

# Four Problems Are Juggled By Finance Minister Sharp

By JAMES NELSON  
OTTAWA (CP)—Finance Minister Sharp is juggling four interrelated problems in preparation for the new parliamentary session opening Tuesday, Jan. 18.

They are:

1. What to do about taxes and government spending in the fiscal year starting April 1.
2. What to do about tax reform over the longer term.
3. How to revise federal-provincial fiscal relations next year to keep both levels of government healthy.
4. How far to go in adopting recommendations of the Porter royal commission on banking and finance.

## ON THE AIR

The following program listings are published free of charge as a public service and appear as presented to us by the stations concerned.

### THURSDAY PROGRAMS

#### CFCY-TV

- 10:45 a.m.—Musical
- 11:00 a.m.—Film Festival
- 11:30 a.m.—Today At Home
- 12:00 p.m.—To Tell The Truth
- 12:30 p.m.—Take 30
- 1:00 p.m.—Bonnie Prudden Show
- 1:30 p.m.—Razle Dazle
- 2:00 p.m.—Bill Hickok
- 2:30 p.m.—Music Hop
- 3:00 p.m.—Seven Leaga Boots
- 3:30 p.m.—Gazette
- 4:00 p.m.—CFCY TV News
- 4:30 p.m.—Keyboard Melodies
- 5:00 p.m.—Please Don't Eat The Daisies
- 5:30 p.m.—Shenanigans
- 6:00 p.m.—The Law & Mr. Jones
- 6:30 p.m.—Seaway
- 7:00 p.m.—I Dream of Jeannie
- 7:30 p.m.—Telescope
- 8:00 p.m.—Naked City
- 8:30 p.m.—CBC TV News
- 9:00 p.m.—Local Weather and Sports
- 9:30 p.m.—Sign Off

#### CKCW-TV

- 9:57 a.m.—Station Sign On
- 10:00 a.m.—Canadian Schools
- 10:30 a.m.—Nova Scotia School
- 11:30 a.m.—Friendly Giant
- 11:45 a.m.—Chez Helene
- 12:00 p.m.—Butterfly Saug
- 12:30 p.m.—Accra Canada
- 12:50 p.m.—Thursday Playbill
- You Can't Run Away From It
- 2:30 p.m.—At Home With Helen Crocker
- 3:00 p.m.—To Tell The Truth
- 3:30 p.m.—Take Thirty
- 4:00 p.m.—Bonnie Prudden
- 4:30 p.m.—Razle Dazle
- 5:00 p.m.—Atom Ant
- 5:30 p.m.—Music Hop
- 6:00 p.m.—Supper Club
- 6:15 p.m.—TV News
- 6:25 p.m.—TV Weather
- 6:30 p.m.—TV Sports
- 6:35 p.m.—Supper Club
- 7:00 p.m.—Thursday Night at the Movies
- Saint Joan
- 9:00 p.m.—Seaway
- 10:00 p.m.—I Dream of Jeannie
- 10:30 p.m.—Telescope
- 11:00 p.m.—Payton Place 11
- 11:30 p.m.—Honey West
- 12:00 a.m.—CBC National News
- 12:15 a.m.—Viewpoint
- 12:20 a.m.—Late Night Television News
- 12:30 a.m.—Station Sign Off

#### CFCY RADIO

##### THURSDAY

- 6:30—News and Weather
- 6:35—Morning Roundup
- 6:45—Morning News and Mar. Temp.
- 6:55—News and Weather
- 7:00—Hebrew Christian Hour
- 7:15—Morning Roundup
- 7:30—News and Weather
- 7:35—Farm Report
- 7:35—Farm Report
- 7:41—Morning Roundup
- 7:45—Inland Wx. and Mar. Temp.
- 7:45—Sports Capsule and Scoreboard
- 8:00—News
- 8:11—Weather
- 8:16—Morning Roundup
- 8:45—Weather
- 8:50—Atlantic News Roundup
- 8:58—Thought For Today
- 9:00—CBC National News—CBC Preview Commentary—CBC
- 9:15—Assignment
- 10:00—News and Weather
- 10:05—Notes and Music
- 10:40—Mr. Co-op Program
- 10:50—Notes and Music
- 10:55—Lucky 7 Contest
- 11:00—News and Weather
- 11:05—News and Views on Celebrities
- 11:20—Notes and Music
- 11:45—Bulletin Board
- 11:50—Notes and Music
- 11:55—Atlantic News Roundup
- 12:00—Weather
- 12:05—Town and Country Time
- 12:30—News and Weather
- 12:45—Town and Country Time
- 1:00—News and Weather
- 1:05—Story to Remember
- 1:15—What's On Today—CBC
- 1:45—Town and Country Time
- 2:00—News and Weather
- 2:05—Mostly Music
- 3:00—News Headlines and Weather
- 3:30—Trans-Canada Matinee—CBC
- 4:00—News Headlines and Weather
- 4:03—Canadian Roundup—CBC
- 4:10—Tops in Pops
- 5:00—News and Weather
- 5:05—The Outposts
- 5:25—Marine Weather
- 5:28—The Outposts
- 6:00—News and Weather
- 6:15—Today's Editorial—CBC
- 6:35—Tonight's Music
- 6:35—Sports Parade
- 6:35—Business Barometer—CBC
- 6:35—Who Will Come With Me
- 6:50—Road and Charles
- 7:30—Soundings
- 7:05—Music In The Evening
- 8:00—CBC News and Inland Wx.
- 8:00—Talent Festival CBC
- 8:30—Winnie Pops Christmas
- 9:00—Symphony Orchestra
- 10:00—CBC Nat. News on Par. H.

