All Governments Agree To 20 p.c. Cut

DRAMATIC DECISION

Pledges By Prime Minister And Six Premiers

CONFERENCE TO SIT UNTIL EXPERTS' PLAN ADOPTED

Delegates Work In Harmony

BANKS WILLING TO HELP

Melbourne, May 26.

deposits was correspondingly reduced.

Administering Salary Cut

The conference declined to commit itself to the method of reduction sug-

left to each Government to achieve the necessary economies under any dif-

ferential rate or by any other method

£12,000,000 Loan Suggested

It was agreed that Professor Melville

Mr. Scullin pointed out that the banks intimation that credit facilities

would be provided for industry and

would facilitate the absorption of un-employed might be true, but time

would elapse before industry would

want the advances. He thought that

the conference ought to put forward a

£12,000,000 loan, to be underwritten

by the banks, to tide over the im-

mediate position. There were advances

to Governments and wheatgrowers and

After discussion as to the position of

loans issued by local bodies and taken

up by insurance companies, Mr. Barnes

asked what was the legal position,

unemployed to be considered.

should work with the Under-Treasurers

it desired.

as actuary

The Prime Minister and the six State Premiers pledged themselves, at the Premiers' Conference today, to the adoption of the economy plan proposed by the economic experts co-opted by the Loan Council committee. It was unanimously agreed to accept the recommendations of the experts that there should be a 20 per cent. reduction in controllable Government expenditure.

The recommendations of the experts if carried out, will result in savings of £28,000,000 in a full year. It was decided that it should be left to the discretion of each Government to make the necessary reductions in the manner most suitable to it.

The Conference has decided that it will remain in session until the whole of the plan of the experts has been adopted. That will mean that it will be obliged to suspend session from time to time to enable the various Governments to pass legislation contingent on the adoption of the proposals.

The absence of friction between delegates was a feature of the conference today. Representatives of the Federal Ministry and the State Ministers are working for the common end. The conference today provided a demonstration of the willingness of the financial institutions to work in harmony with the Governments in the task of financial rehabilitation.

The Conference made considerable by private trading banks upon fixed progress in its efforts to find a solution of Australia's economic problems.

The report of the Loan Council subcommittee, which met the bankers last of the sub-committee (Mr. Jones, ML.C.).

The report revealed that the savings banks had accepted the principle of the suggested reduction of the reduction of night, was presented by the chairman

reduction of interest. The reduction will probably amount to I per cent. on deposits. This is provisional on the trading banks agreeing to make a similar reduction.

The following delegates attended:-The Commonwealth-The Prime Minister (Mr. Scullin), the Federal Treasurer (Mr. Theodore).

Victoria-The Premier and Treasurer (Mr. Hogan), the Minister for Public Works (Mr. Jones).

New South Wales-The Premier and Treasurer (Mr. Lang).

Queensland—The Moore) and the Treasurer (Mr.

South Australia-The Premier (Mr. Hill), the Chief Secretary (Mr. Whit-Western Australia-The Premier and

Treasurer (Sir James Mitchell), the Attorney-General (Mr. Davey), Tasmania-The Premier and Treasurer (Mr. McPhee), and Hon, Minister (Mr. C. W. Grant),

When the Conference was resumed this morning the chairman of the Economy Committee of the Loan Council (Mr. Jones) submitted a report on the meeting held the previous night with representatives of the banking institutions. The report stated that the representatives of the banks expressed the view that a conversion of debt on the lines suggested in the experts' reEXPERTS' PLAN

The four recommendations made by the experts were:-1. A 20 per cent. reduction in all adjustable Government expenditure, as compared with expenditure for 1929-10,

2. We are of opinion that, with the reduction mentioned in item 1, a conversion of the whole of the internal in-debtedness in Australia is possible at a reduced rate of interest, equivalent to a reduction of 20 per cent. as compared with 1929-30. This would give a relief to the Budgets of this item of Gorernment expenditure, propostional to the reduction saggested for the other items.

3. It is important and possible to bring about an immediate and progressive reduction of private interest by arrangement between the associated banks, Government Savings Banks, and other institutions,

4. In our opinion, and from information gathered, it should be possible, if the steps suggested in items 1, 2, and 3 are taken, to raise a sphstantial loan in London towards meeting unavoidable current commitments. We believe that by the adoption of the above proposals a restoration of financial stability will be brought about, and that they offer the best means of overcoming the pressing problem of unemployment.

