THE YOUNG MEN IN CITIES ARE CALLED OUT FIRST

NEARLY 40,000 MEN HAVE REPORTED UNDER M. S. ACT

Total of 7,026 in Class 1 who have Failed to Report and who have Not Been Apprehended—They are Classed as Deserters and will be Arrested on Sight—Young Men on Farms Not to be Called Until After Seeding.

Ottawa, April 30.—Major General Mewburn in the House this afternoon explained the course adopted under the orders-in-council recently passed, amending the military service act. District registrars, he said, had been notified to call up men unmarried between 20 and 22 years of age, inclusive. The instructions were that men from urban centres should be called first, so that the men o nthe farms might have an opportunity to conclude their seeding operations. Up to 29th April, 39,208 men had reported for service under the military service act. From these, must be deducted 2,063 who had gone to the Royal Flying Corps. There were 7,096 men in class I who had failed to report and who were not apprehended. They were deserters and every means was being taken to secure them.

One Exemption Cause.

Under the recent order-in-council, only one ground of exemption was recognized. That was the case of a man who had relatives deceased or disabled at the front. In the case of an only remaining son with brothers at the front he could be given leave of absence. Men in medical categories lower than category A were not being called up for the present.

In the cancellation of exemptions, it was hoped to secure 35,000 men on a conservative estimate.

General Mewburn paid a tribute to the young men in McGill, Laval and St. Mary's Colleges, Quebec, who he said, were enlisting in much larger numbers than in the past. The quotas from McGill and Laval Universities, to the tank battalion, he said, were complete.

Throughout the Province of Quebec men were coming forward in increasing numbers to join the colors.

Required to Report.

Sir Wilfrid Laurier suggested to General Mewburn that a list of the commanding officers in each district and also the agricultural representatives should be printed and furnished to the members so that they could be in a position to supply them on application.

General Mewburn explained that all men called were required to report. It was regrettable that some of these men should have to journey long distances only to be placed in a medical category lower than A, but the department required them to report as an evidence of good faith.

Hon. Rodolphe Lemieux recommended to the minister the formation of units from the Province of Quebec. He said the men would enlist much more quickly if they were assured of going to the front with their companions.

PERSONALS

Mr. F. P. Starr and daughter Ruth Starr who have been sojourning at Natural Bridge, Va., have gone to the Homestead Hotel at Va., Hot Springs for several weeks stay there. They were joined after their arrival by Miss M. Alleyen and Miss Constance Starr and their guest Miss M. W. Ferris of New York City. They have taken one of the Homestead cottages and plan to remain at the Va. resort several weeks.

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FURTHER TAXES ON COFFEES, TEAS AND SMOKERS' MATERIAL

Continued from Page 1

Victory Loan.

After dealing at length with the victory war loan and trade conditions, the minister referred to the commitments of the government for the present year. There would be rquired, he said, for civil budget $230,000,000; for war expenditure, $425,000,000; for advances to the imperial government for financing in part our export trade with Great Britain, $325,000,000. In all, $980,000,000 would be required. To discharge this there will be revenue $270,000,000 advances to Great Britain to pay for maintenance of Canadian troops overseas about $300,000,000. Unexpended balance of victory loan, $130,000,000; making a total of $700,000,000. This would leave a probable balance of $280,000,000 to be provided from loans in Canada or elsewhere, if possible. This is not inclusive of commitments for expenditure on account of the purchase of railway equipment and Canadian Northern securities. The latter," said Mr. MacLean, "we hope to extend upon small payments of principal under powers which we are seeking of parliament this year; and the railway equipment, it is expected will be financed largely by the issue and sale of equipment securities.

Coming to the question of taxation, Mr. MacLean said "a tax had been placed upon one half of the net earnings of the C. P. R., upon which a revenue of $7,000,000 may be expected. An additional tax had also been placed upon the packing industry. The business profits war tax is not applicable to this calendar year, unless clause 3 of the act is revised. This the government proposes to do. It is also proposed to amend clause 5 of the act, which limits the business to be taxed to those employing capital to the amount of $50,000 and over.

