The heading " Departmental Receipts " at £10,501,000 shows a material increase over the previous year's figures of £3,154,000. This is accounted for by two factors—first, the change in accounting procedure whereby credits-in-aid have been abolished and revenue previously shown as a reduction of expenditure is now brought in as revenue. The amount involved exceeds £4,000,000. The second matter affecting this revenue heading is the change-over of items from War Expenses Account to the Consolidated Fund. Where expenditure has been so transferred, the revenue or recoveries in respect thereof is also brought into the account bearing the expenditure. The major item in this connection is recovery from the Marketing Accounts of portion of the subsidies now being met in the first instance from the Consolidated Fund.

Expenditure

Dealing now with the expenditure, it is pleasing to note that the first and, incidentally, the largest single item—namely, debt services—shows a reduction of £394,000 over the amount actually paid out last year, and this reduction has been effected, notwithstanding an increase of over £21,000,000 in the public debt during last year.

Increased provision is made each year for repayment of the public debt, the amount this year being £4,249,000, an increase of £285,000. The interest charge, however, is substantially lower due to the Government's administration of the overseas debt, repaying out of revenue where possible or otherwise replacing overseas debt at high interest rates by internal debt at lower interest rates.

The balance of the expenditure under the permanent appropriations in the sum of £2,985,000 is substantially the same as for last year.

On this occasion the annual appropriations are hardly comparable with those for last year, due to the various major differences in the set-up which I have already explained.

I do not think any comment is required at this stage on the reinstated votes for the three Service Departments. As regards the new vote for " Stabilization," this covers the items previously charged to War Expenses Account and certain subsidies which have in the past been met out of the Consolidated Fund. This applies, for example, in the case of the subsidy on wheat paid out of the " Industries and Commerce " vote and the carriage of fertilizers charged to vote, " Agriculture."

The amount of the new stabilization vote—namely, £13,789,000—is, of course, the gross expenditure and will be offset by recoveries of approximately £3,400,000, which are brought in under the heading " Departmental Receipts."