

Economy's Buoyancy Gives Record Standard Of Living

By HAROLD MORRISON
Canadian Press Staff Writer
OTTAWA (CP) — Inflationary pressures may have increased in 1956 but, despite this, living standards of the average Canadian made the greatest gain in post-war history.

Finance Minister Harris, in his pre-budget white paper tabled in the Commons today, conceded that prices increased moderately in 1956, but at the same time he observed that wages and salaries rose by \$1,474,000,000 to a peak of \$14,284,000,000.

This was an increase of 12 per cent in earnings compared with seven per cent in 1955. "In terms of real purchasing power," he said, "this was the largest gain of the post-war period."

Half of the 1956 rise in labor earnings came from pay increases; the other half from an increase in the number of employees. So great were the demands for "large numbers" of workers that "elderly persons and housewives were absorbed."

MORE ARE EMPLOYED
The number of persons with jobs swelled to 5,526,000 from 5,220,000 in 1955. The number without jobs and seeking work dropped to 179,000 from 220,000. There was no material change in the average work-week.

Prosperity not only hit workers in cities and towns, but also farmers. Net farm income, an indicator of farm health, made its second straight annual gain, increasing by 15 per cent to \$1,600,000,000, highest since the \$1,652,000,000 of 1952.

But in those three years, Canada's corps of farmers declined by about 10 per cent, so that average farm income in 1956 was about eight per cent higher than in 1953.

The quickening beat of city industry had its impact on the farm economy. More and more farm workers streamed into the cities, attracted by higher-paying factory work.

"There has been a pronounced shift from rural to urban occupations and the average annual decrease in agricultural employment has amounted to between three and four per cent during the post-war period," Mr. Harris said.

TREND PREVAILS
"In 1956 the same trend prevailed. Agricultural employment declined by some five per cent and an estimated 45,000 persons left the industry."

Canadians on the average not only earned more in 1956, but spent more—and saved more. Spending on consumer goods and services increased to a record \$18,556,000,000 from \$17,139,000,000 in 1955. Consumer credit rose by \$320,000,000 compared with an increase of \$340,000,000 in 1955.

Total savings by all groups increased by 21 per cent to \$6,101,000,000. Corporation profits after taxes climbed by \$220,000,000 to \$1,830,000,000.

"In 1956 Canadians spent about 85 cents of each dollar of income on consumer goods and services, while seven cents was added to personal savings and about eight cents was paid out in direct taxes."

Total personal direct tax collections increased by \$220,000,000, roughly 15 per cent, to \$1,720,000,000.

SETS RECORD
The gross national income—value of all goods and services produced—reached a record \$29,866,000,000, almost \$3,000,000,000 higher than the \$26,916,000,000 in 1955.

A large part of the 1956 rise in consumer spending resulted from higher prices, said Mr. Harris, but on the whole, average prices "were only moderately higher, particularly in the consumer goods sector."

This description contrasted with that of the Bank of Canada which said in its annual report Monday that a continuation of the 1956 rise in living costs—three per cent—would be dangerous.

General chartered bank loans increased by 11 per cent to \$4,431,000,000—with about half the rise resulting from loans to industrial concerns and to installment and other financing.

Total federal subsidies in the year increased by 50 per cent to \$118,000,000. Major factor in this rise was the federal decision to subsidize Prairie wheat storage.

Prosperity brought its international problems, too. Exports increased by 11 per cent, but imports rose by 23 per cent. Canada's over-all deficit in foreign trade in goods and services soared to a record \$1,398,000,000, double the \$692,000,000 in 1955.

The biggest factor was trade with the U.S. The Canadian deficit there climbed to \$1,659,000,000 from \$1,041,000,000.

Defence Costs Were One Per Cent Higher During 1956-57

OTTAWA (CP)—Defence costs climbed \$18,000,000 or one per cent during the 1956-57 fiscal year from the previous year.

A pre-budget white paper, tabled today in the Commons, shows that defence spending in the year ending March 31 now is estimated at \$1,768,100,000, compared with \$1,750,100,000 in the previous fiscal year.

In both years, Parliament appropriated \$1,775,000,000 for defence. The government used \$7,000,000 less than this in the fiscal year now ending compared with a \$25,000,000 shortfall in the preceding year.

For the fiscal year beginning April 1, Parliament will be asked to vote \$1,723,000,000 for defence, a decrease of three per cent from the estimate for the year now ending.

