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STAR CABS

Little Taxation Relief Contained In Budget

Surplus Reported: National, Domestic Taxations Touched on

Immediate Increase In Defence Day Although Scene Uncertain Price Controls Are Ruled Out

By D'ARCY O'DONNELL
Canadian Press Staff Writer

OTTAWA—A record surplus of \$670,000,000 for the 1947-48 fiscal year was reported last night by Finance Minister Abbott in his budget speech to the House of Commons.

Compared with a 1946-47 surplus—first recorded in 17 years—of \$373,000,000 which was greater than the total of all previous years since Confederation.

For 1947-48 were \$2,175,000,000 and expenditures \$2,199,000,000, a decrease of \$24,000,000.

In the previous year totalled \$3,007,000,000 and expenditures \$2,634,000,000.

Mr. Abbott said the practice of a huge surplus in the current year is justifying the surplus, considering the largest pre-war budget, would not be the said were it not to "check inflation" at this time and to "check inflation" as they have been.

He never be a better time the burden of our debt. We can do it now and thereby as in better position to extra burdens we to assume when our income becomes less.

Mr. Abbott said if one took bookkeeping transactions into account the 1947-48 surplus amounted to \$1,181,000,000. This included cash received

(Continued on Page Six)

Scientist Team to Chart Salt Content Chatham Sound Water

Oceanography Called to Aid Biological Finding for Salmon Research

Four scientists will spend the next four months charting the salt content of Chatham Sound at the mouths of the Skeena and Naas Rivers so that other scientists may be able to determine what makes sockeye salmon act as they do.

Don't Give Up Vote

Indian Affairs Committee recommended that the Indians be given the right to vote in the next general election.

Another committee recommended that the government not decide whether the Indians should be given the right to vote in the next general election.

Nominations Unchanged

For the May 31 election by-election with no additions to the list of candidates nominated six weeks ago.

President of the Association of British Columbia Liberal candidates, is W. A. C. Bennett.

Conservative, and C. C. F.

Budget Fiscal Highlights

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

Estimated surplus of \$670,000,000 for the 1947-48 fiscal year, compared with \$373,000,000 in 1946-47.

Total revenue for year \$2,175,000,000, a decrease of \$24,000,000.

Total expenditures for year \$2,199,000,000, a decrease of \$24,000,000.

Estimated net debt at end of fiscal year \$12,378,000,000, a decrease of \$1,043,000,000 from the peak of two years ago.

Gross national production in 1947 exceeded \$13,000,000,000, up 13 per cent from the previous year. Most of the increase was due to the rise in prices and wage rates.

The government assumes there will be some "small further increases in wages and other incomes and some prices..."

Any reasonable increase in interest rates would not act as any serious break on business expenditures or consumer spending.

The abrupt decline of United States dollar reserves has been stopped, but the exchange position is still not satisfactory.

RETAILERS ASK PERCENTAGE OF SALES TAX

Prince Rupert Retail Merchants' Association, which registered protest against imposition of the provincial three percent sales tax, is now demanding that, since the tax is to go into effect, that merchants be allowed a percentage for collection fees.

At a meeting last night, the retailers organization decided to urge the government to allow five percent for the merchants who must collect the impost.

Earlier, they had protested the tax through W. H. Brett, M.L.A. and the B.C. division of the Retail Association of Canada.

The organization also discussed the sales tax law which provides that mail orders sent to stores outside the province will be tax-free.

Members were of the opinion that this is unfair to British Columbia retailers.

A letter from the Prince Rupert Chamber of Commerce asking that the stores remain open for one evening during the visit next month of the Los Angeles Chamber of Commerce failed to meet the approval of the members.

They decided that the visit did not provide justification for remaining open beyond the regular hours and, that if it were done, it might set a precedent which might be unsatisfactory.

The grievance committee reported that it had registered a protest against "unwarranted" rises in meat prices with the federal parliament committee investigating the meat situation.

Chairman was J. D. McRae, vice-president, in the absence of W. M. Watts, president. There were 20 members present.

JAYCEE PARLEY IS COMING HERE

Regional conference of the Junior Chamber of Commerce of British Columbia, being held this week at Victoria, has chosen Prince Rupert as the venue for 1949, according to a message received this morning by President A. P. Crawley from his delegates.

The local delegates are Stuart Furk, Harold Helgeson and Eddie Mussallem.



PRESENTS BUDGET—Hon. Douglas Abbott, minister of finance.

TODAY'S STOCKS

Courtesy S. D. Johnston Co. Ltd.

