

supplies some free services to other departments, of course, and service of some kinds below estimated cost, but on the other hand the Post Office is not charged for its office accommodation nor for certain services such as those of our accounting and disbursing officers. In due course I would hope we can arrange that it will be charged with all proper expenses of its operations, that it will charge other departments for mail services, and that it will be able to show a modest surplus on a commercial basis of accounting.

We have continued this year to benefit from some abnormal post-war special receipts and credits, though now on a relatively modest scale, the total of this category being about \$60 million. The chief components of this figure are \$18 million from the sale of surplus crown assets, \$16 million recovered on war contract settlements, and about \$9 million in payments by European governments in settlement for supplies provided by the military authorities to the civil populations at the end of the war. We can still expect some receipts next year under these headings, but on a diminishing scale.

On the expenditure side, the most notable features have been the increased expenditures for social security on the one hand and national security on the other. The increase in social security--chiefly family allowances and old age pensions--was about \$62 million; and the increase in national defence and defence research was \$110 million. Newfoundland, too, added materially to our expenditures--as was evident from the \$55 million provided in special supplementary estimates to extend our services to Newfoundland, and a non-recurring charge of \$62 million to cover the assumption of the major portion of the former Newfoundland debt. There was another large non-recurring item in our expenditures represented by the net charge to our premium, discount and exchange account resulting from the revaluation of currencies and representing the decreased Canadian dollar value of our sterling obligations, the increased Canadian dollar value of our United States dollar obligations, and the increased Canadian dollar value of our holdings of gold and United States dollar balances.

Offsetting these major increases in expenditures that I have noted were a number of reductions in those items which arose out of the war, notably certain types of non-continuing payments to veterans, payments of subsidies of various kinds, and various administrative costs for temporary post-war organizations.

In addition to these major changes in our expenditures this year as compared with previous years, there was a wide variety of minor increases representing, on the one hand, higher costs due to the rise in salary, wage and price levels, and, on the other, expansion in various government services. I will not attempt at this stage to comment in any detail upon these, but the combined effect of these factors can be noted in the detailed statements of expenditures given in the white paper.

As usual, I should call the attention of the house not only to our budgetary surplus but also to the non-cash items in our revenue and expenditure and to the non-income or extra-budgetary receipts and disbursements, apart from security transactions, that must be taken into account in order to appraise our over-all cash position. In the past year we have had more than the usual amount of budgetary charges which did not involve cash expenditures, and consequently when we adjust our budgetary surplus for purely accounting items--