

ENTENTE ALLIES GAIN GROUND IN FRANCE; SUBMARINE SCOURGE CONTINUES UNABATED

NEW TAXATION NECESSARY IN G.T. BRITAIN

Additional Taxes to be Levied on Theatres, Tobacco and Excess Profits.

NO SURPRISES IN BONAR LAW'S BUDGET ADDRESS

Chancellor Thankful Country is Able to Bear Financial Strain Laid Upon it.

London, May 2.—Great Britain's war budget for the fiscal year, which Andrew Bonar Law, chancellor of the exchequer, introduced in the House of Commons today, contained no surprises, and fewer changes from the existing taxation than did the previous war budget. No new forms of taxation were proposed.

The only changes were increased excess profit tax, which was raised to 80 per cent from 60 per cent; the placing of excess profits on munition work on the same basis; an increase of tobacco duty by one shilling and ten pence in pound, and increased entertainment taxes on the higher priced hotels. Economy in the employment of ships by government impressment of vessels, except small coasters, at fixed rates of pay also advanced.

Able to Bear Strain

Beginning his announcement of the budget, Mr. Bonar Law said: "There is ground for thankfulness that we are able to bear the financial strain laid upon us. These figures represent part of the price we have to pay for the greatest act of madness, the greatest crime, ever committed in the history of the world. We can still say, with our souls and consciences, that it is a crime in which we had no share."

Mr. Bonar Law laid emphasis on the statement that Great Britain was paying a greater share of her war expenses from her income than were the other belligerents. Last year, the chancellor of the exchequer said, the total expenditure was estimated at 1,825,380,000 pounds but the actual expenditure rose to 2,198,112,000 pounds. Part of this excess was due to the unexpected increase of a hundred millions of pounds in loans to Great Britain's allies and the dominions. The advances made by England to her allies and the dominions since the beginning of the war totaled 994,000,000 pounds. The total of advances and loans was 964,000,000 pounds. If the revenue side was turned to, continued the chancellor a more satisfactory picture was presented. The estimate of 1,020,000,000 pounds had been exceeded by 71,000,000 pounds.

New Taxations

After giving the details of the increased revenue, the chancellor said there were coming new taxations which he thought it necessary to impose. He agreed that the burden of taxation already was heavy, and that in whatever form it was raised it diminished capital for after-war purposes. On the other hand, a heavier national debt also was a handicap.

Mr. Bonar Law said the total estimated expenditure this year would be 2,230,381,000 pounds. The daily expenditure he estimated at 6,275,000 pounds. The chancellor emphasized the satisfactory character of the revenue returns for the year.

The national debt, he said, now stood at 3,854,000,000 pounds, but the government was entitled to deduct the amount of its advances to the Allies and dominions. He drew attention to the amount of expenditure being met by revenue and said no belligerent country could present such a satisfactory figure.

Tax Additions

Mr. Bonar Law said he did not propose any new taxes but only an addition to the three existing taxes. The first was the entertainment tax. It yielded last year 3,000,000 pounds. The additional duty would bring in a further 1,500,000 pounds. There would be no increase in taxes on the cheaper seats, but free tickets would be taxed. The second tax to be increased, the chancellor said, was on tobacco. The addition would be the same as that placed on it last year, namely one shilling and ten pence in the pound. This would bring an additional 1,000,000 pounds more. The third tax will be on excess profits. He was glad to say the dominions had not only the

DESTRUCTION OF SHIPPING BY GERMAN SUBMARINES IS SERIOUS MENACE TO BRITAIN

Underwater Pirates Sunk 38 Merchant Vessels of Over 1,600 Tons in Week — U. S. Armed Steamer Lost.

OFFICIALS AT WASHINGTON EXTREMELY PESSIMISTIC

United States Cabinet Minister Says U-Boat Campaign Threatens Existence of Britain and France and Menaces Republic.

London, May 2.—The British official announcement of the number of vessels sunk in the week ending on Sunday last shows that 38 merchant vessels of over 1,600 tons each were sunk. Those of less than 1,600 tons numbered 13 and 8 fishing vessels were sent to the bottom by submarines or mines.

Last week's statement showed that forty vessels of over 1,600 tons each were sent to the bottom by mines or submarines.

The announcement says: "Arrivals of all nationalities over 100 tons, 2,716; sailings, 2,690. British merchantmen sunk by submarines or mines over 1,600 tons including three not previously recorded 38; under 1,600, including one not previously recorded 13. British vessels unsuccessfully attacked including two not previously recorded 24. British fishing vessels sunk including two not previously recorded 8."

Serious Situation

Washington, May 2.—The enormous inroads on the world's shipping made by German submarines within the last few weeks has brought to American government officials a full realization of the disaster that faces the United States and the allies if the undersea warfare is not checked.

Governors and state representatives here today for a national defense conference will take home to their people a message from the government emphasizing the menace to America, and urging that there must be the fullest co-ordination by the States in war preparation, if Germany is to be defeated.

