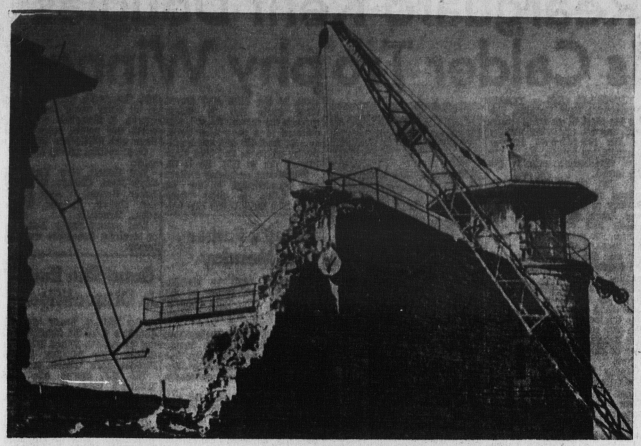

PRISON WALL COMES TUMBLING DOWN

A stone wall along the north side of the federal penitentiary at Kingston, Ont., comes tumbling down under the pounding of a 3,100-pound wrecking ball. Extra guards were posted Monday and wire fences were erected while a demolition crew tore down the wall erected 100 years ago. The wall, weakened, by frost, will be replaced by a concrete structure. (CP Wirephoto)

Cigarette Tax Slash Urged On Commission

MONTREAL (CP)—The Imperial Tobacco Company of Canada went before the royal commission on taxation Monday "on behalf of the Canadian smoker" to seek a reduction in taxes on cigarettes.

"There is no rhyme or reason for a government to depend to the extent of approximately seven per cent of its budgetary tax revenue on the proceeds of federal tobacco taxes," said J. A. Calder, Imperial's treasurer. If not eliminated, the taxes should be "drastically reduced," he said.

Apart from the 11 per cent federal sales tax, cigarettes are subject to an excise duty of $4.00 per thousand and an excise tax of $5.00 per thousand. This, said the imperial brief, totals 209 per cent of the manufacturers' selling price. At the retail level, the tax totals 20 cents on a 36-cent package.

As a comparison, said Mr. Clader, the taxes on liquor total only 37 per cent of the retail price.

Since about half of Canadian adults smoke, "it means that one-half of the population is drastically more highly taxed than the other without any pretence at equity or benefit."

EASY TO COLLECT

Mr. Calder told the commission, headed by Toronto chartered accountant Kenneth Carter, that convenience of collection, and not equity, is one reason for the high tobacco taxes.

There were non-economic arguments favoring heavy cigarette taxes, including "sometimes quite passionate" opposition to smoking on grounds of morals and health. But "even if there were some validity to such views, it should not be the function of our tax system to regulate smoking."

Mr. Calder pointed out that tobacco is Ontario's biggest cash crop, earning four times as much as fruit. It involves 6,000 Canadian farmers and wages are paid to 40,000 seasonal workers. The manufacturing segment of the industry employs 10,000 persons nd 90,000 retail outlets handle tobacco products.

In the last 10 years, while hourly wages of tobacco workers rose 50 per cent and the cost of tobacco for manufacturing rose 25 per cent, the selling price of cigarettes in Canada, excluding taxes, dropped by six per cent.

CITES CHARLES I

Mr. Calder said the excessive level of tobacco taxation goes back in history to the time of "Charles I, who didn't like Sir Walter Raleigh."

Commission Chairman Kenneth Carter said he was "delighted" with that explanation because "it's the first time we've had Sir Walter before us."

Another submission presented to the commission Monday called for the government to raise at least 95 per cent of its revenue through income taxes, so that all "hidden" taxes could be eliminated or drastically reduced.

H. D. Lightfoot, a professional engineer, presented the brief as an individual. He said it was time taxation was brought out in the open so every taxpayer could see exactly how much he contributed to the cost of government.

"I don't believe there is anybody in this room who knows how much gasoline tax he pays," said Mr. Lightfoot.

URGES EQUAL RATE

Everyone should also pay the same rate of income tax, he argued, so distribution would be fair.

Mr. Carter estimated that it would require a flat rate of at least 35 per cent to provide the necessary revenue under Mr. Lightfoot's plan.

Commissioner J. Harvey Perry said that regardless of the merit of Mr. Lightfoot's arguments, it was "refreshing" to hear a brief that advocated higher income taxes. Virtually all the briefs presented to the commission so far called for tax reductions.

