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CANADIAN TAX FOUNDATION

**L'ASSOCIATION CANADIENNE
D'ÉTUDES FISCALES**

Twentieth Annual Report

FOR THE YEAR ENDING

DECEMBER 31st, 1965

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Twentieth Annual Report

FOR THE YEAR ENDING
DECEMBER 31st, 1965

CANADIAN TAX FOUNDATION

BOARD OF GOVERNORS

Elected March 22nd, 1966

Ross P. Alger, F.C.A.	Calgary
*Edward H. Ambrose, F.C.A.	Hamilton
René Amyot, Q.C.	Quebec
William M. Anderson, C.A.	Vancouver
*C. Roger Archibald, Q.C.	Toronto
*John W. Beech, F.C.A.	Winnipeg
*Lucien P. Bélair, C.A.	Montreal
Pearley R. Brissenden, Q.C.	Vancouver
J. Nevin Burnham, C.A.	Saint John
Richard J. Burns, Q.C.	Calgary
Frederic C. Burton, C.A.	Halifax
*H. Marcel Caron, C.A.	Montreal
*Robert B. Dale-Harris, F.C.A.	Toronto
*Reginald J. P. Dawson, C.A.	Montreal
*Charles Gavsie, Q.C.	Montreal
Kenneth L. George, C.A.	Melfort
*John M. Godfrey, Q.C.	Toronto
Godfrey Gourdeau, C.A.	Quebec
Thomas E. Ladner, Q.C.	Vancouver
*Henri-Paul Lemay, Q.C.	Montreal
Wallace D. Macaulay	Saint John
Robert W. Meanwell, F.C.A.	Windsor
Alastair M. Nicol, Q.C.	Regina
Henry B. Rhude	Halifax
Francis J. Ryan, Q.C.	St. John's
*Edward Saunders	Toronto
*Lancelot J. Smith, F.C.A.	Toronto
A. D. Stanley, F.C.A.	Vancouver
*John L. Stewart, Q.C.	Toronto
Alan Sweatman, Q.C.	Winnipeg
*Philip F. Vineberg, Q.C.	Montreal
F. D. R. Woolgar, C.A.	St. John's

**Executive Committee of the Board of Governors*

OFFICERS

Philip F. Vineberg, Q.C., *Chairman*

H. Marcel Caron, C.A.

*Vice-Chairman and Chairman of the
Executive Committee*

John M. Godfrey, Q.C., *Vice-Chairman*

Lancelot J. Smith, F.C.A., *Past Chairman*

Ronald Robertson, *Director*

James A. Reid, *Secretary and Treasurer*

—

PAST CHAIRMEN

Molyneux L. Gordon, K.C. (*deceased*)

Gordon K. Munnoch, K.C. (*deceased*)

*J. Grant Glassco, F.C.A., Toronto

W. G. H. Jephcott, F.C.A. (*deceased*)

*Claude S. Richardson, Q.C., Montreal

*Kenneth LeM. Carter, F.C.A., Toronto

*Lazarus Phillips, Q.C., Montreal

*Thomas A. M. Hutchison, F.C.A., Toronto

*R. deWolfe MacKay, Q.C., Montreal

*John A. Wilson, F.C.A., Toronto

M. Gerald Teed, Q.C. (*deceased*)

*A. Willard Hamilton, C.A., Montreal

Henry F. White, Q.C. (*deceased*)

*Campbell W. Leach, C.A., Montreal

*Stuart D. Thom, Q.C., Toronto

*A. J. Little, F.C.A., Toronto

*John de M. Marler, Q.C., Montreal

*Archibald D. Russell, C.A., Vancouver

*Arthur S. Pattillo, Q.C., Toronto

*Lancelot J. Smith, F.C.A., Toronto

**Advisory Committee of Past Chairmen*

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 1965
(With comparative figures for 1964)

	<u>1965</u>	<u>1964</u>
ASSETS		
CURRENT		
Cash (Including \$32,599 in Savings Account)	\$ 36,251	\$ 36,270
Guaranteed investment receipts —		
due at varying dates — 1966 - 1970	100,000	85,000
Accounts receivable	270	
Deposit with Air Canada	425	425
	<u>\$136,946</u>	<u>\$121,695</u>
FIXED		
Furniture and office equipment — at cost	\$ 17,237	\$ 16,976
Less: Accumulated depreciation	14,224	13,102
	<u>\$ 3,013</u>	<u>\$ 3,874</u>
TRUST FUND		
Taxation and economic growth study fund, cash	\$ 6,990	\$ 6,719
	<u>\$146,949</u>	<u>\$132,288</u>
LIABILITIES AND RESERVE		
CURRENT		
Accounts payable	<u>\$ 11,982</u>	<u>\$ 3,309</u>
RESERVE		
Retained for continuation of the Foundation's activities	<u>\$127,977</u>	<u>\$122,260</u>
TRUST FUND LIABILITY		
Taxation and economic growth study fund		
Subscriptions and interest received	\$47,990	
Less: Advances to Queen's University	41,000	6,990
	<u>\$146,949</u>	<u>\$132,288</u>

APPROVED ON BEHALF OF THE BOARD OF GOVERNORS

Lancelot J. Smith
Chairman

Philip F. Vineberg
Vice-Chairman

STATEMENT OF INCOME AND EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 1965
(With comparative figures for 1964)

	<u>1965</u>	<u>1964</u>
INCOME		
Subscriptions — Corporate	\$126,455	\$123,335
— Individual	<u>59,820</u>	<u>61,738</u>
	\$186,275	\$185,073
Interest	<u>5,375</u>	<u>4,138</u>
	\$191,650	\$189,211
EXPENSE		
Salaries	\$ 97,416	\$ 92,973
Publications (net)	40,412	29,872
Rent	11,090	11,690
Pension and Insurance plans (net)	8,119	8,321
Postage	6,860	7,159
Travelling	4,466	4,018
Office printing, stationery and supplies	4,027	3,836
Conferences expense (net)	3,278	(5,299)
General office expense	2,864	2,050
Books and periodicals — library	2,511	2,298
Special studies	2,137	1,059
Telephone and telegraph	<u>1,630</u>	<u>1,727</u>
	\$184,810	\$159,704
Provision for depreciation of furniture and office equipment	<u>1,123</u>	<u>1,096</u>
	\$185,933	\$160,800
EXCESS OF INCOME OVER EXPENSE FOR 1965 (Transferred to reserve)	<u>\$ 5,717</u>	<u>\$ 28,411</u>

AUDITORS' REPORT

The Board of Governors and the
Members of Canadian Tax Foundation,
154 University Avenue,
Toronto, Ontario

We have examined the statement of financial position of the Canadian Tax Foundation as at December 31, 1965 and the related statement of income and expense for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying statement of financial position and statement of income and expense present fairly the financial position of the Canadian Tax Foundation as at December 31, 1965, and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Hendriksen Jarrett Yowd & Co.

CHARTERED ACCOUNTANTS
Auditors

Toronto, Canada,
February 15, 1966.

NOTES FROM THE ANNUAL MEETING

The Twentieth Annual General Meeting of members was convened in the Quebec Room, The Royal York Hotel, Toronto, on Tuesday, March 22nd, 1966, and was attended by members from Quebec, Montreal, Toronto, London, Windsor, Winnipeg, Regina and Vancouver.

The Financial Statements with Auditors' Report, and the reports presented to the meeting by the Chairman and the Director are reproduced in this Annual Report, along with the names of the Governors elected at the Meeting, the officers elected at the organization meeting of the Board of Governors, and the Advisory Committee of Past Chairmen.