Secretary Lane told the conference that the great destruction of ships was threatening the existence of Great Britain and France and menacing the United States. No one, he said, knew the exact number of ships lost recently, but estimates put last week's submarine toll to 400,000 tons. Later he explained that this estimate probably in a statement during the day, declared the seriousness of the submarine situation could not be exaggerated, and it was time the country awoke to the facts.

Eighty Lost in Week

Reports to the state department give a total of eighty vessels lost in one week; figures much higher than any contained in recent British announcements.

The British mission announced that the rate of destruction in recent weeks had continued unchanged, and that it showed no alarming increases. All its members agree the situation is critical, however, and that the combined ship building facilities can meet the peril only if their output is increased tremendously.

Announcing the government's programme for exercising a more direct control over the country's shipping and shipbuilding facilities, Chairman Denman, of the shipping board, said estimates had reached the board of three hundred thousand tons of shipping sunk in one week.

"If the higher estimates of ship losses are true, despite all our efforts, we may yet be paying taxes to Germany." We can build 200,000 tons of wooden ships a month, but with this and a greater outturn of steel ships than at present, we cannot meet the present rate of destruction. Within four months the government, Mr. Denman said, will have about six hundred thousand tons of German ships on the seas. It will be some time in the fall before the wooden shipbuilding campaign is in full swing.

American Sunk

London, May 2 (6.14 p.m.)—The American steamer Rockingham has been sunk by a German submarine. Thirteen men are missing.

Two boats containing 33 men were picked up yesterday, one by a patrol vessel. One boat containing thirteen men is missing.

The American steamer Rockingham, formerly the steamer Nebraska, was of 4,408 tons gross. She was built at Camden, N. J., in 1902, and was owned by the Garland Steamship Company. She was last reported in Maritime records as having left Baltimore on April 19 for Liverpool under command of Captain Charles Edwards, of Brooklyn. Captain Edwards is a naturalized American of English birth. The Rockingham carried guns and a United States naval crew when she left Baltimore her owners said. The value of her general cargo was \$3,350,000.

CANADIAN NATIONALIZE 5 RAILROADS

Plan is to Group Grand Trunk, G.T.P., Can. Northern, N. T. and I.C.R.

THE ROYAL COMMISSION SUBMITS ITS REPORT.

Canadian Pacific Would Remain as Now — Commissioner Smith Dissents.

Ottawa, May 2.—Immediate nationalization of the Grand Trunk, G. T. P. and Canadian Northern and their amalgamation with the National Transcontinental and Intercolonial into one great publicly owned system, operated by an independent board of five commissioners on a strictly business and economic basis, free from the dangers of all political interference is the epochal recommendation of Sir Henry Drayton and Mr. W. M. Acworth in the majority report of the Royal Commission appointed last July to inquire into the general problem of transportation in Canada. This report was presented to parliament today.

Minority Report.

Accompanying it was a minority report by the third commissioner, Mr. H. Smith, president of the New York Central. The American railroad expert is opposed to government ownership and operation, believing that best results can be achieved by continuing private enterprise with the re-organization and better co-ordination of the work of the G. T. P., G. T. National Transcontinental and Canadian Northern.

The reports agree that the Canadian Pacific is now giving good service and should not be interfered with. Both also agree that present conditions are economically bad, that there is wasteful duplication of lines, lack of co-ordinated transportation economy and heavy deficits to be met on behalf of the railways by the people of Canada for years to come unless some scheme of radical re-organization is promptly carried out.

Five Trustees

The scheme devised, in the majority report, for overcoming the object of political interference, is the operation of the new system by a board of five trustees, three being expert railway men, the fourth a man of business and financial experience, and the fifth one who specially possesses the confidence of the railway employees. This board is to be originally appointed by parliament, but is to be non-political, permanent and self-perpetuating. Their tenure of office is to be substantially the same as that of judges of the supreme court. (The trustees are to be appointed for a fixed period of seven years, and vacancies are to be filled, in the case of railway members by the governor general-in-council, on the nomination of a majority of the remaining trustees.)

What Berlin Says

Berlin, May 2, via London.—An official statement issued today says: "A few seaplanes attacked on Tuesday morning, enemy merchant ships before the Thames and sank a large steamer of about 3,000 tons. One of our machines failed to return, and is supposed to have been lost."

THE CHINESE MINISTER HAS LEFT BERLIN

Peking May 2.—The foreign office has received information that the Chinese minister to Germany has left Berlin for Denmark.

BULLETIN

The Jiggs and Maggie Dialogue Contest closes on Saturday of this week. The page containing these advertisements, which have made such a tremendous hit, will be published tomorrow morning, and next week the names of the prize winners will be announced. Many hundreds of replies have been received and others are coming in daily, but there is still time for bright folks to win some of the prizes offered. Read the page tomorrow.

BRITISH REPEL GERMANS NEAR ARLEUX-EN-GOHELLE AND FRENCH GAIN GROUND

French Airmen Set Fire to German Town of Treves in Reprisal for Bombardment of Chalons and Epernay.

GERMAN GUNFIRE INCREASING IN VOLUME ALL ALONG LINE

Enemy Expending More Projectiles Than at Any Time Since Canadian Advance Began—Heavy Guns at Work.