"Yes," said Mr. Carter, "you certainly made an impact."

The commission opens hearings in Toronto Wednesday.

FALLOUT INCREASES

WINNIPEG (CP)—Dr. M. K. Kieran, chairman of Manitoba's technical advisory committee on radiation, Monday said the intermittent rains of April have brought an increased nuclear fallout to the province. He said in an interview that the rains have washed down nuclear fallout and the province's radiation count has temporarily risen. But, he added, the amount is far from dangerous.

KEEP TRADITION

Britain's Royal Agricultural Show has been held annually since 1848.

Herter Suggests Tariff Cut By Entire Western Community

By HAROLD MORRISON

WASHINGTON (CP) — Christian Herter, President Kennedy's chief tariff negotiator, proposed Monday that each Western country agree to "reduce all its tariff rates by a percentage to be agreed upon."

"Of course, each country will have exceptions — items which they feel they must reserve from the uniform tariff reduction," Herter said in disclosing the details of U.S. tariff proposals under Kennedy's Trade Expansion Act.

"We contend that these exceptions should be kept to a minimum."

Herter spoke before the U.S. Chamber of Commerce annual conference following weekend talks at Ottawa. Victor Oland of Halifax, president of the Canadian chamber, brought greetings from Canada and expressed the belief that Canadians — with few exceptions— "appreciate the leadership the U.S. is giving for peace and prosperity in the world."

CITES DETERMINATION

Now that the Canadian election is over, Oland said, "there is a determination in Canada on all sides to get on with the job of effectively meeting and overcoming our economic problems."

The Canadian economy is stronger than some Americans had been led to believe, Oland said. Canada had problems but also great opportunities.

Oland added that the Canadian and U.S. chambers are engaged in a deep study of ways of expanding multilateral trade "with particular emphasis on liberalizing trade relations between both countries."

"This is the kind of effort at the non-government level which can have great mutual benefits and which should be encouraged."

Herter said he is pressing ahead to prepare the ground for major free world tariff negotiations next year, with the U.S. offering to reduce its tariffs by up to 50 per cent in return for similar concessions from other countries.

WANTS LINEAR CUTS

He appealed for the across-the-board or linear tariff-reduction approach, to reduce all tariffs by a negotiated percentage. This, he said, will save time at the bargaining table and reduce the possibility that certain countries might get "free rides" in tariff concessions.

By law, the U.S. would have to withhold from such widespread cuts "any item on which there is any escape clause or national security action in force."

"The coming Geneva talks (to open May 16), therefore, will have to be aimed at obtaining an exceptions formula that is limited enough to ensure that mutual tariff reductions will be significant, but sufficiently permissive to allow genuinely unavoidable reservations."

Herter said he would demand that agricultural as well as industrial goods be included in the cuts and that non-tariff import restrictions, such as quotas and customs red tape, also be reduced.

Hawker Siddeley Plans Capital Expenditures

TORONTO (CP) — Hawker Siddeley Canada Ltd. plans capital expenditures this year totalling $21,000,000 and about the same in 1964, President T. J. Emmert said at the company's annual meeting Monday.

Following extensive reorganization and return to a profit position in 1962, Mr. Emmert said the company now plans to pay particular attention to expansion of its steel business; to further development of its industrial gas turbine business, to research and engineering, including the creation of new products; and to further integration of the company's widespread affairs with the aim of more efficient use of resources, material and human.

Principal current steel expansion project is the recently announced plans of Dominion Steel and Coal Corporation — controlled by Hawker Siddeley—to build an addition to its Montreal facilities for the production of rods, bars and other items.

TURBINES PROMISING

Mr. Emmert described the gas turbine business for production of industrial power as having "great potential."

He said the company expects "steady but not necessarily spectacular progress." If the recent new feeling of buoyancy in the country continued through the year, current expectations might be exceeded.

Asked by a shareholder when resumption of dividends on the common stock might be expected, Sir Roy Dobson, chairman, replied:

"We have just turned the corner. We will resume dividends as and when we have sufficient profit coupled with confidence that it will continue."

Directors were re-elected.

DROPPED FIRST BOMBS

The first aerial bombing raid was in 1849 when Austrians attacked Venice with bomb-carrying balloons.

Lobster Flight Planned To U.S.