The annual meeting unanimously approved a motion expressing the thanks and appreciation of all members to Mr. Lancelot J. Smith, F.C.A., for his service and devotion to the affairs of the Foundation from 1956, as a Governor, Vice Chairman (1961-1964) and Chairman (1965). The seconder to the motion extended *"les sincères remerciements de ses collèges, gouverneurs et membres de l'Association Canadienne d'Études Fiscales"*.

Mr. Kenneth LeM. Carter, F.C.A., Chairman, the Royal Commission on Taxation (a Past Chairman of the Foundation and member of the Advisory Committee of Past Chairmen) expressed his thanks and appreciation to the Foundation for its assistance, many of the Foundation's publications having been of value to the Commission. Mr. Carter said that the Commission's report was in its final stages and would soon be handed over to the government, though he could not predict when it would be made public. He urged that the report should be read carefully and thoroughly before an attempt was made to discuss and evaluate its recommendations.

*Report of the Chairman
to the Twentieth Annual Meeting of the
Canadian Tax Foundation
March 22nd, 1966*

It is my pleasure to present the 20th Annual Report of the Canadian Tax Foundation covering the year ended December 31st, 1965.

Achievement can be reported in all phases of Foundation activities with the notable exception of the annual conference, which for reasons well known to members — namely the unexpected delays in the completion of the report of the Royal Commission on Taxation — was not held. As a result I am probably the only Foundation chairman who in his term of office has not chaired an annual conference.

This may be indicative of some sort of poetic justice relating to my own chairmanship of the Ontario Committee on Taxation, which will not be presenting its findings until some time after the federal report is made. Nevertheless I can assure you that the time devoted by your Board of Governors to considering possible Conference dates and arrangements last year greatly exceeded the time spent on this subject by all previous Boards.

However, to repeat the words of at least one of my predecessors, delivery of the Carter report is expected shortly. We are hopeful that it will be possible to confirm a Conference date in a few weeks time; however in view of past experience this will not be done until a definite release date is known. In the meantime we are doing as much advance planning for the Conference as possible.

Membership and Finance

One significant test of the usefulness of the work of the Foundation is indicated in the financial support it receives. I am therefore happy to report that in 1965 subscriptions showed a net increase. Total subscription income was \$186,275 compared with \$185,073 for the previous year. An increase of some \$3,100 in corporate subscriptions covered a small drop in individual subscriptions. Conferences tend to stimulate interest and frequently result in many new individual memberships; the delays in our Conference appear to have had a bearing on subscription income for the year.

During the year, we received 22 new corporate subscribers; 27 corporate subscribers increased the level of their support; and 5 corporate subscribers made additional contributions. Also, 375 new

individual memberships were received during 1965, made up of 219 regular memberships and 156 at the special rate for students and full-time teachers.

The increases in contributions by so many of our corporate members are, to us, tangible evidence of their continuing interest in and increasing appreciation of the work that the Foundation is doing. We must also acknowledge the successful efforts by the Governors and staff in this connection under the leadership of E. H. (Ted) Ambrose, Chairman of the Membership Committee. I should mention that we are continuing our efforts to enlist new and additional financial support.

The corporate increases came in response to acquainting supporters with the need for a substantial rise in Foundation revenues during 1966 to offset expenditure increases. Expenditures for 1966 could be up from fifteen to twenty percent over 1965 for three reasons, which also seem to apply to many of our supporters in their own businesses and practices. First, in order to bring staff salaries more nearly into line with those being offered in business, government and private practice, our salary schedule was reviewed and increases implemented. Second, some additions to staff have been approved in an effort to cope with our increasing work load. Finally, additional costs are anticipated as a result of the expiry later this year of the lease for the Foundation's present offices.

You will note that a modest surplus was recorded for this year. This resulted partly from the fact that the Foundation was short-staffed for a good part of the year and partly from the perennial problem of meeting the time schedules for publication of research reports. Several reports planned for publication before the end of 1965 were not in print until early in 1966.

Both to praise and to stir the constructive side of Canada's regional competitive spirit to the advantage of Foundation finances, I thought I might outline briefly to you the provincial sources of our corporate support. As an Ontarian I am ready to admit that the central provinces have what we might call a "head office advantage", so the figures which follow should be considered in that light.

In 1965, Quebec equalled all the other provinces combined in providing new corporate support, accounting for 11 out of the 22 new corporate subscribers. Ontario with nine and Alberta with two accounted for the balance of new corporate members.

For our entire list of corporate supporters, however, there is of course a more general distribution. Ontario and Quebec, as might be expected on the basis of industrial distribution, account

for the majority. The only blank is Prince Edward Island, a situation which we trust will be remedied when that province becomes physically linked to its sister provinces. In a provincial listing, Canada's eleventh province — the United States — ranks seventh numerically in providing corporate support.

While this is a report on the Foundation's position at December 31, 1965, I should like to venture into the current year to report that the increases in contributions are continuing at what appears to be an even more rapid rate. In the first two months of 1966 the number of increases by corporate contributors has exceeded the number for the whole of 1965, with a total of 31 against one decrease. In the same period we have added two more new corporate subscribers and 80 new individual members.

For the information of members and to thank our corporate supporters, arrangements have been made to publish as part of this report the names of our corporate supporters, except in a few cases where this would conflict with the corporate policy of the contributor. And, since this is our 20th annual meeting, a table showing the Foundation's financial history over the twenty-year period will also be included in the published report.

Annual Conference

I have been able to take more time than is customary in reviewing our membership and financial position since traditionally the next part of the Chairman's report has been about the Annual Conference. But, I have already said about all I can about that situation in my introductory remarks. Perhaps my successor will be able to balance the account a year from now by reporting upon two such Conferences. Should it happen, as we all hope it will, that the special Conference on the Carter report will go ahead in June, it is anticipated that there will be more than sufficient reason for also holding our regular 1966 Annual Conference, scheduled for Montreal on November 14th, 15th and 16th. This will certainly be the case if tax legislation is introduced in the fall. A number of organizations have recommended to the Minister of Finance that, after allowing reasonable time for study of the report itself, any implementing legislation be introduced first in draft form and left on the order paper so that it can be carefully studied for some months before being accorded final consideration by Parliament. Mr. Sharp has indicated that he favours this procedure. While it is too early to predict either the possibility or the timing of any legislation which might result from the Royal Commission recom-

mendations, I know you will join me in commending this approach. Although taxpayers and their advisers are anxious to be free from the uncertainties which are inevitable in the present situation, their continuation for a little longer is clearly preferable to rushing through legislation with no opportunity for careful and searching analysis. The result of such haste might well be even greater difficulties for both taxpayers and revenue authorities than are being encountered under the present tax structure.

Seminars

While our Annual Conference is perhaps our best known function directly involving a very large number of members, just as many members are involved as participants in the many regional meetings conducted under joint sponsorship with the universities during the course of a year.

In 1965 tax meetings were held at the Law School of the University of British Columbia, the Banff School of Continuing Education of the University of Alberta, Queen's University, the University of Montreal and Dalhousie University. In Nova Scotia it is the practice to alternate the meetings between Dalhousie University and St. Mary's.

The excellent programs and participation reflect a tremendous amount of work on the part of the universities, members and Governors from coast to coast.

The interest in and enthusiasm for these seminars is perhaps best illustrated by the meeting at the University of Montreal, where the Seminar in 1965 competed successfully with the beckoning call of one of the first fine spring weekends of the year. It would be amiss if I did not make reference to the tremendous personal contribution which your Vice-President, Mr. Philip Vineberg, has made to the success of this seminar which has now been conducted for the last two years entirely in the French language.

