Tax Hearing At Ottawa Concludes

By STEWART MacLEOD

OTTAWA (CP) — The three-day Ottawa hearings of the royal commission on taxation ended Wednesday with a weighty and complex brief on economic theory.

The document from Assistant Professor K. J. Charles of the University of Manitoba was based on the role of taxation policy on the orderly growth of Canada's economy and, among other things, he advocated a study of the "tax mentalities" of citizens, should be undertaken on a continuing basis."

While he suggested a series of tax changes designed to help the country's economy, he said it is wrong to think that Canada now is burdened with excessive taxation. Few developed Western nations had such a light tax load to carry.

LITTLE REVENUE CHANGE

The tax changes suggested by Professor Charles would not greatly affect the flow of revenue into government coffers.

Basically, he said, corporation taxes should remain as they are. Any flat reductions "may lead to cutting down expenditures . . . of such necessary items as research, with a view to increasing dividend payments."

But incentives should be built into this tax structure to encourage economic growth.

No radical changes were proposed for personal taxes, although rates could be manipulated at the lower-level for the benefit of the economy. The steep progressive rates should be maintained.

Commissioner J. Harvey Perry said Professor Charles' brief on the purposes of, and education in, fiscal policy was an echo from federal budgets of 15 years ago when they carefully set out such guidelines. Budgets now had become so massive they were unwieldly.

The commission sits again Aug. 7 when cross-Canada hearings open in St. John's, Nfld.

April Deficit Of CNR Sliced

MONTREAL (CP)—Canadian National Railways announced Wednesday a net operating deficit for the month of April of $359,000, compared with a deficit of $535,000, for the same month last year.

Operating revenues were $60,718,000, compared with $58,716,000 for April 1962. Operating expenses were $61,077,000 compared with $59,251,000.

In the first four months of 1963, the net operating deficit was $15,300,000 compared with $2,749,000 for the same period last year. The 1962 revenue figures however, included a proportion of the payment received in November 1962 from the government of Canada arising from the recommendations of the royal commission on transportation. Revenue figures for 1963 do not include any corresponding payments.

Agriculture Spending Increases

OTTAWA (CP)—Federal agriculture department spending for the current fiscal year will be at least $11,000,000 more than last year on the basis of figures tabled Wednesday in the Commons.

The main and the first supplementary farm spending estimates for 1963-64 show a total of $172,221,150 against $161,007,600 for the year ended last March 31.

The spending program for federal agriculture last year—after post-austerity revision—totalled $171,848,900.

Higher costs for carrying temporary wheat reserves and more spending under the Agricultural Rehabilitation and Development Act—called ARDA—more than account for the increase in spending plans.

Federal payments for carrying costs on temporary wheat reserves are an estimated $41,824,000 for the year ending next March 31, against $30,000,000 allocated last year.

Payments for federal-provincial schemes launched under ARDA this fiscal year will total $7,000,000 against $4,000,000 last year.

The largest cut in forecast spending is for compensation to owners of animals slaughtered because of disease. The sum of $2,100,000—down by $730,000—is allocated. This reflects control of the hog cholera outbreak in Ontario and Quebec last year.

Preparations For Centennial Are Reflected

OTTAWA (CP) — Stepped-up preparations for Canada's centennial in 1967 and increased federal grants to the provinces and municipalities for civil defence are reflected in the sharply increased 1963-64 spending estimates when they are debated in the Commons. They include the expenses of his office, the cabinet secretariat, the official prime minister's residences, and royal commission inquiries as well as centennial planning and some civil defence costs.

Privy Council estimates for 1963-64 total $16,976,420, up $9,833,610 from last year's $7,142,810. Included in the new figure is $5,300,000 for grants to provinces and municipalities for civil defence and related purposes, which formerly were listed in the defence department estimates. In 1962-63 these amounted to $4,800,000.

Earmarked for centennial preparations in 1963-64 is $4,970,400, an increase of $3,815,200 over 1962-63.

The National Centennial Administration plans to spend $2,000,000—an increase of $1,500,000 over last year—on capital projects of national significance and $500,000 on non-capital items.

It has also earmarked $2,000,000 in the current fiscal year—compared with $1,000,000 last year—for the national centennial fund. The fund will make grants to the provinces for local projects of a lasting nature. Provincial grants are limited to $1 per capita.

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