



HOME IS IN THE HILLS
A Turkish Cypriot mother, resting her elbow on a breast, sits with her children outside a cave near Kokkina, Cyprus. Turkish Cypriots, driven from villages due to recent fighting between Greek and Turkish Cypriots, have sought refuge in the hills above the villages. (AP Wirephoto via cable from Nicosia)

Health Package May Boost Income Tax By 50 Per Cent

By DON HANRIGHT
OTTAWA (CP)—The Canadians could face a 50-per-cent increase in personal income taxes if this revenue source were ever tapped to finance the big health services package recommended last month by the Hall royal commission.

The estimate is made in the latest journal by the Canadian Tax Foundation, a large private organization of accountants, lawyers, corporations and others who aim at "expert, impartial research into current problems of taxation and government finance."

The Hall commission advocated a comprehensive program including prepaid medical care, that would by 1971 cost \$4,481,000,000, about \$468,000,000 more than existing private and public health programs would then cost.

It said about 85 per cent of the overall cost would be channelled through governments, which should raise the extra funds required by increasing taxes in a way that the taxpayer could "see" how much the whole program was costing him.

Using the commission's figures, the foundation estimates that if the big plan was operating in 1966, about \$915,000,000 would have to be raised in the form of higher taxes or government insurance premiums to meet the public share of the added cost.

The \$915,000,000 could be raised by boosting corporation income taxes to around 74 per cent, about 26 percentage points above the present maximum federal rate. That would be "ridiculous," the foundation said. And the payment wouldn't be visible to the individual Canadian.

To raise the same amount of money, the federal sales tax would have to be increased to 19 per cent from the present 11 per cent. But this, too, was ruled out by the foundation because the tax is applied at the manufacturers' level, not on the retail sales.

To raise \$915,000,000 through the regular personal income tax

would require increasing everyone's income tax by almost 50 per cent," the foundation said.

However, the Hall commission said the cost should be shared about equally between the federal and provincial governments, just as they now share the cost of hospital insurance.

The tax foundation estimated the federal share at \$460,000,000 of the added cost, the provinces providing the other \$455,000,000.

Ottawa could cover its share by a 25-per-cent increase in personal income taxes. This "jumps all the larger when compared with the U.S. of approximately 20 per cent in personal tax," the foundation commented.

As for the provinces, they conceivably could raise their share by collecting premiums from everyone or by increasing sales taxes, in those provinces which have them.

Using sales taxes alone, the foundation said, would mean increasing present rates by three percentage points.

That would mean an increase to nine per cent from six in Quebec; an increase to eight per cent from five in Prince Edward Island, Newfoundland, Nova Scotia, Saskatchewan and British Columbia; and to six per cent from the present three per cent in Ontario and New Brunswick.

Alberta and Manitoba do not levy sales taxes.

If premiums were used to raise the full provincial share, these would have to be about \$79 a year for a family and \$40 for a single person. These would be in addition to premiums already collected in some provinces for hospital insurance.

Mrs. Pearson, Mrs. Johnson To Participate

OTTAWA (CP)—Marion Pearson, wife of the prime minister, and Lady Bird Johnson, wife of the U.S. president, will participate Aug. 20 in the establishment of Roosevelt Campobello International Park, Mr. Pearson announced here.

The park is the former summer home in New Brunswick of the late president Franklin D. Roosevelt which was given to the governments of Canada and the United States by its purchasers, Dr. Armand Hammer and Harry and Victor Hammer.

It is to be operated by an international commission composed by three Canadians and three Americans.

The Canadian commissioners are D. Leo Dolan of Ottawa, former director of the Canadian government travel bureau and later consul general for Canada in Los Angeles; Murray Johnston, a businessman and West Fisherman of Welchpool, N.B., on Campobello Island; and Robert A. Tweedie of Fredericton, director of the New Brunswick Travel Bureau.

Concurrent legislation was passed by Parliament and the U.S. Congress implementing an agreement between Mr. Pearson and Mr. Johnson reached in Washington last January to establish the Hammer property as an international park.

House Briefs

OTTAWA (CP)—An investigation of foundation conditions in the Cumberland Basin-Shepody area in the upper bay of Fundy in connection with possible tidal power developments cost \$100,000.

Transport Minister Pickersill told the Commons in a written reply to Robert C. Coates (PC—Cumberland) that the Atlantic Development Board has received a report of the investigation.

The government does not intend to grant a premium of \$1 on Class B hogs, Agriculture Minister Hays told Auguste Choquette (L-Libérienne). The estimated cost of paying such a premium would have been \$3,205,000 a year.

The government has adopted a recommendation of the special Commons committee on food and drugs that it set up an inter-departmental committee on pesticides. Health Minister Judy LaMarsh's informed Dr. Harry Harley (L-Billion) the committee is comprised of officials of the agriculture, health, fisheries, forestry, northern affairs and defence departments and the National Research Council. Chairman Dr. Robert Glen, the agriculture department's assistant deputy minister (research).

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Dark checks, sizes 4 to 6x. **77c** Special, each

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Bone china 10" cake plate. Reg. 2.40. **1.98** Special, each

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36 pec. set consists of 6 each: dinner forks, spoons, soup spoons and 1 butter, 1 sugar spoon. Reg. 9.36. **7.95** Special, set

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