Vancouver

Braheine	9.00
B. R. Con.	.02 1/2
B. R. X.	.07
Cariboo Quartz	1.64
Dentonia	.01 1/4
Grull Wilksne	.04
Hedley Mascot	.52
Minto	.02 1/2
Pend Oreille	4.30
Pioneer	3.00
Premier Border	.03
Privateer	.20
Reeves McDonald	2.00
Reno	.08 1/2
Salmon Gold	.16
Sheep Creek	1.08
Taylor Bridge	.50
Taku River	.40
Vananda	3 1/2
Congress	.03 1/2
Pacific Eastern	.05
Hedley Amalg.	.02 1/2
Silbak Premier	.36

Toronto

Athons	.08
Aumague	.17
Beattie	.69
Bevcourt	.36 1/2
Bobjo	.12 1/2
Buffalo Canadian	.10
Consol. Smelters	114.50
Conwest	1.10
Donalds	.82
Eldons	1.27
East Sullivan	2.57
Giant Yellowknife	4.75
God's Lake	.66
Hardrock	.16
Harricana	.08
Heva	.12 1/2
Hosco	.34
Jackknife	.05
Joliet Quebec	.40
Lake Rowan	.09 1/2
Lapaska	.05 1/2
Little Long Lac	.91
Lynx	.09
Madsen Red Lake	2.71
McKenzie Red Lake	.47
McLeod Cockshutt	1.12
Moneta	.36
Negus	2.48
Noranda	51.00
Louvicourt	.66
Pickle Crow	2.20
Regcourt	.06
San Antonio	3.85
Sheritt Gordon	2.65
Senator Rouyn	.43
Steep Rock	2.16
Sturgeon River	.17
Silver Miller	.28

LOTS OF LEEWAY

After spawning, salmon eggs take 30 to 160 days to hatch, depending on the temperature of the water.

TO SUSPEND JONES ACT

May be Done Again in Case of Portland Canal Mine

WASHINGTON, D. C. — A bill to permit Canadian vessels to transport between United States ports, products of, and supplies for the Riverside mine up the Salmon River valley from Hyder, Alaska, was approved by a House of Representatives sub-committee today.

Such an arrangement involving a suspension of the Jones Act in this particular instance owing to local shipping circumstances, formerly existed, permitting Canadian ships to load supplies for and ore from this mine either at Stewart or Hyder.

GRAECO WINS
MONTREAL—Johnny Greco retained his welterweight crown last night when he scored a decision over hard-hitting Harry Hurst of Montreal. Greco was the unanimous choice of three judges in a twelve-rounder.

DANGEROUS DIRK
The proper name for the dagger of the Scottish Highlander is the dirk.

TRAGEDY ON Q.C. ISLANDS

Olive Branch Is Rejected

WASHINGTON, D. C.—The United States Department of State for the second time yesterday rejected a proposal of Russia to sit down and negotiate directly for the settlement of differences.

Reply to a suggestion of negotiation made Monday night by Premier Stalin, the State Department said that the subjects proposed for discussion were not of unilateral nature but involved other nations and were matters in which the United Nations and Council of Foreign Ministers were interested. However, it was encouraging that Premier Stalin had declared that a peaceful settlement was "possible and necessary."

Prime Minister Stalin said Monday night that Russia was ready, if United States was willing, to negotiate differences between the two countries on the basis of recent proposals to him by Henry A. Wallace of the United States.

Stalin was replying to Wallace's "open letter" which the third party candidate for President of the United States addressed to the Russian Prime Minister May 11 at a political rally in New York. Stalin's answer was broadcast over the Moscow radio.

Jerusalem In Arab Hands

CAIRO—Arab troops are in complete control of Jerusalem today, said an Arab League spokesman. He said that all Jews in the Holy City had surrendered to the Transjordan legion last night.

King Abdullah's desert legion had the city in its steel grip and the strategic outlook for the Jews was hopeless, the spokesman said.

In Tel Aviv military headquarters said that Jewish troops had cracked through Zion gate in a midnight attack on Jerusalem and linked up with Jewish defenders in the old city of Jerusalem.

Eight Percent Sales Tax on Variety of Foods Removed

BULLETINS

NEW BRUNSWICK VOTE

FREDERICTON—New Brunswick will hold a general election Monday, June 23, Premier J. B. McNair, announced today. Premier McNair will lead his Liberal government into his third general election. The government, elected August 1944, now holds 36 of 48 seats with the Progressive-Conservative opposition, led by Hugh McKay, holding eleven and an Independent, one.

NEGOTIATIONS COLLAPSE

WASHINGTON — Contract negotiations between John L. Lewis, leader of the United Mine Workers of America (CIO), and coal operators of the United States, collapsed today over the issue of seating Joseph E. Moody, president of the Southern Coal Producers' Association, in the conference.

CONVICT RECAPTURED

OTTAWA—Nicholas (Nick) Minille, one of Canada's most hunted criminals, is today behind bars. He was captured at Oakland, California, yesterday after a nine months' international hunt. Minille escaped from Kingston Penitentiary last August along with Donald (Nick) McDonald, a bank robber, 41, and Olyse Lauzon, 26. He was serving time for a taxi driver kidnapping.

