

HIGHER DUTIES ON CARDS, WINES AND SPIRITS; SALES TAX INCREASED WITH FARM, FOREST AND FISHERIES EXEMPT

Sir Henry Drayton Declares Canada Must Have \$435,360,000 in Year.

NEW TAXES TO GET \$62,760,000 IS HOPE

Revenue Exceeded Ordinary Expenditure for Year by Over Twelve Million Dollars

Ottawa, Ont., May 9.—Before a crowded house, Sir Henry Drayton, Minister of Finance, this evening delivered his second budget speech.

His budget has some sweeping additions in taxation, although not so general perhaps as many had expected. Income tax rates remain unchanged. The business profits war tax goes by the board. All remaining luxury taxes are abolished. But the sales tax—the revenue-getter of last year's budget—is heavily increased.

On domestic transactions the increase is fifty per cent. of the original rate; on imports the increase is likewise, 60 per cent. of the original rate with one per cent. in addition.

While, however, the rate is increased, there is no change in the principle of the sales tax. Sir Henry does not exceed its incidence to general turnover.

Sales Tax. As at present, the operation of the sales tax will be confined to sales of manufacturers, wholesalers, jobbers and importers. Nor will the tax cover foodstuffs in their natural state, nor the first products of fisheries, mines and forests.

The old luxury taxes are gone, but new taxes are levied on playing cards, wines and spirits. On playing cards the duty runs from 5 to 15 cents a pack. On wines duties equal to the former combined taxes are maintained. On spirits the duty is increased to a straight \$10 a gallon customs rate; the excise on spirits of local manufacture to \$9 a gallon.

During the year ended March 31, last, imports and domestic exports totalled \$2,438,000,000, as compared with \$2,294,000,000 in the previous year. "This," commented Sir Henry, "is a remarkable showing."

He referred to the unfavorable balance of trade with the United States. Trade With States. Unrevised figures for the year showed that Canadian exports to that market amounted to \$645,000,000 of domestic and \$1,000,000,000 of foreign produce, while imports to Canada amounted to \$855,000,000. Canada ought to sell a great deal more in the United States. The position, likely however, to be made still more unfavorable. The young bill, which had already been favorably considered by both houses of the American Congress, called for the imposition of taxes which would practically prohibit the importation of (in the chief part) Canadian agricultural commodities which amount to some \$1,000,000,000 during the past year to \$165,350,000. Business with the United Kingdom continued satisfactorily although it was unaccompanied with unfavorable balances as great in the past. British trade in Canada had had a remarkable recovery.

Revenue and Expenditures. Sir Henry then reviewed in detail Canada's revenue and expenditures during the past year. He showed that revenue reached \$432,000,000, as against \$349,000,000 in the year previous. Estimated expenditure for the year, amounting to \$333,000,000, as against a total outlay provided by the estimates of \$613,000,000. Of this expenditure, practically \$363,000,000 was chargeable to consolidated funds. Special expenditure, including capital of \$37,000,000 and demobilization of \$20,000,000 accounted for a further \$57,000,000.

(Continued on page 2.)

Silesian Trouble At Bad Moment

London, May 9.—Mr. Lloyd George in responding in the House of Commons today to questions regarding the Upper Silesian situation and its possible effect on the German answer to the Allied demands said that while he might not be prepared to agree with the contention that Germany's answer would necessarily be influenced by the Silesian trouble, yet it was very unfortunate that this incident should have arisen at the moment when Germany was deciding as to the disarmament demands.

Embargo Bill Is Party Line Breaker

Washington, May 9.—Party lines were broken in the United States Senate during the debate on the Emergency Tariff Bill today. Senator Moses, Republican, New Hampshire, delivering a scathing denunciation of it and Senator Ashurst, Democrat, Arizona, warning his colleagues not to let the bill back home lest they should be free traders. Senator Moses charged that a great lobby was pressing for passage of the bill and attacked the leadership of his party for its part in seeking to smother such legislation.

DRAYTON'S BUDGET AT A GLANCE

Ottawa, May 9.—The following gives a bird's eye view of the tariff and taxation proposals of the Budget:—

TARIFF. No general revision of the tariff schedules is to be made now. "Certain changes necessary to implement the trade agreement with the West Indies are made. These affect such products as coconuts, cocoa products, arrowroot, onions, grape fruit, lemons, coconuts, sugar and rum. Notice is given of two changes to be made in the Customs Act. The purpose of the first is to secure a more efficient carrying out of the principle of the existing dumping provisions and has to do with the valuation on which duties are assessed. The Act at present provides that the value shall be the fair market value, when sold for home consumption in the principal markets of the country whence and at the time when the goods were exported directly to Canada."

