

# Canada Weekly

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## A budget to attack inflation, fight high prices and help lower-income groups

The Minister of Finance, John Turner, who introduced the budget into the House of Commons on May 6, stated that its purpose was threefold - to reinforce the attack on inflation by encouraging increased supplies of goods and services; to act directly against high prices; and to alleviate the adverse impact of rising prices "on all Canadians, particularly those with lower incomes".

### Budget highlights

The budget, which is subject to Parliamentary approval, contains the following highlights:

The 12 percent federal sales tax is removed immediately on all clothing and footwear - a measure that will affect \$5 billion a year in retail sales.

The sales tax is removed from bicycles, buses and other municipal transit equipment. Tariff reductions are extended to year-end on \$1.6 billion of annual imports of consumer goods.

Excise taxes are increased for big cars and other high energy-consuming vehicles, liquor and tobacco. The price on a 25-ounce bottle of liquor is 24 cents, wine 6.5 cents; cigarettes are raised by 2 cents for 20, cigars by 3 per cent. The special excise tax on energy-consuming vehicles applies to large cars over 4,500 pounds in weight and to private planes.

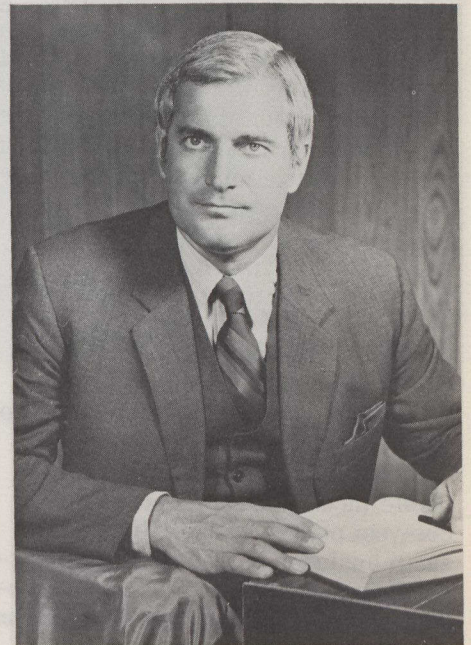
### Home ownership and housing

A Registered Home Ownership Plan will permit deductible contributions of \$1,000 a year to a lifetime maximum of \$10,000. Payment out of a plan is tax free if applied toward the purchase and initial furnishing of a home.

The Government proposes to increase taxes on undeveloped land to encourage its release for housing. Sales tax will be removed from \$460-million worth of construction equipment and from municipal water-distribution equipment.

### Savings incentives

A \$50-tax cut is proposed for lower-income taxpayers, removing 300,000 from the tax rolls this year. This is



Finance Minister John Turner

achieved by increasing the minimum amount of last year's 5 percent cut to \$150 from \$100.

Cash bonuses will be payable to holders of all outstanding Canada Savings Bonds to bring the interest earned to 9 per cent.

A taxpayer will be allowed to contribute to a registered retirement savings plan for the benefit of his or her spouse up to his deduction limit.

War veterans and civilian war allowances are to be increased and escalated quarterly; orphans' benefits increased and escalated annually; new allowance paid to dependent children of needy veterans.

More medical expenses will be deductible and the \$1,000-exemption for disabled persons broadened.

### Small-business incentive

Annual income eligible for the corporate small business tax rate is increased from \$50,000 to \$100,000 a year and the over-all limit raised from \$400,000 to \$500,000.

Many changes are proposed in the continuing process of tax reform, including rules for corporate reorganizations, foreign income and partnerships.

## Government defeated on budget

Arising out of a vote of non-confidence on the budget, Mr. Trudeau's minority Liberal Government was defeated by 137 to 123 on May 8. This is the first time in Canadian history that a budget vote has brought down the Government.

The Progressive Conservatives supported the National Democratic Party's motion which stated that the Government had failed to help pensioners and low- or fixed-income Canadians, had not dealt with the housing situation and had not removed "the glaring inequalities in the tax system".

Canada's twenty-ninth Parliament which has been in office since October 1972, was, accordingly, dissolved on May 9 and a federal election will be held on July 8.

Duty-free goods for returning tourists are increased substantially.

#### Mining and petroleum taxes

A new corporate tax regime is proposed for mining and petroleum corporations:

The basic rate of tax on production profits is to increase to 50 per cent.

Provincial government royalties, mining taxes and payments with similar effects will no longer be deductible in computing income.

