

security schemes nor any other kind of social service can distribute goods or services which have not been produced. Nothing is free. The value of the present or any future developments in our social services will depend upon the quantity and quality of the work done on our farms, in our factories, and elsewhere. The higher the level of taxation the less incentive there is to put more effort into production, and our rates are already too high from this point of view. On the other hand, the revenue is fully committed for expenditure that is rigid to a large extent. The Government will maintain, and where practicable improve, social services, but it is obvious that in future costs must be carefully watched lest harm is done to those we would wish to benefit, through making the load of taxation so heavy as to retard progress.

Defence Expenditure

Members will recall that Parliament agreed to the taking of a referendum on compulsory military training, and that the public response was overwhelmingly in favour of such training. The first trainees under this scheme have been in camp recently, and every care has been taken to ensure that the course is as interesting and as useful as possible. Military training cannot be undertaken, however, without greatly increased cost. Buildings, uniforms, food, transport, pay, arms and ammunition, all have to be provided and paid for. In addition to our defence programme, an amount of £500,000 has been provided in the Army vote to defray the costs for the balance of this year, of the force being organized for service in Korea.

Modern equipment for all three branches of the Armed services involves an outlay of many millions, but without it our Forces could not become effective fighting units. To spread the cost of acquiring jet fighters and other modern equipment a Defence Fund was previously established. It is proposed to use the fund for costly equipment for all three services and to pay into it this year £2 million from vote "Army," £1.75 million from vote "Air," and £200,000 from vote "Navy," a total of £3,950,000.

Expenditure Economies

Any proposals for opening up new avenues of expenditure will be critically examined. It is an arresting fact that the amount taken from the people by way of taxation has risen from £38 million for 1938-39 to £149 million for the current year. Changes in the value of money account for some of the difference, but even so there has been a huge increase in Government expenditure.