

Premiers' Conference Concludes

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connection with it does not only affect New South Wales and the rest of Australia, but it affects people overseas very seriously. So from that point of view I am prepared to discuss the particular matter together with all the questions Mr. Scullin has mentioned.

"Ridiculous Stand"

Sir James Mitchell—Why cannot Mr. Lang come in and stand with the representatives of other Governments without desiring all this enquiry. It is ridiculous for Mr. Lang to take the stand that he wants a sub-committee, not to go into the financial position of New South Wales, but into Mr. Lang's attitude towards the matters involved. Mr. Lang is defending the action the Commonwealth Government has brought against it.

Mr. Lang—I am prepared to go into it here and now if you like.

Sir James Mitchell—Let Mr. Lang withdraw his defence and stand where we all stand—all in together.

Mr. Hogan—If six of the seven Governments continue with the action against the seventh Government to compel it to pay interest due by it, the success of the great conversion loan will be greatly jeopardised. It is very desirable that the matter should be settled now. I second the motion for the appointment of a sub-committee, and I hope it will bring about satisfactory adjustments. Such a result is essential.

Sir James Mitchell—Mr. Lang elected to default.

Mr. Hogan—We now have a proposition to endeavor to do the right thing.

Sir James Mitchell—Mr. Lang should now tell us that he is now prepared to try to work things out.

Not Bound by Decisions

Mr. Hogan pointed out that the Conference would not be bound by any decisions of the Committee.

Mr. Scullin—The way the overseas position is wrapped up in this matter is that we are contemplating approaching London. Is it not imperative that we shall clear the atmosphere in Australia before taking that course? It is not a matter of the sub-committee formulating plans to approach London, but of preparing the way. I do not say we can do so, but we fail in our Conference if we break up without trying.

Mr. Davy said he had thought all along that, before the Conference discussed any matters with Mr. Lang, the New South Wales Premier should be asked to define his position with respect to his refusal to pay New South Wales interest obligations and his entering a defence to the action against his State. Mr. Lang might or might not have a good defence in law. Possibly he had, but he (Mr. Davy) was utterly incapable of visualising any good defence on the merits. If Mr. Lang agreed, without reservation, to the resolution of Tuesday and cleared up the question of payment of interest, conference could go to the people with a much better chance of succeeding with the conversion loan.

'Arch Peacemaker'

Mr. Lang—I think Mr. Davy is the arch peacemaker of Australia.

Mr. Davy—I should like to see Mr. Lang Premier of N.S.W. for ever if he would do what I would like him to do.

Mr. Lang—There is always a catch in what you lawyers propose. I am trying to work in peace and harmony with all the members of the conference.

Mr. Davy—The greatest little peacemaker in Australia.

Mr. Hill said a plan had been prepared and Mr. Lang agreed to a great deal of it. He thought it would be a great pity if conference did not do

FEDERAL DEFICIT REDUCED

Surplus for May of £1,647,000

EFFECT OF TAXATION

Canberra, June 10.

Mainly owing to income tax payments of £2,759,000 during May, the monthly balance issued today under the Melbourne agreement shows that the Commonwealth deficit has decreased during the month by £1,647,000, to £17,554,000.

It is inevitable, however, that the year's results will show a huge deficit, as the eleven months' revenue, excluding business undertakings, is only £43,606,000, compared with an estimate of £65,622,000 for the year.

In the Budget estimate expenditure for the full year ended June 30 was set down at £86,456,000. Of this amount: £61,596,000 had been spent at the end of May, so it is evident that the deficit has been caused by failure of revenue rather than excessive spending.

The adverse balance was made £2,000,000 worse by the necessity to step in and pay Mr. Lang's default of more than £2,000,000. New South Wales benefited at the expense of the other States in this way by £592,000 in March; £1,007,000 in April, and £543,000 in May.

The position of debentures and Treasury bill in London did not change in May, but the Government was able to reduce Treasury bills in Australia by £1,900,000 to £10,000,000. The bank overdraft was also cut down by £132,000 to £1,498,000.

Post office figures were £196,000 greater than the expenditure.

Treasury Bills

Treasury bills outstanding at London were £1,575,000, unaltered from March. Debentures in London were £8,645,000, also unaltered.

Treasury bills outstanding in Australia totalled £10,000,000, a decrease of £132,000 from April.

Bank overdraft (Australia) was £1,498,000, a decrease of £132,000 from April.

Temporary advances to other Governments (Australia) totalled £270,000, a decrease of £1,000 from April.

Loan Fund Return

The monthly return of loan fund is as follows:—

Receipts	
Balance from previous year.	£1,777,000.
Raised by public issues.	£10,162,000.
Raised by debentures, Treasury bills, or bank overdraft.	£17,224,000, less redemption of Treasury bills, £3,500,000—£13,724,000.
Total receipts.	£25,663,000.

Expenditure

Expenditure on works.	£1,969,000.
less repayments.	£167,000—£1,802,000.
Loan redemptions.	£9,244,000.
Payments to States for loans under British migration agreement.	£305,000.
Balance temporarily advanced to consolidated revenue fund.	£14,311,000.
Total expenditure.	£25,663,000.
The balance of deficit—£3,243,000—	was temporarily financed by other funds.

