

## New Conference Sought

# Three Provinces Oppose Tax-Sharing Proposals

OTTAWA (CP)—Three provinces have criticized the federal government's latest proposals for a tax-sharing deal to replace current tax rental agreements.

Two asked for an early resumption of the federal-provincial fiscal conference to deal with their complaints but Prime Minister St. Laurent said it is too early to decide whether the conference should be reconvened.

However, a conference of federal and provincial experts—will be held here Feb. 2 for the clarification of technical details of the federal offer.

Mr. St. Laurent made these points known to the Commons Tuesday in tabling letters from five provinces in reply to his Jan. 6 proposals for a five-year plan to take effect April 1, 1957.

Criticism of the offer came from the premiers of Nova Scotia, New Brunswick and Saskatchewan, respectively Liberal Progressive Conservative and CCF.

New Brunswick and Saskatchewan called for the renewed top-level conference — Mr. Douglas suggesting April—and it also was reported Premier Hicks suggested such a meeting in a personal interview with Mr. St. Laurent here Jan. 20.

**HAVE SAME COMPLAINT**

The three dissenting provinces had a common point of dissatisfaction—they did not give enough recognition to the fiscal needs of individual provinces.

The federal formula of Jan. 6, mainly unchanged from what the government offered the provinces at the October fiscal conference, calls for:

1. Allowing deductions against personal taxes of 10 per cent on federal income tax, nine per cent on corporation income and 50 per cent on succession duties where provinces impose taxes in these fields.
2. Federal equalization and stabilization payments to the provinces to bring average per capita provincial income up to levels of the wealthier provinces.
3. Nine provinces — Quebec excluded—now rent the income and succession duty fields to the federal government, wholly or partly, in return for flat annual payments. These rental agreements expire March 31, 1957.

**COULD ENTER FIELDS**

Under the proposed new formula a province could take over any or all of these fields and rent out the remainder to the central government.

The federal government's January proposal differed from its October submission on one point.

## Contest In Only One Ward Unless Dark Horses Show

With nomination day now here only four new candidates have indicated their intentions of contesting the Civic elections. In Ward Five Commander J. N. Kenny, G. R. Foster and Frank Curtis have given notice that they will be in the contest. Councillors E. C. Johnstone and Pictou C. McCormack will also be contesting Ward Five, which returns three councillors each election.

In Ward Four, a new candidate appears in the person of Gordon Wes Storey; this is a two-councillor ward. The other candidate will be Com. Elmer McDonald. Coun. Arthur Wright will be in the contest in Ward Three; Coun. Walter Gaudet will represent Ward Two and Arthur Gormley will be a candidate for Ward One.

City Hall is prepared to receive nominations from 12 noon today until 4 p.m. It is not known whether any other candidates intend to throw their hat into the ring. If there are no nominations other than those mentioned, the election will resolve itself into a five-councillor fight in Ward Five, with the others, along with Mayor Stewart, being elected by acclamation.

A variety of occupations is seen in the new candidates offering for election. Commander Kenny is the officer in charge of Queen Charlotte Naval Reserve establishment and is manager of a bakery. Frank Curtis conducts a construction business. G. R. Foster is one of the City's young lawyers and "Wes" Storey runs an electrical contracting business.

## Canada Continues Refusal To Recognize Communist China But Policy May Change Later

OTTAWA (CP)—Canadian policy on diplomatic recognition of Communist China's government remains unchanged: Not now, but maybe some day.

Canada's position was outlined by External Affairs Minister Pearson in Tuesday's Commons debate on external affairs.

He said the government has re-examined its position and feels "the careful policy we have been following and are still following is the right one: Rejecting on the one hand immediate diplomatic recognition, but rejecting on the other the view that a Communist regime in Peking can never be recognized as the government of China."

Mr. Pearson said the question should be reviewed from time to time "in the light of conditions, of our own interests, and of the views of our friends and allies."