This year the University of Montreal Seminar is scheduled for May 6 and 7 and the U.B.C. meeting for May 13. Needless to say program planning for the seminars is complicated this year by the expected arrival of the Royal Commission report. Dates of the other 1966 meetings will be announced later in the year.

A continuing highlight in our Conference program is the Foundation's annual Corporate Management Tax Conference. Members have received the announcement for this year's meeting which will be held in Toronto April 5th. We shall have as our guest at that time Mr. Gear McEntyre, Deputy Minister of National

Revenue, Taxation. Papers will deal with topics which corporate members have requested and as in past years the papers will be published for the benefit of all members. These papers over the years have been building into a most useful part of the tax libraries of our members. Registration for this one-day meeting will exceed 250.

This year's program calls for a paper by our dean of tax conferences' past chairmen, Stuart Thom, Q.C., about any tax changes contained in the forthcoming federal budget. At the time the program was arranged there seemed to be a fairly good chance that there would be something for Mr. Thom to talk about, although as a precaution it was noted on the program that his participation would be dependent upon the budget date.

Tax Changes

My comments on the prospects for the Annual Conference have unavoidably impinged upon a review of tax changes. However, I would like here to note the success last year of the Foundation's experiment in widening and deepening the scrutiny given to the annual crop of federal tax changes.

Members and others responded to the suggestion that they study the proposed tax changes at the budget resolution stage and forward their comments to the Minister of Finance. This has, of course, been done in the past by individual taxpayers but often only where a specific situation was about to be affected. More general analysis and the searching out of potential difficulties at the resolution stage should, where unintended effects come to light, enlarge the opportunity for the government to modify the legislation prior to its final passage.

The Foundation co-ordinated the comments from copies of these submissions sent in to it, forwarded the result to Ottawa, and published it in the *Journal* for the guidance of members in their study of the amendments.

The Finance Minister's decision not to introduce in the regular 1966 budget tax changes related to the Royal Commission recommendations, indicates that the budget this year will not propose numerous or major tax law amendments. Nevertheless in view of the results in 1965, the procedure is being repeated and it is hoped that it will be of even greater value as a vehicle for the scrutiny of tax changes in the months ahead.

As has been the custom for many years, a committee of lawyers and accountants sponsored by the Foundation attended at Ottawa and discussed the technical aspects of the 1965 tax amendments

with tax officials. This annual event, we are happy to say, continues to prove its worth as an important part of the overall effort of taxpayers, their advisers and government officials to see that tax law changes are effected in as workable a form as it is possible to achieve within the framework of present parliamentary procedures. A major difficulty arising from these procedures, which has been often noted in the past, continues to hamper both officials and the Foundation committee. Almost always there is insufficient time, between the introduction of the bills enacting tax law amendments and their second reading, to permit proper study of their provisions.

The value of these meetings depends to a large extent upon the willingness of Finance and Revenue officials, responsible for the form of the amendments, to discuss their views and experience with the practitioners on the committee. I am pleased to say that this willingness and co-operation of the officials continues to grow and is of the highest order.

Board of Governors

I shall now turn to a very pleasant duty and that is to introduce to you the names of the nominees for the Board of Governors. As members are aware our full Board is elected each year.

In accordance with our by-laws nominations have been made by Mr. Weir, Q.C. and Mr. Bamford, F.C.A., the presidents of our two sponsoring bodies, the Canadian Bar Association and the Canadian Institute of Chartered Accountants. All those nominated have consented to serve if elected. The list of the thirty-two nominees, many of whom are currently serving as Governors, was mailed to members with notice of this meeting. I should like to welcome and to introduce those nominated for the first time.

They are

Messrs. René Amyot, Q.C.	— Quebec
William M. Anderson, C.A.	— Vancouver
Lucien P. Bélair, C.A.	— Montreal
Robert B. Dale-Harris, F.C.A.	— Toronto
Kenneth L. George, C.A.	— Melfort
Godfrey Gourdeau, C.A.	— Quebec
Thomas E. Ladner, Q.C.	— Vancouver
Wallace D. Macaulay	— Saint John
Robert W. Meanwell, F.C.A.	— Windsor
Alastair M. Nicol, Q.C.	— Regina
Edward Saunders	— Toronto

These names will be familiar to many members as leaders in their professions and in some cases as participants in Foundation conferences or contributors to Foundation publications. One name in particular I would draw to your attention since it represents to me something of a landmark. The many members whose association with the Foundation extends back the full 20 years of its existence will, apart from having regrets about the swiftness of the passage of time, be happy to note that one nominee, Tom Ladner, Q.C., is the first "second generation" nominee to the Board of Governors, his father Mr. Leon J. Ladner, Q.C., having been a member of the first Board of Governors, elected in 1945 and serving to 1949.

When Governors retire their support of the Foundation almost invariably continues, and I can now add that this even extends to seeing that their children do likewise.

You will be asked later to elect the Board for the coming year.

It has been noted by my predecessors that retiring Board members should consider themselves only semi-retired, since we shall have no hesitation in seeking their assistance and advice from time to time.

The Governors completing terms have contributed to Foundation activities in many ways — in the university seminars, in the annual conferences and on the various committees of the Board.

Moving into our reserve force this year, with the warm thanks and appreciation of all members for their past service to the Foundation, are

Messrs. William J. Ayers, F.C.A.	— Toronto
L. St. M. DuMoulin, Q.C.	— Vancouver
Albert Garneau, C.A.	— Quebec
Jacob M. Goldenberg, Q.C.	— Saskatoon
Maurice V. Jeffery, F.C.A.	— Swift Current
Denham J. Kelsey, C.A.	— Vancouver
Jean Leahy, Q.C.	— Quebec
Gordon A. MacDougall, F.C.A.	— London
Aurélien Noël, C.A.	— Montreal
John P. Palmer, Q.C.	— Saint John
Arthur S. Pattillo, Q.C.	— Toronto

It had been hoped that Mr. Noël would have been able to continue for another year, but for reasons of health he has asked to be relieved of his duties as a Governor. We extend our wish for a rapid and complete recovery.

Also retiring from the Board this year is our immediate Past

Chairman, Arthur Pattillo, Q.C., who has served the Foundation so well over the past six years, as a Governor, Vice-Chairman and then as Chairman. Members will recall his leadership at the 1964 Annual Conference in Montreal when more than 900 members gathered to examine and express views on many aspects of our tax structure. The Board especially acknowledges the significant contributions made by him as Governor and officer in many areas during the course of these six years.

Mr. Pattillo will, of course, continue his association with the Foundation in what might be termed the Foundation's "Senate"—our Advisory Committee of Past Chairmen. I hasten to say however that Mr. Pattillo qualifies for the appointment on much more solid grounds from those apparently required for that other upper house. Nor need he fear being pensioned off when he reaches 75—for our appointment is for life, even if it is without pay or other emoluments.

On behalf of all Foundation members I extend our sincere thanks to Arthur Pattillo.

Shortly after this meeting your new Board will elect its officers for the coming year. I expect to emerge from that meeting as your Past Chairman. Therefore, I should like at this time to thank each of the officers, the Governors, the staff, and the many members and contributors whose co-operation and support of Foundation activities make the post of Chairman an invigorating and enjoyable experience. By a quirk of fate and tax commissions, I seem to rank as the most enduring of vice-chairmen, having held that office for four years prior to becoming Chairman. I look forward, therefore, to the comparative calm of being a Past Chairman.

