

facts and clarification of the tariff situation. What we are now proposing therefore is to insert in the tariff an appropriate definition of biological products to maintain the existing practice, and then refer the whole question of biological products to the tariff board for thorough investigation and considered recommendation. The tariff changes in resolution 2 which cover about twenty-five items will go into effect tomorrow.

I should add that the amendments being made to the Customs Tariff in these budget resolutions will not affect in any way the carrying out of the provisions and intent of the Emergency Exchange Conservation Act.

#### Revised Estimates After Tax Changes

I may now summarize the effects of the proposed tax changes on the balance of revenues and expenditures. The various tax reductions which I have proposed should not in all involve a loss of revenue of more than \$3 million. The revenue from the new tax available to closely-held companies in respect of accumulated earnings cannot be predicted, because we cannot tell how many of these companies will elect to take advantage of the new provisions in the next fiscal year. The revenue we receive could be quite large. I believe that it will at least be sufficient to offset the reductions just mentioned.

This, then, leaves our expected expenditures at \$2,410 million, our expected revenues at \$2,430 million, and our expected surplus for the coming year at \$20 million.

#### Conclusion

There is little that I need add, Mr. Speaker, by way of conclusion. Canada is in a prosperous state of economic health. There are difficulties and uncertainties ahead of us; but when in our history have we been without difficulties and uncertainties? During the past year Canada has demonstrated the soundness and the resilience of her economy.

My hon. friends opposite have been discovering imminent crises and catastrophes almost every month for the past two years or more, and almost every month our trade has increased, our employment has increased, and new resources are discovered or developed. We all know, of course, that our geography and the nature of many of our basic resources make us vulnerable to sudden economic changes in the countries with which we do the greater part of our trade. But I suggest to all my hon. friends opposite that the calamities they fear are not imminent, and that if at some future time we have to face serious difficulties we shall find that we have never been better equipped and prepared to resolve them.

(The budget resolutions were then tabled, and are shown in Hansard, Vol. 90, No. 29, of March 28, 1950).