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opinion.

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HIGHLIGHTS OF BUDGET SPEECH

OTTAWA, (CP)—Highlights of Finance Minister Abbott's budget speech Tuesday night:

No change in personal or corporation income tax.

Special excise tax of 15 per cent repealed for electrical appliances, furs and some other articles, effective immediately.

Special excise tax reduced to 10 per cent on wide range of consumer goods, effective immediately.

Ten-per-cent sales tax removed from municipally-purchased equipment and few other articles effective immediately.

Maximum deduction from taxable income on superannuation plan payments increased to \$1,500 from \$900, effective on 1954 income.

Quebec government not justified in claiming its new 15-per-cent income tax should be fully deductible from federal tax.

Allowable deduction for Quebec taxpayers will remain at five per cent of the federal tax.

No change in taxes on liquor, tobacco, cigars, cigarettes, automobiles, television sets, radios and phonographs.

Existing rates for withholding income tax from salaries and wages continued through 1954.

Tax concessions granted petroleum, natural gas and mining companies for exploration costs extended through 1957.

Tax cuts total \$40,000,000 for a full fiscal year.

Surplus of \$4,460,000 forecast, on revenue of \$4,464,000,000 and expenditure of \$4,460,000,000.

Succession duty legislation to be overhauled later; no change in rates now.

Maximum duty-free entry of motor vehicles in settlers' effects raised to \$2,500 from \$1,500, effective immediately.

Import tolls eliminated on equipment for operation of potash and rock salt mines.

The 15-per-cent tariff on uranium suspended until July 1, 1958.

Tariffs eliminated on certain rail equipment, including signal systems equipment and apparatus for testing rail flaws.

Passengers Give Vivid Accounts Of CNR Wreck; Three Trainmen Lose Lives

MONTMAGNY, Que., (CP)—A passenger told reporters "he'll seem to break loose" when the Ocean Limited crashed into a string of standing freight cars early Tuesday, killing three men.

"I was riding in the second last coach when I felt a succession of shocks before the train stopped," said Norma Hussey of Bathurst, N. B. "All hell seemed to break loose."

The engineer, fireman and front-end brakeman—all from Quebec province—were killed when the Canadian National Railway train hit an open switch and crashed into the freight cars on a siding here.

Many of the 68 passengers, none seriously injured, were from the Maritimes.

Clamp Down On School Attendance

ST. JOHN'S, Nfld., (CP)—For every day a child is out of school in this city, parents will be fined as high as \$10, Family Court Judge Roberts said Tuesday when convicting nine parents of having their children absent from classes. The parents all signed \$200 bonds.

Although it isn't always the fault of the parents, the judge said, they are often to blame for showing sheer indifference. If children must be absent from school, he said, permission must be first obtained from the authorities, and medical certificates must be produced in case of sickness.

Fix Size Of House For Maximum Loan

OTTAWA, (CP)—The floor space of a single house must be 1,263 square feet to qualify for the maximum loan of \$12,800 under the government's new housing laws.

A government housing official said Tuesday that under the system of granting maximum loans, a house must measure 750 square feet to qualify for a loan of \$8,000. The loan can be boosted by \$9 for every square foot in addition to the 750, up to the maximum loan of \$12,800.

The official said the method of heating the house has no particular bearing on the loan. Loans are granted on an equal basis for houses to be heated by coal, oil or gas furnaces, he said.

Truck Driver Killed In Crossing Accident

ANTIGONISH, N.S., (CP)—A 16-car freight train plowed into a truck on a level crossing 15 miles from here today, killing the driver and injuring a companion.

The truck driver was 22-year-old Bill Gidley of Hubbardsville, N.S., a student at St. Francis Xavier University and well known Maritime horseman. The injured man was Donald Keddy of Armadale, a Halifax suburb.

