

TEMPORARY TAX INCREASES

Mr. Mitchell Sharp, Minister of Finance, made the following statement to the House of Commons on November 10:

...The Government has decided to introduce new fiscal measures including temporary tax increases later this month. The Government proposes that the arrangements for introducing and debating these be the subject of consultation through the usual channels.

These tax measures will be part of an integrated programme to check the inflation of prices and costs now occurring in Canada, and to reduce excessive pressures on our capital markets. Higher taxes in the coming year will be a better and fairer means of covering our expenditures than attempting to increase our borrowings to levels that could only be reached by inflationary methods that would increase prices further. Prices and costs are rising at rates which clearly require some restraint through fiscal policy as well as by other means.

When our proposed tax increases are combined with restrictions on Government spending programmes also to be announced later this month, and substantial reductions in our lending programmes, the Government will be able to hold its overall net cash requirements and its consequent demands on the capital market to less than \$750 million in the next fiscal year, apart from unforeseen changes in our exchange reserves. This is less than half our cash requirements this year. The Government has also decided that budgetary expenditures next year, apart from Medicare and apart from the writing-off in our accounts of Expo deficits, will be held to \$10,300 million. This means that we will limit the increase in expenditures to about 4.5 per cent between this year and next — a rate of increase less than half of those of recent years. To the extent that Medicare proceeds next year, we will as already indicated introduce further taxes to meet the costs or make offsetting reductions in existing expenditure programmes. We will not increase our borrowings to finance it.

INDIAN HOUSING LOANS

A new programme to improve the quality of houses being built on Indian reserves was announced recently by Indian Affairs Minister Arthur Laing. The Minister said that arrangements had been made with Central Mortgage and Housing Corporation to provide extra housing funds for loans to employed Indians who live in reserve communities.

Under the existing \$112-million Reserve Improvement Programme, the Department may make a grant for a house according to the applicant's income, to a maximum of \$7,000. Any additional cost must be paid by the family or the band. The new plan will enable an Indian family to borrow additional funds and to build larger or better quality houses.

Up to now Indians could only obtain CMHC supplemental financing for houses on reserve com-

munities when the loans were backed by the band funds. Under the new plan, the Department of Indian Affairs will guarantee the loans and band members with limited funds will be able to take advantage of the programme. The Minister said that both the Department and CMHC had been concerned about the problem of financing better quality reserve housing. "This new programme will go a long way to enabling employed Indians to live in the reserve communities where they can be of great help to their fellow band members," Mr. Laing said.

Each Indian who takes advantage of the programme must be recommended by his band council and in cases of default, the property reverts to the council.

IMMIGRATION APPEAL BOARD

The new Immigration Appeal Board Act, passed in the House of Commons last March, was proclaimed on November 13, Manpower and Immigration Minister Jean Marchand announced recently. Mr. Marchand said that the Board would begin hearings almost immediately.

The new Board has much broader responsibilities and powers of decision than the former Board, and is entirely independent of the Department. It will hear appeals against all deportation orders and is authorized to quash or stay deportation on humanitarian and compassionate considerations as well as on legal grounds. The Board's decision will be final, subject only to appeal to the Supreme Court of Canada on questions of law.

The new Board will also be empowered to consider, for the first time, appeals by some classes of sponsors if their applications to bring relatives from outside Canada are refused by immigration officials.

The chairman of the new Board is Miss Janet Vivian Scott of Toronto, who has been preparing the work of the Board since her appointment last August.

EARNINGS OF PHYSICIANS

The Department of National Health and Welfare reports that the average earnings of physicians in private practice in Canada increased substantially between 1957 and 1965.

Average gross earnings for each doctor went up from an estimated \$20,800 in 1957 to \$32,800 in 1965, a percentage change of 57.7 per cent, and an average annual rate of increase of 5.9 per cent over the period.

Cross professional earnings include provision to meet the expenses of a medical practice, such as office rent and costs of equipment. The average expenses of a practice increased from \$7,950 in 1957 to \$10,750 in 1965, but declined as a percentage of gross professional earnings from 38.2 per cent in 1957 to 32.7 per cent in 1965.