WHAT WILL CAUCUS DO?

Possibility of

If Mr. Scullin and Mr. Theodore agree to reductions in expenditure to the extent recommended in the expert committee's report, an extraordinary political situation is likely to arise in caucus.

While the steps taken might to far towards rescuing the Committee from its difficulties, the Committee the formattee of the control of the co The expert committee spent the af-ternoon discussing proposals for the judging from the political tempent.
Labor members, will be risking another
party crisis, comparable to the split that
led to the withdrawal of Mr. Lyons application of the reduction of 20 per and his five followers,

Although the extreme radicals have formed a separate group under Mr. Beasley, there are many members left who are uncompromisingly opposed to anything with the flavor-of wage cuts or reductions in pensions. With this section, the argument that the cost of living has fallen by 20 per cent. means nothing gested by the expert committee, namely, that the reduction should apply as a flat rate over all types of expenditure. It was resolved that it be nothing.

If the Government persisted in its plans in defiance of these members, there is every prospect that a further devastating split would occur in the party, which definitely would rob the Government of its majority.

If the Government's economy measures were adequate, it would probably be enabled to put them into effect with the help of the Opposition. The position would then be exactly as it would have been had been been as it would have been had Mr. Scullin adhered to his original policy when he returned from abroad, except for the loss of six valuable months.

In the absence of the Prime Minister and the Treasurer, the Attorney-General (Mr. Brennan), as senior Minister, will lead the House of Representatives when it meets tomorrow.

It is understood that, in view of the hopeful atmosphere at the Melbourne Conference, and the desirableness of the continued attendance there of Mesars, Scullin and Theodore, the Opposition will refrain from taking advantage of their absence in regard to tactical matters in the House.

The first item on the porice

TRANSPORT SERVICES "ALL WORKING

TOGETHER"

Progress

REDUCING DEFICITS

Expressing keen satisfaction at

the progress made at the Pre-

miers' Conference today, the Pre-

mier of South Australia (Mr. Hill)

said tonight that the conference

had settled down to the definite

and determined intention of mak-

"All States are working well to-

gether. There is no friction with re-presentatives of the Federal Ministry,

and representatives of New South Wales are now working as keenly as anyone else," he said. "The conference tackled the task of eliminating or substantially reducing the deficit of £39,000,000 which, under present conditions, will accrue at the end

of June, 1932, hampered by the fact

that in that year the national income will be £450,000,000, compared with £650,000,000 for 1927-28, while the

£194,000,000, compared with £184,000,000

in 1927-28. The expenditure in inte-

rest, exchange, unemployment, and

sinking funds increased in the same

period from £57,000,000 to £84,000,000.

"Today the conference appointed a

committee of experts to recommend

means of giving effect to the proposed

reductions in interest charges by a

conversion loan, and another commit-tee has been appointed to advise on the Commonwealth and State legisla-

tion necessary to carry out this plan,

Negotiations are being made with

banks, insurance companies, and other

Government expenditure will

ing its work a success,

Hill Pleased With

Melbourne, May 26.

Closing Railway Lines BOARD'S REPORT

The activities and proposals of the Transport Control Board are set out in its first report, which was issued yesterday by the Minister for Railways (Mr. Denny). The policy of the board in fixing fares and freights and charging licence fees is explained, and the report contains a list of nine more routes to be "controlled" in the near future. Enquiries are to be made regarding the closing of unprofitable rail-

"Both the Royal Commission on food used by the party was obtained Railways and the Transport Board from natives of the Cooks Cooks tribe. cost to the State," said the Minister.
"The report which the board has furnished satisfies me that the problem of co-ordination of railways and motor services is being dealt with effectively. services is being dealt with effectively.

"The Railways Commissioner, with whom the board has had many interviews," writes the chairman, "has sup-plied a list of the railway lines on which the working expenses exceeded the revenue in 1929-30. The board proposes to enquire whether it would in triumph. not be in the best economic interests of the State to close some of these unprofitable rallways, and the Commissioner is now preparing necessary data regarding the following lines:-Adelaide to Willunga.