Coming Events

**Vernon jamboree postponed until further notice.

**Cribbage party Central Royalty Hall tonight 8:16. Lunch. Admission 50 cents.

**Crockinole competition finals for Rural Youth Organization to be held at Vocational School on April 19th at 7:30 p.m.

**Easter Monday play "The Honeycomb Is Over." Prince Edward Theatre, April 19th.

**Come to Hunter River Hall, Friday, April 9. See Kensington Players present, Cranberry Corners. Auspices Women's Association.

**It's the talk of the country. What is? 18% Shur-Gain Pig Booster. My sales have increased 100% in two months. Get some for your pigs today. Cheap at double the price. E. J. MacDougall, Vernon.

**We have told you that there is none better at any price. Every bag is the same. That is Shur-Gain 20% Chick Starter. Convince yourself by trying it for chicks this year. E. J. MacDougall, Vernon.

Income Taxes Untouched In Abbott's Tenth Budget

Permanent Home In Australia For Queen Considered

CANBERRA, (AP)—Prime Minister Robert G. Menzies told the House of Representatives today that informal discussions have gone on for some time on the possibility of establishing a permanent home for the Queen in Australia for the Queen.

If Queen Elizabeth or some member of the Royal Family should set up a residence here, the prime minister said, it would be necessary to make each visit as intensively organized as the one just completed.

The Queen and the Duke of Edinburgh spent two months touring Australia during their world tour of the Commonwealth. They left aboard the royal liner Gothic April 1 and now are enroute from the Cocos Islands to Ceylon.

List of Items On Which Excise And Sales Tax Removed Or Reduced

OTTAWA, (CP)—Following is a list of articles on which the 15-per-cent excise tax and the 10-per-cent sales tax are being removed or reduced, effective immediately.

Remove Excise Tax

Electrical appliances adapted to household or apartment use, namely: blankets; chafing dishes; coffee makers; curling irons or tongs; dish washers; food or drink mixers; food choppers and grinders; floor waxes and polishers; garbage disposal units; hair dryers; irons and ironers; juice extractors; kettles; portable humidifiers; razors and shavers; toasters of all kinds; vacuum cleaners and attachments therefor; waffle irons; Furs; firearms and complete parts thereof and ammunition; golf clubs, golf balls; fishing rods, fishing reels; cameras, camera lenses, unexposed photographic films and plates; projectors for pictures; trunks; suitcases; bags and luggage of all kinds; purses; wallets; bill-folds; key and card cases; handbags; jewel cases; dressing and toilet cases; shopping bags; golf and other sports bags; coin, disc or token-operated vending machines.

Reduce Excise Tax to 10 Per Cent

Articles, materials or preparations of whatever composition or in whatever form, commonly or commercially known as toilet articles, preparations or cosmetics, which are intended for use or application for toilet purposes, or for use in connection with the care of the human body, including the hair, nails, eyes, teeth, or any other part or parts thereof, whether for cleansing, deodorizing, beautifying, preserving or restoring, and including shaving soaps and shaving creams, antiseptics, bleaches, depilatories, perfumes, scents and similar preparations;

Motor cycles and all other two- or three-wheeled motor driven vehicles including motors for attachment to bicycles; devices, commonly or commercially known as lighters; coin, disc or token operated games or amusement devices of all kinds; ash trays; tobacco pipes; cigar and cigarette holders; cigarette rolling devices and other smokers' accessories; fountain pens; ball-point pens; ink pencils; propelling pencils; desk sets and all other desk accessories;

Matches; tires and tubes in whole or in part of rubber for self-propelled machines or automotive vehicles of all kinds; clocks and watches; articles of all kinds made in whole or in part of ivory, jet, amber, coral, mother of pearl, natural shells, tortoise shell, jade, onyx, lapis lazuli, or other semi-precious stones; articles commonly or commercially known as jewelry, whether real or imitation, including diamonds and other precious or semi-precious stones for (Continued on page 5, Col 1)

Fiscal Highlights

OTTAWA, (CP)—Highlights of the fiscal portion of Finance Minister Abbott's budget speech:

National production in 1954 should exceed the 1953 record of \$25,345,000,000.

