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Cloudy with snowflurries; very cold northwest winds 15. Low-high at Charlottetown 5 below and 10 above.

"Covers Prince Edward Island Like The Dew"

Reports Reduction Of Civic Debt By Substantial Amount

A surplus of \$18,377 in capital account, representing the first reduction in the City's debt since the year 1948, was reported by Coun. Edwina C. Johnstone, chairman of the Finance Committee, at the annual meeting of the City Council last night.

The city's net debt at Dec. 31, 1956, was \$3,766,841 as against \$3,745,570 on Dec. 31, 1956. Total revenue amounted to \$1,057,752, and total expenditure \$1,028,324, leaving a surplus of \$29,428.



MR. JOHNSTONE was impossible. Concurrent with these organizations administering Direct Relief, the Provincial Government was asked to pass a grant (Continued on page 3 col. 6)

New Armored Regiment Named

OTTAWA (CP)—Canada's oldest cavalry regiment Tuesday became the third—and newest—tank regiment of the regular army.

It is the 8th Princess Louise's (New Brunswick) Hussars, a militia unit at Sussex, N.B., which has been called to the regular army under the new name of 8th Canadian Hussars (Princess Louise's).

Student Pilot Steals Plane, Terrorizes City For 4 Hours

DES MOINES, Ia. (AP)—A student pilot who had never flown alone stole a plane at gunpoint and buzzed this city for four suspenseful hours Tuesday before crash-landing in a rural road.

The plane nosed over on landing. Two patrolmen who found him still in the cockpit said "all he did was smile."

King Saud Welcomed To The U. S.; Snubbed By New York

NEW YORK (CP)—King Saud of Saudi Arabia arrived on a state visit to the United States Tuesday with full force from the U.S. government and the United Nations but with an official snub from New York City.

"We stand on moral principles, on the freedom and dignity of human beings, on co-operation among the freedom-loving peoples."

S'ide Plane Aids Survey Ship In Ice

HALIFAX (CP)—An RCAF Lancaster aircraft was assigned Tuesday to spot ice for the new \$4,000,000 hydrographic ship Baffin, battling ice floes in the Gulf of St. Lawrence.

\$500,000 Hotel Fire At Sorel

SOREL, Que. (CP)—A wind-whipped blizzard struck a \$500,000 hotel Tuesday at Sorel, Que., sending more than 40 persons tumbling to safety in near-zero temperatures.

Fewer Cases Of TB Are Reported

OTTAWA (CP)—A drop of 926 in the number of cases of tuberculosis last year pushed the TB rate to the lowest point since 1923, the bureau of statistics reported Monday.

PROPOSALS HAVE NOT YET REACHED CABINET

Consider Revising Freight Rates Aid To Maritimes

Mayor Stresses Need For Adjustment Of Revenues

The need of municipalities across Canada for an increased share of the tax dollar was emphasized by Mayor J. D. Stewart in addressing the annual meeting of the City Council last night.

Without fundamental realignment of taxing powers, as between the Provinces and the Municipalities. In other words, if our Municipality is the creature of the Province, and it is, then our problem is one of Provincial-Municipal relations, following upon re-alignment and adjustment of Dominion-Provincial relations.



MAYOR STEWART

can now assess Federal property in its entirety, within our limits. Our hope is that our Provincial Government will also acknowledge our right in this respect. If these two sources of revenue were opened to us, they would go a long way in the amelioration of our tax difficulties.

Some Provincial Governments, recognizing the claims of Municipalities, have already introduced policies which provide supplementary revenue to them. Such being the case in other Provinces, and as Charlottetown has as much at stake in any redistribution of Federal-Provincial revenues as have the Federal-Provincial Governments, we appreciate the fact that our municipal points of view may now find expression by Municipal representation within the Council of the Provincial delegation attending Federal-Provincial Conferences, where these matters are under discussion.

Involve Shift In Treasury Grants Emphasis Under Act

OTTAWA (CP)—Federal experts have come up with plans for drastic revision of the basis of freight rate assistance to the Maritimes, though they have not yet reached the cabinet.

However, informants said no action is likely until the government gets indications from the seaboard provinces that suggested changes are considered suitable.

No Deaths As Plane Crashes

PARIS (AP)—A French airliner from Tunis crash-landed in dense fog at Orly Field Tuesday night but all 70 aboard were saved by heroic rescue efforts.

The big plane flipped over on its back under the shock and it broke into four pieces. Fire engines and ambulances sped to the scene, about two miles away from the main terminal.

Hot Debate On Mid-East Adjourned Until Thursday

UNITED NATIONS, N.Y. (CP)—A stormy Middle East debate in the United Nations Tuesday was adjourned at least until Thursday for the relief of frustrated Western delegations.

The debate got so hot that at one point speakers were talking about a new Middle East war, which might involve the whole world.

These areas have been held by Israel. Deployment of the UN force into the areas has been the subject of dispute.

Eisenhower's Mid-East Doctrine Resolution Passes Big Hurdle

WASHINGTON (AP)—President Eisenhower's Middle East resolution won a major test in the House of Representatives Tuesday when the chamber voted 262 to 146 to bar any amendments to it.

(Rep. Mass.) told the House that rejection of Eisenhower's program "might well precipitate the war we all seek to avoid."

City Accounts Analyzed In Report By Auditors

Total taxes outstanding at December 31, 1956 are \$452,511.57, notes the report of the auditor. Last year the total was \$375,460.79, a difference of \$77,050.78.

As reported by last year, certain maturities in 1955 required the issue of refunding debentures to the extent of \$45,250.00 to maintain the Sinking Funds. Due to the condition of the bond market, they were not issued in 1956, but should be issued as soon as possible.

The sinking fund investments are held in trust by the Eastern Trust Company and we have their certificate as to same. They were listed in the city accounts at par values. The Sinking Funds are based on refunding 50% of all original issues maturing up to 1959, 25% from 1960 to 1968, and payment in full of all maturities after 1968.

Gala Dinner Will Mark 75th Birthday Of Prime Minister

QUEBEC—A gala welcome has been planned here for Prime Minister Louis St. Laurent when he arrives at 2:00 p.m. on Saturday, February 2, to attend the anniversary dinner being given that evening at 6:30, in the Chateau Frontenac to mark his 75th birthday.

Travelling to Quebec on the same train with the Prime Minister will be many ministers and M.P.'s coming to attend the celebration. In addition, a special train from Montreal will arrive later bearing hundreds of well-wishers who will converge on the Chateau Frontenac for the big event.