

CANADIAN WEEKLY BULLETIN



INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

Vol 9 No. 23

April 9, 1954

INDEX TO INSIDE PAGES

The Budget	1-4-5	Disaster Plans	5
Battalion To Korea	2	Minesweepers For France	5
February Exports Up	2	Atom Research Speeded	6
Export Credits Insurance	2	Civil Defence College	6
St. Lawrence Seaway	2	Imports Decline	6
Mr. Pearson On Soviet Proposals	3-4	Air Division Re-equipping	6
Mapping For Defence	5	Overseas Tour	6

WEEK'S EVENTS IN REVIEW

THE BUDGET: The 1954-55 Budget was presented in the House of Commons on April 6 by the Minister of Finance, Mr. Douglas C. Abbott. It contained no change in the rates of personal income tax but shaved about \$40,000,000 off excise and sales taxes.

The Minister was optimistic in his financial review and forecast of Canadian economy, saying: "My general conclusion is that our national product in 1954 will be at least equal to 1953, and probably higher; in other words I think that an up-swing in the second half of the year will more than compensate for the declines that are evident in certain branches of industry at present."

The main points of the new Budget:

No change in personal or corporation income tax.

The present special excise tax of 15 per cent repealed for electrical appliances, furs and some other articles, effective immediately.

Special excise tax reduced to 10 per cent on wide range of consumer goods including toilet preparations, motorcycles, smokers' accessories, automobile tires and tubes, clocks and watches, jewellery, etc., effective immediately.

Maximum deduction from taxable income on superannuation plan payments increased to \$1,500 from \$900, effective on 1954 income.

Tax concessions granted petroleum, natural gas and mining companies for exploration costs extended through 1957.

Maximum duty-free entry of motor vehicles in settlers' effects raised to \$2,500 from \$1,500, effective immediately.

Surplus of \$4,000,000 forecast, on revenue of \$4,464,000,000 and expenditure of \$4,460,000,000.

Succession duty legislation to be overhauled later; no change in rates now.

Import tolls eliminated on equipment for operation of potash and rock salt mines.

The 15-per-cent tariff on uranium suspended until July 1, 1958.

Tariffs eliminated on certain rail equipment, including signal systems equipment and apparatus for testing rail flaws.

In a White Paper presented to Parliament on April 5, the Minister estimated a \$10,107,000 surplus for the fiscal year ended March 31 on total revenues of \$4,400,086,000 and expenditures of \$4,389,979,000.

In extensive reference to the new Quebec Province income tax, he said, in part:

"It is now suggested that the federal Government should allow taxpayers in Quebec to reduce the income tax otherwise payable by them to the federal Treasury by the full amount they are required to pay to the Province. I have given this suggestion the most careful and serious consideration. Clearly, however, the obvious implication of the principle involved in this proposal is that this Parliament should recognize that any Province has the right to determine the amount by which