A new abatement from federal income tax in addition to the present ten-point provincial abatement will reduce the federal rate on petroleum profits to 30 per cent and on mineral profits to 25 per cent.

Depletion and other incentives will be cut back.

The tax-free reserves of financial institutions will be reduced, with the effect of increasing taxes on the larger institutions.

A 10 per cent surtax on federal corporate income tax is proposed for a one-year period, with exemptions for small business corporations, manufacturing and processing profits, and production profits of mining and petroleum corporations which will bear higher taxes as a result of other budget proposals.

#### Summary of fiscal position

Mr. Turner summed up as follows the financial position of the Government, taking his new proposals into account:

"I estimate that the cash requirements of the Government in 1974-75 will be of the order of \$2 billion, excluding foreign-exchange requirements. Having in mind that certain substantial payments, such as the loans to the CNR and Air Canada under the Financing and Guarantee Act and other expenditure items, were scheduled to be disbursed in the last fiscal year, but were not actually made until this year, this figure of \$2 billion is for practical purposes not different from that for 1973-74. The budgetary deficit for 1974-75 will be somewhat lower than in the previous fiscal year. On a national accounts basis, the deficit of \$500 million which we experienced in 1973-74 will be reduced by more than half in the current year.

\* \* \* \*

#### Conclusion

"The budget I have brought down tonight is a fiscally responsible budget.

It is an equitable budget, aimed at raising revenue where it hurts least, distributing it where it helps most. It is an economically sound budget which attacks the scourge of inflation at its source — the shortage of supply. It recognizes that the fundamental cure to both inflation and unemployment is to overcome the physical limits on our capacity to produce by expanding the agricultural and industrial base of the country. And this budget further extends our policies of protecting those least able to protect themselves from the ravages of inflation and of moderating price increases of a number of goods that play an important part in daily living.

#### No gimmicks or jargon

"I have always tried to be frank with Parliament and the people. In this budget I have rejected cosmetic policies — the easy, popular course at the sacrifice of realism and of the best long-term interests of the Canadian people. I am gambling that Canadians are too smart to be taken in by gimmicks, slogans or slick jargon — that they want to know the facts, pleasant or unpleasant, and they ask only for a man's best judgment in meeting them. This budget reflects my determination to deal with inflation. It presents a responsible fiscal and monetary policy. It recognizes the need for all governments, including this one responsible to Parliament, to restrain spending. It focuses upon the pivotal issue in the economy — the physical constraints on capacity. It proposes solutions within the context of Canada's place in the markets of the world. We are not helpless, but neither are we immune to universal price trends.

"When I first faced the House as Minister of Finance, I said that no economy is working as well as it should if there are men and women earnestly seeking work who cannot find it. The scene has improved but I am still not satisfied with the results. Now that our cost of living absorbs our attention I say that I won't be satisfied if this country merely does better than our major competitors. That's not good enough. My goals are not relative but absolute ones: to moderate our rate of inflation, to relieve the pressure of prices on incomes, savings and the peace of mind of Canadians.

"It can be done. It will take time to do. But it *will* happen — partly because international commodity prices will yield, partly because this Government's policies will be proven right.

"I am confident that most Canadians will accept what I have been saying tonight and will support the thrust and tone of this budget. The people of this country are gifted with good common sense and an open mind. If this House can bring itself to judge my budget with the same common sense and open mind, then I am sure that the measures I have proposed will commend themselves to enough Members to ensure its passage."

#### Northern prospecting increases

Thirty-nine mineral prospecting permits covering about seven million acres in Canada's Northwest Territories have been issued for 1974 by the Department of Indian and Northern Affairs, an increase of more than 100 per cent over those issued last year. The permits are valid until 1977.

Although the main search will be for base metals, mining authorities are not overlooking the possibility of locating worthwhile deposits of precious metals and uranium. Owing to the vast areas involved, aerial reconnaissance will be used for initial exploration.

Announcing the big increase in mineral prospecting permits this year, Indian and Northern Affairs Minister Jean Chrétien said that owing to the interesting and valuable mineral deposits in the North, the vast areas open for exploration and the rising prices for minerals, he was confident that the mining industry would continue to thrive and so favourably influence the development of the northern territories.

"In the development of our northern resources," he stated, "it is the main concern of my Department that consideration be given to the sociological and ecological changes resource development will inevitably bring. The interests of the northern residents and their existing means of livelihood, including trapping, hunting and fishing, must be protected."

