

TAX POLICY TO BE STUDIED

Prime Minister Diefenbaker announced on August 27 the setting up of a Royal Commission on Taxation. The terms of reference will cover the whole field of federal taxation, including principles and practice and the impact of tax policy on the national economy.

The Chairman of the Commission will be Mr. Kenneth LeM. Carter of Toronto, past president of the Institute of Chartered Accountants of Ontario and past chairman of the Board of the Canadian Tax Foundation. He is at present serving his third term as president of the Canadian Welfare Council.

Other members of the Commission will be named shortly.

U.S.-CANADA LUMBER TALKS

On August 29, officials of the United States and Canadian Governments concluded two days of discussions in Ottawa on the present and future problems of the North American softwood-lumber industries, with particular respect to forest resources, growth rates, employment and markets. They also examined other factors affecting the respective industries in the two countries and the outlook for the future, and discussed in detail the trade in lumber between the United States and Canada, imports into the United States and the problems of the U.S. softwood industry. During the discussion of the last subject, the United States officials drew attention to the programme announced on July 26 by President Kennedy.

It was agreed that both countries had an interest in the resolution of problems facing the North American softwood-lumber industries. It was further agreed that discussions should be resumed in the near future. In the meantime, the delegations will be reporting back to their respective Governments and consulting with their industries.

USE OF FARM LAND

The proportion of improved land to total farm area increased during the inter-censal period 1956-1961, according to figures based on the 1961 Census of Agriculture recently released by the Dominion Bureau of Statistics. While the total farm area in Canada decreased 0.8 per cent from 173,923,691 acres in 1956 to 172,551,051 acres in 1961, the total improved land in Canada increased 3.1 per cent to 103,403,426 acres in 1961 from 100,326,243 acres in 1956.

The eastern provinces recorded a decrease and the Prairies and British Columbia recorded an increase in total improved land. New Brunswick, with

the area of improved land decreasing to 734,107 acres in 1961 from 951,291 acres in 1956, registered the highest percentage decrease (22.8 per cent). British Columbia, with the unimproved area increasing to 1,303,263 acres in 1961 from 1,166,752 acres in 1956, registered the highest percentage increase (11.7 per cent).

The total area under crops in Canada decreased 0.8 per cent in 1961 to 62,435,534 acres from the 1956 total of 62,944,176 acres. All provinces, with the exception of Manitoba, Alberta and British Columbia, contributed to this decrease. The highest percentage decrease of 21.8 per cent occurred in New Brunswick, where the total area under crops changed to 482,548 acres from the 1956 total of 617,279 acres. The highest percentage increase (14.4 per cent) occurred in British Columbia, where the total acreage under crops advanced to 788,896 in 1961 from 689,749 in 1956.

The total area of improved pasture in Canada increased to 10,247,896 acres in 1961 from 10,057,819 acres in 1956 or 1.9 per cent. The decrease in acreage of improved pasture in the eastern provinces was offset by the increase in the western provinces.

LEATHER MISSION TO WESTERN EUROPE

The market for Canadian leather goods in Western Europe is being explored by a trade mission, including six members of the tanning industry. Before it returns to Canada on September 15, the mission will have visited Britain, Ireland, France, West Germany and Switzerland.

Its main purpose is to introduce representatives of Canada's primary leather industry to European agents, importers, wholesalers and end-users, with the aim of stimulating immediate and long-term sales of Canadian leather in the European market. It is hoped that such personal contacts and the business that should result from them will arouse European interest in Canada as a reliable and continuing source of a wide variety of top-quality leather goods.

The mission will also observe recent technological improvements in the European industry, with a view to their possible application in Canada, and will establish liaison with European leather-fashion councils to obtain regular information on seasonal style and colour trends on the continent.

The Canadian leather industry dates back to the founding of the first tannery in Quebec about 1670. A third of the 48 leather tanneries in Canada today are actively engaged in export trade. As Canadian tanneries currently export about 25 per cent of their production, amounting to a total of roughly \$9 million in foreign sales per annum, foreign trade is most important to the industry. Canada's main markets are the United States, Britain, Central America and South Africa, in that order.