The amendment will provide that businesses employing capital of $25,000 and $50,000 shall be subject to taxation, but at a lower rate. The rate of taxation shall be 25 per centum of the amount by which the profits exceed ten per cent., the rate being applicable alike to incorporated companies and other business employing the stated amounts to capital.

Important amendments to the income tax act are proposed. The exemption in the case of unmarried persons is to be reduced from $1,500 to $1,000 and for married persons from $3,000 to $2,000, the rate to be two per cent. from $1,000 and up to $1,500 in the case of unmarried persons and widows, or widowers without dependent children, and two per cent. from $2,000 and up to $3,000 in the case of all other persons. The present super tax is to be continued as at present up to incomes of $50,000, at which point a new classification and rate is proposed and which is as follows: From $50,000 and up to $75,000, fifteen per cent.; from $75,000 and up to $100,000, twenty per cent.; from $100,000 and up to $200,000, twenty-five per cent.; from $200,000 and up to $400,000, thirty per cent.; from $400,000 and up to $600,000, thirty-five per cent.; from $600,000 and up to $800,000, forty per cent.; from $800,000 and up to $1,000,000, forty-five per cent.; and all over $1,000,000, fifty per cent. In addition to the normal tax and super-tax, it is proposed, during the war, to enact a war surtax assessable up to and inclusive of the calendar year in which the war ends upon the tax payable as follows: On incomes from $6,000 to $10,000, five per cent.; on incomes in excess of $10,000 and not exceeding $100,000, ten per cent.; on incomes in excess of $100,000 and not exceeding $200,000, fifteen per cent.; and upon all incomes in excess of $200,000, twenty-five per cent. At the last session of parliament the minister of finance was strongly urged to provide an exemption for each child in the family of a married person liable under the income tax.

During the recess and before he left Ottawa in January last he had given careful consideration to these representations and he concluded that some exemptions in such cases should be made. Accordingly, an amendment to the act is to be submitted providing for an exemption of $200 for each child under the age of sixteen years. This amendment is not retroactive and is not applicable to the income tax payable for the year 1917. The corporation income tax now four per cent., is to be increased to six per cent. Other minor amendments are proposed but I need not detain the House with them at this time. We propose to increase the excise duties payable on manufactured tobacco from 10 cents to 20 cents per pound; on cigars from $5.00 to $6.00 per thousand; on cigarettes from $3.00 to $6.00 per thousand; on foreign raw leaf tobacco from 28 cents to 40 cents per pound; on foreign raw leaf tobacco, stemmed, from 42 cents to 60 cents per pound. We also propose to establish an excise duty of 5 cents per pound on raw leaf tobacco grown in Canada allowing the Canadian grower a sufficient quantity for his own use without payment of duty thereon. We also deem it expedient to place a custom tax of 10 cents per pound upon tea.

The principal change in the taxation upon coffee relates to green coffee. The customs tariff upon green coffee is, British, preferential tariff, 2 1-4 cents per pound, and general tariff 3 cents per pound. It is proposed that the British preferential tariff be 5 cents and the general tariff 7 cents per pound.

The coffee tariff items are covered by the West Indies agreement and the preferential rate for coffee from the West Indies Islands, which were parties to the agreement must be at least twenty per cent. below the general tariff rate. This has been provided for in the general tariff changes in respect to coffee. Changes in the customs rate of duty payable on tobacco, cigars and cigarettes corresponding to the increase in the excise tax upon these articles will be submitted. It is also proposed to increase the duties payable on beverages which require malt, rice or corn in their manufacture when containing not more than 2 1-2 per centum of proof spirit. The present rate of duty upon this commodity is 17 1-2 per cent., plus the war tariff rate of 7 1-2 per cent, or about 25 per cent. ad valorem, and it is proposed to raise the rate of duty to 40 per cent. ad valorem.