Since the inception of the program in 1961 some 346 permits have been issued and good mineral deposits have been found as a result of the program.

### Talking typewriters for the blind

Computer-simulated sound has recently been used to develop a typewriter that can talk to the blind.

Developed by computer science professor Ching Suen of Sir George Williams University, Montreal, and professor Michael Beddoes of the University of British Columbia, Spellex, or talking typewriter, allows a blind person to produce a text free of typographical errors without sighted help, something which has proved extremely difficult in the past.

The Spellex keyboard is connected to a computer and either a speaker or earphones. Each time a key is punched, the computer gives voice to the appropriate letter, number or symbol, and mistakes can be picked up immediately or afterwards. The typist actually hears "cap ai" when the capital "A" key is depressed.

Normally the typist would first type a sound version of the entire text (i.e. without actual printing). "The printer button can be checked so that nothing appears on paper initially," Dr. Suen explains. "When the complete text is typed, the typist can listen to it any number of times and check for mistakes. Using the edit facility he can correct the mistakes and insert or delete phrases. When he is satisfied with the sound copy of the revised text he presses the type command button and the text is printed out, with each line automatically set to the correct length."

Experiments with Spellex have shown that blind people can master the machine in three hours and read "spelled sentences" comfortably at 60 words a minute, says Suen. While Spellex increases typing accuracy significantly, it reduces the speed slightly. However this has proved to be a minor drawback and indeed, in some experiments, blind people typed faster than sighted members of a typing pool.

#### Costs

At present Spellex consists of a fairly large teletype machine and computer. But, says Suen, the prototype for electric typewriters with built-in "spelled speech" units is already under construction, at an estimated parts cost of \$500 (good business typewriters sell for approximately \$500).



Canadian Press photo

### May is the month for mothers

*The United States passed a resolution in 1913 designating the second Sunday in May a national holiday "dedicated to the memory of the best mother in the world, your mother". The observance of Mother's Day soon spread to Latin America, the Orient — and Canada.*

*Canada's most well-known mother, Margaret Trudeau, wife of the Prime Minister, is seen here with her elder*

*son Justin and her husband, at the indoor track and field games at the Maple Leaf Gardens in Toronto last February. Both their sons, Justin aged two years five months, and Alexandre (Sacha), five months, were born on Christmas Day. When she married Pierre Elliott Trudeau in 1971, Margaret was the youngest wife of any head of government in the Western world.*

With about 28,000 blind people in Canada and 400,000 in the U.S., he figures there will be a market large enough to make mass production, and hence reasonable prices, possible.

The Spellex typewriter can be connected to a computer wherever there is a telephone.

#### More devices for the blind

Sound has been applied in Canada in several other ways to assist the blind:

A buzzer has been installed on a traffic light across from the Montreal Association for the Blind which emits a sound when the light is green for pedestrians.

Sonar devices can be carried to indicate how close one is to an object as well as to distinguish, to some extent, between the nature of the objects (e.g. it can signal the difference between telephone poles and foliage).

Blind swimmers can use a machine

which emits a steady beep to help them identify the place on the shore where they entered the water.

A sort of homing device, which comes in two parts, can be used to identify doorways. One part is secured to the door while the blind person carries the other part with him. Once the two parts are within range of each other they emit a sound to guide the person to the door.

Wilfred Williams of the Montreal Association for the Blind sees some drawbacks to these technological aids for the blind. "The more mechanical and electrical devices there are available, the more dependent the blind become. If there is a failure, the dependent person would not know what to do."

The aim of the Association's mobility rehabilitation program is to teach the blind to identify everyday sounds to guide them, he said.

### Mr. Sharp to visit Poland

The Secretary of State for External Affairs, Mitchell Sharp, will pay an official visit to Poland from May 22 to 25 at the invitation of the Minister of Foreign Affairs of the Polish People's Republic, Stefan Olszowski. Mr. Sharp will be returning the visit of Stefan Jedrychowski, former Minister of Foreign Affairs of Poland, who came to Canada in October 1970. During his stay Mr. Sharp will have talks with Foreign Minister Olszowski and senior Polish officials on bilateral matters as well as on international questions of mutual interest.

### Canada at Expo '75

Canada will participate at the International Ocean Exposition in Okinawa, Japan, from July 20, 1975 to January 18, 1976.

