

GOVERNMENT



OF CANADA

DAILY AIRMAIL BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

(For official use only. This bulletin is intended solely for the information of Canadian Government officials stationed abroad. Its contents are not for publication or distribution. It is based largely on press reports not verified by the Department which can take no responsibility for their accuracy.)

Vol. 5, No. 12.

Tuesday, January 19, 1954.

Medical Income Tax Floor Debated: Ottawa, Jan. 18 (CP) -- A government spokesman today rejected a CCF proposal that the three-percent floor limiting deduction of medical expenses for income tax purposes be eliminated.

Mr. William Bendickson, Parliamentary Assistant to Mr. Abbott, said in the House of Commons that the Government feels individuals should pay normal medical expenses without receiving income tax relief.

However, spokesmen for Opposition parties supported the resolution of Mr. Stanley Knowles (CCF - Winnipeg North Centre) that the Government consider removing the three-percent floor on deductible medical expenditures.

The resolution was defeated by a vote of 90 to 66, with CCF, Progressive Conservative and Social Credit members voting together in support of the proposal.

Mr. Knowles said taxpayers should be allowed to deduct from their income every dollar spent on medical care, up to the ceiling of \$1,500 for single persons, \$2,000 for married persons and \$500 for each dependent, up to four.

Gold Stockpile Climbs At Year End: Ottawa, Jan. 18 (CP) -- Canada's official stockpile of gold and United States dollars reversed a \$100,000,000 mid-1953 decline to climb to \$1,886,800,000 at the end of the year.

Used to iron out fluctuations in the exchange value of the Canadian dollar, the reserves on Dec. 31 were just \$48,300,000 below the all-time high of \$1,866,800,000 reached last January.

During December, the stockpile increased by \$11,800,000 from \$1,806,700,000 on Nov. 30.

Setting out the reserves' 1953 standing, the Bank of Canada's statistical summary for December today showed:

1. The gold-dollar stockpile declined by more than \$100,000,000 from the January peak to \$1,750,100,000 on June 30. At that time the Canadian dollar dipped almost to par, but swung upward again.

2. A decided concentration in pure gold developed throughout the year. Holdings in pure gold rose by almost \$100,000,000 to \$986,100,000 on Dec. 31 from \$888,500,000 on Jan. 31. Holdings in U.S. dollars were cut by more than \$140,000,000 to \$832,400,000 from \$978,300,000....

Throughout the year the Canadian dollar maintained its universal leadership, slipping only at a time when the reserves dropped. In terms of Canadian funds, the U.S. dollar was worth a shade above 97 cents on Jan. 31. It increased almost to 99½ cents on June 30, but dropped again to about 97 1/3 cents on Dec. 31.

It was quoted at Montreal today at a discount of 2 27/32 per cent in terms of Canadian funds. At New York, the Canadian dollar was at a premium of 2 29/32 per cent in terms of U.S. funds.

Mounties in Film Series For Television: Ottawa, Jan. 18 (CP) -- A Hollywood production team will start "shooting" Canada's crime-busting Mounties Monday.

Film producer Victor Stoloff arrived here today to prepare for production of 13 television film plays, depicting in dramatized form the roll of the RCMP in smashing crime.

Shooting will start here and later move to Montreal, Toronto, Regina and possibly the Arctic to bring in authentic background material.

(over)