

## Coastal Ship Abandoned, Other Sunk In Heavy Ice

GLACE BAY, N. S. (CP)—A 30-ton coastal vessel was abandoned in heavy ice off this Cape Breton port Tuesday and a sister ship that went to her aid was trapped and sunk.

The six men aboard the two craft made safety in dories with only one man receiving slight injuries. He was not identified.

The *Sarat*, Morton was lost as she headed to sea to help the *Nelson Miles*, trapped about a mile offshore on a trip to Glace Bay from Newfoundland.

Owner Donald Cadevan of the Cadevan Fish company here said the *Sarat* was not in the ice but "couldn't get out." He said the hulls of both ships were ripped open by the crushing, heaving ice that extends about three or four miles offshore.

Mr. Cadevan said that if the *Miles* was still afloat today he would try to pump the water from her broken hull and tow her to port.

He said about 1,000 pounds of fish picked up at Newfoundland ports was lost when the *Morton* sank. He declined to give an estimate of loss.

Charley Munden was skipper of the *Morton* and Raymond Crewe of the *Miles*. Names of crew members were not immediately available.

The government ice-breaker *Saurel* left Sydney to go to the straits. Mr. Cadevan said faster action "could have saved both ships."

## Opposition Sees Cut In Taxes Not Very Realistic

OTTAWA (CP)—J. M. Macdonnell, the opposition's financial critic, said Tuesday night Finance Minister Harris' tax cuts are "pleasant" but getting away from reality.

He said the tax reductions should not come out of a deficit or be borrowed. They should come from savings on expenditures.

The Progressive Conservative member for Toronto Greenwood described as inflationary the way in which the tax cuts were obtained, saying it was contrary to policy adopted in the United Kingdom and the United States.

Mr. Macdonnell referred to Mr. Harris' forecast of a \$160,000,000 deficit for 1955-56 with a drop in tax revenue of \$148,000,000.

## Canada's Greetings Are Expressed To Churchill

OTTAWA (CP)—Prime Minister St. Laurent expressed Canada's most affectionate and grateful greetings Tuesday to Sir Winston Churchill on his resignation as Britain's prime minister.

He told the Commons Sir Winston's decision will be received with mixed feelings.

"All of us know that no one more richly deserves a respite from the overweighing public responsibility that high office imposes.

"But we shall miss a leadership which so many years—especially in the anxious days of war—has inspired and encouraged the people of the Commonwealth of Nations and indeed the whole free world."

## Ford Co. Head Is Optimistic

TORONTO (CP)—A brighter economic picture in Canada was forecast Tuesday night by Rym M. Sale, president of the Ford Motor Co. of Canada, because of the tax changes.

Mr. Sale said the changes should serve to stimulate business generally and he added that the reduction in tax on cars was particularly welcomed by the automobile industry.

He said the uncertainty which has bottlenecked new car sales in Canada for several weeks past.

Mr. Sale said customers were willing to place orders but asked their dealers to delay delivery until after budget day.

## Coming Events

- "Dance in Millview Hall Easter Monday.
- "Bingo, North Rustico, 8.30 p.m. Jackpot \$65.00. Door prize.
- "Nicholson's Restaurant, Bread-albano, reopening—Friday, April eighth.
- "Easter Saturday night Dance, St. Peter's Bay Hall, April 9th. Messers Orchestra.
- "Community Bingo at Morell tonight. Usual prizes. Admission 35 cents.
- "Our Mill will be closed Wednesday afternoon, April 6th. Russell Driscoll, Mt. Stewart.
- "Morell Co-operative and Dingwell & Rosenthal Stores will be closed Good Friday and Easter Monday.
- "Cornwall Women's Institute are holding a pantry sale on Saturday afternoon at 2 p. m., April 15th, at Simpsons—Sears.
- "Annual play, Immaculate Conception Parish, Wellington, Thanksgiving hall, April 12th and 13th.
- "Dance, West Royalty Hall Wednesday. Rollie McKenzie's Orchestra. Canteen Service, 9.30 to 12.30.
- "Choice Easter Beef in now at Stirling Inn's Store, Cherry Valley, Fed. by Mr. A. H. Mutch, Earncliffe and Mr. Ed. Wood, Pownal.

# CUTS IN INCOME AND AUTOMOBILE TAXES HIGHLIGHT BUDGET; DEFICIT IS FORECAST

## Plan Special Study of Potato Tariff

OTTAWA (Special)—While the tariff on potatoes imported into Canada from the United States remains unchanged in the budget brought down here Tuesday night by Finance Minister Harris, the entire question of potatoes is being referred to the Tariff Board for study.

Mr. Harris told the House that he had received many representations on the subject of potatoes in recent months. Some were made on the floor of the chamber by Angus MacLean, Conservative M.P. for Queen's and others made privately to members of the cabinet by the Liberal members of the Island province. The Tariff Board will make an extensive survey of the situation in the course of which it will probably visit both P. E. I. and New Brunswick and talk things over with the P. E. I. Potato Marketing Board, growers and shippers.

## Sir Winston Churchill Hands His Resignation To Queen

By Alan Harvey  
Canadian Press Staff Writer  
LONDON, (CP)—Sir Winston Churchill, the old lion of eternal England, resigned Tuesday as Britain's prime minister and cleared the way for an early general election.

Blinking back the tears at times, Churchill drove to Buckingham Palace and handed his resignation to the Queen in a traditional ceremony. He will be succeeded by Sir Anthony Eden, three times foreign secretary and for 13 years Churchill's understudy.

It was an historic occasion. Emotions too big for words must have played in the old man's mind as he acted out his last great scenes as one of the acknowledged statesmen of the age.

On his return from the palace to Downing street—his residence as chief of government—for a total of eight years, seven months and 25 days—the 80-year-old descendant of the Marlboroughs stood flushed and trying to control the tears.

**BUT STILL FIGHTING**

A cigar in his mouth, slowly he mounted the steps of the house marked 10, turned to give his famous V signal and entered, perhaps for the last time, Wednesday he goes to Chartwell and next Tuesday he leaves to holiday in Sicily.

He will remain an ordinary member of the House of Commons he has loved and adorned, and will fight the next election—15th in a career stretching back in 1900—in his old constituency of Woodford.

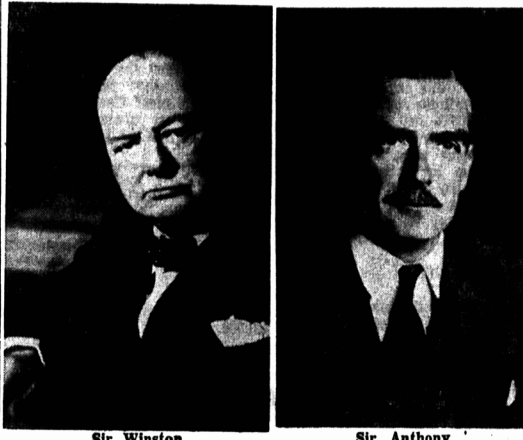
The curtain fell on the Churchill drama in a strangely silent London, denied its daily reading matter by a newspaper strike now in its 12th day.

**BIG STORY, PRESS SILENT**

Britain's biggest news story of the year, involving a man who has been making headlines all his life, broke at a time when the London *Sunday Times* was celebrating its 100th birthday.

**SOLDIER'S BODY FOUND**

ST. JOHN'S, Nfld. (CP)—The United States Air Force said Tuesday the body of a U.S. soldier has been found in a harbor near Nararsuak, Greenland. No other details have been received here. The victim's name has been withheld pending notification of next of kin.



## Eden Steps Into Prime Minister's Shoes Today

By JACK SMITH  
LONDON (AP)—Dynamic Sir Winston Churchill moved aside Tuesday and the one-time wonder boy of British diplomacy—Sir Anthony Eden—awaited the call to replace him as prime minister.

Sir Anthony, long overshadowed through most of his life by older men, steps into the giant's shoes Wednesday.

Churchill and other intimates have sometimes gently needed Eden about his long wait for the sovereign's nod.

At a luncheon recently Eden said light-heartedly:

"An elder statesman has just told me: 'Tony, the world is littered with ex-prospective prime ministers.'"

**WORDS NOT NEEDED**

As foreign secretary and deputy prime minister, Eden has been Churchill's right-hand man.

Standing once over a news ticker that was reporting a minor disagreement between him and Eden, Churchill muttered:

"Disagreement? Disagreement? Of course there is no disagreement. The boy has been waiting so long he knows exactly what's in my mind."

## Nationalists Raid Red Ships Near The Matsus

TAIPEI, Formosa (Reuters)—Nationalist Chinese ships and planes Tuesday attacked two concentrations of Communist ships near the Matsus, stressing the difficulties in the nation's drive toward industrialization and overhaul of agriculture under the first Communist five-year plan.

The announcement hinted at economic trouble facing the Communist regime, stressing the difficulties in the nation's drive toward industrialization and overhaul of agriculture under the first Communist five-year plan.

Meanwhile, Nationalist planes were reported to have attacked a group of Communist gunboats in Meichow bay, 140 miles south of the Matsus, damaging two of them. Patrol planes could not confirm reports that a large concentration of junks and gunboats was massing near the Matsus.

The clashes took place amid growing Nationalist concern over increasing Communist air strength in nearby mainland bases. Tuesday, the Nationalist newspaper *China News* said that a new Communist jet plane base at Luchiao was nearly completed.

## Denies Forecast Invasion Date

WASHINGTON (AP)—Admiral Robert Carney denied Tuesday he ever predicted the Chinese Communists might attack in the Formosa island area about April 15.

The chief of naval operations was before a Senate appropriations sub-committee. Senator Allen Ellender (Dem. La.) said Carney had been quoted as telling reporters March 24 an attack could be expected about April 15.

Ellender said this and later reports that the White House had no such intelligence had created excitement both in the U. S. and abroad.

He asked Carney if he had changed his mind.

"I have not changed my mind because I never made such a statement," Carney replied.

## Whole Question Being Studied Out Of Work Benefits For Fishermen

OTTAWA (CP)—Labor Minister Gregg promised Tuesday that if it is at all possible to extend unemployment insurance benefits—or some comparable benefit—to Canada's fishermen when they are idle, the government will do it.

Speaking in the Commons on government-proposed broad changes in unemployment insurance, he said the matter has been studied for many months and he hoped a solution could be found.

The government studies on how to apply unemployment insurance to the complicated employment conditions of the fishermen—many work for themselves—would continue.

Mr. Gregg rejected members' suggestions that extension of unemployment benefits be unlimited. The government, he said, does not this year intend to extend beyond the April 15 cutoff date payment of supplementary benefits paid out of the fund during winter months of slack employment.

Dealing with another point of opposition criticism—that eligibility of working women is limited after they get married—Mr. Gregg said he would have another look at that regulation.

The minister spoke during the resolution stage of the legislation. Later the bill itself was introduced and given first reading.

The legislation raises top benefits for those out of work to \$50 a week for married and \$30 for single persons, compared with present ceilings of \$24 and \$17.10. Those earnings up to \$57 a week will participate in the higher benefits compared with the present top benefit wage maximum of \$48.

The legislation also credits workers with more benefit days for the time they work and writes permanently into the Unemployment Insurance Act increases in winter supplementary benefits approved by Parliament in January.

## Saigon Fears Trouble As Truce Ends

SAIGON, Viet Nam (Reuters)—The people of Saigon locked up their homes and prepared for possible trouble Tuesday night as a truce in fighting between government forces and private armies came to an end.

In Cholon, the Chinese suburb where more than 100 persons were killed or wounded in street battles last Wednesday, Chinese traders closed their shops at 5 p.m. when the truce expired.

Troops of the opposing forces stood by at sand-bagged positions. Both sides disarmed any intention of starting trouble, but showed themselves ready for anything that might come.

Gen. Paul Ely, French commander-in-chief, meanwhile continued his earnest efforts to extend the truce he arranged last Wednesday. French officials here fear that another clash might lead to a prolonged civil war, jeopardizing the entire Western program of support for South Viet Nam's anti-Communist government.

## First Freighter Reaches Montreal

MONTREAL (CP)—The Manchester Spinner, ocean-going British freighter, reached Montreal harbor today to open the 1955 shipping season here.

The 7,850-ton Spinner, which left Manchester, Eng., March 24, also was the first to open the season here last year.

Her captain, F. L. Osborne, will receive a gold-headed cane, probably Wednesday.

## Plans Quiet Vacation In Hotel On Sicily

SYRACUSE, Sicily (Reuters)—Sir Winston Churchill will begin his retirement with a quiet vacation at a resort hotel here perched on rocks above the sea among groves of orange, lemon and almond trees.

The 80-year-old statesman, who resigned as prime minister in London Tuesday, will fly here within the next few days.

He has requested "absolute peace and quiet" with no official welcomes, ceremonies or fuss of any kind.

A wing of the lovely Villa Politi hotel, built on the site of an ancient Greek villa, has been reserved for his visit. The suite he and Lady Churchill will occupy is small, unpretentious and private.