This will be the first world exhibition to deal specifically with the ocean. Canada, with the longest coastline in the world and the largest continental shelf, has a particular interest and expertise in the theme of Expo '75.

The decision to participate also reflects the increasingly close and friendly relations that exist between Canada and the host nation, Japan.

The Departments of External Affairs, Industry, Trade and Commerce, Environment and the Science and Technology Ministry will plan Canada's exhibits at Expo '75.

### Souvenir stamps

Twenty-two commemorative and special-issue postage stamps depicting Canada's cultural heritage and history were issued by the Canada Post Office in 1973. These may be bought in the 1973 Souvenir Collection at most Canada Post Offices or by mail to Philatelic Service, Canada Post, Ottawa K1A 0B5.

This series features Indian motifs, the arts, Canadian participation in the Commonwealth, prominent Canadians and, as a prelude to 1976, the first two Olympic stamps.

The stamps in the 1973 Souvenir Collection have a face value of \$2.13, cost \$2.50 a set or \$22 for ten sets.

### Toronto Northmen to Memphis, Tenn.

The Federal Government's legislation designed to ban United States-based football leagues from operating in Canada has lapsed with the defeat of the Government in the House of Commons. The bill had been given second reading in April and had been referred to committee for study and possible amendment.

The bill, introduced by Health and Welfare Minister Marc Lalonde, was specifically aimed at preventing the Toronto Northmen from operating as a club in the new World Football League (WFL). The Northmen, owned by John F. Bassett, had fought vigorously against enactment of the bill and indicated that the club might be switched to another city in the WFL even before final consideration was given to the measures.

While the bill was still in committee, Mr. Bassett announced that he and other club owners had decided to accept an invitation from Memphis, Tennessee to move the franchise there and play in the 51,000-seat Memphis Memorial Stadium under a lease granted by Memphis City authorities.

With the dissolution of Parliament in the wake of the Government's defeat on a motion of non-confidence arising out of the budget this possible change in the measure became academic and the bill died on the order paper.

### Amsterdam-Toronto air service

The Canadian Government has ratified the bilateral air transport agreement between Canada and The Netherlands that was initialled in The Hague on January 18.

The agreement permits the establishment of service by the Dutch airline, KLM, between Amsterdam and Toronto. An inaugural flight took place May 2.

Under the agreement, KLM is permitted to operate between Amsterdam and Toronto in addition to its existing Amsterdam-Montreal flights. In return, the Canadian airline, CP Air, obtains extensive rights to pick up passengers in Amsterdam for transport to points beyond. A feature of the agreement is a commercial arrangement between the airlines which should allow CP Air to increase its share of the traffic.

### Governor General in Manitoba

Nowhere is the Canadian mosaic more fully manifested than in Manitoba, Governor-General Jules Léger told the Manitoba Legislature last month on his first official visit to the province since assuming office.

"Each region presents its own set of challenges," said Mr. Léger, "but everywhere we have found the same determination, confidence and optimism. The people and the land have interacted to bring out the rich promise of both.

"Geography and history have combined in Manitoba to forge a community in which the most diverse elements have been brought into a harmonious and fruitful relationship."

Accompanied by Mrs. Léger, the Governor General visited Manitoba during the course of a series of visits to provincial capitals. The visit there, tied in with Winnipeg's centennial celebrations, took a topical form when the itinerary was changed to provide for a helicopter tour of some flood areas along the Red River, accompanied by Premier Ed Schreyer.

The regular business of the Legislature was suspended at the start of the April 26 sitting, for the appearance of the Governor General, who addressed the assembly following an address of welcome delivered by Speaker Peter Fox.

"As you know, Mr. Speaker," Mr. Léger said, "my wife and I are engaged in a series of visits to each of the provincial capitals. This is proving to be a most rewarding and instructive experience. We are re-discovering the immensity and diversity of the country."

### DES treated imports banned

Effective last month, countries shipping beef, lamb or mutton, and cattle and sheep to Canada must present certificates indicating the meats and animals have not been treated with the hormone diethylstilbestrol (DES). This will ensure that imported meats conform with Canadian regulations. The certificates must be issued by a full-time employee of the national government of the country of origin and accompany the normal health certificate requirements.