LARGEST EXPENDITURE
Defence spending comprises the largest category of government expenditures. Total defence outlays in the 1956-57 fiscal year, including \$21,000,000 for defence production and \$4,000,000 for civil defence, account for 37 per cent of all government spending. In the preceding fiscal year, defence expenditures represented 40 per cent of the total budget.

Expenditures on the RCAF went up nearly \$69,000,000—to \$773,800,000 from \$705,100,000—while

army declined. Army expenditures dropped by \$12,700,000 to \$394,200,000 and navy expenditures by \$8,800,000 to \$330,400,000.

At \$7,300,000, defence research cost \$6,000,000 more than in the 1955-56 fiscal year. Expenditures on mutual aid—the program under which Canada helps to arm its European allies—dropped by nearly \$42,000,000 to \$133,100,000, spending on both the navy and

air declined. Army expenditures dropped by \$12,700,000 to \$394,200,000 and navy expenditures by \$8,800,000 to \$330,400,000.

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Replying to a question last week by George Nowlan (PC—Digby-Annapolis-Kings), he informed the Commons that 14 "specimen medals" were struck by the Royal Canadian Mint in 1944. This was shown in the mint's annual report for that year.

Two copies were given to the office of the governor-general to be forwarded to the late King George VI. Six others went to the defence department so that two could go into the permanent records of each of the three armed forces.

British Steel Going Back To Private Control

LONDON (AP)—A major step in returning the British steel industry—nationalized by the post-war Labor government—to private enterprise was taken Tuesday with the announcement of a £40,000,000 offer of £1 ordinary shares in the Steel Company of Wales Limited.

It is the largest public marketing of ordinary share capital ever undertaken in the City, London's financial district.

The shares are to be offered at £1 each and the application list will be open March 14. The shares are to be sold on an eight-per-cent yield basis, compared with an average return of 5 1/2 per cent on top-class industrial shares. The share offer is backed by eight leading firms of merchant bankers.

The Labor party has said it will again nationalize the steel industry if it is returned to power. In view of the trend of recent by-elections against Harold Macmillan's Conservative government, many financial experts here do not regard the outlook for the new issue as promising.

Oshawa Sees That Tenants Receive Regular Heat Supply

By ERIC SISSEL
Oshawa is one of the first cities in the province where tenants complain about the lack of heat. If the tenant can prove you are "freezing" the premises, then look out.

The reason for the new emphasis on this age-old dispute is a by-law just passed by city council, which states the landlord must provide adequate heat during the cold season.

70-DEGREE AVERAGE
Oshawa is one of the first cities to implement this part of the act. Toronto and Windsor were the first Ontario cities to require adequate heating for tenants by passing by-laws, which were approved by special acts of the legislature. Subsequent legislation however allows all municipalities to do so.

Under the Oshawa civic by-law landlords now are required to maintain an average temperature of 70 degrees in premises occupied from Oct. 15 to May 15. Violators may be fined up to \$300 and costs.

Ald. Gordon B. Atterley, who drew up the by-law after getting numerous complaints from tenants, said: "It is not directed at the legitimate landlord, the man who provides reasonable facilities and accommodation. Rather it is directed at the landlord who wants to get rich at the expense of his tenant, who is unable to fight back."

On an earlier attempt to get such a by-law passed he found provincial statutes did not permit the move. The Factory and Office Act covers only commercial premises, requiring an average of 65 degrees.

WRITTEN COMPLAINTS
Now tenants who believe their complaints of poor heating are justified must put them in writing, and city health authorities are empowered to appoint an inspector to investigate. Dr. W. G. McKay, medical officer of health, said the city sanitary inspector will be instructed to handle complaints.

In magistrate's court, the landlord, the city inspector and the tenant will each get a chance to present his side of the story. Tenants will be represented by the city solicitor.

S. J. Hennick, a barrister who owns apartment houses here, called the new by-law an "excellent move."

"Good landlords who want good tenants will also give them good service," he said.

Bank Governor Urges Restraint In Spending

OTTAWA (CP)—The governor of the Bank of Canada warned Canadians to exercise restraint in their spending this year if they did not want to feed the forces of inflation.

James E. Coyne told a press conference that Canada is in the midst of a boom and that booms usually are followed by recessions. He did not know whether the "danger point" had been reached, but warned that "what goes up must come down."

Indications were that Canadians planned to spend more this year than ever before and he "certainly hoped that Canadians would exercise restraint." He suggested more capital projects, such as the building of offices and factories, should be postponed until 1958 or 1959.