London, May 2.—The official report from British headquarters in France tonight reads: "An enemy raiding party was driven off with loss early this morning, north of Arleux-En-Gohelle. During the day the artillery was active on both side north of the Scarpe, and in the neighborhood of Ypres.

"Many air fights occurred again yesterday. Ten German airplanes were brought down, one of which fell in our lines. Six other hostile machines were driven down out of control by our airplanes. A seventh was shot down in our lines by gunfire. Four of our machines are missing."

Two Arrests

Fred L. Wilbur Committed for Trial in C. G. R. Looting and Two Other Employees in Custody.

Moncton, May 2.—Fred L. Wilbur, charged with the theft of goods from the C.G.R. yard at Moncton, was today committed for trial by Police Magistrate Steeves. At the time of Wilbur's arrest about \$500 worth of goods alleged to have been taken from cars in the Moncton yard was found on Wilbur's premises. The case has excited considerable interest as it was believed others were implicated with Wilbur.

Further developments in the case

lead support to this supposition. Two more arrests were made today, the prisoners being C.G.R. trainmen employed as shunters under Wilbur, who was foreman.

More goods which it is supposed were taken from cars have been found connecting the latest arrests with the case. The C.G.R. police believe there are still others who had a hand in stealing goods from cars in transit and other arrests may follow.

In Wilbur's case goods positively identified as being the property of the railway and tallying with the description of goods missing from the cars were found on Wilbur's premises.

BIG BERLIN WALKOUT

London, May 2.—A despatch to Reuters' Telegram Company from Amsterdam quotes the Berliner Tageblatt as saying that 1,200 employees of the Berlin Co-operative Society, the 125 branches of which are mostly supplying the working classes, struck yesterday.

Washington, May 3.—On the eve of their departure on a tour of middle, western and eastern states, members of France's war mission today held further important conferences with representatives of the United States government. Marshal Joffre went to the White House and spent an hour talking with President Wilson, discussion among other questions, the despatch of an expeditionary force to France.

THE FRENCH DELEGATES SEE PRESIDENT WILSON.

Washington, May 2.—At a meeting of the government tonight a delegation from the senate of the University of New Brunswick was heard. The delegation said that the university had a deficit of several thousand dollars and asked government aid. Favorable consideration was given.

ACQUITTED OF A CHARGE OF KILLING MAN

Bedford Peters of Canobie Shot John McCarthy Friday Night.

MCCARTHY HAD BEEN IN HOSPITAL AT FAIRVILLE

Verdict of the Coroner's Jury Was Justifiable Homicide.

Special to The Standard.

Bathurst, May 2.—At the conclusion of a hearing before Magistrate O'Brien today Bedford Peters of Canobie was acquitted of a charge of killing John McCarthy, a demented man, in that village last Friday night. When the homicide was first announced it was reported that Wesley C. Peters had fired the fatal shot. Wesley Peters had no connection with the tragedy and it is regretted that his name was mentioned in connection with the distressing case.

An inquest on the death of McCarthy was begun at Canobie last Saturday and was concluded on Monday in Bathurst. Coroner Meahan officiated. The witnesses included Bedford Peters, his mother, Mrs. Sarah Peters, widow of Henry Peters; Edward Ellis, Dr. Coffin, Dr. Michaud and Robert Sealy.

Was in Fairville Hospital.

The evidence was to the effect that McCarthy, who was 60 years of age, had been in the Provincial Hospital at Fairville. He improved there and was permitted to return to his home at Canobie. Last week he suffered another attack and was examined by physicians at Bathurst.

He returned to Canobie and last Friday night became violent. He attempted to enter the home of Mrs. Peters and when he was refused admittance he procured an axe. Several shots from a rifle were fired to scare him away, but he persisted in his attempts and chopped his way into the house. There upon Bedford Peters pointed the rifle at the insane man and discharged it, the bullet entering the heart and causing instant death. The jury brought in a verdict of justifiable homicide.

Bedford Peters was arrested soon after the tragedy and appeared in court today before Magistrate O'Brien. He was represented by J. L. Ryan, while the case for the Crown was looked after by Clerk of the Peace George Gilbert. The evidence taken was practically the same as that heard by the coroner's jury. At the conclusion of the taking of testimony Magistrate O'Brien discharged the prisoner.

TURKS LOSE IN MESOPOTAMIA

London, May 2.—The thirteenth Turkish army corps has been driven by the British from its positions in Mesopotamia on both sides of the Shatt-el-Arab, Gen. Maude reports today. The British cavalry is pursuing the Turks into the Jebel-Hamria, Hills and making many captives.

Considerable activity by British infantry and cavalry patrols in Palestine near Gaza, is reported in an official statement today. The Turkish positions have been raided and bombarded. The statement is as follows: "In the neighborhood of Gaza there have been some patrol actions in which our infantry and mounted troops have been successful. During our artillery bombardment we dispersed enemy working parties, destroyed or damaged two enemy guns and an artillery observation station and blew up an ammunition dump."

U. N. B. ASKS AID FROM GOVERNMENT

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