fields to the provinces, while federal spending continues its normal annual growth.

This means Mr. Sharp may not have as much room as would first appear in which to make significant tax cuts.

And he has the advice of the influential Economic Council of Canada that the time is not propitious for changes in tax policy which would increase spending pressures. Tax policy, the council said in its second annual review, should be to encourage increased supply of goods and services, rather than increased demand for them.

**MAY BE NO DEFICIT**

Mr. Sharp probably will introduce his first budget in late March or early April, if normal practice is followed. In his budget last year, former finance minister Walter Gordon projected revenues of \$7,350,000,000 and expenditures of \$7,650,000,000. This would mean a deficit of \$300,000,000 in the parliamentary accounts, but Mr. Gordon said the effect of that budget might be a modest surplus of \$182,000,000 in the national accounts.

Mr. Sharp now has revised those figures on the basis of the buoyancy of government revenues, fed by the growth of the economy. He said in a Jan. 9 speech to the Canadian Club in Toronto that the deficit in the parliamentary accounts might be less than \$100,000,000 and the surplus in the national accounts as much as \$330,000,000.

The parliamentary accounts normally employed in presenting the budget include charges and payments between one department of government and another which are really book-

keeping items. The national accounts show only amounts paid into and out of the general economy of the country, and thus better reflect the impact of government operations on the economy.

The deficit or surplus in the national accounts indicates the degree to which federal budgets encourage expansion or are anti-inflationary in their impact. The Economic Council said now is the time to let the built-in anti-inflationary forces of current taxes have way.

**GOODS VALUE RISES**

Mr. Sharp is basing his current thinking on an expected increase of five per cent in the gross national product during 1966, apart from price increases. The real value of goods and services produced in 1965 is believed to have risen about six per cent from 1964, and Mr. Sharp may be too conservative in his estimate.

About the time the new finance minister presents his first budget to Parliament, the government is expected to receive recommendations from the Carter royal commission on taxation. The commission, headed by Kenneth Carter of Toronto, was appointed in the summer of 1963 to study the distribution of the tax burden and how to improve it.

Mr. Sharp has said that until the commission's findings have been studied and assessed, it would be improper to make any drastic change in current tax laws. Some studies of the commission's findings already are being made by a special staff in the finance department so the work can be completed quickly when the formal report is submitted.

Tied in with the Carter commission findings is a study of tax structure undertaken by provincial treasurers and finance ministers and their staffs working with the federal finance ministry.

**AGREEMENTS END 1967**

Current federal-provincial tax agreements expire in the spring of 1967. Work on evolving a new plan must begin in earnest soon, and Mr. Sharp has said his one ambition above all others is to ensure viable federal-provincial fiscal relations in the future.

One difficulty is that Mr. Sharp does not see federal spending being cut in relation to the gross national product, while provincial and municipal tax revenue needs are likely to go on growing.

Already more than half of all government spending in Canada is done by the provincial governments, thus making them an important factor in economic planning over which Ottawa has little direct control.

But perhaps the longest and most technical work of the new parliamentary session will be on the revision of the bank act which now is two years overdue. The bank act is the basic law governing operations of the chartered banks and normally is revised every 10 years to keep it up to date with banking trends.

Mr. Gordon introduced a revision last May which adopted only a few recommendations of the royal commission on banking and finance headed by Chief Justice Dana Porter of Ontario. Mr. Sharp has said changes are being made in the Gordon draft.

Mr. Gordon rejected the Porter commission's recommendations for removal of the ceiling of six per cent on interest that may be charged on loans by the chartered banks. Mr. Sharp now is reported likely to raise or abolish the ceiling as recommended.

## CONTRACT BRIDGE

By B. JAY BECKER

South dealer.  
East-West vulnerable.

