



Miss Hamilton

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 Its contents are not for publication or distribution.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. 6, No. 108

Monday, June 6, 1955.

April Surplus \$32,519,000: Ottawa, June 3, (CP) -- Revenues and expenditures of the federal Government dropped in April but it showed a surplus of \$32,519,000 for the first month of the 1955-56 fiscal year. This is a rise of \$2,861,000 from the \$29,658,000 surplus in April, 1954.

While both income and spending declined, the drop in expenditures was more pronounced due mainly to lower defence outlays, Mr. Harris reported today in his monthly treasury statement.

Some of the revenue decline results from tax reductions announced in his April 5 budget. The main one, an average 10-per-cent reduction in personal income tax, becomes effective July 1.

Mr. Harris has estimated he will end the 1955-56 year with a deficit of \$160,000,000.

Total revenues for April declined by \$16,409,000 to \$229,012,000 from \$245,421,000 a year previous, Expenditures dropped by \$19,270,000 to \$196,493,000 from \$215,763,000.

There were revenue declines both in personal income and corporation tax collections, though these were slightly offset by higher revenue from the sales tax and excise duties.

Personal income tax collections declined to \$80,808,000 from \$89,733,000 and revenue from corporation income tolls to \$48,357,000 from \$63,149,000. . . .

Excise duties increased to \$16,599,000 from \$13,354,000; sales tax revenue to \$21,870,000 from \$21,618,000; and customs import duties to \$27,347,000 from \$26,177,000.

Major drop in expenditures was in over-all defence outlays which declined by roughly \$20,000,000 to \$60,502,000 from \$80,467,000. . . .

Interest charges on Canada's national debt dropped to \$40,527,000 from \$42,015,000, reflecting lower interest rates, but cost of family allowances rose to \$31,269,000 from \$29,904,000. . . .

Defence Statements: Ottawa, June 3 (CP) -- Defence Minister Campney indicated today that he will crack down on high military officers making public statements dealing with government policy.

He told the House of Commons "it is not proper, of course," for senior military men to make such statements.

He was questioned by Mr. Diefenbaker and Mr. Harkness about a statement by Air Vice-Marshal Plant in Toronto yesterday that the Army should be scrapped to make more manpower available for a stronger air force.

Mr. Campney said the remarks of Air Vice-Marshal Plant, RCAF air member for technical services, don't represent the views of the Air Force.

On Wednesday, Air Marshal Roy Slemon, Chief of Air Staff, was quoted in Montreal as saying Canada and the United States are heading toward a unified air defence system and an over-all commander for it.

Mr. Campney said in the House of Commons yesterday the Government isn't seeking appointment of a supreme commander and that Air Marshal Slemon was only stating a trend in military thinking. . . .

CBC 1955-56 Finances: Ottawa, June 3 (CP) -- The CBC is expected to have a \$10,805,000 operating deficit in the 1955-56 fiscal year although

(over)