Gawler to Angaston and Truro. Eudunda to Robertstown. Balhannah to Mount Pleasant. Monarto to Sedan. Mundoora to Port Broughton. Gladstone to Wilmington. Yeelanna to Mount Hope. Wandana to Penong. Kimba to Buckleboo.'

MASSACRED

Guinea Natives Ki New Ten Men

ANOTHER MISSING

Sydney, May 26. The story of how Mr. Eric Baum, a prospector, and nine Kanaka carriers were massacred in New Guinea is told in the mail received from there today.

Mr. Baum had discovered gold on a tributary of the Watut River, and had 12 carriers with him. Much of the

bags became lighter and lighter, and The board consists of Messra. J. Sincock (chairman), W. P. Bishop, and
G. A. W. Pope, all of whom are public
servants."

Unprofitable Railways

"The Railways Commissioner, with

"The Railways Commissioner, with natives and hit on the head with a stone-headed club. He was probably killed instantly. The natives cut of his head and opened the body. They decorated the body and sang round it

They kept the Kanaka boys surrounded, but suddenly set upon them Nine were killed. Three escaped and hid in the bush for days, and it was only by skilful bushcraft that they escaped. They eventually arrived at Mount Barker Junction to Victor the camp of a prospector and friend of Mr. Baum, who was working only a mile or two from the scene of the massacre. The news was sent to Sala-moa, and Mr. Feldt, district officer, with an armed party of native police, is now in pursuit of the murderers. Mr. Alfred Belfield, one of the oldest

prospectors in New Guinea and Papua, is also missing, and it is supposed that he has been killed by natives.

Figures At The Conference To Restore Australia's Credit



financial institutions."

Mr. Scullin Prime Minister



Mr. Theodore (Fed. Treas.)



Mr. Hill (Premier, S.A.)



Mr. Whitford (Chief Sec., S.A.)





Mr. Hogan (Premier, Vic.) (Works Min., Vic.)



Mr. Moore Mr. Lang (Premier, N.S.W.) (Premier, Q'ld.)



Mr. Barnes (Treasurer, Q'ld.)



Sir J. Mitchell (Premier, W.A.)



Mr. Davey (Attorney-General, W.A.)



Mr. McPhee (Premier, Tas.)

the view that a conversion of dept on the lines suggested in the experts' report, as part of the general plan, could be undertaken successfully

Recommendations to Conference

After discussion, the following points were tentatively agreed to for submission to the Premiers' Conference:-

1. Plan for conversion loan, covering outstanding Commonwealth and State securities domiciled in Australia; existing securities to be converted into a new Commonwealth stock on the following basis-

(a) An adjustment to be made in the interest on Government securities, with the object of saving 221 per cent, on the total interest bill, the details to be settled by a committee of under-Treasurers, with power to co-opt other expert assis-

(b) The interest on the new securities to be free from the present Commonwealth super tax of 7% per cent., and from any further taxation, which may be imposed by the Commonwealth, or by any State, but to be subject to other existing Commonwealth and State taxes.

(c) The currency of the loan to be 40 years, with an option to the Government to redeem, in whole or in part, at any time after 10 years, on giving notice.

(d) Additional income tax to be imposed on the interest on all securi-

2. Reduction of interest rates on loans of local authorities, local bodies and semi-Government bodies,

3. Interest rates on bank deposits of 36 1-3 per cent, all kinds, and on all bank loans, overdrafts and advances to be reduced. 4. The bank representatives expressed

the opinion that interest payable under private contracts, such as mortgages, &c., would come down automatically, and it was agreed that in | not. those cases where there is no adsecure equality of sacrifice.

The bank representatives intimated that on the general plan being approved, credit facilities will be provided for industry, and this will facilitate the absorption of the unemployed.

It was agreed to arrange for co-operation between Governments, banks, financial institutions, and the commercial community, with a view to creating confidence in London to enand a certain amount of long term credit provided. In order to case the cost of exchange on Government remittances, and for the purpose of report to conference tomorrow. creating easier conditions for future conversions on the overseas market it was suggested that the exchange of money from Australia,

Basis of Discussion

The conference adopted the com- war pensioners, mittee's report as a basis of discussion, and, in the debate which fol- these men, he said, and he asked the lowed, it was pointed out that details conference not to touch soldiers' penof the conversion loan would have to sions until every other avenue of savbe submitted for approval to the banks. | ings had been explored. He felt that Assurances were given that, in arrang- | war pensions should be considered ing the conversion, the proposed re-duction would not be applied equally the promises made by the people both on the low interest loans and those during and subsequent to the war. bearing high interest, such stocks as those bearing a rate of only 35 per

A committee of experts was appointed to consult insurance and trustee companies, as large holders of Government securities, to obtain their

approval of the proposal.