"We should not get ourselves into such an inflexible position that a change in policy, if considered wise and necessary, could only be brought about with maximum difficulty."

John Diefenbaker, Progressive Conservative external affairs spokesman, said the position outlined by Mr. Pearson is the same as that of his party.

"WON'T SAY 'NEVER'"

"We do not say we will never consent to recognition of Communist China," Mr. Diefenbaker said. "We say so long as Communist China remains an undisputed"

## Structural Steel In Short Supply

TORONTO (CP)—A Canadian shortage in structural steel has become acute and the supply outlook for the new building season next spring is bad, the Pigott Construction Company said Tuesday.

Vice-president J. J. Pigott told the Gordon economic commission the industry has had trouble in getting sufficient reinforcing steel for a long time. Mills had been far behind in filling orders, except for rare occasions.



Ellerslie Girl Is Airborne Wren

Three Wrens are shown in front of a helicopter after returning to work with the Navy's air station at Shearwater, N.S., from a familiarization flight in connection with their visit to the Wrens' Maritime P.M.E. Fatheringham, Calgary, (CP Photo).



INSPECTOR NEVIN  
RCMP Transfers

Inspector William H.G. Nevin, commander of "L" Division, R.C.M.P., Charlottetown, has been transferred to command of the Vancouver, B.C. sub-division in succession to Superintendent George Archer, who has been granted leave of absence to become Vancouver's Chief of Police.

The announcement was made yesterday by Commissioner L. H. Nicholson.

Inspector Nevin who was born at Ulster, North Ireland, has completed 25 years in the service. He was transferred to the Charlottetown division in 1953 from Manitoba in succession to Superintendent Norman W. Churchill.

Inspector Nevin has taken an active interest in the social and fraternal life of the city, being chairman of the Youth Service Committee of the Charlottetown Rotary Club, a Director of the Y.M.C.A. and a member of the Vestry of St. Peter's Anglican Cathedral.

## INSPECTOR MARTIN

The new officer commanding "L" division, Charlottetown, Inspector Edward LeDrew Martin, is a former commissioner of the Newfoundland Rangers and former officer commanding Halifax subdivision.

Inspector Nevin and Mrs. Nevin, accompanied by their two daughters, Moira and Margaret, and one son, Billy, will leave within the next three weeks for Vancouver.

## PAYS TAXES WITH PORKER

BLANTYRE Nyassaland (Reuters)—A grunting pig trotted into a bank here Monday, wigged its curly tail at the cashier and got a big black "paid" mark stamped across the part where the bacon comes from.

Written on the pig's tender flank was a "cheque" for £12 made out by Maj. Peter Moxon to the income tax department. The "cheque" was accepted.

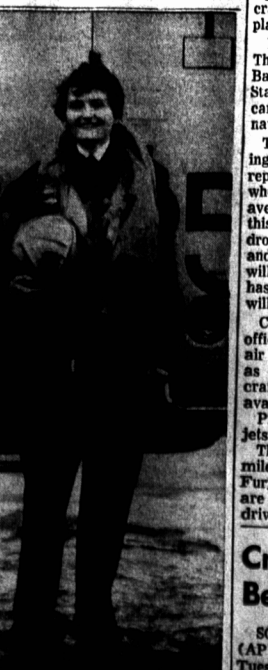
Porky is now confined to the bank's first floor waiting to be "passed through the books" just how, no one has yet figured out.

## Two Children Die In Fire

MONTREAL (CP)—Despite the rescue efforts of four teen-aged school children, two youngsters perished Tuesday when fire destroyed their one-storey cottage home in East Greenfield park, across the St. Lawrence river from Montreal.

Dead are Lynne, 3½ years, and Michael 2½, children of Mr. and Mrs. Victor Turcotte.

Mrs. Turcotte fled with her two-week-old baby, Gilles, but rescue attempts by four teenagers who first spotted the fire were unsuccessful in saving the other children.