An economic upswing in the second half of the year should outweigh declines now evident in some industries.

No drastic government measures needed to step up the economy or absorb unemployed.

Government reluctant about raising tariffs to protect industry, which must sharpen efficiency.

Outlook for export trade uncertain; grain prospects good by normal standards; much depends on U.S.

Prospects for international economic co-operation favorable.

Canada cannot afford to relax in defence preparations.

River Ice Strands 7 Cargo Vessels

QUEBEC, (CP)—Heavy St. Lawrence river ice floes have temporarily stranded five cargo vessels here and two others are anchored at Cap aux Oies, 65 miles below Quebec City.

Traffic upriver has been tied up by ice since backwash from the 9,700-ton Manchester Spinner, first overseas ship to reach Montreal this season, loosened shore-packed floes last Monday.

Docked here were the Venezuelan freighter Norindics, the Dutch Prins Willem van Oranje, the Italian Cap Miseno, the English Roonagh Head and the Mormacstar from the United States.

Anchored at Cap aux Oies are the Gander Bay, a collier from Sydney, N.S., and the Vinland, whose home port was not immediately available.

British Collected H-Bomb Test Data

LONDON, (Reuters)—Prime Minister Churchill told the House of Commons today that a British plane made a flight in the vicinity of the recent American hydrogen bomb experiments in the Pacific to collect scientific data.

Churchill said no British technical observers watched the explosions, but the United States authorities did agree that British scientists had certain facilities for collecting scientific data bearing on their effects.

Two Canberra jet bombers assigned to this duty were lost in transit to the American base in the Pacific but this was in no way due to the risk of the special mission which they were to have undertaken, he added.

New Cold Wave In Sask. And Alberta

EDMONTON, (CP)—Near-blizzard conditions prevailed over much of Alberta and Saskatchewan Tuesday as another wave of frigid air blasted its way south from the Arctic.

Temperatures were expected to drop to about 15 below zero.

OPPOSITION LEADER AGAIN SCORES GOVERNMENT FOR UNDER-SPENDING

The charge that Government departments were under-spending their estimates and keeping essential services from the public in order to provide the Government with a surplus was made in the Budget debate in the Legislature last night by Mr. R. R. Bell, leader of the Opposition. Mr. Bell was speaking when the House adjourned last night.

The Opposition leader singled out the Departments of Agriculture, Education and Health and Welfare as targets for under-spending. He noted that the Government had asked for money in the estimates to provide a Treatment Centre at Falconwood during the past two years and that as yet the building had not been constructed.

He stated that the Agricultural Department had been voted about \$275,000 in the estimates last year, which was little enough to spend on the Province's leading industry, and had under-spent this amount by \$40,000.

"For years we have heard the members on this side of the House say that they would find no fault for over-spending in the Agricultural Department. We all feel that much more money should be (Continued on page 2, Col 2)

Truman Says Atomic Agreement In Effect

KANSAS CITY, (AP)—Former president Harry S. Truman said today the Anglo-American wartime atomic agreement still is in effect.

The agreement was first disclosed publicly Monday for the disclosure by Prime Minister Churchill in a House of Commons debate.

James Hagerly, White House press secretary, said Monday night the agreement was not in effect at the present time.

Today, however, Truman said in an interview that it was.

Truman did not, however, say the agreement did not apply to the hydrogen bomb which was developed later.

Warning To China Sought

LONDON, (AP)—The United States has called on Britain, France, Australia and New Zealand to join in issuing a stern warning intended to protect war-torn Indo-China and the rest of southeast Asia from further Communist aggression.

The British foreign office said terms of the declaration have not yet been completed, but are being hammered out in Washington at conferences between United States Secretary Dulles and ambassadors of the other countries which would sign it.

