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The Daily News

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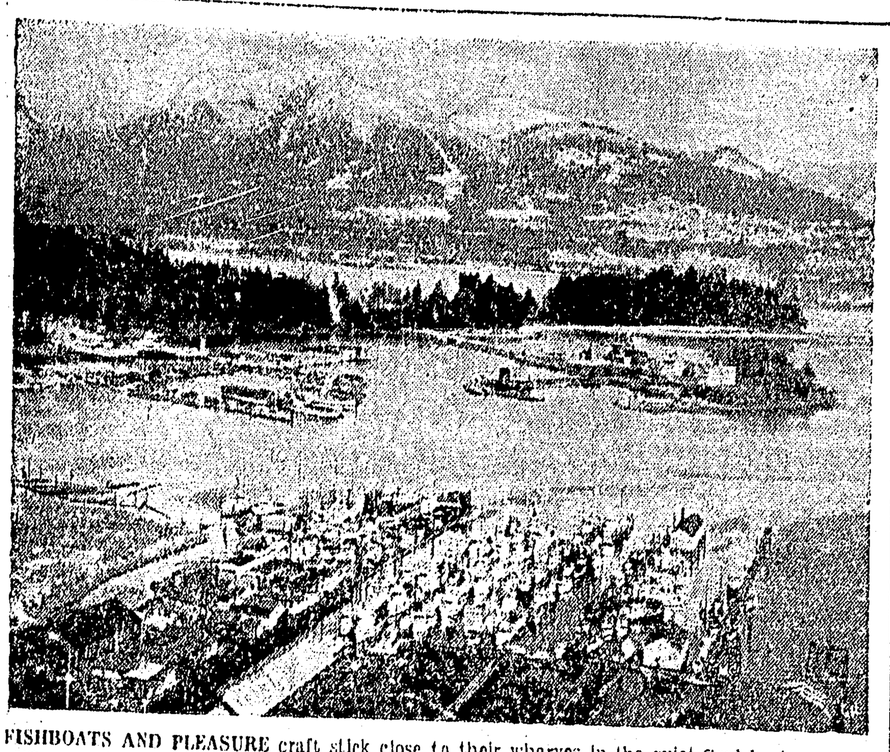
TOMORROW'S TIDES

Tuesday, March 20, 1956
(Pacific Standard Time)

High	6:59	18.5 feet
	20:38	16.2 feet
Low	0:42	9.8 feet
	14:07	5.8 feet



FISHBOATS AND PLEASURE craft stick close to their wharves in the quiet Coal harbor corner of Burrard Inlet at Vancouver. At right, on Deadman's Island, is naval reserve base HMCS Discovery. In centre background is Stanley Park, outlined against the snow-dusted north shore mountains. Stretching out of picture at right are Vancouver's deep sea docks, grain elevators and shipyards. (CP Photo)

Hold-Line Budget Seen Likely With No Substantial Tax Cuts

Forecast Deficit May Be Very Small

OTTAWA (CP)—Finance Minister Harris likely will introduce a hold-the-line budget in the Commons Tuesday night, proposing to retain the federal government's grip on the bulk of taxes.

Though indications point to a continuing expansion in the economy, federal concern over possible inflation combined with the fact that this is not an election year make it almost certain there will be no substantial tax cuts for the 1956-57 fiscal year that opens April 1.

Instead, the 52-year-old minister, in his second annual fiscal accounting since he moved into the financial slot in mid-1954, may concern himself with argument favoring book-balancing and credit restraint.

Other features may include proposals to overhaul some segments of the tax structure, including succession duties and the sales tax base.

The economy has been rolling ahead at a spectacular pace. Brakes have been applied through bank credit restrictions and higher interest charges to keep it from climbing so fast that demands for goods will outpace production, causing price rises.

But even so the gross national product-value of goods and services produced—which made an unusual $2,500,000,000 increase in 1955 to a record $26,600,000,000, is showing signs of continuing expansion.

Federal authorities argue that tax cuts, placing increasing purchasing power in the hands of consumers, tend to be inflationary when the country is producing at maximum capacity.

