income, leaving a $4,523,764 balance of surplus revenue—nearly twice that of last year.

A sum of $13,727,530 is earmarked for reduction of the public debt during 1956-57, compared with $15,349,564 paid off during the current year.

Gross debt, as of Dec. 31, 1955, was $214,487,297. Deduction of "self-liquidating debt . . . repayable by the British Columbia power commission" and provincial sinking funds leave a net debt of $125,937,816.

The budget referred to recent changes in the social services tax, one exempting from tax meals selling for less than $1.01, whether separately or part of a multiple sale, and the other a provision to abate by one-half the levy on taxable property "related to basic gas or oil exploration." Similar abatement will be provided in connection with basic exploratory work on mines.

Agreement Signed With Ottawa

Mr. Bennett announced signing of an agreement provided for the federal government to pay half the provincial cost with respect to relief paid to unemployed and unemployables "based on that portion of the caseload which is in excess of .45 per cent of the provincial population," and meaning a reduction in provincial cost of almost $2,000,000.

Gross outlay of $80,108,000 is earmarked for capital works, an increase of $32,028,000 over last year. Of this $37,480,000 is for arterial roads and bridges, forest development roads and mining roads.

Agriculture department estimates are up 45 per cent, a jump of $542,900; $447,008,561 is earmarked for education costs, an increase of $3,055,000; grants to the University of British Columbia, Victoria College and the cost of a College of Education at Victoria are up $728,000.

Maintenance of roads, bridges and ferries will cost $1,428,000 more and an additional $1,000,000 is set aside for forest protection.

Retired Bishop Dies In Toronto

TORONTO (CP)—Rt. Rev. A. R. Beverley, retired Anglican bishop of Toronto, died at his home Tuesday night after a short illness. He was 71.

Death was attributed to a heart attack.

He retired last June after 48 years as an active minister.

WEATHER

Gale warning continued. Cloudy today and Thursday. Rain showers over the Charlottes and a few snow flurries along the mainland. Occasional showers Thursday. Moderate Winds southerly 20 except frequently reaching 35 in exposed waters today. Low tonight and high Thursday at Port Hardy, 28 and 36, Sandspit, 32 and 40, Prince Rupert, 28 and 40.

Assessment Act Change Slated During Session

VICTORIA (CP) — The government will amend the assessment equalization act at this session to clarify the taxation for school purposes of tenants' fixtures in landlord premises.

Premier Bennett made this disclosure in the budget speech today but did not elaborate.

The matter has been in doubt since a Vancouver court ruling said the government has no authority to collect the machinery tax from landlords on fixtures owned by tenants. However the court suggested it could be made legal by changes in the wording of the act.

Premier Bennett asked persons affected to pay the tax anyway, and the government would clarify the legislation.