Australian government sources in Canberra said the United States also has asked that country, New Zealand and Britain to give all possible aid to France to prevent Communist domination of Indo-China.

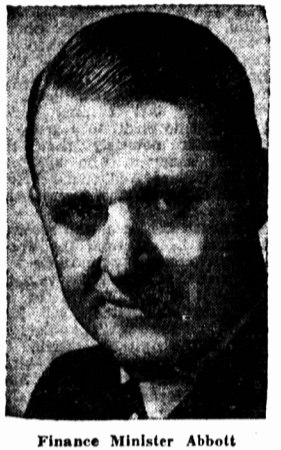
Britain appears ready to join in some form of declaration concerning southeast Asia, but the foreign office does not want to say exactly until a mutually satisfactory draft is reached.

A French foreign ministry spokesman said in Paris some Asian governments also would be asked to join in the formal warning. The Philippines and Thailand presumably were the most likely to be approached.

The French spokesman said Dulles had broached the idea to French ambassador Henri Bonnet in Washington last Saturday. France now is studying the proposal.

Dulles apparently suggests, French sources said, that the Chinese Communists now be warned that if they engage more actively in the Indo-Chinese war they risk united retaliation which might carry the fighting into their own territory.

The Canberra dispatches said the Australian government is studying the proposal with great care but is expected to insist on confining the issue to Indo-China.



Finance Minister Had Some Cheer For Everybody

By DAVE MCINTOSH
Canadian Press Staff Writer

OTTAWA, (CP)—Finance Minister Abbott had a little bit of cheer for everybody Tuesday night.

But before anybody starts cheering, there may be a catch. The taxes which Mr. Abbott eliminated or reduced are applied generally at the manufacturers' level. But there is no way of knowing whether they will reach the consumer.

Mr. Abbott's largesse may not have been expansive, but at least it was passed around to take in nearly every Canadian, including the bubble-gum set.

Mr. Abbott even cast a kindly tax glance at people who run potash or salt mines, make railway signal systems or use tear gas or impregnate jute fabric.

Cut Or Eliminated

He aimed to leave more change in pocketbooks—for the next year at least—by eliminating the 15-per-cent excise tax altogether on a variety of consumer goods and cutting it to 10 per cent on a variety of others.

(Continued on page 5, Col 1)

MODEST REDUCTIONS ARE MADE ON HOUSEHOLD AND OTHER ARTICLES

(By John LeBlanc, Canadian Press Staff Writer)

OTTAWA, (CP)—The federal government Tuesday night shaved about \$40,000,000 a year off the taxpayers' bill in a 1954-55 budget of light cuts that left the tax structure basically unchanged.

Finance Minister Abbott's 10th budget kept personal and corporation income taxes at present levels and concentrated the modest reductions on a variety of household and other consumer articles.

No one could say how much of the savings actually would go to the general public. It would depend on how merchants passed along the reductions.

Main change was repeal of the 15-per-cent special excise tax on many electrical appliances, furs and a range of other goods.

The same tax was reduced to 10 per cent on a group of other articles including automobile tires and tubes, clocks, watches, pens, soft drinks and confectionery.

Biggest Savings

These two changes—effective immediately—accounted for \$33,000,000 of the \$36,000,000 expected to be saved the taxpayer in the current fiscal year. The other \$3,000,000 will come from seven exemptions to the general 10-per-cent sales tax, including heavy equipment bought by municipalities.

For a whole year, Mr. Abbott estimated, the reductions would be \$40,000,000—slightly under one per cent of his total forecast revenue.

In what he has billed as his last financial presentation, Mr. Abbott budgeted for a virtual balance in the accounts, predicting an almost-invisible surplus of \$4,000,000 that would be his ninth in a row.

But he did not rule out the possibility of a deficit of up to around \$130,000,000 if Canada's economic progress does not regain its post-war pace from a current slowdown.

The budget called for revenue of \$4,464,000,000—an all-time high—and peacetime record spending of \$4,460,000,000.