A committee of Treasury officials was appointed also to decide and submit detailed terms of the proposed conver-

condition that the interest rate offered sidered.

CONTRACTOR OF THE STATE OF THE STATE OF right to insist on any compulsory conversion. Interest charges are to be brought down by a statute in each Par-

Parliaments would have to be convened to deal with emergency laws as a matter of national emergency.

On the suggestion of Mr. Lang, a MR. BUTLER OPPOSES committee was appointed to consider what legislation would be necessary. The committee consists of the Commonwealth Crown Solicitor (Mr. G. Castleau), the Victorian Crown Solicitor (Mr. F. G. Menzies), and the Western Australian Attorney-General (Mr. Davey). Other State law officers will assist

Later Mr. Lang suggested that the legal committee should also consider private contracts, such as those enered into by farmers with machinery firms, who are pressing heavily on

Mr. Scullin-As part of the general plan of reductions, subject, of course, to a general and wholesale reduction of interest, does the conference accept the general proposal?

Mr. Lang-I do not think the figures are accurate. I do not think economists know much about it. Some of our railway men have been rationed one week in five; others one week in seven. Over and above that they must take an 8 1-3 per cent. reduction, in addition. Those who are rationed one week ties not converted into the new in five are suffering a 20 per cent, cut. That brings the cut to 28 1-3 per cent. Then there is a fall in the basic wage of 3 per cent, and the 1/ in the £1 unemployment tax, making a total of

Most Costly State

The Acting Commonwealth Statislician (Professor Giblin), who attended the conference in an advisory capacity, in reply to Mr. Lang, said, "Your wages were reduced, but your salaries were On general figures, the whole administration of New South Wales is justment, and in the case of dividends | more costly than any other State. The on preference shares, the matter total salaries amount to £26,000,000. should be dealt with by taxation, to The Commonwealth total is £65,000.000

Mr. Lang-The New South Wales Public Service has suffered by Arbitration Court decisions. In addition, there has been a cut of 81 per cent. and they have to pay 1/ in the pound. It is time the public servant took a hand in defending himself, and not leaving it to me.

Reduction in Interest Rates

A sub-committee of Treasury officials of the Commonwealth and State sat able the short term debt to be funded, until a late hour tonight examining the proposals for the conversion of internal loans to effect a reduction in interest rates, and they will submit a

War Pensions "Sacrosanct"

Mr. Scullin introduced to the conpool be continued, with, if necessary, ference Mr. G. J. C. Dyett, Federal fuller power to control all transfers president of the Returned Soldiers' League, who asked that, in any scheme of review of expenditure, special consideration should be given to

Certain promises had been made to

The conference adjourned until 10 a.m. tomorrow.

INTEREST

Savings Banks' Conditional Cut of 1 p.c.

Melbourne, May 26. Soon after the luncheon adjourn- of interest was fully discussed by the New South Wales were allowed to dement, the conference received a setter board of directors of the Common- fault, but it would be better, if New from the conference of State Savings wealth Bank today, in conference with South Wales is to commit financial

It was pointed out that at present the that he had convened a meeting for Mr. Bagot said the plan appeared to in markets of the world for Aus- days per week as at present. range of interest paid by the Australian Savings Banks varied from 4 per son, representing New South Wales co-ordination of train and bus Trains of the suggested, as an alternation of train and bus Trains of the suggested as an alternation of train and bus Trains of the suggested as an alternation of train and bus Trains of the suggested as an alternation of train and bus Trains of the suggested as an alternation of train and bus Trains of the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as a suggested as an alternation of train and bus the suggested as an alternation of train and bus the suggested as a su cent, to 41 per cent, so that the pro- banks, and Mr. G. D. Healy, represent- tive to arbitrary awards, suspension of the will run between Adelaide and Redhill. afford to carry their own perishable is posed new rates would warm from 2 per the Will run between Adelaide and Redhill. afford to carry their own perishable is posed new rates would vary from 3 per ing the Victorian banks, would be pre- awards, and round-table conferences motion for the adoption of the chair- where they will link up with buses to products to market only if they could be precent to 31 per cent. The reduction sent. The question of a general re- between employers and employers, to man's report, which was carried. would operate from July 1, but only on | duction of interest would be then con- | determine what each industry could

