

BUDGETARY SURPLUS SHRINKS TO \$287.9 MILLION

OCTOBER DEFICIT: During October budgetary expenditures of the Government exceeded budgetary revenues, resulting in a deficit of \$3 million, whereas in October last year there was a surplus of \$71.1 million. For the first seven months of the fiscal year the excess of budgetary revenues over budgetary expenditures was \$287.9 million, a decrease of \$216.5 million from the surplus of \$504.4 million for the corresponding period of 1951, the Minister of Finance, Mr. Douglas Abbott, announced on November 22.

Budgetary revenues in October amounted to \$364.6 million, an increase of \$10 million over those in October 1951. Individual income tax collections for the month were up by \$17.3 million over October 1951, corporation income tax receipts by \$2.2 million and customs import duties by \$9.2 million. Excise duties, however, were down by \$7 million and excise tax collections by \$11.6 million as compared with October 1951.

OLD AGE SECURITY FUND

This decrease in excise tax receipts is accounted for by the fact that while last year all collections from the 10 per cent sales tax were credited to budgetary revenues, in 1952 only 8 of the 10 per cent was so credited, the other 2 per cent going into the Old Age Security Fund. When the amount credited to the fund is added to the total excise tax receipts, there is a net increase of \$0.3 million in collections for the month.

For the first seven months of the fiscal year revenues amounted to \$2,364.7 million. This is approximately 55 per cent of the total forecast for the year as a whole and \$204.8 million more than the total of \$2,159.9 million collected during the corresponding period of 1951.

Budgetary expenditures for October amounted to \$367.6 million and were \$84.1 million more than the total of \$283.5 million for October 1951. This was due mainly to increases of \$58.8 million in subsidy and tax rental pay-

ments to provinces, \$44 million in defence expenditures - that is, in the expenditures of the Departments of National Defence and Defence Production - and \$2.6 million in those of the Department of Veterans Affairs (principally for disability pensions and veterans' allowances), offset in part by a decrease of \$25.1 million in old age assistance and blind persons' allowances (excluding old age security payments to persons 70 years of age and over which are now being paid out of the Old Age Security Fund).

For the first seven months of the fiscal year expenditures amounted to \$2,076.8 million which is slightly less than 49 per cent of the total \$4,270 million forecast in the budget for the fiscal year as a whole. At this date last year \$1,655.5 million or approximately 44 per cent of the total expenditures for the year had been made.

DEFENCE EXPENDITURES

Defence expenditures amounted to \$151.3 million in October bringing the average for the past three months to \$147.9 million which is still considerably below the average monthly expenditure of \$177.1 million for which Parliament has made provision.

The substantial increase in subsidies and tax rental payments to provinces is due to the payment during October to Ontario of the two quarterly instalments due under the recently signed tax rental agreement with that Province.

Pension payments out of the Old Age Security Fund to persons seventy years of age and over amounted to \$27.1 million during October. As tax receipts amounting to \$19.3 million were credited to the Fund, payments exceeded receipts by \$7.9 million again reflecting the lag in the collection of personal and corporation income taxes levied for the purposes of the old age security programme. Deficiencies in the Fund are financed temporarily by advances by the Minister of Finance.

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"CRUSADER" IN ACTION: On Board HMCS Crusader, November 21: A Canadian and an Australian destroyer teamed in knocking out a communist shore battery on the west coast of Korea, on November 16.

The crusader was carrying out a routine patrol when a radio message was received from the Australian destroyer Anzac reporting she was being fired on by enemy shore batteries consisting of four large guns. The Crusader immediately increased to full speed and sighted the Anzac being heavily engaged, with some enemy shells splashing too close for comfort.

The Crusader opened fire at once with all her 4.5-inch guns, at a range of 18,000 yards, and the target was hit with the third salvo. The battery, caught by surprise by this partial flanking attack, ceased firing, while the Crusader, closing the range as rapidly as possible, continued to shower shells on the area.

The range was reduced to 12,000 yards, when it was not possible to get closer due to the depth of water. By this time the target area, pounded by shells from the two destroyers, was completely enveloped in dust, mud and debris.