

The Budget—Hon. John N. Turner

GOVERNMENT OF CANADA REVENUES
PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS
RECONCILIATION

	1973-74 Forecast ⁽¹⁾	1974-75 Forecast ⁽¹⁾
(Millions of dollars)		
Budgetary Revenues.....	19,000	23,950
Deduct		
Post Office Revenues and Deficit.....	-590	-690
Deficit of Government Business Enterprises ⁽²⁾	-120	-120
Excess of Accruals (+) over Collections(-)		
Corporate Income Tax.....	115	-35
Oil Export Tax.....	225	-60
Add		
Government Pensions and Social Security Receipts ⁽³⁾	4,850	5,880
Capital Consumption Allowance.....	300	330
Miscellaneous Adjustments ⁽⁴⁾	-355	-115
Total Revenues, National Accounts Basis....	23,425	29,140

⁽¹⁾Numbers in these columns should be interpreted as mid-points of ranges of estimates.

⁽²⁾In the Public Accounts, deficits of government business enterprises are a charge to budgetary expenditures whereas in the National Accounts, these deficits are deducted from remitted profits of other government business enterprises.

⁽³⁾In the Public Accounts, the government pensions and social security receipts and benefits are treated as non-budgetary transactions whereas in the National Accounts, these transactions are reflected in the determination of government revenue and expenditure.

⁽⁴⁾These miscellaneous adjustments arise as a result of conceptual differences between the two forms of presentation. These items represent, for example, the proceeds from the sales of existing capital assets; budgetary revenue items offset against budgetary expenditures; imputed items; and, an adjustment for the treatment of revenue in the supplementary period.

GOVERNMENT OF CANADA EXPENDITURES
PUBLIC ACCOUNTS AND NATIONAL
ACCOUNTS RECONCILIATION

	1973-74 Forecast ⁽¹⁾	1974-75 Forecast ⁽¹⁾
(Millions of dollars)		
Budgetary Expenditures.....	20,000	24,400
Deduct		
Transfers to Funds and Agencies ⁽²⁾	-1,860	-1,880
Post Office Expenditures.....	-590	-690
Deficit of Government Business Enterprises ⁽³⁾	-120	-120
Add		
Expenditures of Funds and Agencies ⁽²⁾	785	1,030
Government Pensions and Social Security Benefits ⁽⁴⁾	5,545	6,375
Capital Consumption Allowance.....	300	330

[Mr. Speaker.]

1973-74
Forecast⁽¹⁾

1974-75
Forecast⁽¹⁾

(Millions of dollars)

Miscellaneous Adjustments ⁽⁵⁾	-135	-145
Total Expenditures, National Accounts Basis.	23,925	29,300

⁽¹⁾Numbers in these columns should be interpreted as mid-points of ranges of estimates.

⁽²⁾In the National Accounts, budgetary appropriations to various funds and agencies are replaced by the expenditure actually made by these funds and agencies.

⁽³⁾In the Public Accounts, deficits of government business enterprises are a charge to budgetary expenditures whereas in the National Accounts, these deficits are deducted from remitted profits of other government business enterprises.

⁽⁴⁾In the Public Accounts, the government pensions and social security receipts and benefits are treated as non-budgetary transactions whereas in the National Accounts, these transactions are reflected in the determination of government revenue and expenditure.

⁽⁵⁾As in the case of revenues, the miscellaneous adjustments arise as a result of conceptual differences between the two forms of presentation. These items represent, for example, reserves and write-offs; purchase of existing capital assets; budgetary revenue items offset against budgetary expenditure; expenditures of reserve accounts and revolving funds; imputed items; and, an adjustment for the treatment of expenditures in the supplementary period.

Mr. Turner (Ottawa-Carleton): In conclusion Mr. Speaker, the budget I have brought down tonight is a fiscally responsible budget. It is an equitable budget, aimed at raising revenue where it hurts least, distributing it where it helps most. It is an economically sound budget which attacks the scourge of inflation at its source—the shortage of supply. It recognizes that the fundamental cure to both inflation and unemployment is to overcome the physical limits on our capacity to produce by expanding the agricultural and industrial base of the country. And this budget further extends our policies of protecting those least able to protect themselves from the ravages of inflation and of moderating price increases of a number of goods that play an important part in daily living.

I have always tried to be frank with parliament and the people. In this budget I have rejected cosmetic policies—the easy, popular course at the sacrifice of realism and of the best long-term interests of the Canadian people. I am gambling that Canadians are too smart to be taken in by gimmicks, slogans or slick jargon—that they want to know the facts, whether they are pleasant or unpleasant, and they ask only for a man's best judgment in meeting them.

This budget reflects my determination to deal with inflation. It presents a responsible fiscal and monetary policy. It recognizes the need for all governments, including this one responsible to parliament, to restrain spending. It focuses upon the pivotal issue in the economy—the physical constraints on capacity. It proposes solutions within the context of Canada's place in the markets of the world, where we are not helpless, but neither are we immune to universal price trends.