AMENDMENTS TO THE CUSTOMS ACT. The amendment will add to this "such value in no case to be lower than the wholesale price thereof at such time and place," and in addition, provides that the value for duty shall not be less than the actual cost of production of similar goods at date of shipment direct to Canada plus a reasonable profit thereon.

The other amendment relates to the valuation for customs purposes of foreign currencies. The present customs practice is to convert the foreign depreciated currency into Canadian on the basis of existing exchange rates.

It is proposed that no reduction in excess of fifty per cent. of the standard or proclaimed value will be allowed, no matter what the exchange rate is. Where the rate of exchange is adverse to Canada the value for duty will be computed at the rate of exchange existing at the date of the shipment of the goods.

BRAND ALL FOREIGN-MADE ARTICLES. A change in the customs tariff 1907 will also be made stipulating that all goods imported capable of being marked, stamped, branded or labeled without injury shall have indicated on them in English or French the country of origin. The provision will come into force September 1, 1921.

TAXATION. The business profit war tax will not be re-enacted. All the luxury taxes those which were and those which were not remitted last December, will be abolished.

But, in view of the necessities of revenue, duties will be levied on playing cards, wines, and spirits. On playing cards not exceeding \$24 a gross, 8 cents a pack; exceeding \$24 a gross, 15 cents a pack. Duties equal to the former combined taxes will be maintained on wines, including champagnes and sparkling wines.

DUTIES ON SPIRITS \$10 PER GALLON. Duties on spirits will be increased to a straight \$10 a gallon customs rate and the excise on spirits of local manufacture released for sale in Canada to \$9 a gallon.

In connection with the latter item, however, arrangements will be made for a rebate of 99 per cent. of the duties on alcohol to bonafide hospitals on spirits actually used by them for medicinal purposes.

The duties on alcohol used for patented proprietary medicines and pharmaceutical preparations will be \$2.40 per proof gallon, which was the rate in effect before the luxury taxes of last year were imposed.

SALES TAX. No change will be made in the principle of the sales tax or to extend it to a general turnover tax. Its operation will be confined as at present to sales of manufacturers, wholesalers, jobbers and importers. The one per cent and two per cent rates on domestic transactions, will, however, be increased to 1.5 per cent and 3 per cent respectively and the import rates will be 2.5 per cent and 4 per cent, these latter being 1 per cent higher than the like domestic rates. The necessity for this lies in the fact that more than one sales tax is included in the finished article made in Canada, whereas of the imported article no sales tax is imposed on the materials entering into it.

A list of special exemptions will be continued, which will cover foodstuffs in their natural state, initial sales of farm products by the farmer for his own production as well as the first products of fisheries, mines and forests.

Good Roads Leaders Meet At Halifax

Five Hundred Delegates Expected for Big Three Day Convention.

Halifax, N. S., May 9.—All arrangements for the eighth annual convention of the Canadian Good Roads Association have been completed and it is expected that by tomorrow evening 500 Canadians from all parts of the Dominion will have arrived in Halifax today were: Hon. G. S. Henry, M. P., former minister of agriculture in Ontario and Mrs. Henry; E. A. James, engineer, York County highways commission, Ontario, and Mrs. James; Ex-Controller, Davis, Toronto; C. C. Parker, Superintendent engineers, Ontario Government Highways Department; E. B. Smith, of Toronto; J. A. Tessier, minister of Government highways, Quebec; Mr. Allan Fraser, assistant engineer, Government highways department, Quebec.

MARTIN HARVEY TICKET SALE. Mail orders accompanied by cash, cheque or money order, are still being accepted at the imperial treasurer's office. Tickets are being mailed back. The personal choice or box office sale commences Thursday at 10 a.m. Reservations are already being made on a large scale. Distinguished seats, \$2 and \$2.50. Balcony, \$2, \$1.50 and \$1. Matinee (reserved), 15c, to \$2. "Garlick" on Monday and Tuesday evenings and "The Burgomaster of St. Michel" Wednesday afternoon and evening.

STAFF UNLOADS SHIP. St. John's, Nfld., May 9.—Members of the office staff of the agents for the steamer St. John's, which arrived here yesterday rolled up their sleeves late today and set to work to unload the steamer.