They suggest tax cuts may be more likely in 1957-58 when demand for goods may decrease slightly, reducing pressure on production. The government also has announced it has taken on new commitments which will increase federal treasury needs.

Boom May Cause Embarrassment

While an economic boom always heartens a finance minister—and others, too—the current one may cause Mr. Harris some embarrassment.

A year ago, when he brought down his first budget, he forecast a deficit of $160,000,000 based on a gross national product of $25,250,000,000. With the economy outpacing his highest hopes, there may be virtually very little deficit.

Mr. Harris has estimated the government's 1956-57 spending may total $4,523,000,000. With supplementary estimates, it may go to $4,600,000,000 or more. This would be, roughly, about $100,000,000 to $200,000,000 higher than in 1955-56.

However, with prospects of another rise in national production and no prospects of any major tax reductions, it is almost certain Mr. Harris will balance his books and perhaps even bring in a surplus in 1956-57.

See roundup of deficit and budget on Page 6.

Where Government Money Came From, Where It Went

OTTAWA (CP) — Breakdown of federal revenues and expenditures contained in a white paper tabled today in the Commons:

SUMMARY	1954-55	1955-56
Expenditures	$4,275,400,000	$4,437,100,000
Revenues	4,123,500,000	4,385,400,000
Budgetary deficit	151,900,000	51,700,000
REVENUES		
DIRECT TAXES		
Income Tax	1,183,400,000	1,180,000,000
Corporation Income Tax	1,020,600,000	1,035,000,000
Interest, dividends, rents, royalties Going Abroad	61,300,000	67,000,000
Succession duties	44,800,000	75,000,000
Total Direct Taxes	2,310,100,000	2,357,000,000
INDIRECT TAXES		
Customs Duties	397,200,000	475,000,000
EXCISE DUTIES		
Spirits, malt and beer	130,100,000	140,200,000
Cigarettes, tobacco, cigars	100,800,000	108,000,000
Less Refunds	-4,400,000	-3,800,000
Excise Taxes	572,200,000	640,000,000
Sales Tax	81,800,000	81,000,000
Automobiles, tires, tubes	8,200,000	8,700,000
Soft Drinks	9,900,000	9,200,000
Candy, Chewing Gum	114,500,000	122,500,000
Cigarettes, tobacco, cigars	400,000	—
Electrical Appliances	100,000	—
Furs	4,800,000	5,000,000
Jewelry, watches, ornaments, matches, lighters	900,000	900,000
Television, radios, tubes, phonographs	21,500,000	23,000,000
Toilet preparations	5,200,000	5,600,000
Trunks, Bags, Luggage	400,000	—
Wines	2,400,000	2,500,000
Sundry	2,300,000	2,100,000
Licences, interest, miscellaneous	400,000	400,000
Less Refunds	-800,000	-900,000
Miscellaneous	15,500,000	16,000,000
Total Indirect Taxes	1,463,400,000	1,636,000,000
Non-tax revenue	350,000,000	392,400,000
Total Revenue	4,123,500,000	4,385,400,000
EXPENDITURES		
Agriculture	81,800,000	88,100,000
CBC	8,400,000	8,200,000
Chief Electoral Officer	300,000	500,000
Citizenship-Immigration	28,000,000	32,700,000
Civil Service Commission	2,300,000	2,500,000
Defence Production	18,900,000	16,300,000
External Affairs	43,800,000	45,400,000
Interest On Public Debt	477,900,000	490,900,000
Servicing Public Debt	800,000	600,000
Provincial Subsidies	20,400,000	20,400,000
Grants to Universities	5,400,000	5,600,000
Fisheries	11,200,000	12,600,000
Justice	5,900,000	6,700,000
Penitentiaries	10,500,000	11,100,000
Labor	69,800,000	71,000,000
House of Commons	4,800,000	5,000,000
Senate	1,300,000	1,300,000
Mines — Technical Surveys	16,400,000	17,200,000
Coal Board	11,800,000	11,200,000
National Defence	1,666,000,000	1,740,300,000
Film Board	3,400,000	4,100,000
Health-Welfare	28,600,000	30,900,000
Family Allowances	366,500,000	382,400,000
NRC — Atomic Energy	30,700,000	35,800,000
National Revenue	55,000,000	56,700,000
Northern Affairs	20,200,000	25,600,000
Post Office	123,600,000	126,500,000
Public Works	112,700,000	125,000,000
Trans-Canada Highway	18,100,000	15,000,000
RCMP	35,500,000	37,000,000
Trade-Commerce	17,500,000	18,100,000
Transport	159,200,000	135,700,000
Veterans Affairs	240,100,000	240,100,000
Miscellaneous	578,600,000	606,200,000
Total Expenditure	4,275,400,000	4,437,100,000