The first item on the notice paper is the tariff debate, which, in the orfor at least another two or three weeks. The discussion on the sugar agreement takes second place in the order of busi-

MORE TAXATION

Drastic Expenditure Cuts the Solution .

dom of increasing taxation, in view be arranged with great benefit to the of the heavy imposts of various States, community by a Government that particularly South Australia, Reduced expenditure was absolutely essential. but the suggested 20 per cent, reduction on the 1929-30 figures was difficult to understand.

"I approve entirely the recommendation to convert Australian loans to a lower rate of interest, a course which Canada has adopted already. It should be understood clearly that the Governments, in their budgetary calculations, will not get any benefit from the total savings.

Mr. Butler said although a reduction of 1.36 in the rate would mean an actual saving in interest in South Australia of a little more than £1,000,000, it was doubtful whether the Budget would benefit by more than £300,000. The policy, however, was right, and would give an incentive to financial institutions to reduce interest rates, which would be of material assistance to primary and secondary industries

"Afthough the news is very pleasing," concluded Mr. Butler, "it must be many schemes have been approved by Premiers and the Loan Council, but few have been given effect to."

MR. CAMERON DOUBTFUL

The leader of the Country Party (Mr. Cameron) said he doubted whether the Scullin-Theodore faction would be prepared to accept any serious economies, particularly cuts in pensions.

"GLEAM OF LIGHT IN DARKNESS"

Alternative To Bankruptcy, Says Mr. Grenfell Price

"I feel it is the first gleam of light in the financial darkness for many months," said Mr. A. Grenfell Price today, commenting on the Loan Council economy plan.

People would have to realise that if they did not support a scheme like the Loan Council's, bondholders would lose their capital, public servants their salaries, pensioners their pensions— and the unemployed their rations.

The financial outlook for 1931-32 was worse than anybody realised. Several Governments would go bankrupt in July or August unless something were done. Objections to the plan, Mr. Grenfell

Price said, were that the increased sales tax and primage would increase unemployment; and that there was no guarantee that Mr. Scullin would

"If Mr Lang objects to this scheme," Mr. Price added, "the other Governments will have seriously to consider letting New South Wales slide, There The future policy in respect of rates would be very grave repercussions if

dinary course of events, will continue MR. LATHAM BELIEVES CONVERSION POSSIBLE

"Confidence First"

Melbourne, May 26. Speaking at the Australian Women's National League Conference today, the

deputy-leader of the Opposition (Mr. Latham) referred to the Loan Council proceedings. He said that there were signs that the Government would have to accept what it had been engaged in rejecting in the last year, and it Discussing the experts' financial plan | was apparently prepared to make large yesterday, the leader of the Opposition reductions in expenditure. He be-(Mr. Butler) said he doubted the wis- lieved that the conversion loan could

Crown Solicitor Summoned

The Crown Solicitor (Mr. A. J. Hannan) left for Melbourne yesterday. He had been summoned hurriedly by the Premier (Mr. Hill) to confer regarding the legislative steps which may be necessary to give effect to any decisions of the Premiers' Conference.

The fact that the Crown Solfcitor has been sent for is taken to indicate that Mr. Hill expects decisions to be reached at the conference which will require legislative action.

held the confidence of the public. A condition of the auccess of the policy proposed by the economic experts, now before the Premiers' Conference, must be the abandonment of the proposals remembered that many resolutions and for political control of banking' and currency by the Government and of all inflation proposals. It meant a complete amendment of the Government policy and the equally deliberate adoption of the policy of the Opposition.

The leader of the Opposition (Mr. Lyons) in supporting Mr. Latham, abundan; reasons to justify them, and pointed out that the main difference between the recommendations which were made by the economic experts chairman says, "to create a fund from months ago and those presented at the Premiers' Conference lay in the fact that a cut of 20 per cent, instead of fair that these should be paid by the 10 per cent, in expenditure was regarded as essential.