HALIFAX (CP) — Aerial Service Corporation of Miami, Fla., announced hrre Monday plans to fly live Atlantic provinces lobsters to the United States market.

Howard F. Sabin, procurement director, said at a press conference the company hopes to buy 6,000,000 to 8,000,000 pounds of lobsters from dealers in the four provinces during the summer season and transport them by plane to the midwest United States market.

He said it would be the first large scale effort to transport live lobsters out of the province by air.

The company has formed a subsidiary, SVS Corporation of Miami, to carry the lobsters. Mr. Sabin is executive director and general manager of the subsidiary.

He said agreements had been reached with about 10 dealers to supply the lobsters which would be flown daily in chartered Canadian planes from here, Gander, Nfld., and Moncton.

Biggest buyers for the lobsters would be supermarkets, which now depend on truck and rail transport, he said.

N.B. Schoolboy Awarded Medal

OTTAWA (CP) — David Patrick Kiervin, a 12 - year - old schoolboy at Saint John, N.B., has been awarded the gold medal of the Canadian Automobile Association for lifesaving as a school safety patroller, it was announced Monday.

The boy, a student at St. Peter's School, pulled a fellow student from the path of a truck last Nov. 14 and saved him from death or serious injury.

David will receive his award during the national school safety patrol Jamboree in Ottawa May 10 and 11.

The award judges, RCMP Commissioner C. W. Harvison and Montreal Police director J. A. Robert, commended the boy's alertness, initiative and disregard for his own safety.

CNR BRIDGE BURNS

Plumes of smoke billow from a blazing CNR bridge in Toronto's suburban Scarborough Sunday after its 12-inch wooden beams caught fire. Smoke swirled an estimated quarter-mile into the air. (CP Wirephoto)

Is Money Your Marriage Problem?

Do you quarrel with your spouse about money? Do you have a joint or separate bank account? Is buying a house a sensible thing to do? In May Reader's Digest read the fascinating survey of young U.S. and Canadian couples—and how they spend their money. Get your May issue of the Reader's Digest today.

SALLY SHOPS

To Mother With Love ... on May 12th

BLOUSES 2.98 Up
Mostly the popular over-blouse style. Prints and white. Dacron, cotton, terylene. Sizes 10 - 20.

HANDBAGS 2.98 To 8.98
Good selection — plastics, patents, tapestries and straws.

DUSTERS 3.98 Up
Prints, checks, solids. Cottons and washable rayons. Also a rack of the new "shift" dusters.

LINGERIE 1.98 _ 3.98
Slips and Half Slips
NYLON GOWNS pastel shades 4.98 up

LAMINATE COATS 19.98 Up
New fashion details — big buttons, etc. Solid colors and checks. Sizes 7 - 20.

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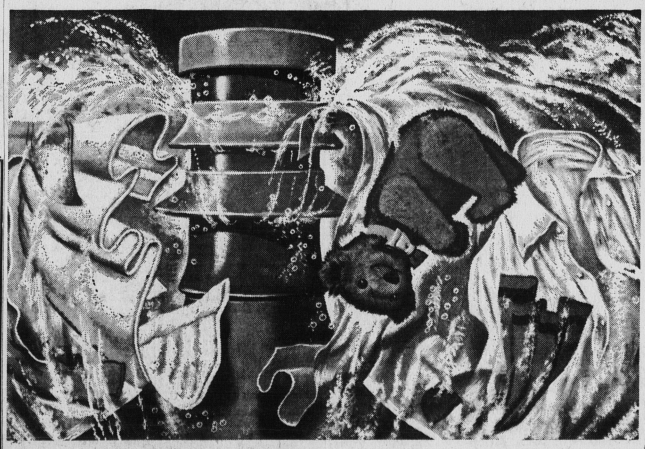

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Exclusive up-and-down action opens folds—pumps detergent and water through every fold of fabric 330 times a minute. Keeps clothes separated for piece-by-piece washing. Goes after ground-in grime and gets it out. Lets clothes circulate freely—wash completely clean—yet treats them gently.

Get the washing action that washes everything from denims to dainties—safely—the one and only Frigidaire 3-Ring Agitator.

Get these other Frigidaire features too: new larger 12-lb. tub (holds 4 large sheets ... and then some!); automatic soak cycle; underwater dispensing of washing aids (either liquid or granular); two speeds; fastest spin dry (takes out more moisture ... cuts drying time in half).

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