My long tenure as an officer has given me a unique opportunity to judge the effectiveness of the Foundation's method of operation—a small permanent staff with its research team working closely together, drawing freely upon the advice and assistance of other experts in the various fields and professions in and out of government with an interest in taxation and public finance. Notwithstanding that it has been necessary to authorize a modest staff expansion in order to meet the steadily increasing demands on the Foundation, I can assure members that the efficiency of the Foundation's operation exceeds considerably that which it is possible to achieve under the *ad hoc* approach which special tax commissions and committees must necessarily follow. The Foundation is indeed fortunate to be staffed with such dedicated and competent people as our Director, Ronald Robertson, and those who serve under him.

Despite whatever measures of success the current tax committees

are able to achieve in sorting out the overall needs in the tax structure for the foreseeable future, I can assure you, on the basis of personal experience, that the need for and usefulness of the Foundation will continue and expand.

I now move, seconded by Philip F. Vineberg, Q.C., that the report of the Foundation for the fiscal year ended on December 31, 1965 and the Financial Statements of the Foundation as of the same date, as submitted to the meeting, be and they are hereby approved and adopted.

LANCELOT J. SMITH, F.C.A.
Chairman.

*Report of the Director
to the Twentieth Annual Meeting of the
Canadian Tax Foundation
March 22nd, 1966*

Appearances to the contrary, it is not quite true that the only thing the Foundation director and staff have been doing in the past year is writing about Conference postponements.

But before reporting upon what other things were done I should like to review the position in which Canadians find themselves after five years of economic expansion. In brief, we are walking a tightrope and taxes may have to be used to keep us balanced. The question is whether we can keep up a good pace without running our economy into the ground.

Some now feel that economic cycles are as outmoded as the pre-space age verity that "what goes up must come down". A few years' time may prove them right. However, those who recall that cycles of sorts have been observed since Genesis was written may be forgiven for reserving judgment on this point until we are at least past the seven-year mark of fat years and the present day equivalent of lean. Even Joseph might have a hard time interpreting Pharaoh's dream under present conditions.

In theory there seems to be no good reason why our economic progress should not continue, providing we do not permit our individual and total expectations to get out of line with the growth of our abilities to produce, and as long as world conditions remain favourable from our point of view.

But either of these provisos should be sufficient to keep us on our guard lest the considerable gains that have been made be dissipated through inflation. With most countries in Canada's trading orbit pursuing similar demand policies, the race will go to those turning in the best cost and price performances, and these in turn depend upon relative rates of productivity improvement.

The overall gains since 1960 have been substantial by almost any measure and are worth some pains to preserve. One indicator is per capita G.N.P. At market prices the advance has been close to 30% — in terms of 1957 price levels close to 19%. But the overall price increase was in excess of 2% in 1964 and 1965, the rate often used as a somewhat arbitrary line between the terms "acceptable price increases" and "inflation". In 1965 the increase was about 3%; part of it, however, was attributable to increases in the federal sales tax on building materials and production machinery — pre-

sumably a non-recurring item in the sense that even if the tax remains, the level will not increase annually.

It is not surprising that considerable caution has been exhibited to date in Canada about jumping to conclusions that rampant inflation is around the corner. To do so would not only invite further anticipatory excesses, but could also trigger excessive deflationary reactions. From either response we could suffer setbacks and intensify our problems of regional disparity.

But evidence and expectations of continued price increases considerably in excess of 2% into 1966 now leave no doubt about the existence of the overload in the economy described by the Governor of the Bank of Canada in his recent report, nor of the desirability of his recent action to moderate the growth of overall demand. There was hope that the impact of the start of the Canada Pension Plan tax on January 1st might be sufficient to hold the line, but this now appears not to be the case. In fact to the extent that the new pension tax produces additional pressure for wage and price increases, and if the provinces and municipalities expand their capital spending quickly as a result, part of the effect will be in the wrong direction for the present situation.

The contribution to Canada's growth of the various changes in taxation over the past few years is not any more clear-cut than the contribution of many other factors. However it does seem beyond dispute that the personal income tax reductions and the earlier accelerations in depreciation have played the expansionary role expected of them.

It follows that if the recent change in the bank rate is not a sufficient means of moderating the current pace we shall have to expect complementary fiscal adjustments. Should these come in the spring budget we shall see whether Canadians have the fortitude to accept the unpleasant as well as the pleasant side of the fiscal aspects of the new economics.

This requires further judgments about how much fiscal restraint is required and the form it should take in the circumstances.

In the present state of the tax structure the income taxes — corporate and individual — have to be relied upon for comparatively short-term adjustments. The sales taxes in their present form are too unwieldy to be used for this purpose. As it turns out, after April 1 the short-run impact of the 2% increase in Ontario sales tax will be in the right direction.

Choosing between the corporate and individual income taxes involves a difficult judgment about the longer term. Curtailment

of capital investment would tend to lengthen the time required for more efficient plants to become operative and capable of meeting the growth of consumer demand. On the other hand capital investment plans must be kept within the bounds of the productive capacities of the economy. Labour shortages will have their own dampening effects providing inflationary fears do not induce competitive bidding for services among industries with capital investment plans. Temporary dampening of some consumer demand through income tax increases would not be popular, of course, but may be the more sensible of the two short-run choices. Perhaps a bit of both will be needed. When expansion is required it is considered better in theory to load tax reductions in favour of those with lower incomes, since a greater part of the tax reduction will be quickly spent. Presumably the loading should be reversed when increased saving and a moderation of demand is the objective. But logic is not always a two-way street in taxation. Fortunately, the limited across-the-board form of Mr. Gordon's 1965 income tax cut was such that it can, if necessary, be reversed in whole or in part without raising too many issues of equity. In the United States similar inflationary pressures have produced suggestions that the investment credit be withdrawn for the time being, that the corporate tax rate be increased two points to 50% and that personal income taxes be increased by about 5%.

While the obvious approach at this time might be to consider curtailing investment incentives, in connection with Canada's accelerated depreciation allowances the closeness of the expiry dates may be contributing to the pressure on taxpayers to hasten investment plans.

Therefore a case can be made for *extending* these deadlines* as the federal government has done for municipalities participating in the municipal development and sewage programs.

The third choice, the dampening of demand in the public sector, has had the verbal blessing of federal and provincial authorities for several months, but so far little evidence of much substance has emerged. Many areas of public spending are far more rigid than those in the private sector and seem to be blissfully resistant to the application of any concept of productivity guidelines. Expectations for the forthcoming budget are that while, on a national accounts basis, it will be possible for the Minister of Finance to predict something close to balance, and therefore to say that his budget will not contribute to expansionary pressures, the traditional budgetary

*Accelerated depreciation provisions for machinery and equipment for firms having the required degree of Canadian ownership expire December 31, 1967. Incentive provisions for designated areas expire March 31, 1967.

accounts may — barring tax changes — indicate a deficit of as much as half a billion dollars. By traditional yardsticks this would make it an expansionary budget. It will be of considerable interest to see how the Minister of Finance reconciles these accounts in the light of current economic conditions.

Progress is being made in techniques that will enable policy judgments in the future to be made with a greater degree of accuracy than in the past. While Canada lags in the application of econometric techniques compared with the United States, steps are being taken to remedy the situation. One such step will be the establishment of an econometric research project at the University of Toronto under Professor John Sawyer of the School of Business, with which the Foundation looks forward to having a mutually useful liaison. The project is being supported by a number of leading Canadian firms. Among other things it is hoped that the project will contribute to a better understanding of the effects of tax changes and transfer payments upon the level of economic activity in Canada.

