

exchange already referred to, was kept down to £6,631,617, thus providing a saving of £280,000 in reduction of the deficit. This result is particularly satisfactory in view of the fact that the estimates for the year were pared down following the work of the 1931 Economy Committee. Practically every vote contributed towards the saving, which resulted from a multitude of small savings following a stringent control over every detail of expenditure.

SUMMARY OF YEAR'S OPERATIONS.

Summary of year's operations.

The year's operations may be summarized as follows :—

<i>Expenditure.</i>					£	£
Debt services .. .. .	..	..	..	..	10,511,989	
Pensions and family allowances .. .. .	..	..	..	..	3,075,415	
Motor taxation transferred to Main Highways						
Account and local bodies .. .. .	..	..	..	..	1,807,666	
Unemployment subsidies .. .. .	..	..	..	..	1,130,231	
Hospital subsidies .. .. .	..	..	..	..	642,809	
Under other special Acts .. .. .	..	..	..	..	686,352	
Total permanent appropriations .. .. .	..	..	..	..	17,854,462	
Annual votes .. .. .	..	..	..	..	6,631,617	
Exchange .. .. .	..	..	..	..	374,473	
Total net expenditure .. .. .	..	..	..	..	..	24,860,552
<i>Revenue.</i>						
Taxation—						
Direct .. .. .	..	..	..	..	8,200,479	
Indirect .. .. .	..	..	..	..	7,989,488	
					16,189,967	
Interest .. .. .	..	..	..	..	2,868,138	
Other receipts .. .. .	..	..	..	..	2,166,803	
From reserves .. .. .	..	..	..	..	1,494,825	
Total revenue .. .. .	..	..	..	..	..	22,719,733
Deficit .. .. .	..	..	..	..	..	£2,140,819

The deficit of 1931 was automatically met out of the balance carried forward in the Consolidated Fund, and that was the end of it. This year we are not so fortunate. The balance carried forward in the accounts on the 1st April, 1931, was only £278,601, so that to the extent of £1,862,218 the 1932 deficit is represented in the outstanding Treasury bills. This means that sooner or later that deficit has to be made good either out of reserves or out of future revenue.

TREASURY BILLS.

Treasury bills.

Owing to the depletion of the working cash balances in the Consolidated Fund and the shortage of revenue, also in order to finance remittances to London under the exchange-pool arrangements, it was found necessary or advantageous to make considerable use of Treasury bills during the year. A reference to the published accounts will show that revenue bills to the amount of £15,845,000 were issued. To the extent of £4,485,000, however, such issues included renewals of bills issued in the first instance usually for a period of three months only. The net amount involved was thus £11,360,000, of which £3,425,000 was issued in London at rates varying between 2 and 2¼ per cent. early in the year, but rising to 6¼ per cent. following the departure from the gold standard. All these London bills were redeemed.