HONORS JAPANESE PRINCE. London, May 9.—The King has appointed Crown Prince Hirohito of Japan a knight of the Grand Cross, Order of the Bath.

Sir Henry Drayton

The Minister of Finance who submitted the Budget of the Dominion to the House of Commons yesterday afternoon.

HEROIC SKIPPER BROUGHT WRECK OF SCHOONER IN

Fire and Explosion Burned Most of Vessel and Destroyed Engines.

SAVED THE SHIP BY GREAT BRAVERY

Sixty-Nine Year Old Captain Directed Gallant Battle Against Flames.

Pictou, N. S., May 9.—With her cabin, bulkheads, masts, halysards, gall, boom and nearly all the spoked of the wheel, burned, the fishing schooner "Eggs" had crawled into this port under her foresail and two jibs. Only the cohesiveness of Captain B. C. Heinwell, sixty-nine years of age, saved the lives of the crew and the vessel from complete destruction.

Knocked down by the explosion of a gasoline tank, which hurled one man overboard and set fire to the "Eggs", when she had covered half the distance between the Magdalen Islands and Pictou, Captain Heinwell scrambled to his feet and successfully directed the desperate fire fighting.

The engine of the "Eggs" was rendered useless by the fire and it took eighteen hours to beat into the shelter of the land. Fire and water had so damaged the schooner's provisions that the crew preferred to go hungry from that time.

"Moonshine" Case At Sussex Ended

Fines Totalling \$400 Imposed on Offender Caught at Snider's Mountain.

Special to The Standard. Sussex, N. B., May 9.—On Friday last Inspectors Crawford, S. Journeay, Henderson and Thompson discovered a moonshine outfit at Snider's Mountain, near Upper Millstream, and arrested Frederick Murphy as the owner and operator. Today before Magistrate Phillips, Wm. M. Ryan, of John was the prosecuting attorney.

Inspectors Crawford and Journeay gave evidence. Murphy was convicted and fined \$100 and costs in each case, one having a still, the other for supplying liquor. Mr. Dawes, of the Inland Revenue Department also laid information against the prisoner and an additional fine of \$200 was struck.

The defendant was allowed out on a distress warrant, and the court will levy on his property for the amount of the fines, totaling \$400.

Killed When Hurlled From Chinese Cafe

Patron Hit His Head on Marble Step and Died in Hospital.

Montreal, May 9.—Robert Wynn, 50 years of age, who was alleged to have been thrown down a flight of stairs by a Chinese waiter who was endeavoring to eject him from the Imperial Cafe, 19 St. Catherine Street, at about ten o'clock last night, died at the Montreal General Hospital at noon today. A fractured skull caused by his head coming in contact with the marble stairs leading to the cafe was the cause of his death, it was stated. That Wong, the waiter in question, is being held at detective headquarters.

Prison Farms For Nova Scotia Likely

Gov't Introduces a Measure to Enable Municipalities to Have Them.

Halifax, N. S., May 9.—Three bills of some importance—a bill to permit the establishment of prison farms by municipalities throughout the province; a bill to provide institutions for the insane, and a bill for the establishment of a home for the feeble-minded—were introduced in the House of Assembly this afternoon by Hon. E. H. Armstrong. Just before adjournment, H. W. Corning (Yarborough), registered an objection against the manner in which John A. Macdonald (Parliament member for Hants), had been returned certain documents at the highways office.

Hon. H. H. Wickwire, minister of highways, asked Mr. Corning to submit an exact statement of the documents he desired and they would be procured if possible.

Sir Sam Hughes Holding His Own

Ottawa, May 9.—Sir Sam Hughes was reported this afternoon as still "holding his own." The second operation for transfusion of blood has been postponed for a day or two.

Fire in Madawaska. A fire on hands of the New Brunswick Railway Company at Junction Brook, Madawaska County on the line of the Transcontinental Railway was reported this morning. Wardens are fighting a blaze on the north branch of the Oronotoc River this morning. This fire was reported from the "look-out tower" at Brunette.

NEW TROUBLE DEVELOPS IN COAL STRIKE

Government Determined to Move Coal for All Public Utilities.

RAILROAD MEN MAY QUIT THE LINES

Plans Being Made to Deal With Situation if Triple Alliance Quits.

