

Forecast of Revenue and Expenditure, 1950-51

My forecast of our prospective revenue and expenditure for the new fiscal year is based on the expectations I noted earlier--that in general our national employment and income will be sustained at approximately the present level and that there will be a slight fall, in average prices, more than offset by a slight increase in the volume of our production. Should conditions be better than this--as they could be if everything goes well--my forecast will be more than realized. Should economic conditions deteriorate, as they could, our revenue will fall off and our expenditure increase, as compared with the figures I am now putting forward.

In the light of what I have said, I expect that our present tax laws and other sources of revenue would produce in the next fiscal year a total revenue of about \$2,430 million. For the convenience of hon. members and others, I have had prepared the usual table, comparing present forecasts with the figure for the year just closing, and I ask leave that this table be printed in Hansard at this point.

Forecast of Revenue  
(Before tax changes)

	Fiscal year 1950-51 (Forecast)	Fiscal year 1949-50 (Actual pre- liminary)
(In millions of dollars)		
Customs import duties .....	\$ 225.0	\$ 229.0
Excise duties .....	213.0	215.5
Sales taxes (net) .....	400.0	404.1
Other excise taxes .....	153.0	163.9
Income taxes		
Individuals .....	530.0	611.5
Corporations .....	580.0	586.5
Interest, dividends, etc.....	46.0	45.5
Excess profits taxes .....	..	- 2.5
Succession duties .....	29.0	28.5
Miscellaneous taxes .....	4.0	4.0
<b>Total tax revenue .....</b>	<b>2180.0</b>	<b>2286.0</b>
<b>Non-tax revenue .....</b>	<b>200.0</b>	<b>203.0</b>
<b>Total ordinary revenue .....</b>	<b>2380.0</b>	<b>2489.0</b>
Special receipts and credits .....	50.0	59.6
<b>Grand total revenue .....</b>	<b>2430.0</b>	<b>2548.6</b>

I should like to emphasize that our tax structure now is such that it is very sensitive to changes in employment and incomes, and relatively modest changes in these can have a more than proportionate effect upon our revenue.

The government became aware several months ago of these revenue prospects and of the desirability of keeping our