



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

Vol. 3 No. 28

May 21, 1948.

INDEX TO INSIDE PAGES

Mr. Butler's Appointment.....	2	Air Force Day June 12.....	4
Northwest Highway Police.....	2	Canada At The United Nations.....	5-7
Steel Production.....	2	Canada's Congratulations.....	7
Honorary Aide-de-Camp.....	2	National Group.....	7
Naval Flying Training.....	3	Dominion Cerealist.....	7-8
Car Loadings.....	3	Cadet Trades Training.....	8
Remittances of U.S. Dollars.....	3	Labour Income.....	8
Naval Appointment.....	3	Wholesale Sales.....	8
Hilltop Radar Surplus.....	3-4	Electricity on Farms.....	8
Automotive Surplus.....	4	Reporting Parliament Briefly.....	9-10
"Frontier" Aerodrome Record.....	4	Canadian is Chairman.....	10
Citizen-Soldier Recognition.....	4	Canada's Good Wishes.....	10

WEEK'S EVENTS IN REVIEW

MR. ABBOTT'S SECOND BUDGET: Submitting his second budget in the House of Commons Tuesday night, May 18, the Minister of Finance, Mr. Abbott, announced a surplus for the year 1947-48 of 670 million dollars. In view of the present international and economic situation Mr. Abbott thought the general policy for the year should be to use the surplus for debt reduction, thus combatting inflation. He therefore reached the conclusion that the Budget should contain no general tax changes. Complete text of the Budget Address is contained in Hansard but the following is the summary of the main tax changes:--

1. Personal Income Tax

Additional exemption of \$500. for persons 65 years or over; in such cases no income tax will be paid on income under \$1,250 in case of single person and \$2,000 in case of married person. Revenue loss for full year estimated at \$5,000,000.

2% interest will be paid by government on overpaid taxes up to \$5,000 and ½% on amounts over \$5,000; penalty rates on underpayments increased at same time by 2% on underpayments due up to one month after notice of assessment and by 1% thereafter.

Allowances now granted mining, oil and gas industries for exploration expenses extended through 1949.

All remaining amounts of refundable personal income tax to be repaid next March (that is, refundable taxes for both 1943 and 1944).

Revised Income Tax Act to be introduced again at this session for enactment effective January 1, 1949:

2. Commodity Taxes

Sales tax removed from practically all remaining food items, including fruits and vegetables, whether canned, frozen or dehydrated.

25% retail sales tax removed from silver-plated knives, forks and spoons, alarm clocks of a retail value of \$10.00 or less and braille watches for the blind;--revenue loss estimated at \$600,000 in full year.

20% tax on admissions to theatres, etc., 25% tax on other places of entertainment and 5% tax on pari-mutuel bets repealed;--revenue loss in full year estimated at \$23,500,000.

3% special excise tax on imports from general tariff countries repealed;--revenue loss in full year estimated at \$2,100,000.

Other miscellaneous changes include removal of 60¢ per gallon tax on spirits used in