GRAECO WINS

MONTREAL—Johnny Greco retained his welterweight crown last night when he scored a decision over hard-hitting Harry Hurst of Montreal. Greco was the unanimous choice of three judges in a twelve-rounder.

DANGEROUS DIRK

The proper name for the dagger of the Scottish Highlander is the dirk.

TRAGEDY ON Q.C. ISLANDS

Two Young Fishermen Drown in Sight of Home

PERISH BEFORE EYES OF HELPLESS FRIENDS
Hubert Husband and Freddy Ross

QUEEN CHARLOTTE CITY (Special to Daily News)—After risking their lives battling severe storms in a 32-foot fishing boat on the treacherous west coast of Queen Charlotte Islands, two young men—Hubert Husband, aged 27, and Freddy Ross, fifteen, both residents of the Islands from birth were drowned at 8 o'clock Monday night within sight of home and before the eyes of friends on shore.

Husband and Ross had reached port safely with a load of halibut and, after making delivery of the fish at the Canadian Fishing Co.'s camp at Skidegate, were returning on board when their dinghy collapsed in a stormy sea. Three occupants were thrown into the water. One held on to the overturned dinghy and reached shore safely but the other two disappeared within sight of friends who were powerless to help.

Alarm was sent out and boats went to the rescue but failed to reach the unfortunate pair. Dragging operations were immediately instituted and the bodies recovered but all efforts to restore life were in vain.

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No Changes In Income or Business Taxes —Looks Like Election Not In Sight

OTTAWA (CP)—Finance Minister Douglas Abbott Monday night unveiled his 1948-49 budget which provides only meagre tax relief—\$72,000,000 as compared with \$265,000,000 last year—and bluntly told the Canadian taxpayer that he will have to carry on with the present tax liability for at least another year. Only major concession was the repeal of the eight percent sales tax on a broad list of canned, packaged and processed foods. It accounts for \$20,000,000 of the tax relief provided.

REACTIONS TO BUDGET

The minister peppered his 14,000-word budget speech to the House of Commons with the disappointing word "No"—no major change in present income taxes, no changes in taxes on tobacco and liquor, no change in business taxes, no change in heavy indirect taxes imposed during the war.

Political observers immediately seized upon the budget as an indication that there would be no federal election this year. If there were to have been an election, they reasoned, there would have been wide concessions.

Another concession was for the elderly taxpayer. Those sixty-five years old or over will get an extra \$500 income tax exemption, retroactive to January 1 which will cost the treasury \$5,000,000 per year.

The Dominion has also dropped the taxes on horse race bets, theatres and other places of amusement including night clubs.

Other big items are \$12,000,000 to \$14,000,000 in tariff slashes and temporary suspension of all duties on British cottons and rayon piece goods.

There are no changes in taxes on liquors and tobaccos and the thirty percent corporation tax is untouched.

Mr. Abbott announced he was budgeting for a surplus of \$489,000,000 for the 1948-49 fiscal year on the basis of estimated revenues of \$2,664,000 and expenditures of \$2,175,000.

Canadian Minister To Brazil Named

OTTAWA—James S. Macdonald, of Goldenville, Nova Scotia, has been appointed Canadian ambassador to Brazil, the Secretary of State announced last week.

LOCAL TIDES

Thursday, May 20, 1948
High 11:44 18.9 feet
23:47 21.3 feet
Low 5:34 3.9 feet
17:39 5.8 feet

THE WEATHER

Synopsis
The weather is expected to remain clear over Vancouver Island, lower mainland and the interior today and Thursday. A storm centre in the Gulf of Alaska will give occasional light rain along the northern B.C. coast through Friday.

Forecast
Prince Rupert, Queen Charlottes and North Coast: Southern Section—Clear today, cloudy Thursday, wind light. Little change in temperature. Lows tonight and highs Thursday—At Port Hardy 42 and 55. Northern Section—Overcast with occasional light rain today and Thursday. Wind southerly (20), little change in temperature. Lows tonight and highs Thursday—At Massett 45 and 53. Prince Rupert 45 and 53.

Fish Sales

American
Northern, 54,000, 17:20, 16:50 and 9:50. Storage.
Canadian
Arctic I, 22,000, Co-op.
Rodney P., 16,000, Co-op.

Channel Islands Liberation Stamps

OTTAWA—A special issue of postage stamps to commemorate the liberation of the Channel Islands in 1945 went on sale in the United Kingdom in May. Of double normal size, they depict scenes of seaweed gathering, an important industry of the islands.

CUD CHEWERS

Animals such as cows, sheep, goats and deer which chew a cud, are called ruminants.