AUSTRALIA'S NEEDS

"Confidence, Not Inflation"

What was wanted in Australia at present was not more currency, but more confidence, said the chairman (Sir Herbert Phillipps) at the half-Company vesterday.

We must have a Government in which our own people and those overseas had confidence. If that could be attained we would soon be on the road to recovery, he said.

The conference between the political leaders, the representatives of the banks and financial institutions, awakened the hope that some solution would be found. It would necessitate a sacrifice by every member of the community, and he trusted the burden would be distributed equitably,

Sir Herbert said that an interim stick to his agreement, for he was the per annum had been declared by the only Premier who had gone back on the company. There had been a considercollected, and many farmers were behind with their interest payments on mortgages, but it was believed that with a return to good seasons and better prices for products the arrears Road Routes To Be Closed would be paid eventually. New business was progressing satisfactorily

(Continued on Page 10)

Conferences Helpful

The policy of making access to the board as easy as possible, and discussing proposals with those directly concerned, had been mutually helpful, stated the chairman. The conference with master carriers, for instance, showed that the majority welcomed the control and regulation of their business. The following points had been revealed:-

(1) That carriers had no security of business, because of the reckless competition of pirates, or interlopers, ral centres. At Penong 265 points known in the trade as "cherry pickers."

2) That a regular service, in going out of business, had no goodwill to Cummins 33, and Yeelanna 25

(3) That the ruinous competition resulted in very cheap freights too the general public, the insolvency of the men with the least capital, and the impoverishment of his competitors. Railways Commissioner to observe

the law with respect to the hours Aldinga 59, and Strathalbyn 44. and wages of his employes and meet such uneconomic competition.

Controlled Routes

In addition to the four routes already controlled in the southern districts, that between Kulpara and Kadina, via Paskeville, will be controlled from next Monday. The following will also be controlled, but the date has not yet been fixed:-

Kulpara to Port Pirie, via Bute and by the Railways Department. The new Port Broughton.

Redhill to Port Pirie, via Crystal Brook. Balakiava to Port Pirie, via Snowtown, Redhill, and Cockey's Crossing.

Tarlee to Gladstone, via Auburn, Clare, Yacka, and Gulnare. Clare to Gladstone, via Spalding. Tarlee to Burra, via Saddleworth

and Farrell's Flat. Kapunda to Burra, via Marrabel and Black Springs.

"Licence Fees Fair"

On the question of charging licence fees, the board asserts that there are also the amounts fixed,

"It is incumbent on the board," the which to pay administrative costs and claims for compensation, and it is only persons who have the shelter and protection of the Act.

Savings and Profits

The report states that for the service:licences which had been granted, the fee had been fixed at 10 per cent, of direction. Special arrangements will the gross earnings. "This," explains be made for the carriage of perishable the board, "is necessarily an arbitrary produce, figure, but the board considers it a Passenger Services - Leave Adelaide fair one. Some of the carriers are daily at 8.5 a.m. and 4.10 p.m., arrivnow paying that rate, both in Ade- ing at Moonta at 1.3 p.m. and 8.4 p.m. yearly meeting of the Executor Trustee laide and in the country towns, to respectively. On Saturdays, however, I agents who merely book passengers the afternoon train from Adelaide will and parcels. Before deciding on the be delayed until 7.10 p.m. arriving at amount of the licence fee the board Moonta at approximately 11 p.m. On C invited applicants to state what they the fourney to Adelaide trains will a were prepared to pay, either as a lump | cave Moonta at 7.23 a.m. and 4.45 p.m. | be sum, or as a percentage of their gross daily, reaching Adelaide at 11.48 am. Re earnings. The amounts varied from and 8.33 p.m. respectively. These ser- at £5 to £1,250 (for a monopoly), and vices will permit of the return journey de from 2) per cent, to 15 per cent. (for being made in either direction on the Ri a monopoly). For the advantages same day, which will be enjoyed by licensees, the board decided that 10 per cent, was a fair charge. This rate will not necessarily apply to all districts?