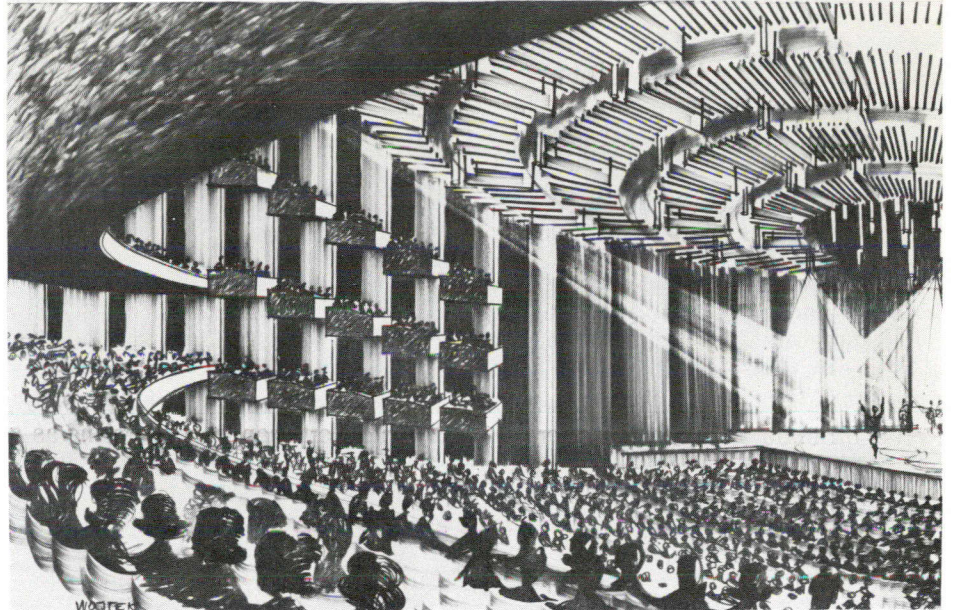
### Arts Centre – a booming season

From September 1, 1973, when the Red Army Chorus sang to a sold-out house, until the curtain comes down in June on the final performance of the Bolshoi Ballet, the National Arts Centre will have had more performances and greater attendance than in any previous season. The month of March alone featured 63 performances, excluding student matinees and rentals, with nearly 40 per cent of the shows sold out in advance.

The Centre has a mandate to mix its programming content among Canadian performers, international attractions and "in-house" creative productions, and to present new talent. The 1973/74 season has so far been one in which this balance has been maintained successfully, according to the healthy box office figures.

#### Music

The music department opened its season with the inauguration of the Flentrop organ, gift of the Dutch-Canadian community, with Albert De Klerk as guest soloist with the NAC Orchestra. Another highlight was the world première of *Elegy for Orchestra* by Tadeusz Baird, specially commissioned for the five-hundredth anniversary of Copernicus. Besides performances by the Leningrad Philharmonic, the Montreal Symphony Orchestra and the Toronto Symphony, the NAC Orchestra gave concerts with a series of internationally-renowned soloists



The 2,165-seat Opera House is the largest theatre of the three comprising the National Arts Centre, Ottawa. The stage is the largest in Canada though

the furthest seat in the house is only 114 feet away. Seating capacity is increased to 2,372 when the orchestra pit is not in use.

and guest conductors, including pianist Vladimir Ashkenazy, who made his North American conducting *début* in Ottawa.

Recently returned from a highly successful second tour of Western Canada, the Orchestra also toured extensively in Ontario, and played three concerts in the United States, one of which was in Washington, D.C. During May the Orchestra will conclude its two regular series, with the final concert on May 16 with Mario Bernardi conducting Beethoven's *Symphony No. 9 in D*.

#### Theatre

The English theatre department has enjoyed a highly successful season both with its "classical" subscription series and its presentations of international theatre: Kathakali from India, the Black Theatre of Prague and comedienne Anna Russell. The season was off to a flying start with two productions that were both sold out: Shaw Festival's *You Never Can Tell* and the NAC Theatre Company's production of *Twelfth Night*. During March, the Royal Shakespeare Company from Britain pre-



Among the productions seen at the National Arts Centre this season were *Giselle*, by the National Ballet of Canada, with Andrew Oxenham (left) and Daniel Capouch, and



Molière's *Le Malade imaginaire*, which was performed by La Comédie-Française of France, with Françoise Seigner and Jacques Charon, shown above.

sented *The Hollow Crown*, with Dame Peggy Ashcroft. The season up to now has played to 97.1 percent capacity, with two more productions to come: B.C. Playhouse Theatre presenting Ibsen's *A Doll's House*, and Citadel Theatre, Edmonton, bringing two plays *The Tricks of Scapin* by Molière and Sophocles' *Oedipus Rex*.