Resolutions which I shall submit will provide for the repeal of the special war tax rates on sleeping car berths and are substitution of the rate of 10 per cent. of the price paid for each berth with a minimum rate of 25 cents; and for the increase from 5 cts. to 10 cts. of the the tax on parlor car seats, they shall provide for an excise tax of 1 ct. per hundred on matches or fractional parts thereof; an excise tax of 3 cents on each pack of playing cards and a specific rate of customs duty of 5 cents per lineal foot upon moving picture films.

The resolutions shall also provide for a special war excise tax of 10 per cent. upon the selling value of automobiles, jewellery, gramaphones, phonographs, talking machines, mechanical piano and organ players and records when imported into, or manufactured in Canada. The tax upon automobiles is applicable to all imported into or manufactured in Canada and unsold this day. Such are the taxation proposals and other than I have stated, no tariff changes are proposed."

"I want to make it clear" said Mr. McLean, "that if we are to continue our part in the war and maintain our overseas trade at its present dimensions, the people of Canada must loan to the government the money to accomplish that end. That is, they must, year after year, purchase Victory bonds.

"I cannot too strongly state the imperative necessity of the government borrowing from our own people, and the imperative duty of our people to loan to the government. This obligation rests upon all classes and upon every citizen. To enable our people to do this, it is necessary that they continue to produce wealth. We must continue to produce, and it possible in greater quantities by a more effective mobilization and utilization of our man and woman power, notwithstanding the fresh requirements of our army for man power and the many other difficulties confronting us and we must economize in every way. The more we save of our productions and of our services, the better able shall we be to meet our increased taxation, and the greater the power of our people to purchase government bonds.

"We must learn to dispense with luxuries and possibly with some of the things which we have hitherto regarded as necessities. In order to reduce this class of imports, it may become necessary to control the same by the licensing system. I do not think it can be justly said that the Canadian people have altogether failed to economize, nothwithstanding the many temptations which the war prosperity has brought to us. An investment of over $700,000,000 in Canadian government securities by Canadians is indisputable evidence of production and thrift, but better still, a token of stability, law and order in the days to come. The increase in our bank deposits is likewise an evidence of economy, on the part of our people. I feel I am not subjecting myself to sound criticism when I say we can do better and, in very fact, we must."

In considering more in detail the matter of financing, the war and trade, the minister said that there is a very direct connection between our domestic loans and the financing of our war operations, and also with our productions and our overseas export trade.

In 1917-18 we had a favorable merchandise trade oith Great Britain of about $790,000,000; while with the United States it was unfavorable, to the extent of $350,000,000. Normally we would settle our unfavorable American trade balances with the monies receivable from Great Britain for her liberal purchases of our high priced commodities. However, owing to the enormous purchases Great Britain was obliged in July last, to secure loans or dollar credits for her Canadian purchases, otherwise she would be obliged to practically cease purchasing here. In that event, commercial disaster would have overtaken Canada and we would have had difficulty in financing our war expenditures.

Advances to Britain.

Arrangements were therefore consummated whereby the government of Canada agreed to make advances to Great Britain at the rate of $25,000,000 per month, in order that she might purchase in Canada, such of our products as she needed, and when we had to sell

In addition and for the same purposes the Canadian banks agreed to make advances to the British government and altogether up to this date have advanced $200,000,000 on the security of imperial treasury bills. Further, the government of the Unitlish credits for British purchases in Canada. These arrangements are still effective and are likely to continue throughout the year. In a word the government of Canada and the Canadian banks have been granting credits for Great Britain's purchases in Canada in substantial amounts since mid-summer of 1917. Otherwise our overseas trade would have been seriously handicapped. I must point out, however, that while the Canadian government has thus been making advances to assist in the payment of British purchases in Canada, Great Britain has been paying for Canada the up-keep of her troops in Great Britain and France and sundry government accounts.