The next few months may show whether we are able to stand prosperity or whether it will go to our heads, as in the past, and produce a hangover. Although not so obvious to many people the challenges of prosperity are equally as great as those faced during periods of high rates of unemployment and recession.

Research and Publications

It has been customary to deal with research and publications together because the results of staff and sponsored research is reported to members through the various publications of the Foundation, including our primary publication, *The Canadian Tax Journal*. The six issues of 1965 contained articles on a wide range of subjects, reflecting both the many facets of taxation and public finance, and the wide interests of Foundation members. An attempt is made through the *Journal* to bring to members both theoretical and technical developments in taxation; for so often what is theory today is practice tomorrow.

The *Journal's* most enduring — and sometimes endearing — feature was the object of a "members to the rescue" operation last year. I refer to "Around the Courts". For four issues, during the leave of absence on Royal Commission business of our editor, Gwyneth McGregor, the tax cases were subjected to analysis by members. I should like to express my appreciation for this assistance and in doing so I know I speak for all Foundation mem-

bers. Gwyneth was back in action in the first issue of 1966, and "Around the Courts" has lost none of its zip, nor, I should hasten to add, has our editor in the course of her Royal Commissioning. With Gwyneth back, Alan Short, who co-ordinated and edited "Around the Courts" for the four issues, was able to return to his main research interest — apart from Canadian income tax in general — the international aspects of taxation, the results of which appear regularly in the *Journal* as articles and in the feature "International Tax News".

Three Tax Papers were written in 1965, though one of these is still awaiting completion of the French translation.

The first Tax Paper was the report of the Corporate Management Tax Conference held in May. It contained one Canadian paper, by W. R. Latimer Q.C., on the 1965 tax changes affecting scientific research expenditures; one United Kingdom paper by Alun G. Davies, dealing with the new taxes in that country — the corporation tax and the capital gains tax; and two on international operations — one by David A. Ward on trading companies and one by J. Eric Ford on holding companies. We were happy to have as our luncheon speaker Douglas J. McClellan, Comptroller of Revenue of the Province of Ontario.

The two other tax papers grew out of studies prepared for the Tax Structure Committee of the federal and provincial governments. The first, by Marion Bryden of the Foundation staff, is entitled *Occupancy of Tax Fields in Canada*, and sets out the present division of tax fields, analyzing the basic sources of tax revenue — income, consumption and assets. The volume includes both English and French versions.

The second — publication of which, as I have said, awaits only completion of the French translation — is a history of federal-provincial fiscal developments during Canada's first hundred years. It incorporates Tax Paper No. 6, by Harvey Perry and Milton Moore, which covers the period 1867 to 1953; the developments since then have been described by Donald Beach, until recently a member of the Foundation staff.

Both studies are presented to the Tax Structure Committee with the compliments of the Foundation and its members, and in the sincere hope that they will be of value to the Committee in its difficult task of preparing the fiscal arrangements to replace, in 1967, those currently in effect. We are grateful to the Department of Finance for providing the translations.

Two volumes of the series, *Papers in Taxation and Public Finance*, containing the results of the taxation study at Queen's

University, were published in 1965: *Some Fiscal Aspects of Public Welfare in Canada*, by Irving J. Goffman, and *The Income Tax Burden on Canadian Stockholders*, by John R. Allan. The two remaining volumes, one on fiscal trends in economic development and the other on structural aspects of the tax system, are expected to arrive from Queen's shortly.

The annuals, the *Conference Report* and *The National Finances*, are by now an accepted part of the Canadian tax scene, and the response to *The National Finances* each year from members is indeed gratifying. I believe it is fair to say that this publication has become one of Canada's best known books of reference. Two *Tax Memos* were published, the annual federal budget outlook in March and a summary of the findings of the Saskatchewan Royal Commission on Taxation in October.

In May of 1965 the second edition of *Provincial Finances* was published. As our members know, this book, a companion to *The National Finances*, is published every two years. Production of *The National Finances* and *Provincial Finances* involves most of the staff at one point or another, with Marion Bryden, Don Beach and Mary Gurney carrying the main load. Mrs. Bryden and Miss Gurney play a major part in the preparation of virtually every project and publication and Miss Gurney sees the projects right through to print, which this year involved many extra hours of work.

In connection with *Provincial Finances* and the inter-year *Tax Memo* on the subject (prepared by Miss Gurney), I should like to mention that difficulty continues to arise from the fact that accounting systems differ from province to province.

Perhaps it would not be out of order to repeat a paragraph from the foreword of the 1965 *Provincial Finances* on this point:

"As part of the move towards "co-operative federalism" about which so much is heard these days it may not be too much to hope that eventually all levels of government in Canada will adopt a standarized method of accounting. This would do much to advance the citizen's understanding of the effect of government activities on the economy. It is not that any one method is "Right" and the others "Wrong" or misleading; it is rather that the differences cause confusion when a citizen tries to compare the performance of one province with that of another."

This is perhaps also the best place in this report to mention that the Foundation is co-sponsoring with the Dominion Bureau of Statistics, Queen's University and the Canadian Council on Urban

and Regional Research a conference of specialists in municipal statistics at Queen's this spring. The purpose is to assist D.B.S. improve its municipal statistical reports. The impetus for this meeting came from D.B.S. and the Foundation welcomes this opportunity to be of assistance.

Much of research work, particularly with such publications as *The National* and *Provincial Finances*, depends a good deal upon the co-operation of officials at the three levels of government. I should like to express our thanks for the assistance we received during the past year.

Several publications have already been issued in 1966. A 1965 supplement to the *Index* of Foundation publications, which proved very popular with members, has been mailed. Three *Tax Memos* have been mailed, all in the month of February: "Provincial Finances, 1965-66"; "Federal Budget Outlook, 1966"; and a summary of the report of the Quebec Royal Commission on Taxation. The Quebec report itself is so far available only in French, but we understand that an English version will be available in a few months. Incidentally, the *Tax Memo* on the Quebec report was written by Mrs. McGregor from the French original, thus revealing another of her talents to which she would not admit until the *Memo* was completed.

A Tax Paper of unusual interest is now in the hands of the printers. Several years ago the late Dr. Kenneth Eaton, so well known to all of us, began to write a book — or rather three books — on "Government in the Canadian Economy", which the Foundation was to publish. Unfortunately not one of the books was finished, but after Dr. Eaton's death we received from Mrs. Eaton all that he had written. Though he had set out his original scheme in a table of contents, it was not possible to follow the pattern from the somewhat fragmentary material available. So what we have done is to assemble it into several essays, which will be published in one book. The Foundation is glad to be able to preserve something of the quality that made Dr. Eaton unique — his astringent wit, his penetrating wisdom and his wide knowledge. Our great regret is that he did not live to complete the work. His last main appearance for the Foundation was at our 1964 annual conference. He will certainly be missed when it comes time to analyse the report of the Royal Commission on Taxation.

Staff

As I have indicated in my report on our research and publication activities, several of my staff colleagues had a busy time of it in

1965. The same applies to the rest of the staff and I should like to take this opportunity of thanking each of them.

Our Secretary-Treasurer, James Reid, has borne the brunt of having to arrange new dates for accommodating our migratory Conference date. The report of the Chairman indicates the scope of Mr. Reid's work on the financial and membership end, and, as many members and students know, Mr. Reid always finds time to assist the many visitors to the Foundation office seeking information about taxation. His encyclopaedic memory of Foundation affairs over the last 18 years is one of the Foundation's most valuable assets. In his duties, Mr. Reid is ably assisted by Mrs. Evelyn Wilkinson and Mr. Clifford R. Plume. Mr. Plume joined the Foundation staff in 1965 as Assistant Treasurer.