The Comédie-Française, which had a weekly attendance of 99.5 per cent during the opening of its Canadian tour in February, concluded its triumphant conquest of Canadian audiences at the NAC during the first week of April.

La Compagnie du Centre national des Arts, the theatre's French-language company, will mark 1973/74 as both a productive and an impressive season. It has already received high acclaim for three plays, and has another this month — *Woyzeck*, by Georg Büchner. *La Fausse Suivante* featured André Brassard's first direction of a classical play. *L'Hexagone*, the theatre's school touring company, presented *Evangéline...qui donc?* to both students and the general public at the NAC, and then took it on tour to New Brunswick, playing to audiences numbering over 23,000.

#### General programming

The general programming year has had more diversity in its attractions than ever before, bringing to Ottawa both old favourites and performers new to the Canadian stage, including Liberace, Nana Mouskouri, Tony Bennett, Gordon Lightfoot, Dave Broadfoot and Guy Lombardo. In addition, the Centre continued to expand its programming appeal and scope to include perhaps lesser-known performers and attractions such as Catherine Lara, Cleo Laine, Los Indios Tabajáras, the World Festival of Magic and Occult and Traditional Buddhist Music of Japan. The Centre

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hosted dance companies from across Canada and a variety of international groups. The National Ballet of Canada featured Rudolf Nureyev; the Royal Winnipeg Ballet the première of a work by John Neumeier; and Les Grands Ballets Canadiens, their interpretation of *Giselle*. The Opera staged a display of international culture with dance groups from Yugoslavia, Pakistan, Siberia, Trinidad, Spain, Tahiti and Brazil.

Opera was represented during the season by the Canadian Opera Company, which performed Beethoven's *Fidelio* and a new work by Canadian composer Charles Wilson, *Eloise and Abelard*.

#### Dental tool into massage device

An automated massaging device has been developed by a fluid-control expert at Montreal's Sir George Williams University who says the work it does is as good as any human's. The invention (a jet-action showerhead) by mechanical engineering professor Clyde Kwok comes as an offshoot to work done for a Toronto company interested in better ways to clean teeth.

A group of Toronto consultants were looking for ways to reduce the bulk and inconvenience of the 'water pic' or dental syringe, a device used to clean teeth with a steady, high pressure stream of water to dislodge food particles. The machine existed but was too expensive and required more electrical power than standard bathroom outlets could provide.

Instead of squirting water in a continuous stream like most conventional showerheads, Kwok's device is fitted with a gasket-like diaphragm which causes a high-pressure pulsing effect. And, Kwok insists, this jet action doesn't only tone the muscles and relax the mind, it cleans better too.

The company wondered if it might not be possible to power the water pic by water pressure, rather than electricity. Actually, says Kwok, that part was easy, "it only took about two weeks". By allowing the water to build up behind the diaphragm until there is sufficient pressure to push it aside, it is relatively easy to compensate for the lack of direct pressure. Kwok expects the device to go into production "very soon".

#### Statistics on drug use

A total of 2,266 new illicit narcotic drug-users became known to the Department of National Health and Welfare in 1973. Of these, 1,973 used heroin and the balance used other opiates, cocaine, synthetic narcotics. A large percentage of narcotic-users are known through criminal records, but information on drug-users is also received from other sources such as physicians and pharmacy reports and specialized treatment centres.

The Department recorded 23,251 new cannabis (marihuana and hashish) users in 1973 compared to 12,695 in 1972. In 1973 there were 19,929 persons convicted of cannabis offences. Of these 18,603 were related to simple possession; comparable figures for 1972 were 11,713 and 10,695, respectively.

In 1973, 2,992 persons became known to the Department as new users of hallucinogens, compared to 2,411 in 1972. Of 1,764 persons convicted in 1973 for offences relating to hallucinogens, 970 were involved with LSD, and 792 with MDA (an amphetamine derivative).

#### Stanley Cup and World Hockey Association results (at May 10)

National Hockey League  
Stanley Cup finals

May 7, Boston 3, Philadelphia 2  
May 9, Philadelphia 3, Boston 2

Tied one game each in best-of-seven series.

World Hockey Association semi-finals

May 4, Chicago 9, Toronto 2  
May 6, Chicago 5, Toronto 2

Chicago wins 4-3 in best-of-seven series.