

BUDGET IS PRESENTED

Today's Weather

Prince Rupert—Clear, light westerly wind; barometer, 30.32; temperature, 47; sea smooth.

The Daily News

NORTHERN AND CENTRAL BRITISH COLUMBIA'S NEWSPAPER

Tomorrow's Tides

High 11:45 a.m. 21.4 ft.
Low 5:46 a.m. 6.3 ft.
18:19 p.m. 2.5 ft.

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PRINCE RUPERT, B.C., MONDAY, MARCH 12, 1934

PRICE: FIVE CENTS

TRAGEDY IS FEARED AT EGG ISLAND

Provincial Minister of Finance Announces Plan To Refund Entire Indebtedness of This Province at Three Percent Interest

"ENDEAVOR TO PREVENT DEFAULT ON INTEREST PAYMENT" IS POLICY OF GOVERNMENT, HON. JOHN HART TELLS LEGISLATURE IN IMPORTANT DOCUMENT TODAY.

Expected to Save Five Million Annually Under Conversion Loan

NO NEW TAXATION PROPOSED—MEAL IMPOST IS ABOLISHED AND EXEMPTION GIVEN ON ONE PERCENT TAX—INCOME EXEMPTIONS ARE ALSO TO BE RAISED.

VICTORIA, March 12: (CP)—Hon. John Hart, minister of finance, declared a policy of "endeavor to prevent default in payment of interest" in his budget speech today. He asked for power to refund at lower rates of interest practically the entire debt of the province. Proposed refunding of \$124,426,000 is based upon the assumption that the money markets will offer favorable opportunities to carry it out.

It is proposed that the refunding be at rates of three or three and one-half percent for a term of thirty years and that sufficient sinking funds be set up after a period of five years to liquidate the debt at maturity.

Mr. Hart estimates that such refunding will save the taxpayers some six million dollars annually for the first five years and some three million dollars annually for succeeding years.

The scheme would not be carried out in one large transaction but from time to time as favorable opportunity offered.

The minister of finance said that the Dominion government had been requested to guarantee the conversion loan but had declined.

A deficit of \$2,066,846 on current account is budgeted for in addition to which there will be an estimated deficit of some three million dollars on relief account.

NO NEW TAXATION

There is no new taxation. The meal tax is abolished. The one percent taxes on wages will not be collected from persons receiving less than \$50 per month.

Under income tax single men are given exemption of \$600 and married persons \$1000.

Extra funds are provided for teachers' salary grants. The University of British Columbia gets an extra \$50,000. The Succession Duty Act will be re-enacted without increase in rates.

AID TO MUNICIPALITIES

While grants to municipalities will not be increased, the government has made arrangements to loan to municipalities their share of unemployment relief during the present year.

The budget shows a reduction in expenditure of more than \$1,000,000 with revenue decreased by about the same amount.

A reduction of nearly \$2,500,000 is shown under capital expenditure due to the fact that no provision is made for sinking fund installments.

Presents His Budget



Hon. John Hart, minister of finance.

EXTENDING MORATORIUM

Mortgagees to be Relieved of Principal as Well as Interest Under New Legislation

VICTORIA, March 12: (CP)—Second reading was given in the Legislature to a bill which would provide for moratorium on both principal and interest of a mortgage when sanctioned by a registrar in private hearing. It applies only to mortgages completed prior to April 12, 1932.

ONTARIO COUNCIL OF C.C.F. IS SUSPENDED

TORONTO, March 12: (CP)—The Ontario provincial council of the Co-operative Commonwealth Federation was suspended by President J. S. Woodsworth of the national executive at a meeting of the provincial council here Saturday. The president announced that a complete reorganization of the Ontario body will be carried out. Woodsworth charges the Ontario council with communistic tendencies.

WELL KNOWN WOMAN DIES

Mrs. V. Soucie Succumbs Suddenly To Brain Clot at Terrace

Mrs. N. M. McLean and Mrs. Norman Moorehouse of this city attended the funeral of the late Mrs. V. Soucie at Terrace last week. The sudden death of Mrs. Soucie occurred at her home in Terrace as a result of a brain clot. Mrs. Soucie was well known and respected by a wide circle of friends, having lived at Terrace twenty years with her husband. Their farm at Kalum Avenue is one of the best in the valley, both Mr. and Mrs. Soucie having worked to develop what was heavy forest into the present very creditable and well ordered place. Mrs. Soucie came to Terrace twenty years ago and with her husband was among the early pioneers in the district. Mrs. Soucie was 59 years of age. She and her husband had been entertaining friends during the evening and she seemed in the best of health and spirits. The end came very suddenly as she sat resting in a chair. The funeral was held last Tuesday at Terrace. The service was read by the Rev. W. R. Welch of the United Church. Mrs. Soucie was a member of the Guild of the United Church.

LABOR IS JUBILANT

Result of London Municipal Election Taken as Sign of General Election Trend

LONDON, March 12: (CP)—Increase of 250,000 votes in the labor poll in London's municipal election leading to the establishment for the first time in history of a Labor majority in the government of Greater London—the London County Council—has given rise to jubilant Labor predictions of what will happen in the next general election.

The Conservatives, who had been in power twenty-seven years, lost twenty-nine seats and gained only one while Labor was winning thirty-five new seats and losing one.

Liberals, of whom there were formerly six, have now entirely disappeared.

The standing of parties on the council is as follows:

Labor, 69.
Conservatives, 55.