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Three Wrens are shown in front of a helicopter after returning to work with the Navy's air station at Shearwater, N.S., from a familiarization flight in connection with their visit to the Wrens' Maritime P.M.E. Fatheringham, Calgary, (CP Photo).

## Reds Have Three Objectives

# Communist Threat Strong As Ever, Pearson Claims

## Crisis Looms Over Russian Fishing Craft

OSLO (AP)—Norway announced Tuesday night its navy has seized 13 Russian trawlers in Norwegian fishing waters but others still are attempting to invade the four-mile coastal belt.

The Norwegian embassy in Moscow has been instructed to deliver a sharp protest to the Soviet foreign ministry. Norway's named Soviet Ambassador G. P. Arkadiev to a meeting Tuesday night.

Observers here said the invasion of the rich herring banks off Norway's western shore is taking on the aspect of a carefully planned campaign. The Soviet trawlers keep returning every time they are chased away by naval vessels.

Lt. Cmdr. Bjarne Eia, commander of one navy patrol, said Soviet radio operators on the trawlers are trying to jam communication between the Norwegian fishing craft. Two of the trawlers taken Tuesday had to be halted by warning shots.

More Norwegian torpedo boats and the frigate Torpede are en route to the scene off Alesund. Norwegian fishermen reported between 30 and 80 Russian vessels are in the area.

Three of the trawlers seized were taken by the submarine tender Sarpen.

## RED CHIEF DUE

The situation was made more touchy because of a scheduled visit to Alesund of the Russian fisheries minister, A. A. Ischikov. He is to arrive in Oslo as the official guest of the Norwegian government on Friday and go on to the Alesund fishing grounds Feb. 7.

Acting on unofficial reports, the Norwegian Navy Monday dispatched two motor torpedo boats from Bergen to intercept the Russian fish which was operating near the Norwegian coast.

Norwegian naval headquarters in Oslo said the torpedo boats captured and boarded four trawlers. A spokesman said they fired warning shots from their machine guns before the Russian depot ship Tarnbow dove to.

In Tuesday's action by the Sarpen, the Russian trawler crews first cut their equipment and headed for the open sea. Then they returned, said the spokesman and calmly resumed their fishing.

The Norwegian naval craft so far involved have not carried enough men to board more than the eight ships already captured. However, the navy sent more ships to the scene.

All Oslo daily newspapers except the Socialist government organ, Arbeiderbladet, devoted a bitter editorial to the Russian fishing invasion.

## Russian Internal Affairs Minister Is Replaced

LONDON (Wednesday, Reuters)—Russia's Internal Affairs Minister Sergei N. Kruglov has been "released from his duties" by N. P. Dudorov, the Soviet official news agency Tass reported early today.

Kruglov took over the internal affairs ministry July 10, 1953, shortly after L. P. Beria was deposed from office and condemned to death as a traitor.

## Navy Shows Off New Fighters

DARTMOUTH, N. S. (CP)—The Navy showed off its sleek new Banshee jet fighters Tuesday and the commanding officer of the squadron said "there isn't an air craft flying today that could replace it."

Lt. Cmdr. R. H. Falls of St. Thomas, Ont., said the sleekest Banshees, bought from the United States Navy, "are fully capable of carrying out defence at sea. The navy can well be proud of them."

The 600-mile-an-hour jets, weighing 26,000 pounds fully loaded, will replace propeller-driven Sea Fury when the navy's new carrier Boxer goes into service later this year. The 807 Fighter Squadron has received its eight planes and another eight-plane squadron will go into service later. The navy has ordered 39 planes but the rest will be held as replacements.

Capt. D. G. King, commanding officer of nearby Shearwater naval air station, described the Banshee as an "extremely efficient" air craft. He said it is by far the best available for its role.

Pilots said the newly-acquired jets were "terrific."