These payments by the Imperial government for Canada have been to date $100,000,000 less than the payments made for Great Britain by the Canadian government, and there is that amount to our credit in this open account today. That is strictly the government's financial position in respect to war and trade for this year. The exact position of the people of the country, apart from the government is surrounded with difficulties. They must meet an adverse balance of merchandise trade with the United States and also the principal and interest of maturities there. They must as well, pay for imports from Great Britain which last year amounted to $81,000,000 notwithstanding we are the creditor company and we must pay the interest owed by our people to the people in Great Britain and which amounts to about $135,000,000 annually. The combined commitments of the government and the people are therefore abnormal and substantial, by reason of the conditions I have outlined. Relatively, our position during the whole of the last fiscal year was less onerous than it is at present. In 1916, as far as one knows at present, we are prohibited from selling securities of any kind in the United States, and to that extent we are at a disadvantage this year in the settlement of our American purchases and of course Great Britain is unable to pay directly for any importation of her Canadian purchases.

U. S. May Buy More.

"The experience of all nations during the war teaches us that all problems later change as we approach them. We may yet, during the present year, be permitted to sell in a restricted way securities in the United States. The United States may buy more from us during this year, on account of war and other purposes than she did last year. I believe she will. We may, during the war, and should, as a people, buy less of the United States of non-essential articles. Great Britain may arrange with us to pay in pounds sterling for what merchandise our people buy from her, and what Canadians owe her people for interest, the government collected here, under suitable arrangements, the interest and merchandise accounts due the people of Great Britain by our people and with it buying additional Canadian products and shipping them overseas. At any rate, there, in rough outline, is the problem of the Canadian people today in carrying on our part of the war, and in part our trade and commerce and making possible the productions and activities of the manufacturer, farmer, fisherman and lumberman, and such, in part, is the method employed in bringing about that end."

Ottawa, Apri 30.—In concluding his budget speech in the Commons today, Hon. A. K. MacLean said:

ssss sss uhrdlu cmfwyp hrdlu mfwyp

"In conclusion, let me say," proceeded Mr. MacLean, "that we may safely look to the future with courage and fortitude. Happy are our conditons, in comparison with those of the belligerent countries of Europe. Armies do not contend for mastery upon our soil. Our undeveloped resources are tremendous. Immigration has been temporarily arrested, but, shortly after the war, we shall resume our growth of pre-war days, and our financial burdens shall not then appear so onerous. We have assumed onerous responsibilities and we shall discharge them in the manned befitting oud country, our cause, and our race.

Fate of Civilization.

The future of our country, as well as the fate of civilization and democratic institutions, will depend upon the result of this war, and no price is too high to pay for victory. We have already played a distinguished and noble part in the titanic struggle of the warring nations, and it shall not diminish for the lack of resources to be furnished by our people. We shall face coming events, not without a clear realization of our task, but with a strong resolve to use our strength to the utmost, confident that our Canadian people will patriotically and cheerfully provide for our expenditures and the ways and means to support and sustain our gallant army in its stand for the political institutions which we cherish and which we pray shall not perish from the earth.'

THE GERMANS SUSTAIN HEAVY REVERSES WHEN YPRES IS NEAR

Continued from Page 1

Blow Abortive.

The enemy's blow proved to be abortive because the allied defense worked better than it has done hitherto in the northern campaign. The German losses ran exceedingly high and today the fighting slowed down materially.

The village of Locre, at the foot of Mount Rouge, changed hands four times, but the French hold it entirely. At one moment Von Quast's troops swarmed through Locre and up the southern slopes of Mount Rouge, but the French veterans came back with a rebound which swept the enemy back to his former position.

On the French left, General Plumer's English troops lacked none of their dash. The situation seemed decidedly gloomy this morning, but as the day advanced it improved and the enemy couldn't hold the wedge he had driven in south of Seillebeke Lake.