London, May 9.—A new grave situation has developed in the coal strike as workers from the ban of the transport workers' federation on the handling of foreign coal brought to England and the decision of the railwaymen's union to refuse to haul coal. While the executive committee of the national union of railwaymen are not supporting the threat of the transport federation and the railwaymen, it is said the government is determined to secure coal desired for public utilities and will employ volunteer labor for this purpose if necessary, which it is considered would be likely to cause a strike on the part of the railwaymen.

Cabinet in Study. The cabinet at twice today to consider the situation and Sir Eric Geddes, minister of transportation had a conference with Secretary Kramp of the national union of railwaymen, and Secretary Williams of the transport federation. It is reported that the government contemplates closing Hyde Park and preparing for transport facilities along the lines it had in view when a strike by the triple alliance was threatened.

Ship Situation Critical. London, May 9.—The lock-out of the sea-going stewards and cooks, which was begun May 6 by the shipping companies because of the men's refusal to accept a wage cut of about 17 per cent., took a serious turn today when a manifesto was issued by the National Union of Ship Stewards and Cooks, declaring the offers of the owners of the old rate of pay in order to get ships away must not be accepted.

The manifesto said the lockout had been declared nationally and must be settled nationally. All members, therefore, were instructed to "close ranks" and to refuse to sign any agreement to articles at the old rates of pay.

So far the trans-Atlantic liners have been little affected, with the exception of the Anchor Line steamer Columbia, which is held up at Glasgow with a load of passengers for New York. The new morning threatens a complete stoppage of shipping.

FRENCH FIRE ON GERMAN CROWD

Riot in Silesia Ends in Death of Two and Wounding of Others.

Berlin, May 9.—The majority Socialists and Clericals in party conference today voted in favor of accepting the ultimatum of the Allies. The German People's Party, by a vote of 59 to 5, rejected the proposition. The Democrats were in session at midnight. As the Independent Socialists have already proposed yielding to the Allies it is believed there will be a sufficient majority in the Reichstag for the acceptance of the ultimatum. Paul Loebe of the majority Socialists and president of the Reichstag, will be commissioned by President Ebert with the task of forming a new cabinet.

French Fire on Germans. Oppeln, Upper Silesia, May 9.—French soldiers today shot into a crowd of Germans who were threatening a Polish prisoner, killing two and wounding several others.

To assuage the ensuing excitement the burgomaster issued a proclamation urging the populace to maintain peace and have confidence in the Allied commission. The agitation here has been visibly increased by the severe wounding of two German policemen in the last two days.

Expect a Majority. Berlin, May 9.—Late tonight the party leaders admitted that there would be available Tuesday in the Reichstag a safe majority in favor of accepting the Allied ultimatum with regard to reparations.

Election Speeches In York-Sunbury

Senator Robertson, H. H. Stevens, M. P. and R. B. Hanson to Speak This Week

Fredericton, N. B., May 9.—Although the campaign has almost three more weeks to go, interest in the election in York-Sunbury, is picking up, but campaigns have not usually reached a high point in public interest in this constituency until nomination day. Under the new Dominion Election Act, however, nominations precede polling two weeks, and next Saturday, May 14th, is therefore nomination day. A two weeks' period under high pressure seems to be all that can be expected. However, members of the parliament continue to come into the constituency and today the fifth member of the House of Commons arrived in the person of H. H. Stevens, M. P., for Vancouver.

Where He Speaks. He spoke to Harry Stott this evening and tomorrow evening will be at the government party's first meeting of the campaign in Fredericton when he and R. B. Hanson, the government candidate, will speak at the Gaiety Theatre. This week will also see the appearance in the constituency of the first member of the government, Hon. Gideon Robertson, minister of labor, will arrive on Thursday and that evening will speak at McAdam where some years ago he was well known when he was a railway telegrapher. On Friday evening he will speak at Margville, where the Canadian Cottons Limited has one of the biggest cotton mills in Canada. So far as now understood there will be no speaking at nomination day at the close of the Returning Officer's court, as used to be the case.

NORTHOLIVE MILLS STRIKE. St. John's, Nfld., May 9.—Twenty hundred employees in the Northcliffe paper mills at Grand Falls, refused to accept a 23.13 per cent wage reduction today and quit work.

and with difference in seasons there is room for regional trade connection between us. What we are especially in need of at present is the flow of imports from Canada would be farm machinery, motor cars and lumber. We have been shipping our surplus wool and dairy products to America, but the ship I came over on did not have an all a cargo as I at the close of the Returning Officer's court, as used to be the case.