Sometimes libraries are mainly dust collectors. This is not the case at the Foundation where it is at the heart of our activities. It is quite a common sight to see our library and every spare bit of space occupied by students and regular Foundation members, busily poring over reports and documents. This, to say the least, keeps our librarian, Mr. Anatole Bazylewycz, on the go since, like Mr. Reid and other staff members, Mr. Bazylewycz takes a personal interest in helping those who come to our library to do research. At the beginning of this month, Mr. Arno Hobart was appointed to assist in the library and in general research. I should like to extend a special word of thanks to Mr. Bazylewycz for his efforts, which have brought letters of appreciation from students and their professors.

It was noted earlier that Mr. Donald Beach C.A. had left the staff at the end of 1965 to return to practice. Mr. Beach was a valued and versatile member of our staff for about two years. During this time he was responsible for our municipal research work, sales taxes and a good part of our *Provincial Finances*. His departure is not yet complete since he is continuing to assist in the completion for publication of the volume of *Financing Canadian Federation* to which I have referred. Mr. Beach carried the intriguing story from 1953 to the present. This was a difficult assignment and Mr. Beach carried it out extremely well. We wish him every success in his new endeavours. We expect to announce Mr. Beach's successor shortly.

Bringing the work of the research staff to members requires highly accurate stenographic and secretarial work. For this we currently rely on the skills of Mrs. Anne McAlonen, who doubles as a receptionist, and Mrs. Joan Code, my secretary. Each has carried an unusually heavy load in recent months, for which we

are most grateful. I hope my gratitude can take the more concrete form of additional assistance in the near future. A shortage of good secretaries is one of the prices of prosperity.

In concluding my report it is my pleasure to extend, on behalf of the entire staff, appreciation to our Chairman, Mr. Smith, for his counsel and help in countless ways over the past five years when he has been Vice-Chairman and Chairman. He knows our weaknesses and strengths perhaps better than any other chairman, and his guidance has been invaluable to me personally as director. Our two Vice-Chairmen, Mr. Vineberg and Mr. Caron, have also given generously of their time on the Foundation's behalf and in particular, as the Chairman has noted, have been responsible for the Foundation's part in the success of the Seminars at the University of Montreal.

I have assured members in previous reports that the support and encouragement the staff receives from them and our Board of Governors is a main ingredient in any success our efforts achieve. This was never truer than it was in 1965. The staff will endeavour to continue to merit this support in the coming year.

RONALD ROBERTSON
Director

CANADIAN TAX FOUNDATION
The Financial History of the First Twenty Years — 1946 through 1965

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
INCOME:										
Subscriptions — Corporate	27,350	39,975	49,515	42,050	50,725	62,155	71,725	79,575	91,225	101,800
Individual	—	270	3,540	4,558	7,085	7,560	7,990	10,075	13,808	15,340
Interest	27,350	40,245	53,055	46,608	57,810	69,715	79,715	89,650	105,033	117,140
TOTAL INCOME —	<u>27,350</u>	<u>40,446</u>	<u>53,592</u>	<u>47,553</u>	<u>58,793</u>	<u>70,725</u>	<u>80,497</u>	<u>90,104</u>	<u>105,448</u>	<u>118,050</u>
EXPENSE:										
Salaries	5,225	18,744	27,012	29,918	34,366	42,292	49,016	61,290	52,680	55,895
Pension and Insurance Plans	—	—	—	—	—	—	—	—	—	3,110
General Office Expenses	381	663	1,283	1,016	2,180	1,952	2,772	1,665	956	1,377
Rent	—	1,350	2,661	2,707	2,707	2,707	2,857	3,600	3,600	3,600
Postage and Express										2,952
(in general expense)	—	245	335	389	618	959	1,027	1,137	985	949
Telephone and Telegraph	170	2,356	811	475	1,401	1,823	1,623	2,027	2,415	2,192
Stationery and Supplies	104	813	1,008	1,406	1,379	1,323	1,230	1,670	1,874	1,557
Library — purchases	506	1,657	1,166	1,565	2,093	3,398	2,523	4,794	4,638	8,743
Travelling	—	1,465	1,790	4,816	4,280	3,061	1,774	1,518	2,730	8
Conferences (net)	—	—	3,694	2,471	2,343	11,199	11,569	18,357	11,967	23,830
C T F Publications (net)	—	—	—	6,582	1,694	3,133	4,961	373	3,340	1,024
Special Studies	—	—	—	250	271	403	464	555	652	698
Depreciation	—	—	—	2,435	—	1,093	—	—	—	—
Office Alterations	—	—	—	—	—	—	—	—	—	—
TOTAL EXPENSE —	<u>6,386</u>	<u>27,293</u>	<u>42,445</u>	<u>51,997</u>	<u>55,340</u>	<u>73,413</u>	<u>81,103</u>	<u>98,849</u>	<u>87,902</u>	<u>105,930</u>
OPERATING SURPLUS (DEFICIT)	20,964	13,153	11,147	(4,444)	3,453	(2,688)	(606)	(8,745)	17,546	12,120
ACCUMULATED RESERVE	—	34,117	45,264	40,820	44,273	36,585	35,979	27,234	44,780	56,900
M. L. Gordon Fellowship Fund 1951-55 ('56 and '57 in Special Studies)					5,000	4,581	3,404	2,476	1,013	

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
INCOME:										
Subscriptions — Corporate										
Individual	109,535	114,690	113,380	123,135	132,630	126,310	129,800	124,780	123,335	126,455
	17,530	18,580	22,565	26,655	34,025	39,450	40,630	51,752	61,737	59,820
Interest	127,065	133,270	135,945	149,790	166,655	165,760	170,430	176,532	185,072	186,275
	1,349	1,447	1,895	2,237	2,532	3,577	3,662	3,849	4,138	5,375
TOTAL INCOME —	128,414	134,717	137,840	152,027	169,187	169,337	174,092	180,381	189,210	191,650
EXPENSE:										
Salaries	63,332	67,197	76,200	85,200	88,564	88,277	88,715	91,138	92,973	97,416
Pension and Insurance Plans	3,237	3,681	1,791	2,899	1,248	2,487	1,976	6,460	8,321	8,119
General Office Expenses	1,516	1,505	1,489	2,013	1,806	3,179	3,458	3,894	2,050	2,864
Rent	6,671	10,490	10,490	10,490	11,090	11,690	11,690	11,690	11,090	11,090
Postage and Express	2,732	3,832	3,768	4,835	5,572	7,336	7,747	7,699	7,159	6,860
Telephone and Telegraph	1,235	1,393	1,512	1,731	1,554	1,799	2,139	1,841	1,727	1,630
Stationery and Supplies	3,467	2,892	3,738	3,325	4,354	2,579	5,021	3,639	3,835	4,026
Library — purchases	1,417	1,818	1,821	1,716	2,011	2,309	2,234	2,304	2,298	2,511
Travelling	3,587	4,409	4,878	5,510	5,251	6,601	6,883	3,703	4,019	4,466
Conferences (net)	2,022	1,316	3,562	1,469	(5,183)	(3,182)	(3,332)	235	(5,299)	3,278
C T F Publications (net)	18,685	26,846	17,450	29,133	34,237	29,425	47,978	37,382	29,872	40,412
Special Studies	3,965	7,268	4,013	4,707	3,435	3,157	2,131	6,699	1,059	2,137
Depreciation	1,122	1,223	980	1,149	1,143	1,168	1,055	1,098	1,096	1,123
Office Alterations	8,934	—	—	—	—	—	—	—	—	—
TOTAL EXPENSE —	121,922	133,870	131,692	154,177	155,082	156,825	177,695	177,782	160,799	185,932
OPERATING SURPLUS										
(DEFICIT)	6,492	847	6,148	(2,150)	14,105	12,512	(3,603)	2,599	28,411	5,717
ACCUMULATED RESERVE	63,391	64,238	70,386	68,236	82,341	94,853	91,250	93,849	122,260	127,977
C.T.F./QUEEN'S — Special Project Fund —										