Insull Still In City of Athens

Condition of His Heart Worse and Doctors Say Moving Would Endanger Life

ATHENS, Greece, March 12:—Samuel Insull, although under order of the authorities of this country to leave Greece, still remains here although he is said to be seeking a new and permanent refuge, possibly in Luxembourg. Physicians declare that the heart condition of the former utilities magnate is worse and that it would endanger his life to move him now. Insull is wanted in Chicago to face grand larceny and conspiracy charges following his indictment over a year ago by a Cook County grand jury.

The standing of parties on the council is as follows: Labor, 69. Conservatives, 55.

Halibut Arrivals

American
Tatoosh, 24,000, and Norrona, 16,000, left for Seattle.

Midway, 13,000, Pacific 7.2c. and 4c.

Star, 10,000, Booth, 7.5c. and 4c.

Oceanic, 14,000, Cold Storage, 7.2c. and 4.5c.

Zarembo, 11,000, Booth, 7.4c. and 4c.

Tahoma, 19,000, Atlin, 7.4c. and 4c.

Rap III, 11,000, Pacific 7c. and 4c.

Pierce, 14,000, Cold Storage, 6.5c. and 4c.

Visitor, 5,000, Atlin, 7c. and 4c.

Canadian
Pair of Jacks, 9,000; Viking I, 8,500; Ingrid H., 10,000; R. W., 10,000; Toodle, 10,000; Teeny Milly, 8,500; and Rose Spitt, 11,000, Cold Storage, 6c. and 4c.

Capella I., 12,000, Atlin, 6c. and 4c.

Ternen, 7,000, and Unome, 5,500, Atlin, 6.1c. and 4c.

Extinguished Light and Upset Boat Indicate Double Drowning In Grim Queen Charlotte Sound

Dan MacDonald and James Flewin Believed to Have Lost Lives at End of Week—Steamer Catala Makes Investigation and Finds Islet Deserted

The lighthouse tender Newington, having been delayed by fog, had not reached Egg Island up to early this afternoon. She expected, however, to be there by late afternoon. Immediately upon arrival, a landing party will go ashore to re-kind the light and continue the search for MacDonald and Flewin.

Tragedy of death by drowning, details of which the grim and troublous waters of the open Pacific Ocean alone may know, appears to have cost the lives of Dan MacDonald, aged 47, assistant lighthouse keeper at Egg Island at the northern end of Queen Charlotte Sound, and Jimmy Flewin of Port Simpson, seventeen year old mess boy of the lighthouse tender Newington.

who had been relieving at the lonely lighthouse, one of the pivotal aids to navigation on the British Columbia Coast, during the absence on vacation of the regular light keeper. Grave fears for the safety and MacDonald and Flewin were entertained following the arrival at Prince Rupert Sunday evening of the coastal liner Catala whose master, Capt. A. E. Dickson, reported that he had hove his ship to at Egg Island late Saturday night after finding the light out and no signs of life in the lighthouse and sent his second officer, Eric Suffield, ashore to find an overturned rowboat drifting about two hundred yards from the lighthouse which was deserted. The steamer, which had interrupted her voyage at 10 p.m., stood by until after midnight as Suffield, aided by the ship's searchlight, made a thorough search of the lighthouse buildings and rocky islet, finding no trace whatever of the two men. Suffield succeeded in putting the light on again but it did not remain lit.

The Egg Island light was first reported out Friday night by the passing American steamer North Star. No particular alarm was felt, however, until a wireless message was received after midnight Saturday by W. L. Stamford, local agent of the marine department, by Capt. Dickson of the Catala following the making of the search on the island. Capt. Dickson's concern was aroused by the fact that, in addition to the big revolving light being out, there were no lights to be seen in any of the lighthouse buildings.

Newington Ordered Out
Immediately after receiving Capt. Dickson's message, Mr. Stamford ordered the lighthouse tender Newington. Capt. Harry Ormiston, to Egg Island to investigate The Newington got away at 6 o'clock Sunday morning and was expected to reach Egg Island by late this afternoon. The Catala reported meeting the Newington eighteen miles north of Butedale in Wright Sound at 1:30 Sunday afternoon.

Following the investigation of the Catala, the feeling is held that MacDonald and Flewin may have put out in the rowboat, a craft of about sixteen feet length, to do some fishing and that the small vessel either capsized in the heavy seas or was swamped while attempting to land again on the rocky shore. Egg Island is situated in a very exposed position, being but a rocky islet facing the open Pacific Ocean. It is served once every two months by the lighthouse tender, this being the only communication with the outside world except for passing ships.

After Second Officer Suffield had completed his search of the island, there was some little difficulty in getting him back aboard the Catala again. Owing to the heavy sea which was running, it was impossible to make a landing with the workboat which had put him ashore so a heaving line was thrown to him and, with the assistance of this, he swam in the chill water out to the ship's boat. He was taken safely back aboard the Catala but was, of course, chilled and soaking.

(Continued on Page Four)

STRANDED IN SOUND

Ferry Steamer Olympic, Ashore on Whidbey Island, is Badly Damaged

SEATTLE, March 12:—Badly damaged with her hull and fuel tanks punctured and five feet of water in her boiler room, the ferry boat Olympic was still hard aground last night on Whidbey Island, three hundred feet from a lighthouse, where she went ashore earlier in the day. The Olympic was bound from Seattle to Bellingham when the stranding occurred. Passengers were soon removed.

The vessel is believed to be in no particular danger. Salvage operations have commenced.

WAGE INCREASE IS GIVEN FISH PACKERS

The local Fish Packers' Union has negotiated a renewal of wage agreement with the Canadian Fish & Cold Storage Co., providing for an increase of five percent in wages. It is announced. The company has had a wage agreement with the fish packers for thirteen years now and in that time relations between the company and the fish packers have always been most cordial, it was stated today.