"PAY OR GET OUT"

Winnipeg, May 9.—On his way to Ottawa in regard to Grand Trunk matters, Hon. J. R. Boyle, attorney general for the province of Alberta, stated here today that he will demand that the Federal Government meet interest charges on bonds or hand over the revenue of the road. Unless either of these courses is taken, he says, "we shall take steps to oust the Dominion Government and take control of the lines ourselves."

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The fact that our seasons are opposite makes it possible for us to do business together to good advantage," said Mr. Massey.

"Our winter is just beginning now,"

World News Today

CANADA. Sir Henry Drayton delivers the budget speech in the House of Commons.

Two children are burned to death in a fire that destroys their home at Douglstownton, N.B.

Hon. F. B. McCurdy has decided that the bridge over the falls at St. John, N.B., shall remain unchanged.

Skipper aged 69 years brings his schooner into Pictou after terrible fire and explosion.

BRITISH ISLES. The strike of the coal miners may bring out the Triple Alliance in a few days.

Crown Prince of Japan is guest at state banquet in Buckingham Palace.

EUROPE. Report reaches London that the French troops are already advancing into Germany.

German Reichstag likely to vote today to accept the Allies' ultimatum.

MANY GERMANS FAVOR TAKING ALLIES' TERMS

Socialists and Clericals Vote for It, While People's Party is Opposed.

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NO CHANGE TO BE ORDERED IN BRIDGE PLANS

Hon. F. B. McCurdy Refuses to Make Any Change at St. John.

CLAIMS CASE HAS NOT BEEN SHOWN

Additional Cost Would be \$165,000. He Says, if Change Made.

Special to The Standard. Ottawa, May 9.—The order in council approving of the plans of the new Canadian Pacific Railway bridge over the St. John River is not to be changed, the Hon. F. B. McCurdy, Minister of Public Works, announced tonight. In making his decision known, the Minister gave out the following memorandum: "On November 12, 1920, an order in council was passed approving of plans of a new railway bridge at the reversing falls, St. John, N. B., and work was commenced thereunder by the Railway Company. Protests were subsequently made by the City of St. John, and shipping and lumber interests that the new bridge, although two and one half feet higher than the existing railway bridge, should be of the same height as the highway bridge, which would mean increasing the height of the new railway bridge by seven feet.

Two Deputations Heard. "Two deputations were heard by the Minister, at which the chief engineer and other departmental officials were present. The representations made were carefully investigated by the engineering branch. To raise the new bridge an additional height of seven feet would entail it is estimated an additional cost of \$165,000, which would have to be paid by those now ordering the change. The arguments made by the protesting parties would not appear to be sufficient to justify such a large expenditure.

"It would seem, as a result of the hearings referred to, and the report of the chief engineer that the parties protesting against the new railway bridge, as approved, have failed to make out a sufficient case, and the order in council of November 12, 1920, should, therefore, in my opinion, stand."

STATE BANQUET FOR JAP. PRINCE

Pre-War Brilliance at Dinner in Honor of Visiting Crown Prince.

London, May 9.—The state banquet at Buckingham Palace tonight in honor of Crown Prince Hirohito revived the pre-war brilliance of such events. The banquet was held in the state ballroom, which was beautifully decorated with flowers. One hundred and thirty guests were present, including many members of the Royal Family, the Japanese visitors and foreign ambassadors.

The prime minister, David Lloyd George, and his wife, Mrs. Lloyd George, and Mrs. H. H. Asquith were in attendance.

King George There. King George, toasting the Royal guest, said that the visit was the symbol of the friendship which had so long united the two island empires. Referring to domestic, economic and industrial troubles, the King said: "Because he is my friend we are not afraid for him to see our troubles. We know his sympathy is with us and he will understand."

Prince Hirohito expressed his profound gratification at the warm welcome and hospitality he had received. He said he was glad to have had the opportunity for the happy relations between the Allied countries.

Irish Get Much Cash From America

Belfast, May 9.—Typewritten announcements have been posted in Dundalk and the surrounding district stating that "through the efforts of the 'President of the Irish Republic' loans of many millions of pounds have been raised in the United States for the relief of the Irish nation, and that 'all persons who have been in prison or property victims of English aggressions shall receive due compensation from the treasury of the Republic."

TODAY

IMPERIAL—"The Furnace"—All Star Cast.

OPERA HOUSE—George and Man La Favre and four other acts.

QUEEN SQUARE—"Just Outside the Open Door."

STAR—"That's a Chance."

EMPERESS—"Earle Williams in 'The Romance Promoters'."