**NORTH**  
K 9  
Q 7 4  
K Q 10 6 4  
8 5 3

**WEST**  
A 7 3  
A Q J 9 5 3  
8 5  
8 4

**EAST**  
A Q 10 5 4  
10 8  
9 7  
10 8 8

**SOUTH**  
J 2  
K 8 2  
J 3 4  
A K Q J 7

The bidding:  
1 South West North East  
1 NT Pass 1 Pass  
1 NT Pass 3 NT

Opening lead — queen of hearts.

You never know how much dynamite there is in a hand when you pick up your cards, sort them out, and start to bid.

For example, look at this prosaic deal played in a team of four championships in Atlantic City many years ago. I had the North hand and my partner was the late and great Sidney Sludor of Philadelphia.

Nothing spectacular happened at our table when we played the hand. Sludor became declarer at three notrump on the bidding shown and West led the queen of hearts.

Sludor took the queen with

## CLC Has Plans To Campaign For Gov't Vehicle Insurance

OTTAWA (CP)—A major campaign to promote the idea of government automobile insurance will be mounted next month by the Canadian Labor Congress, President Claude Jodoin has announced.

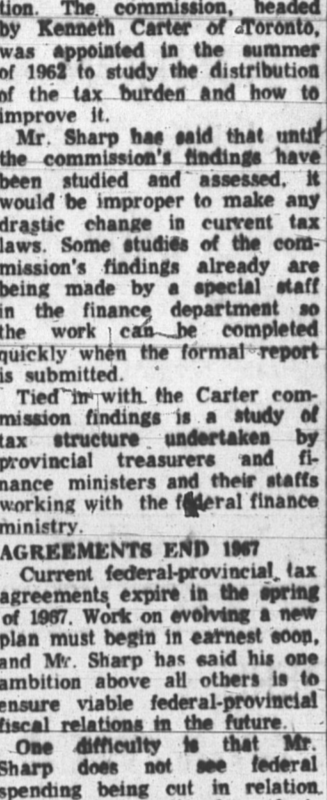
It will be the theme for this year's Citizenship Month observance by the 1,200,000-member labor body. Last year's topic was medicare.

Mr. Jodoin said in a statement that the mounting toll of deaths, injuries and damage on Canadian highways has become a problem of major national importance.

The CLC proposes that the provinces establish commissions to collect and administer auto insurance funds and deal with accident claims.

"The necessary funds could be an assessment levied on all licensed automobiles and collected at the time licence plates are purchased," Mr. Jodoin said. "This provides an economical means of collection and a

## RIPLEY'S BELIEVE IT OR NOT



LUIGI SCIVOLA  
BECAME PROFESSOR OF ORATORY AT THE UNIVERSITY OF BRESCIA, ITALY, AT THE AGE OF 17

WESTS OF THE MASON HIPS ARE BUILT WITH A RIBE PROJECTING ABOVE THE HIPS TO KEEP OUT ENEMIES

PLAN UNDERSEA CABLE TOKYO (Reuters)—Japan is planning a submerged-cable link to connect Southeast Asian countries and improve telecommunications networks in the area, the Japanese postal service ministry said Tuesday. The 6,300-mile cable to be laid in the next few years, will link Japan with Formosa, Hong Kong, the Philippines, South Viet Nam, Cambodia, Thailand, Malaysia, Singapore and Indonesia, the ministry added.

## DAILY CRYPTOQUOTE

One letter simply stands for another. In this sample A is used for the three L's, X for the two O's, etc. Single letters, apostrophies, the length and formation of the words are all hints. Each day the code letters are different.

HPRPOLJLVZ, OBO HPQVC RLTC  
MH PR NXCTBCPOCB ELRE—  
ULQLPZ JNUCT

Yesterday's Cryptoquote: DARE TO BE TRUE; NOTHING CAN NEED A LIE. — HERBERT  
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## OUR BOARDING HOUSE MAJOR HOOPLE

AMG YOU'VE BOTHERED THE PROFESSOR LONG ENOUGH... HE HAS TO WORK ON HIS BOOK! AND JUST SO YOU CAN GET IN THE SPIRIT OF THINGS I WANT YOU TO RESEARCH A SPECIAL CHAPTER CALLED 'CLEAN THE GARAGE!'

WHPF-SPUIT-TT  
MRS. HOOPLE ACTUALLY SEEMS TO BE THE STRONGER PERSONALITY AS IN SOME PRIMITIVE MATRIARCHAL TRIBES, AND YET SCIENTIFICALLY THIS IS IMPOSSIBLE IN OUR CULTURE.

ACHIEVERS NEVER GET THE WORD

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NUSBIN  
JOE PALOOKA  
MUGGS & SKETER  
L. L. ABNER