FINANCE MINISTER HARRIS . . . deficit may be smaller

White Paper Highlights

OTTAWA (CP) — Highlights of a government white paper tabled in the Commons today in advance of Finance Minister Harris' Tuesday night budget:

Budget deficit for the year ending March 31 estimated at $51,700,000 compared with $151,900,000 in 1954-55 fiscal year.

Current year's revenues estimated at $4,385,400,000 and expenditures at $4,437,000,000.

Spending figure does not include $366,000,000 for old age security payments, covered by non-budget taxes.

Defence spending, largest budget item, increases $72,000,000 to $1,760,400,000.

Federal government's net debt at March 31 estimated at $11,315,000,000, increased from last year by amount of deficit.

Personal income taxes at $1,180,000,000 down by $3,400,000 from 1954-55 but corporation taxes at $1,035,000,000 up by $14,000,000.

All categories of taxation except corporation taxes expected to exceed last year's budget forecasts as economy rises.

Gross national production for 1955 calendar year $26,624,000,000 compared with $24,146,000,000 in 1954.

Personal income for 1955 estimated at $12,861,000,000 up from $11,989,000,000 in 1954.

Eight Rinks Undefeated As 'Spiel in Third Day

Eight rinks, three of them from outside centres still had undefeated records going at noon today, the third day of the Prince Rupert Curling Club's Fifth Annual Bonspiel.

Boasting three wins and no losses and out in the 16s of the Primary "A" Fashion Footwear Trophy event were the Prince George rink of Jim Slessinger, Jim Woods of Burns Lake and Archie Storey of Kitimat as well as the Prince Rupert rinks of Ian Dunbar, Barnie Eyolfson, Ken Moore, Jack Laurie and Ev Shier.

Lone rink out to the quarter finals in the "A" event so far is the Jack Mitchell rink with a 2-2 won-loss record.

Two visiting rinks and two local quartets have three wins and one loss. They are Percy Perg, last year's Grand Challenge and Grand Aggregate winner, Harold Thom of the local club as well as Cliff Ebner of Burns Lake and Dick Heggie of Smithers.

Last afternoon draw today was scheduled for 4:15 p.m. after which curlers will take time off for the annual banquet scheduled for 6:30 at the Canadian Legion auditorium.

(See earlier story Page 4.)

Labor Course Successful

"Industrial peace" was the theme of an address Saturday night given by Reginald E. Jackson, of the industrial relations branch of the federal Department of Labor.

Mr. Jackson, speaking at a dinner at the Broadway cafe to students of a successful Trades and Labor Congress of Canada sponsored basic labor education course held Saturday and Sunday at the Civic Centre.

HAND-IN-HAND

He said that the Labor-Management Co-Operation service of which he was a part, endeavored to work out the most peaceful relations between companies and their workers to the benefit of both parties. He said that the federal Department of Labor and the Trades and Labor Congress worked hand in hand in trying to keep labor-management negotiations on the highest possible plane.

DROP BELIGERENCE

The 25 delegates from TLC and Canadian Congress of Labor affiliated unions here heard director of the course Thomas C. Gooderham, Victoria TLC representative stress in his talk on preparation for collective bargaining that the time had passed for belligerent "demands" of employers and that workers should request what they thought they were entitled to. This didn't mean, he said, that they had to go to management "cap-in-hand" but considering that they spent one third of their lives at work, the most beneficial attitude they could take was to maintain good relations with their employers at all times.