Almost encircling the Villa Politi gardens is Sicily's most famed quarry overgrown with luxuriant shrubs and patterned with pathways.

It is a painter's paradise. The caverns of the Latomia were hewn out underground by the Greeks 2,000 years ago in their quest for building stone.

## Estimate Tax Cut On \$2,400 Car About \$75

OTTAWA (CP)—The average price of new automobiles likely will drop as a result of the government's decision Tuesday night to reduce the excise tax by one-third.

Motorists also may get a break in the announcement in Finance Minister Harris' budget that the 10-per-cent excise tax on new tires and tubes is eliminated. Both decisions are effective immediately.

The excise tax on new cars is reduced to 10 per cent from 15. Officials estimated that the reduction will amount to about \$75 on a car selling at a retail price of about \$2,400. The reduction will be larger on higher-priced models.

He estimated the revenue loss on cars at \$26,000,000 in the current fiscal year and on tires and tubes, \$9,000,000.

Persons who already have purchased new cars cannot obtain tax refunds. The reductions apply only on future purchases starting today.

## Minor Changes Made In Corporation Tax Field

OTTAWA (CP)—A number of minor changes in the corporation tax field are contained in Tuesday night's budget presented to the Commons by Finance Minister Harris.

They are:

1. Income in the form of rentals from real estate will be excluded from the base to which the special four-per-cent tax on investment is levied.

(Continued on Page 2 col. 6)

## Finance Minister Harris' First Budget Also Called for a Reduction to 10 per Cent from 15 in the Special Excise Tax on Automobiles, Repeal of the Special 10-per-cent Excise Tax on Tires and Tubes and a Slight Drop in the Levy on Big Corporate Incomes. The Excise Tax Cuts are Effective Immediately; the Corporate Tax Reduction as of Jan. 1, 1955.

All tax reductions would amount to \$148,000,000 this year—about four per cent of total taxation—and \$207,000,000 in a full year of operation. There were no major tax increases.

**EFFECTIVE JULY 1**

The minister announced a federal royal commission will be set up to survey Canada's economic resources.

His personal income tax cuts, amounting to \$128,000,000 in a full calendar year—will go into effect July 1. This will mean that for 1955 the taxpayer will get the benefit of half the reductions.

For a full year, they will range between 13.3 per cent for lower-paid Canadians and 2.8 per cent for those in higher income brackets. Mr. Harris estimated that 95 per cent of the 3,800,000 income tax payers will receive reductions of 12 to 13 per cent.

**BIGGEST BREAK**

These reductions are in the part of the income tax going into general revenues—the special two per cent tax for old age security remains unchanged.

The old age tax under the budget also remains embedded in corporation tax and in the 10-per-cent sales tax.

In forecasting a second straight deficit, Mr. Harris gave by far the largest break to the personal income tax payer. His forecast of an \$85,000,000 reduction in that category for the 1955-56 year was well over half the \$148,000,000 reduction for the year.

The cut in corporation tax was estimated to save companies \$28,000,000 in this fiscal year—and \$43,000,000 in a full tax year.

The tax rate on corporation income was unchanged.

Pravda made clear that weak leadership was blamed for the large number of backward farms and for the state of Soviet agriculture. It said the technical equipment available to agriculture "cannot give its proper effect unless the leadership is improved."

## Labor Member Wants Debate On Churchill

LONDON (Reuters)—Gasp of surprise broke out in the House of Commons Tuesday when a Labor member blandly asked for an immediate debate on Sir Winston Churchill's retirement as prime minister.

The request came from Marcus Lipton even before Churchill submitted his resignation to the Queen at Buckingham Palace.

Lipton said he wanted an immediate debate on a matter of "urgent public importance—namely the resignation of Prime Minister Sir Winston Churchill."

The House Speaker curtly remarked that the matter did not come within rules of procedure. Labor members with cheer Lipton's request but annoyed Conservatives shouted out "cheap."

There had been an earlier oblique reference to Churchill's intentions when Capt. Harry Crookshank, leader of the House, rose to answer questions on behalf of the absent prime minister.

Labor member Emrys Hughes asked: "Can we be told if the government is going to hurry Caesar in the House of Lords (make him a peer) or is he going to be allowed to come back here to worry Anthony?"

There was loud laughter at this. Crookshank smiled broadly but did not reply.

## Town Specialists To Run Farms

MOSCOW (Reuters)—Pravda, Communist party newspaper, announced Tuesday 30,000 specialists from the towns were being sent into the country to run collective farms.

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