Currently, he could see no easing in the demand for investment funds, a demand that was the main force in causing prices to rise in 1956.

"I can see no slackening off in inflationary pressures though this may happen later."

CONSUMER SPENDING UP
Forecasts showed that consumer spending would increase this year along with capital investment, government expenditures and exports. This was true of North America as a whole and Canada and the United States individually. Canada's imports also would increase.

Mr. Coyne was asked whether he considered that federal income tax reductions would be inflationary, but he declined to give an opinion.

"All I can say is that a budgetary surplus would have an anti-inflationary effect."

Just what will happen to the demand for money in Canada this year was the "64 question." At the moment the demand had eased. Interest rates in the federal bond market had eased. But this may be temporary.

Canadian Arctic Patrol Ship Will Visit Britain This Month

LONDON (CP)—The Canadian-built Arctic patrol vessel, HMCS Labrador, will arrive in British waters March 19 on the start of a month-long European cruise.

The 6,500-ton icebreaker, largest ship ever built in Canada for the Royal Canadian Navy, will pay a formal call at the Royal Navy base at Portsmouth and after 10 days in Britain will go to Norway, arriving in Oslo April 1.

She is also expected to visit Denmark before sailing for Halifax April 16 to take on stores and prepare for her regular summer operations in the Canadian Arctic.

Although officially described as a "goodwill" visit, the Labrador's European cruise is believed to be part of a Canadian government plan to publicize Canadian shipping and Canadian shipbuilding skill.

During her stay in Portsmouth, the Labrador will be visited by several groups of British maritime and oceanographic scientists. She normally carries a number of Canadian civilian scientists on her patrol trips in the Arctic and they may take part in the European cruise to demonstrate special research equipment.

UNUSUAL ICE BREAKING
Unlike most icebreakers, the Labrador does not break ice by anti-inflationary effect.

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It is known that senior Royal Navy officers and ship designers were impressed by the low, clean lines of the St. Laurent, whose flared, rounded bow and low superstructure gives her a submarine-like appearance.

British newspapers carried lengthy articles describing the St. Laurent and said she was "well ahead" of British designs for ships of the same size.

Penniless Baronet Gets Prison Term

LONDON (Reuters)—A penniless baronet was sentenced Monday to 18 months in prison for stealing jewelry and getting credit without disclosing his was bankrupt.

Sir Alastair George Lionel Joseph Miller, 64, whose title dates back to 1788, pleaded guilty to stealing a pair of diamond sapphire earrings and a gold cigarette case. He also admitted getting credit from a London hotel.

Public Relations Officer For APEC

HALIFAX (CP)—C. A. (Arnie) Patterson has been appointed public relations officer for the Atlantic Provinces Economic Council, executive manager Nelson Mann announced today.

Mr. Patterson joined APEC from the Toronto Advertising Company, Toronto, where he was public relations counsel for General Motors of Canada.

The Dartmouth, N.S., native started his career with the old Halifax Daily Star and later joined the Halifax Herald Limited. He was also active as a sports broadcaster for CJCH Halifax and CKCL Truro.

Mr. Patterson left Halifax to join the Toronto Telegram as senior city hall reporter.

Two Copies Of Canada Medal Are Missing

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Two copies were given to the office of the governor-general to be forwarded to the late King George VI. Six others went to the defence department so that two could go into the permanent records of each of the three armed forces.

Four others were locked in a steel cabinet in the room of the west block of the Parliament Buildings. They were in the state secretary's keeping.

Mr. St. Laurent added: "It has not been possible to account for the other two."

The National Archives and records at Laurier House, Ottawa minister Mackenzie King, were searched without revealing a clue about the two missing medals.

Newspaper reports referred to by Mr. Nowlan had said Mr. King kept one of the medals for himself and sent one to Sir Winston Churchill.

Mr. St. Laurent said efforts are continuing to ascertain whether Mr. King did keep one for himself and send one to Sir Winston.