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MINIATURE ALMANAC.

April—Phases of the Moon.

Last Quarter..... 4th 9h. 33m. a.m.
New Moon .....11th 0h. 34m. a.m.
First Quarter ..... 17th midnight
Full Moon .....26th 4h. 5m. a.m.

Date	D. of W.	Sun Rises	Sun Sets	H. Water a.m.	H. Water p.m.	L. Water a.m.	L. Water p.m.
29	Mo	6.20	8.22	2.18	14.42	8.33	20.52
30	Tu	6.19	8.23	2.56	15.23	9.12	21.35

THE WEATHER.

Toronto, April 30.—A few scattered showers have occurred from the lower lakes region to the Maritime Provinces; otherwise the weather in Canada has been fair and in the west, quite warm.

	Min.	Max.
Prince Rupert	36	46
Victoria	44	52
Vancouver	44	52
Edmonton	34	68
Battleford	40	76
Prince Albert	34	74
Medicine Hat	40	75
Qu'Appelle	34	72
Winnipeg	30	66
Port Arthur	26	48
Parry Sound	36	38
London	41	54
Toronto	41	56
Ottawa	46	60
Montreal	52	62
Quebec	45	50
St. John	44	50
Halifax	38	48

Maritime—Moderate to fresh southerly to westerly winds; occasional showers.

Washington, April 30—Northern New England—Partly cloudy Wednesday and Thursday; somewhat cooler Wednesday. Moderate west winds.

DIED.

DOYLE—On Sunday, April 28th at his residence, 37 Broad street, Frederick J. Doyle, aged twenty-five years, leaving wife, two sons, parents and five brothers to mourn. Funeral from St. John the Baptist church, Broad street, requiem mass at 8 a. m. Tuesday, April 30th.

CONNORS.—At his residence, 75 Adelaide street, St. John, on April 20th, Robert S. Connors, aged 50 years, leaving his wife, five sons, one daughter, four brothers and one sister to mourn. Notice of funeral later.

PATTISON—In this city, on Sunday, April 28, Amelia Helen Leonard, widow of the late Robert B. Pattison, in the 94th year of her age. Funeral will be held from Trinity church at Sussex, (N. B.), Tuesday afternoon, April 30, on arrival of train leaving St. John at 1.20 p. m.

KING—At Moncton, on the 29th inst., Jane Isabella, widow of the late Dr. W. G. King, of Buctouche, and daughter of the late Rev. Lewis Jack, leaving three sons and three daughters to mourn. Burial will take place at Buctouche on Thursday.

WHITENECT—At Hatfield's Point, Kings county, N. B., on the 27th inst., George T. Whiteneet, aged 80 years, leaving his wife, two sons and five daughters to mourn

McLEOD—At Penobsquis, April 30, Jennie R., daughter of Mrs. Sarah and the late Gideon McLeod. Funeral from the residence of her mother, Thursday, May 2nd, 3 p. m.

BELYEA—In this city, on April 30, Emma Alberta, wife of Captain Rufus Belyea, in the forty-eighth year of her age, leaving her husband, two brothers and one sister. (Charlottetown papers please copy.) Funeral on Thursday afternoon from the Church of England Church at Public Landing, N. B.

HOGAN—In this city on the evening of the 29th inst., after a short illness, at the home of her daughter, Mrs. Hiram C. Williams, 66 Spring street, Sarah A., widow of Anderson Hogan, aged 88 years, leaving one son and two daughters to mourn. Funeral service at her late residence Wednesday evening at eight o'clock. Burial at Brown's Flats Thursday on arrival of steamer Majestic.

MARRIED.

BREEN-HOLMES—In the Methodist parsonage, St. John, N. B., on Tuesday, April 30th, by Rev. Neil McLaughlin, Winnifred M., youngest daughter of the late Capt. Robt. Holmes, to Mortimer G. Breen Rothesay, N. B.

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