

The Budget—Appendix

This arrangement was not continued under the new tax agreements signed for a further five years in 1952 and the provincial corporation income tax was not levied on profits earned after Dec. 31, 1951. However, substantial amounts have been collected throughout 1952-53 in respect of tax liability for 1951 and previous years and the account now contains approximately \$92 million. The new tax agreements with the Provinces, signed in 1952, contain a provision releasing the Federal Government from all further obligations to the Provinces in respect of amounts it has collected of the provincial corporation income tax. Accordingly nothing has been turned over to the Provinces in 1952-53 from this account. Prior to 1952-53 amounts in this account, when turned over to the Provinces, served to reduce Federal Government expenditures but under the new arrangement the amount in the account will be taken into Federal revenue as assessments for the taxation years 1947 to 1951 are completed and as amounts still owing under the provincial 5 per cent corporation income tax are collected and necessary refunds made. In 1952-53 it is expected that \$45 million or approximately one-half of the balance remaining in the account will be transferred to revenue as "Special Receipts and Credits."

Province Debt Accounts

It is expected that there will be no increase or decrease during the fiscal year in the Government's liability in respect of the province debt accounts. These amounts have remained unchanged for many years.

Funded Debt Unmatured

It is estimated that unmatured funded debt will amount to \$14,837.6 million at the close of the fiscal year, an increase of \$142.2 million over the corresponding total at March 31, 1952. An increase of \$149 million in debt payable in Canada is offset by decreases in the Canadian dollar equivalent of debt payable in London and in New York of \$1 million and \$5.8 million respectively. The details of the various loan redemptions, flotations and adjustments resulting in this net increase are described more fully in the section on "The Public Debt".

B. CHANGES IN PRINCIPAL ACTIVE ASSET CLASSIFICATIONS DURING 1952-53

It is estimated that there will be an increase of \$397.7 million in the total of active assets during the fiscal year under review. However, with the provision of an additional \$75 million for the reserve for possible losses on ultimate realization of active assets, active assets are expected to show a net increase of \$322.7 million at the close of the fiscal year 1952-53. It is expected that estimated increases of \$186.5 million in cash and other current assets, \$215.2 million in loans to, and investments in, Crown agencies, \$1.2 million in sinking fund and other investments held for retirement of unmatured funded debt and \$74.2 million in sundry suspense accounts will be offset by decreases of \$63.1 million in other loans and investments and \$16.3 million in deferred charges.

Cash and Other Current Assets

An increase of \$186.5 million in cash and other current assets is estimated for the fiscal year as shown in the following table which summarizes changes expected in the various accounts in this category: