

Federal Provincial Split On Taxes Said Ridiculous

By DON HANRIGHT
MONTREAL (CP) — Federal provincial tax arrangements were sharply attacked here by Dr. Kenneth Eaton, Ottawa fiscal consultant and former assistant deputy minister of finance. A cut to a 40-per-cent ceiling would cost about \$40,000,000.

Dr. Eaton said these rates run up to 80 per cent plus four per cent on foreign-investment income. A drop to a 20-per-cent maximum would mean a loss of only \$10,000,000 in federal revenues. A cut to a 40-per-cent ceiling would cost about \$40,000,000.

Dr. Eaton said any government could decide, sensibly, that after taking half the profits from a so-called large enterprise system it could let dividends be paid free of tax.

But instead, the personal rates go up to 80 per cent—less the 20-per-cent dividend credit—on dividends paid out of profits already taxed at a rate of 50 per cent.

"This certainly is a hell of a way to run a capitalist system," Dr. Eaton said.

The instead of taxing to recoup its "give-away" program, the federal government simply had so-called planned deficits. Since 1957 these deficits were roughly equal to the additional hand-outs to the provinces.

"Now there is just no future for a nation in this kind of dithering around," Dr. Eaton said.

He said that at the last federal-provincial conference the federal government agreed to set up a committee with the provinces to study taxes in relation to responsibilities.

"Ridiculous," Dr. Eaton scoffed. "There is nothing fundamental in this. It is simply political juggling."

He said that for all practical purposes the provinces have just as much, and as good, a case for taxing as has Ottawa and "any statement to the contrary is nonsense."

PRaises Old System
Dr. Eaton, 70, who resigned from the finance department in 1958, said the old tax rental agreements with the provinces gave Canada a tax system unsurpassed in any other federal state.

"In the latter years of their long term of office the Liberals, after building up this ordinary tax system, found it inconsistent with certain of their political objectives and the edifice started falling apart."

"The Progressive Conservatives hastened the break-up and today only remnants remain of the enviable tax system which we once had."

Dr. Eaton also blasted the progressive rates of federal income tax which, he said, take 40 per cent of the first dollar of taxable income over \$12,000.

"People in this bracket are not there because of fortunate birth, luck or special privilege. They are not rich. Many they are moderately well-educated fellows who have simply been paying attention to their work. Yet the government takes this... swipe at them on pay-day."

BLASTS PERSONAL TAX
He went on to describe the personal income tax schedule of rates as "brutal and senseless."

Blind Engineer In Gov't Office

By ADREN COOPER
WASHINGTON (AP) — In a small office in the U.S. bureau of public roads a big German shepherd watches curiously while her blind master clicks away on a typewriter.

Nearby are a mechanical Braille writer, a tape-recorder and a Braille slide-rule.

There are other aids immediately available for the blind man, James W. Jennings, but perhaps the most valuable tool is one he seldom touches — a bank of electronic computers on another floor in the building.

They may provide a big boost for Jennings in his efforts to become a practising civil engineer. He graduated with honors from Michigan State University, but has run into considerable difficulty in finding a practical outlet in this field for his trained mind.

HELPS FEED COMPUTER
Jennings has been working in the roads bureau's research and development division only a few weeks but he seems sure that he can win a permanent position there. His job consists of preparing what he calls "relatively complicated equations" from raw data gathered in the field so they can be fed into the computers.

The speedy machines are important because they eliminate a great deal of the arithmetical handwork which is time-consuming for any engineer.

Jennings, 34, a robust six-footer, moves and speaks with an air of confidence.

Officials in the bureau believe Jennings is the first blind person to win a degree in civil engineering in the United States.

He is a victim of glaucoma, and rendered him totally blind at 15.

TOTS NEED PERMIT
WANSTEAD, England (CP) — Richard Lestrow, 10, and his sister, 8, are going to lose their playhouse in a tree because they lack a building permit and the local council refuses to issue one. The council in this Essex community ordered the treehouse removed after neighbors complained the backyard dwelling intruded on their privacy.