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Montreal Star Company Limited	Montreal
Montreal Trust Company	Montreal

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Quebec Natural Gas Corporation	Montreal
Quebec Telephone	Rimouski
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Royal Trust Company	Montreal
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Sheraton Hotels Limited	Montreal
Smith Kline & French Inter-American Corp.	Montreal
Sogemines Ltd.	Montreal
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Anthes-Imperial Limited	St. Catharines

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Barber-Ellis of Canada Limited	Toronto
Bata Limited	Toronto
Beecham Products Limited	Weston
Beneficial Finance Company of Canada	Toronto
Borden Company Limited	Don Mills
Brazilian Traction, Light & Power Co. Ltd.	Toronto
Bridge & Tank Company of Canada Limited	Hamilton
T. G. Bright & Company Limited	Niagara Falls
British American Oil Company Limited	Toronto
CCH Canadian Limited	Don Mills
Cabot Carbon of Canada, Ltd.	Sarnia
Campbell Soup Company Ltd.	Toronto
Canada Bread Company Limited	Toronto
Canada Malting Company Limited	Toronto
Canada Packers Limited	Toronto
Canada Permanent Trust Company	Toronto
Canada Trust Company	London
Canada Wire & Cable Company Limited	Toronto
Canadian Admiral Corporation Ltd.	Port Credit
Canadian Association of Equipment Distributors	Ottawa
Canadian Bank Note Company Limited	Ottawa
Canadian Bankers' Association	Toronto
Canadian Breweries Limited	Toronto
Canadian Canners Limited	Hamilton
Canadian Comstock Company Limited	Toronto
Canadian General Electric Company Limited	Toronto
Canadian Kodak Company Limited	Toronto
Canadian Life Insurance Association	Toronto
Canadian Locomotive Company Limited	Kingston
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T. Eaton Company Limited	Toronto
Eddy Match Company, Limited	Toronto
Electric Reduction Company of Canada Ltd.	Toronto
Emco Limited	London
Empire-Universal-Films Limited	Toronto
Equitable Securities Canada Limited	Toronto
Falconbridge Nickel Mines Limited	Toronto
Famous Players Canadian Corporation Ltd.	Toronto
Ferranti-Packard Electric Ltd.	Toronto
Firestone Tire & Rubber Co. of Canada Limited	Hamilton
Ford Motor Co. of Canada Limited	Oakville
Frankel Structural Steel Limited	Toronto
Frigidaire Products of Canada Limited	Scarborough
General Bakeries Limited	Don Mills
General Foods Limited	Toronto
General Motors of Canada Limited	Oshawa
General Motors Diesel Limited	London
General Products Manufacturing Corp. Ltd.	London
The Globe and Mail	Toronto
B. F. Goodrich Canada Limited	Kitchener
Goodyear Tire & Rubber Co. of Canada Limited	New Toronto
Great Northern Capital Company Ltd.	Toronto
Greening Industries Limited	Hamilton
Griffith Laboratories, Limited	Toronto
Gunnar Mining Limited	Toronto
Harding Carpets Limited	Brantford
Harris & Partners, Limited	Toronto
Hawker Siddeley Canada Ltd.	Toronto
H. J. Heinz Company of Canada Limited	Leamington
Holcan Limited	Toronto
Household Finance Corporation of Canada	Toronto

Howell Forwarding Co. Limited	Toronto
The Huron & Erie Mortgage Corporation	London
Hussman Refrigerator Co. Limited	Brantford
Imperial Oil Limited	Toronto
John Inglis Company Limited	Toronto
International Business Machines Co. Ltd.	Don Mills
International Harvester Co. of Canada Ltd.	Hamilton
International Nickel Co. of Canada Ltd.	Copper Cliff
Interprovincial Pipe Line Company	Toronto
J.M.P.M. Enterprises Limited	Toronto
S. C. Johnson & Son Limited	Brantford
J. A. Johnston Company Limited	Brockville
Kellogg Company of Canada Limited	London
Kelvinator of Canada Limited	London
Kerr-Addison Mines Limited	Toronto
Kingston Whig-Standard Company Limited	Kingston
S. S. Kresge Company Limited	Toronto
Labatt's Ontario Breweries Limited	London
Lawson & Jones, Limited	London
Lever Brothers Limited	Toronto
Life Underwriters Association of Canada	Don Mills
Lightning Fastener Company Limited	St. Catharines
Link-Belt Limited	Toronto
Loblaw Grocerterias Company Limited	Toronto
London Free Press Printing Co. Ltd.	London
M.J.L. Securities Limited	Toronto
Maclean-Hunter Publishing Company Limited	Toronto
Maple Leaf Mills Limited	Toronto
Maris Transport Limited	Oakville
Marsh & McLennan Limited	Toronto
Massey-Ferguson, Limited	Toronto
Minnesota Mining & Manufacturing of Canada Limited	London
Monarch Construction Limited	Toronto
Moore Corporation Limited	Toronto
Murray Printing & Gravure Limited	Toronto
The McBee Company Limited	Toronto
McIntyre Porcupine Mines Limited	Toronto
McKinnon Industries, Limited	Toronto
McLeod, Young, Weir & Company Limited	St. Catharines
National Cash Register Company of Canada Limited	Toronto
National Steel Car Corporation Limited	Hamilton
National Trust Company Limited	Toronto
Niagara Wire Weaving Company Limited	Niagara Falls
Noranda Mines Limited	Toronto
Odeon Theatres (Canada) Limited	Toronto
Ontario Mining Association	Toronto
Ortho Pharmaceutical (Canada) Limited	Don Mills

Otis Elevator Company Limited	Hamilton
Outboard Marine Corporation of Canada Limited	Peterborough
Patino Mining Corporation	Toronto
Perini Limited	Toronto
Peterborough Examiner Company Limited	Peterborough
Philips Electronics Industries Limited	Toronto
Phillips Cables Limited	Brockville
Pigott Construction Company Limited	Hamilton
Pilkington Brothers (Canada) Limited	Toronto
Pitney-Bowes of Canada, Limited	Toronto
Polymer Corporation Limited	Sarnia
The Procter and Gamble Company of Canada Limited	Toronto
T. A. Richardson & Company	Toronto
Rio Algom Mines Limited	Toronto
H. H. Robertson Co. Limited	Hamilton
E. S. & A. Robinson (Canada) Limited	Toronto
Rolph-Clark-Stone Limited	Toronto
Rothmans of Pall Mall Canada Limited	Toronto
Salada Foods Limited	Don Mills
Samsonite of Canada Limited	Stratford
Savage Shoes Limited	Preston
Scott Misener Steamships Limited	St. Catharines
Shell Canada Limited	Toronto
Shell Investments Limited	Toronto
Sheridan Equipment Limited	Toronto
Silverwood Dairies Limited	London
The Robert Simpson Company Limited	Toronto
N. Slater Company Limited	Hamilton
Somerville Industries Limited	London
Southam Press Limited	Toronto
The Star Publishing Co. of Windsor Limited	Windsor
Steel Company of Canada Limited	Hamilton
St. Lawrence Cement Company	Clarkson
Steep Rock Iron Mines Limited	Steep Rock Lake
Sun Oil Company Limited	Toronto
Supertest Petroleum Corporation Limited	London
Swift Canadian Company Limited	Toronto
G. Tamblyn Limited	Willowdale
Telegram Publishing Company Limited	Toronto
Thompson Products Limited	St. Catharines
Toledo Scale Company of Canada Limited	Windsor
Toronto Star Limited	Toronto
Trans-Canada Pipe Lines Limited	Toronto
Trans-Northern Pipe Line Company	Toronto
Turnbull Elevator Limited	Toronto
Underwood Limited	Don Mills
Union Carbide Canada Limited	Toronto