Permits Issued

TRAFFIC PIRIE PORT

There were prospects, Sir Herbert vehicles carrying passengers and goods amounting to thousands of pounds announcing that it had decided upon ernments' Savings Banks of Australia first." said, of a good season, and with it for hire (except for week-end traffic) Mr. Scammell said he believed big than murder the rest of Australia first." said, of a good season, and with it for hire (except for week-end traffic) Mr. Scammell said he believed big than murder the rest of Australia first." said, of a good season, and with it for hire (except for week-end traffic) Mr. Scammell said he believed big than murder the rest of Australia first." a reduction of interest on deposits in After the conference it was announced "South Australia should not be un-The Savings Banks Department of the last the banks had agreed to the principle of reducing interest on fixed deposits and current accounts, provided boards of each of the banks, and to certain conditions. The reduction mentioned was a flat rate of one per cent. It was pointed out that at present the

issued at both Adelaids and Port Pirie therefore, would be prohibited.

THREE INCHES OF RAIN AT PENONG

Peninsulas Favored

Both Eyre and Yorke Peninsulas were particularly favored with rain during the past 24 hours, and although the falls were patchy, more than an inch was registered at sevewere recorded, and other centres which benefited were Carrow 154, Nullarbor 138, Ungarra 118, Koonibba 55,

On Yorke Peninsula, Warooka received 109 points, Yorketown 105, Port Vincent 90, Curramulka 87, Ardrossan 65, and Stansbury 50. On the south coast Goolwa registered

127 points and Victor Harbour 92, and (4) That it was impossible for the in the Mount Lofty Ranges Yankalilla recorded 94, Willunga 67, Myponga 60,

At Alice Springs 20 points had been registered up till 8.30, and it was still raining steadily at that hour. Country Report

Butler's Tank,-Best rain for many years for this month. Over one inch of soaking rain last night; still rain-

schedule will be as follows:-Leave Adelaide, 8.5 a.m.; arrive Port 1

Pirie at 1.45 p.m. Leave Port Pirle, 7,45 a.m.; arrive

Adelaide 1 p.m. On and after June 20th, however, the service from Port Pirie on Saturdays will be at 7.30 a.m., reaching Adelaide at 12.35 p.m. instead of 1 p.m. as on 3

ordinary week-days. The week-end road service will run E

as follows:-Leave Port Pirie on Fri- H day night and Sunday morning for N Adelaide: leave Adelaide on Saturday P night and Sunday night for Port Piric. | M

Kulpara-Kadina Route

The board has also decided not to W grant licences for the road between H Kulpara and Kadina for motor vehicles carrying passengers and goods for hire on and after June 15th, except for week-end services. In order to meet the transport requirements of the district, the Railways Commissioner has agreed to provide the following train

Goods.-Three days per week in each

Costly Compensation Involved

closing of the road services to Port at the road and greatly reduce the income of a sixth which would be retained in the co-ordinated rail and road service and for the week-end The Transport Control Board has traffic. The Government would, there-decided to close all road routes for fore, be involved in compensation.

services which carried perishable goods run between these two centres ex- get back loading. This homeward ly clusively. Combination tickets will be freight was never perishable stuff, and, get

Experts Who Evolved Plan.









Professor Copland Professor Giblin Professor Melville Professor Shann

Premiers' Conference Decision

(Continued from Page 9)

What Other Papers Say

Melbourne, May 26.

The "Argus," in a leading article, says, a proposal to reduce by 22i per cent. the total interest charge upon the public debt redeemable in Australia is very drastic. The necessity for balancing Budgets has been admitted for some time, and there is nothing attractive, nothing showy, and nothing dramatic in the steps that have been taken to that end. A positive assurance will be required, however, that the Scullin Ministry is off with its old loves before the saner elements in the community will centre ments in the community will centre their hopes in the plan to which Mr. Theodore has professed support. The task of removing any misgivings rests with the Ministry, and it cannot be said that Mr. Theodore, on behalf of the Ministry, has discharged that obligation. Their inference to be drawn from the speech by Mr. Theodore, however, is that taxation and the reduction of interest are to take precedence of departmental economies.

Sydney, May 26.