The Banshees travel about 150 miles an hour faster than the Sea Furies they replace. And Sea Furies are among the fastest propeller-driven aircraft.

## Crown Princess Beatrix Is 18

SOESTDYK, The Netherlands (AP)—It was school as usual Tuesday for Crown Princess Beatrix of The Netherlands despite the fact it was her 18th birthday and constitutionally she has now reached her majority.

The Dutch government sent her flowers and a message of congratulations.

## Guy Mollet New French Premier By Big Margin

PARIS (Reuters)—Guy Mollet, 50-year-old Socialist leader and former schoolmaster, Tuesday night was elected premier by a big majority to lead France's 22nd post-war government.

The vote was 420 to 71 by 5 abstentions.

Mollet will head a minority left-centre coalition government, the first in France since election of a new Parliament Jan. 2.

Ex-premier Pierre Mendès-France, who led his middle-of-the-road Radical party into an election alliance with Mollet's Socialists, will be a top figure in the new government as minister of state.

Mollet's election came in a vote shortly before midnight after he had outlined his government's plans to the National Assembly.

Acceptance of Mollet's minority government became a certainty several hours before the vote in the National Assembly. The Communist party swung its 150 votes behind the 150 already controlled by the coalition to give Mollet a sure margin among the 595 deputies.

## Questions On P.E.I. Railway Service Raised In House

OTTAWA (Special)—Neil A. Matheson, Liberal M.P. for Queens is checking up on the operations of the Canadian National Railways in Prince Edward Island. In a series of questions in the House of Commons today, he asked the minister, Mr. Malneson, to assure that the train service now maintained in the island is in conformity with the ruling of the Board of Transport Commissioners in July of last year. Mr. Matheson asks:

1. Is the Canadian National Railways planning to further curtail its train service in Prince Edward Island?
2. If so will the curtailment be on the lines east and west of Elizabeth Junction?
3. What curtailment of service is planned?
4. Would such curtailment of service be in keeping with the ruling of the Board of Transport Commissioners in July of 1955?

Replies are expected in the course of the next week from Transport Minister Marler.

## Indeterminate Detention For M. M. Murphy After 3 Years

Merlin Maurice Murphy was sentenced yesterday morning in Supreme Court by Justice G. J. Tweedy to serve three years in Dorchester Penitentiary. Murphy had been convicted of rape on January 17.

The sentence, which also includes an indeterminate period of suspension, has the following proviso: "And the Court having found that you, the accused are a criminal sexual psychopath, adjudges that in addition to the sentence now imposed for the offence which you have been convicted, you be sentenced to an indeterminate period of preventive detention in Dorchester Penitentiary or in a part of that penitentiary set apart for that purpose, such preventive detention to commence immediately after the three year sentence imposed for the offence of which you have been convicted."

His Lordship, before passing sentence said that he had taken into consideration the statements of the two psychiatrists who expressed their opinions that the accused was

## Consider U.N. Troops To Keep Middle East Peace

WASHINGTON (AP)—The possibility of stationing United Nations forces between Israel and her Arab neighbors was brought up by Britain Tuesday in the Eisenhower-Eden talks but the idea was reported to have got a cool reception from the United States.

A spokesman reporting on the conferences between President Eisenhower and Prime Minister Eden told reporters that no decision was reached on the proposal, which he said was advanced as a way to secure peace in the Middle East.

Responsible American officials indicated that Eisenhower and Secretary of State Dulles were lukewarm toward the idea.

The spokesman also said the question of Red China's admission to the United Nations came up, along with Britain's desire to ease existing controls on commerce with the Chinese Communists.

The conference apparently failed to settle conflicting American-British views on these

## House Hears Grim Outline Of Situation

OTTAWA (CP)—The free nations have less reason for complacency than ever, External Affairs Minister Pearson said Tuesday.

The Communist threat is as strong as ever, he added, and "the cold war goes on."