Another phase of the course, which interested delegates was that given by B.C. Labor Relations Board conciliation officer W. T. McLoughlin, in which he interpreted the B.C. Labor Act.

Also on the program was an outline of the TLC-CCL merger given by TLC representative from Vancouver.

Another course is planned next year if B.C. had on by the new United Canadian Labor Congress.

Co-Op Censures City Council For Stand on Float Lights

A motion censuring the city council for its reluctance to accept the responsibility for administration of electrical outlets at the government fishing float in Prince Rupert was passed at the annual general meeting of the Prince Rupert Fishermen's Co-Operative Association held Friday and Saturday at the Civic Centre.

The motion was one of 13 presented by John Gibson, Kyuquot delegate and chairman of the resolutions committee.

Among other resolutions passed at the meeting were:

A motion to request the Department of Fisheries to close an area to sport and commercial fishing where migratory spring and coho salmon are the predominate population.

A motion to request the fisheries department to investigate the possibility of extending the national waters to a 12-mile limit, measured on a point-to-point basis, to facilitate conservation.

In other business, Martin Ericksen, Co-Op president, reported that in accordance with the United Fishermen and Allied Workers Union and the Vessel Owners Association had been held in Vancouver on halibut price negotiations.

Mr. Ericksen said that no official decision had been reached but that a further meeting was scheduled for April 14.

Sales of the PRFCA during the past year had amounted to $4,000,000, K. F. Harding, general manager of the Co-Op reported.

Defence Costs Show Increase

OTTAWA (CP) — Defence expenditures in the fiscal year ending March 31 are estimated at $1,760,400,000 in a white paper tabled in the Commons today by Finance Minister Harris.

This is an increase of $72,000,000 over the last fiscal year and represents approximately 40 per cent of all government spending.

The peacetime high was in 1952-53 when the total was $1,971,200,000.

There are increases in all three branches of the services. Estimate for the army is $413,600,000, an increase of $34,900,000; for the navy $442,300,000, up $93,700,000; for the air services $852,400,000, an increase of $41,000,000.

The only big drop in defence spending was in mutual aid for which the estimate is $175,000,000, a decrease of $35,000,000.

Other items in the grand total include $65,500,000 for defence research and development, an increase of $16,000,000, $16,300,000 for the defence production department, a drop of $2,600,000, and civil defence $3,600,000, an increase of $700,000.

Red Cross Drive Tonight

[illegible]

Soldier's Death Makes Toll 21

NICOSIA (AP) — A British soldier wounded in a bomb attack on an army vehicle near Kyrenia Saturday died today, bringing to 21 the total of British servicemen slain by EOKA terrorist branch of the union with Greece movement since August. The terrorists also have killed at least 25 Cypriot "traitors" in the last year.

The general strike which had gripped Cyprus for 10 days apparently was over as stores reopened today. The movie theatres, cafes and bars opened Sunday and people returned to work on newspapers. They will be the first published in Nicosia.

Russian Fisheries Minister Invited for Canadian Visit

VANCOUVER (CP) — Russian Fisheries Minister Ishkov has been invited by the Canadian government to inspect fisheries on the Atlantic and the Pacific, Fisheries Minister James Sinclair said here Sunday.

Mr. Sinclair told a reporter he is confident the invitation will be accepted.

It would become another major step toward beneficial co-operation in fisheries conservation between Canada and Russia.

Mr. Sinclair is in Vancouver for a convention of the United Fishermen and Allied Workers Union (Ind.) and to visit his riding of Coast-Capilano.

The invitation went forward more than two weeks ago he said.

RETURN VISIT

It is expected that Mr. Ishkov will arrive in early August. His invitation is in the form of a "return call" following Mr. Sinclair's visit to Russian and Siberian fisheries last summer.

Such a visit would mark the first time a Soviet cabinet minister ever visited Canada.