Union Gas Company of Canada Limited	Chatham
United Co-operatives of Ontario	Weston
United Funds Management Ltd.	Toronto
United Gas Limited	Hamilton
United Investment Services Ltd.	Toronto
Upper Lakes Shipping Limited	Toronto
Victoria and Grey Trust Company	Lindsay
Hiram Walker & Sons Limited	Walkerville
Waterloo Trust & Savings Company	Kitchener
George Weston Limited	Toronto
Wood, Gundy & Company Limited	Toronto
Xerox of Canada Limited	Toronto

MANITOBA

J. H. Ashdown Hardware Co. Limited	Winnipeg
Beaver Lumber Company Limited	Winnipeg
John Deere Limited	Winnipeg
Hudson Bay Mining & Smelting Co. Ltd.	Winnipeg
Hudson's Bay Company	Winnipeg
Investors Syndicate of Canada Limited	Winnipeg
Marshall Wells of Canada Limited	Winnipeg
Mutual Investments Limited	Winnipeg
North-West Line Elevators Association	Winnipeg
James Richardson & Sons Ltd.	Winnipeg
Standard Aero Engine Limited	Winnipeg
United Grain Growers Limited	Winnipeg
Winnipeg Free Press Co. Ltd.	Winnipeg
Winnipeg Supply & Fuel Co. Ltd.	Winnipeg

SASKATCHEWAN

Beattie Ramsay Construction Co. Ltd.	Regina
Federated Co-operatives Limited	Saskatoon
Saskatchewan Wheat Pool	Regina
W. C. Wells Construction Co. Ltd.	Saskatoon
Western Tractor Limited	Regina

ALBERTA

Alberta Gas Trunk Line Company Limited	Calgary
Alberta Wheat Pool	Calgary
Burns & Co. Ltd.	Calgary
P. Burns Ranches, Limited	Calgary
Calgary Power Ltd.	Calgary
Canadian Fina Oil Limited	Calgary
Canadian Hydrocarbons Limited	Calgary

Canadian Industrial Gas & Oil Ltd.	Calgary
Canadian Superior Oil Ltd.	Calgary
Canadian Utilities Limited	Edmonton
Canadian Western Natural Gas Co. Ltd.	Calgary
French Petroleum Co. of Canada Ltd.	Calgary
Great Northern Gas Utilities Limited	Edmonton
Home Oil Company Limited	Calgary
Hudson's Bay Oil & Gas Company Limited	Calgary
Managers, Limited	Calgary
Mobil Oil of Canada Ltd.	Calgary
Molson's Western Breweries Limited	Calgary
Northwestern Utilities Limited	Edmonton
Pacific Petroleum Limited	Calgary
Pan American Petroleum Corporation	Calgary
Prairie Pacific Distributors Limited	Edmonton
Richfield Oil Corporation	Calgary
Sinclair Canada Oil Company	Calgary
Standard Holdings Limited	Calgary
Texaco Exploration Company	Calgary
Transalta Minerals Ltd.	Calgary
Union Oil Company of Canada Limited	Calgary

BRITISH COLUMBIA

Anglo Canadian Shipping Co. Ltd.	Vancouver
British Columbia Forest Products Limited	Vancouver
British Columbia Packers Limited	Vancouver
British Columbia Sugar Refining Co. Ltd.	Vancouver
British Columbia Telephone Company	Vancouver
Canadian Forest Products Ltd.	Vancouver
Certified General Accountants' Association of British Columbia	Vancouver
Crown Zellerbach Canada Limited	Vancouver
Eagle Lake Sawmills Limited	Vancouver
Grosvenor Laing (B.C.) Ltd.	New Westminster
Kelly, Douglas & Co. Limited	Vancouver
Laurentide Financial Corporation Ltd.	Vancouver
MacMillan, Bloedel and Powell River Ltd.	Vancouver
Neon Products of Canada Ltd.	Vancouver
Northern Construction Company & J. W. Stewart Limited	Vancouver
Ocean Cement Limited	Vancouver
Placer Development, Limited	Vancouver
Rayonier Canada Limited	Vancouver
Royal City Foods Limited	New Westminster
Seaboard Lumber Sales Company Ltd.	Vancouver
Standard Oil Company of British Columbia Ltd.	Vancouver

Sun Publishing Company Limited	Vancouver
Trans Mountain Oil Pipe Line Company	Vancouver
Weldwood of Canada Limited	Vancouver
Westcoast Transmission Company Limited	Vancouver
The Yorkshire & Canadian Trust Limited	Vancouver

U.S.A.

American Brake Shoe Company	New York
American Home Products Corporation	New York
Calumet & Hecla, Inc.	Chicago
Canada Safeway Limited	Oakland
Canadian Carborundum Company Limited	Niagara Falls
Canadian Clark, Limited	Buchanan
Cargill Grain Company, Limited	Minneapolis
Gerber Products Company	Fremont
Petrolite Corp. of Canada Limited	St. Louis
Tennessee Gas Transmission Company	Houston
Time International of Canada Ltd.	New York

B.W.I. & AMERICAS

The Bank of N.T. Butterfield & Son, Ltd.	Hamilton, Bermuda
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PUBLICATIONS

Canadian Tax Journal: every two months

Conference Reports: papers delivered at annual conferences

Corporate Management Tax Conference Reports: papers delivered at annual corporate management conferences

The National Finances: annual analysis of the revenues and expenditures of the Government of Canada

Provincial Finances: biennial analysis of provincial governments' finances

Tax Memo: intermittent reports on matters of topical interest

Local Finance: intermittent studies and reports on municipal finance and taxation



Principles of Income Tax: by *H. D. McGurran*. Revised to January 1, 1963. (\$1.50) (Also available in French.)

Canadian Fiscal Theses Series: No. 1. Business Financing and Taxation Policies, by *C. F. Owen*. 1959. (\$1.00)

No. 2. Erosion of the Income Tax Base in Canada and the United States, by *Irving Jay Goffman*. 1960. (\$1.50)

Index of Canadian Tax Foundation Publications to December 31, 1964. (\$1.00)

Queen's University Papers: No. 1. Some Fiscal Aspects of Public Welfare in Canada, by *Irving J. Goffman*. 1965. (\$2.50)

No. 2. The Income Tax Burden on Canadian Stockholders, by *John R. Allan*. 1965. (\$2.50)

Sponsored Books

Published by the University of Toronto Press.

Taxation in Canada: by *Harvey Perry* (3rd edition, revised to 1961)

Taxation of Corporate Income in Canada: by *J. R. Petrie* (1952)

The Meaning of Income in the Law of Income Tax: by *F. E. LaBrie* (1953)

Taxes, Tariffs and Subsidies: by *Harvey Perry* (2 vols.) (1955)

Special Studies (in print)

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