He told the Commons Russia still has three primary objectives:

1. To bring the world under Moscow's control and domination.
2. To subvert the millions of uncommitted Asians and Africans.
3. To destroy the North Atlantic Treaty Organization and get the United States out of Western Europe.

"We are not going to throw away NATO for doses, large or small, of the Geneva spirit," Mr. Pearson said in launching a two-day debate on foreign policy.

Later, John Diefenbaker (C-Prince Albert), Conservative spokesman on external affairs, moved a motion of non-confidence in the government which called on the Commons to express disapproval of the sale of arms to Middle East countries and condemnation for "the lack of candor" with which the matter was dealt with in the House.

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"Russian strength, solidity and dynamism were impressive and frightening. The West should not deceive itself that the Russians were a beaten, lifeless people in an over-civilization."

"To them, plumbings is not as important as plutonium," he said.

## Flour Mill For Pictou Sought

PICTOU, N. S. (CP)—Pictou county council Tuesday asked the provincial government to have a flour mill built in this Northumberland Strait port.

A council resolution said the mill could use both local and western wheat and would provide cattle feed for Nova Scotia farmers at lower prices.

## AIM TO WEAKEN

The Communists were trying to weaken, divide and destroy NATO by attempting to "smile away our fears" and pretending that they were a nation of "footballers, fiddlers and flowers."

But the West had no reason to despair if it remained united and

## NO PSYCHIATRIST

A subsequent letter from Mr. MacLeod revealed that there was no psychiatrist in daily attendance at Dorchester Penitentiary, but expressed the hope that the position would be filled shortly. Mr. MacLeod suggested that provision could always be made for the transfer of the prisoner to another institution where treatment was available.

Defence Counsel, J. O. C. Campbell, Q.C., in a few brief remarks called attention to the prisoner's war record and asked that this be taken into consideration in passing sentence.

## CHOU IN BACKGROUND

CASTING a shadow over the Anglo-American conference was Chou's speech, broadcast by Peiping Radio. Chou bitterly complained that the United States was dragging out talks in Geneva which are aimed at easing Far East tensions. The speech seemed aimed to influence the Eisenhower-Eden talks if possible.

Both British and American officials involved in meetings thus far said a very friendly, relaxed attitude has prevailed at every session. They said, however, no specific proposals for action have yet been put forward but some can be expected before the discussions wind up today.

## Eden, on the other hand, was reported seeking an easing of present Western trade control on shipments to Red China as well as some assurance that Chiang Kai-shek's forces on Formosa would not seek to provoke war with Red China.

The conference spokesman said the meetings covered a wide range of problems, including a possible meeting between Secretary of State Dulles and Premier Chou in La of Red China. Chou's speech threatening "war if necessary" to gain control of Formosa also was discussed, he said.

Eisenhower met alone with Eden in his White House study after lunch while Dulles, British Foreign Secretary Selwyn Lloyd and their aides talked in the nearby cabinet room.

In order to play a bigger role in the conferences, Eisenhower passed up his usual midday nap. Eisenhower and Dulles were both reported anxious to have Eden support the American policy of demanding that Red China free 15 Americans now in jail before taking up other Asiatic problems.

## Speeches Well Received

Mollet's program speech was on the whole well received, although it produced no enthusiastic response except from the rank of his own Socialist and Radical supporters.

Mollet took a frank line on Algeria. He said that for the time being French military strength there could not be reduced al-

## Board of Transport Commissioners

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## Weather Forecast

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New Brunswick: Clear and colder; westerly winds 15. Low-high at Moncton zero and 15. Fredericton 5 below and 15 above. Saint John zero and 15. Edmundston and Campbellton 5 below and 15 above.

High tide today at Charlottetown at 1:57 a.m. and 2:22 p.m. Summer tide at eight minutes later than Charlottetown.

Sun rises at 7:34 a.m. and sets at 5:20 p.m.

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