Rejects Quebec Proposal

In the budget, the government turned down the Quebec government proposal that its new 15-per-

cent income tax should be fully deductible from federal tax. The allowable Quebec deduction remains at five per cent of the federal tax.

On the federal side, just one change was made in the personal income tax. The maximum annual deduction permitted from taxable income because of payments into superannuation plans was boosted to \$1,500 from \$900, effective on 1954 income.

In the corporation tax field, the budget continues through 1957 concessions granted petroleum, natural gas and mining companies for exploration work and also extended to the same time a three-year tax exemption for new mines.

In connection with personal income tax, Mr. Abbott noted that tax on 1954 incomes will be somewhat less than 1953 because of an 11-per-cent cut that went into effect.

(Continued on page 15, Col 3)

Balanced Budget Announced In Britain With No Tax Increases Or Reductions

By ALAN HARVEY
Canadian Press Staff Writer

LONDON, (CP)—Britain has received a stand-pat budget of 1954-55 which gives industry some encouragement but leaves the country's basic economy almost unchanged.

In sharp contrast to the strain-and-sweat mood of most post-war budgets, Richard Austen Butler, chancellor of the exchequer, Tuesday extended some minor concessions, refrained from any new taxes and spoke confidently yet cautiously of Britain's ability to pay her way in the world.

He told the crowded House of Commons there was no need for "especially tough" measures such as characterized his own emergency budget of 1952-53.

"The measures proposed in last year's budget seem still to be working themselves out broadly according to plan and to be providing the right sort of climate in the economy," he said.

"Therefore, they are likely to continue to do so and they ought therefore to be given more time to produce further beneficial effects."

Trifling Reliefs

The chancellor's concessions on Tuesday ranged from an "investment allowance" for new industrial plant and equipment to trifling relief in the tax burden on sport, movies and the theatre.

He also pledged increased loans for exports, eased the system of paying back compulsory wartime savings known here as "post-war credits," promised a gradual solution for the long-standing problem of equal pay for women and among minor tax modifications made two changes in estate duty, which will cost \$500,000 this year.

But the chancellor, at 52 presenting his third budget, left personal income tax at the present high rate of about 40 per cent, withstood claims on behalf of old age pensioners and confounded forecasts that the high tax on gasoline might be lowered.

(Continued on page 15, Col 2)



TORONTO, (CP)—Minimum and maximum temperatures:

	Min.	Max.
Dawson	15b	13
Vancouver	39	49
Victoria	39	—
Edmonton	16	16
Calgary	15	23
Regina	27	32
Winnipeg	28	33
Toronto	41	61
Ottawa	30	—
Montreal	36	44
Quebec	24	46
Saint John	34	41
Moncton	32	50
Halifax	33	51
Charlottetown	32	46
Sydney	28	50
Yarmouth	35	44
St. John's	24	40

HALIFAX, (CP)—The Dominion public weather office here says a disturbance centered in Maine is causing poor weather over the district. It is moving rapidly eastward and will cross New Brunswick during the night, moving on to Newfoundland Wednesday morning. Following the passage of the disturbance the weather will be cloudy with a few clear intervals and will continue mild. Another disturbance is forming in the southwestern states and is likely to affect the Maritimes on Thursday.

Regional forecasts:

Prince Edward Island, eastern N. B. counties, lower St. John river valley: cloudy with a few clear intervals; continuing mild; west winds 15, diminishing to light in afternoon. Low - high at Charlottetown 35 and 45, Moncton and Fredericton 40 and 50, Saint John 35 and 45.

Upper St. John river valley, Bay of Chaleur: cloudy with a few clear intervals; not much change in temperature; northerly winds 15. Low - high at Edmundston and Campbellton 35 and 40.

High tide today at Charlottetown at 1:36 a.m. and 1:09 p.m. Summerside tide 18 minutes later.

Sun rises today at 5:43 a.m. and sets at 6:47 p.m.