Revenue-Expenditure Figures Show Deficit Becoming Surplus

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

	1955-56	1956-57
Expenditures	\$4,433,100,000	\$4,866,600,000
Revenues	4,400,000,000	5,149,100,000
(Deficit)	33,100,000	282,500,000
(Surplus)		

REVENUE		
Income tax	1,185,600,000	1,413,000,000
Corporation income tax	1,027,700,000	1,285,000,000
Dividends, interest, etc., going abroad	66,200,000	77,000,000
Succession duties	66,600,000	87,000,000
Total direct taxes	2,346,100,000	2,862,000,000
INDIRECT TAXES		
Customs duties	481,200,000	565,000,000
Excise duties	141,900,000	151,000,000
Spirits, malt and beer	110,400,000	122,000,000
Cigarettes, tobacco, cigars	110,400,000	122,000,000
Less refunds	*4,277,777	*%.
Excise taxes	641,500,000	725,000,000
Sales tax	76,200,000	77,000,000
Automobiles	800,000	—
Tires, tubes	8,700,000	8,800,000
Soft drinks	9,200,000	10,100,000
Candy, chewing gum	126,900,000	134,600,000
Cigarettes, tobacco, cigars	5,000,000	6,200,000
Jewelry, watches, ornaments	90,000	900,000
Matches, lighters	—	—
Television, radios, tubes	22,800,000	19,000,000
Phonographs	5,600,000	6,000,000
Toilet preparations	2,500,000	2,700,000
Wines	2,100,000	2,200,000
Sundry	400,000	400,000
Licences, interest, miscellaneous	400,000	400,000
Less refunds	-400,000	-900,000
Miscellaneous	16,800,000	17,000,000
Total indirect taxes	1,649,600,000	1,844,000,000
OTHER REVENUES		
Non-tax revenue	404,300,000	443,100,000
Total Revenues	4,400,000,000	5,149,100,000

EXPENDITURES		
Agriculture	88,200,000	85,000,000
CBC	8,100,000	8,300,000
Chief electoral officer	400,000	200,000
Citizenship-immigration	32,300,000	47,900,000
Civil service-commission	2,400,000	2,700,000
Defence production	16,100,000	21,000,000
External Affairs	44,900,000	60,800,000
Interest on public debt	492,600,000	522,200,000
Servicing public debt	600,000	500,000
Provincial subsidies	20,300,000	20,400,000
Grants to universities	5,300,000	16,000,000
Fisheries	12,400,000	14,000,000
Justice	6,600,000	7,100,000
Penitentiaries	10,700,000	12,300,000
Labor	69,500,000	77,200,000
House of Commons	5,100,000	5,300,000
Senate	1,400,000	1,500,000
Mines-technical surveys	17,600,000	17,200,000
Coal board	11,300,000	9,500,000
National defence	1,750,100,000	1,768,100,000
Film board	4,100,000	5,000,000
Health-welfare	29,100,000	32,500,000
Family allowances	382,500,000	397,700,000
NRC-atomic energy	35,100,000	40,900,000
National revenue	56,100,000	62,300,000
Northern affairs	24,600,000	37,200,000
Post office	127,400,000	141,500,000
Public works	126,000,000	140,400,000
Trans-Canada highway	16,100,000	22,000,000
RCMP	86,600,000	43,600,000
Trade-commerce	17,600,000	23,900,000
Transport	132,000,000	158,300,000
Veterans affairs	248,500,000	252,100,000
Miscellaneous	601,300,000	812,000,000
Total Expenditures	4,433,100,000	4,866,600,000

Loans To Russia Repaid But Many Others Are Outstanding

OTTAWA (CP)—Russia has repaid its post-war debt to Canada.

A pre-budget white paper, tabled today in the Commons, shows that Russia in the fiscal year ending this month paid off the last \$1,800,000 owing on the \$3,200,000 reconstruction loan.

Communist Czechoslovakia paid \$400,000 on a \$16,700,000 loan and now owes Canada only \$2,000,000.

Britain paid \$30,000,000 on its \$42 interest-free \$700,000,000 loan from Canada and now owes only \$2,300,000.

The United Kingdom also paid \$1,185,000,000 on the 1946 loan of \$1,950,000,000, reducing the debt to \$765,000,000. The \$22,000,000 interest due on this loan Dec. 31, 1956, was deferred.

Other countries still owing money to Canada are Belgium, France, the Netherlands, Norway, Greece, Romania and nationalist China, which has paid nothing on a \$49,000,000 loan from Canada for the last four years. The government lists the loan to China as "inactive."

Woodcock Trial Set For March 26

TORONTO (CP)—Preliminary hearing for Peter Woodcock, 17, charged with murder in the sex slaying of four-year-old Carole Voyce, has been set for March 26, a spokesman for the crown attorney's office said Tuesday.

Woodcock was remanded for a week Tuesday when he appeared before a deputy magistrate in Toronto psychiatric hospital.

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