MACARONI VARIED
MONTREAL (CP) — More than 100 varieties of macaroni products are available in Canada, says Francis Enyard, a home economist with a food-producing company. Traditional types have been joined by a wide range of fancy varieties including bows, spirals, sea shells and flying saucers. She says Canadian consumption of macaroni has increased by 50 per cent in the last 15 years.

Republicans Form Group To Aid Party Re-building

ST. PAUL, Minn. (AP) — A number of Republicans "who feel the party went astray in 1964" have set up an organization which seeks to assist in rebuilding the party, former Minnesota governor Elmer L. Andersen said here.

Andersen said he was among 25 to 30 "loyal Republicans" who held an informal discussion in New York City Tuesday. The participants represented a

broader base of a "peel." Out of the New York talks came appointment of a temporary steering committee. Andersen said he was asked to be temporary chairman, and Mrs. Rita Hauser of New York is serving as temporary secretary.

The committee will meet in Denver Dec. 3 and plans to make a presentation the following day to a meeting of Republican governors in Denver. Andersen said he had discussed this plan with Idaho Governor Robert E. Smylie, chairman of the governor's conference, and Smylie is discussing the plan with other members of the executive committee of the Republican governors group.

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place the party's national chairman, Deen Burch — the man Goldwater picked for the party post.

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BRASSY GIRL SOLO
KITCHENER, Ont. (CP) — Ruth St. Adam, 16, is one girl who doesn't lack male company. A trumpeter, she's the only girl in Brass Unlimited, a 16-member brass ensemble that plays in many Ontario centres.

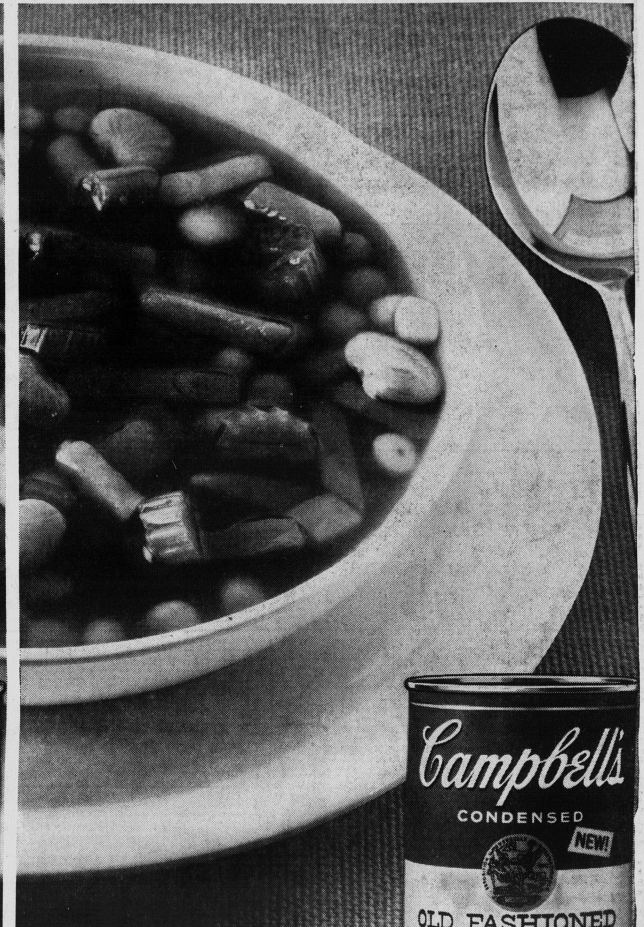
BIG FRUIT EATERS
MONTREAL (CP) — Montreal is among the top 20 cities in North America in its consumption of grapefruit, says James T. Hopkins of the Florida Citrus Commission. He was attending a trade meeting here.

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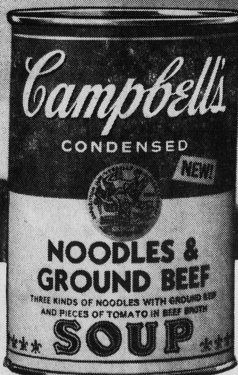
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