Mr. Sinclair also said that visas have not yet been issued to two Soviet trade unionists invited to attend the UFAWU convention.

But he denied the Canadian government's responsibility for their visa difficulties. They had only applied for visas last Thursday to the Canadian embassy in Moscow, he said.

Comedian Dies

NEW YORK (AP) — Fred Allen, for 25 years one of radio's top comedians, who later turned to television, died suddenly of a heart attack yesterday. He was 61. His widow, Portland Hoffa, is in hospital suffering from shock.

"Silent Bill" Transferred To Manitoba

NEW WESTMINSTER, B.C. (CP) — William Semenick, serving 10 years for trafficking in drugs, has been transferred "in fear of his life" to Stony Mountain penitentiary, an official disclosed here.

He had been in the B.C. penitentiary here.

The official, who asked his name not be used, told reporters that Semenick, known as "Bill the Painter" and "Silent Bill," had pleaded for the transfer, claiming his life was in danger.

MONTREAL (CP) — Fire raged out of control today through three giant RCAF hangars at Montreal airport in suburban Dorval and threatened to spread to adjacent hangars of Trans-Canada Air Lines.

Old Age Security Fund Still Operating in Red

OTTAWA (CP) — The federal old age security fund continued to operate in the red in the 1955-56 fiscal year, but the deficit was less than the government anticipated.

It dropped to an estimated $50,000,000 from $63,000,000 in the previous fiscal year, Finance Minister Harris reported in his white paper tabled today in the Commons.

He said in his budget speech a year ago that he expected the 1955-56 pension deficit to be "about the same", as in 1954-55.

Financed by a tax of two per cent on general sales and on corporation and personal incomes, the fund is used to administer pension payments to Canadians over 70.

Payments in 1955-56 rose to an estimated $366,000,000 from $353,000,000 a year previous. Tax revenue as usual lagged behind payments though the revenues did make some gains, rising to $316,000,000 from $290,000,000.

The fund has been running in the red since it was set up in 1951, with the cumulative deficit now totalling more than $300,000,000. Annual deficits ranged from a high of $69,000,000 in 1952-53 to a low of $46,000,000 in 1953-54.

For a time the deficits were covered and maintained by government loans. Last year Mr. Harris took action to write them off against government expenditures.

The 1954-55 deficit of $63,000,000 was charged to government expenditures for 1955-56. The current year's deficit of $50,000,000 is being carried as a temporary loan and likely will be charged against expenditures for 1956-57.

New $1 Bill May Be Item For Collectors

A newly minted one-dollar bill that probably has value as a collector's item is circulating around town.

Report that the bill passed through the Canadian Bank of Commerce here recently, was made by branch manager Peter Bird who said that the last three figures on the left side are 790, while on the right they are 790.

He said he has an offer for purchase of the bill if it can be located.

Laing Urges Recovery Of Road Funds

VANCOUVER (CP) — A demand that the B.C. government investigate the possibility of recovering part of the money paid the contractors on the $870,000 Stewart-Cassiar road project has been made by provincial Liberal leader Arthur Laing in a letter to Mines Minister Kenneth Kiernan.

Charges were heard in the legislature that the contractors Wade and Wells Ltd., had been wasteful and incompetent on the job.

Meanwhile, the Trail contracting firm claimed the company had been made the "goat" in a deliberate political plan to "get" former lands and forests minister Sommers.

The company issued a statement here saying it emphatically repudiates charges in the legislature that its work on the road was not up to standard.

COLUMBUS, Ohio (AP) — One of America's most prolific writers, Louis Bromfield, a Pulitzer-prize winner and well-known newspaper columnist and historian, died yesterday at the age of 59.

WEATHER

Cloudy with a few showers today and tonight. Intermittent rain Tuesday. Little change in temperature. Westerly wind, light today, diffusing to southerly, [illegible] tonight and increasing to southerly 20 Tuesday morning. Cloudy tonight and high tomorrow at Port Hardy, Sandspit and Prince Rupert 36 and 42.

Give Generously To Red Cross Canvassers Tonight