Sydney, May 26. The Sydney "Morning Herald," in its leading article, writes:—After the ex-hibitions of changing of front by the Prime Minister and the Premier of this State during the past few months, there is no inherent impossibility in their acceptance, from the present Melbourne conference, of the thorough-going scheme for financial overhaul which scheme for financial overhaul which they have hitherto resisted. Dare these Labor demagogues resist reform any longer? The chief compulsion put upon them is the perception by both the Federal and New South Wales Governments that default in payment of their own employes is imminent. So near is the collapse that Federal Ministers have had to give way in spite of party consequences, whatever they may be. The time has come when drastic all-round revision of the costs of all Governments, and of all services within the community, literally forces itself upon Australia. The alternative of the costs of the community is allernative of the community. itself upon Australia. The alternatives are wholesale default or a welter of inflation, which would soon amount to the same thing. Opponents of economy, who have for months been refusing to recognise the precipice towards which they were heading, have now shrunk back from

DEPLORED Business Men on Experts'

INCOME TAX INCREASE

its brink

Suggestions While commending the Committee of

While commending the Committee of Experts on the general recommendations made to the Loan Council on economy, representatives of Adelaide commercial organisations consider that the proposal to increase the tax on income would defeat one of the vital objects of the movement towards the rehabilitation of the Commonwealth.

Mr. G. J. Cowie, now president of the Associated Chambers of Commerce, said yesterday that a proper summing-up of the experts proposals could not be made until the complete report was available. In such portions as had been disclosed, the first im-

as had been disclosed, the first im-pression was that a further increase in income taxation might, to a con-siderable extent, defeat the essential

objective of increased production and the extension of industry, by curtail-ing the capital available for that purpone. "Mr. Theodore's suggestion that preference dividends would have to be restricted," said Mr. Cowie, "is, in my

opinion, unwise, for unusual enterprise is entitled to adequate reward."

Mr. Cowie said he regretted that the

committee had not included a recommendation providing for a simplification of taxation forms and returns, to ease the cost of their compilation.

The proposed reduction of public service salaries should, to a material extent, be brought about by a curtailment of overlapping and unnecessary services. A reduction of interest rates would quickly follow the restric-

"It is obvious," he said, "that the yield from Commonwealth loans today in a few instances over 15 per cent., has been brought about by the infla-tion proposals and by the lack of a genuine lead towards balanced Budgets by the Federal Government. When considering the question of economy. the fact should not be overlooked that hoarding funds is not true economy. It is the wise utilisation of money in forwarding the interests of individuals and of governments which brings prosperity to the community."

The secretary of the Chamber of Manufactures (Mr. H. E. Winterbottom) said that cuts had to be made

in every direction, and hardships had to be faced whether as the result of reduced income or increased taxation. Two Years to Reach Obvious

Conclusion

"The wonder is that Australia has taken nearly two years to arrive at a simple and obvious conclusion," said the president of the Adelaide Chamber of Commerce (Mr. N. H. Taylor).

"While fully realising the necessity to balance income and expenditure, it

is to be regretted that the committee of experts has thought it necessary to suggest an increase in the income tax," said Mr. Taylor. "This has already reached a figure where it has ceased to be sound, and any further increase can only have the effect of defeating its own ends." Labor Party Viewpoint

The secretary of the State branch of the Labor Party (Mr. F. F. Ward). discussing the recommendations of the experts, said the basic wage should never have been reduced by 10 per cent., and further reductions were unjustified. The Labor Party would not approve of maternity grants and old-age pensions being reduced, and he thought the Federal Government would refuse to take such action. People who were comfortably placed should not receive a grant, and some soldier pensions should be stopped or reduced. The fundamental weakness of the re-

port was that it contained no definite proposal for absorbing unemployed. Industry should be stimulated imme-diately by an expansion of credit. The only practical proposal at present be-fore them was the issue of fiduciary currency for reproductive work and nelping farmers. Would Community Benefit?

The president of the Trades and Labor Council (Mr. Dawes, M.P.), said the proposal to cut maternity allowances and pensions was likely to mislead. It did not follow that benefits accrued when there was a reduction in a section of expenditure. This was the a section of expenditure. This was the Lang Group Attitude

case only when the money saved was spent to the greater benefit of the community. Mr. T. P. Howard, secretary of the United Trades and Labor Council and the Lang Plan Campaign Committee, said trade unionists were opposed to reductions in wages and pensions. 11 these pensions were tampered with he

felt sure the Lang group in the Fede-ral Parliament would withdraw its sup-

port of the Government.