Returns of Revenue and Expenditure

REVENUE

Item.	Estimate for year.	Receipts for 11 months.	Receipts for May.
	£	£	£
Customs	27,000,000	16,894,000	1,305,000
Excise	11,800,000	9,406,000	713,000
Sales tax	6,000,000	3,123,000	341,000
Land tax	2,750,000	1,546,000	543,000
Income tax	10,000,000	7,579,000	2,759,000
Estate duties	1,800,000	1,436,000	170,000
Interest on loans to States for soldier settlement	1,510,000	1,387,000	—
Other revenue	4,753,000	2,245,000	164,000
Post-office	15,083,000	11,855,000	1,017,000
Railways	494,000	275,000	25,000
Total revenue	81,199,000	55,736,000	7,037,000

EXPENDITURE

Item.	Estimate for year.	11 months' expenditure.	Expenditure in May.
	£	£	£
Interest and sinking fund	23,178,000	19,129,000	218,000
Way pensions and services	9,378,000	8,601,000	757,000
Defence	3,749,000	3,056,000	271,000
Invalid and old-age pensions	11,400,553	10,625,000	1,092,000
Other appropriations	1,732,000	1,392,000	162,000
Ordinary votes of departments	2,947,000	2,509,000	205,000
Misc. works and services, including exchange	821,000	2,022,000	112,000
Territories	708,000	557,000	43,000
Payments to or for the States	12,545,000	11,572,000	1,120,000
Interest paid for N.S.W. (to be recovered)	—	2,133,000	534,000
Post-office	13,583,000	10,832,000	821,000
Railways	1,124,000	862,000	54,000
Total expenditure	81,163,000	73,390,000	5,390,000

something now to bring all sections and all parties into line. He thought the sub-committee would be able to straighten out many of the difficulties still confronting the conference. If it succeeded in doing that and getting the doors of the N.S.W. Savings Bank open, a great step forward had been made.

Sir James Mitchell—Is Mr. Lang still defiant?

Mr. Lang—Why pick on me always?

Mr. Hill—We have all made certain statements and promises during our political careers, but we must consider at the moment the welfare of the nation. A step towards united action by all Australia will restore confidence in this country.

Easier For All

Mr. Moore said if Mr. Lang adopted the stand that he would put through the legislation effecting economies on the understanding that it would not come into force until the proclaimed day, the position would be made much easier for all Governments. Parliament should put through the necessary legislation at the same time because it was probable that legislation would not be able to be given effect to before the conversion was launched.

Mr. Lang—Does Mr. Moore think all the Parliaments are going to pass legislation and hold it back until the conversion loan is through? I am not averse to the legislation effecting economies being passed, but I do not want it to be proclaimed until the conversion loan has been fixed up. I understand the conversion transaction will occupy only a fortnight.

Time of Conversion

Mr. Scullin—It will occupy 14 days after the legislation has been passed. Then other measures will have to be passed simultaneously. It will be helpful if other Parliaments put through their legislation simultaneously with the Commonwealth.

Mr. Davy indicated what legislation the legal committee proposed. He said Sir Robert Garran's view of what was necessary was a Debt Conversion Act (Federal), a Debt Conversion Agreement Act, signed by all the States and ratified by the Commonwealth and all the State Parliaments, a Financial Emergency Act and a measure empowering the indemnifying of trustees to convert. The measure affecting Mr. Lang's position would be the Financial Emergency Act. If he went ahead and passed it, holding it up pending proclamation, it would be preferable to his attitude that he would not pass the Bill until the loan was completed.

Mr. Lang—There is no intention on the part of New South Wales not to pass the legislation. I told Mr. Scullin a moment ago that, if it would meet your scruples, we would pass the law and not proclaim it until the conversion is through.

Conference agreed to the appointment of the sub-committee.

N.S.W. to Make Cuts

In presenting the Budget estimates for New South Wales, Mr. Lang indicated how he proposed to make the 20 per cent. reduction in emoluments, wages and salaries paid by the Government. He said that almost the whole of the £1,000,000 which would be saved in this respect would be taken from the higher paid officers. The New South Wales Government would conform

with the Conference resolution by reducing salaries and payments of every person in the employ of the Government to a maximum limit of £500 a year. This would include, of course, the Governor, judges, railway commissioners, the Auditor-General, Ministers and members of Parliament, and all people holding statutory appointments.

Mr. Scullin suggested that the Conference should agree to the calling of emergency sessions of all Parliaments. So far as the Commonwealth was concerned, the Government proposed to make a start next week. The Conference agreed to the calling of emergency sessions.

Mr. Lang's Thanks

Mr. Lang said that he thought he was speaking for all the Premiers when he said they were deeply appreciative of the splendid manner in which Mr. Scullin had carried out his onerous duties as chairman of the Conference. He moved a vote of thanks to the Prime Minister.

The vote was carried with acclamation.

Meeting of Loan Council

Melbourne, June 10.

Necessary resolutions authorising the conversion loan were passed by the Loan Council, which met in the morning before the Premiers' Conference was resumed. Mr. Theodore presided, but Mr. Lang was absent.

When formal approval had been given to the conversion loan plan the question of providing relief for unemployment and for primary producers was raised. It is proposed that the banks shall be approached to make available a total amount of £8,500,000, which will be distributed as follows:—£2,500,000 for necessitous wheat farmers, and £6,000,000, available at the rate of £1,000,000 a month, for the relief of unemployment. It is intended that the unemployment advance shall be used by the respective Governments in such a manner as they consider advisable to create employment.

Although the question of dealing with £5,000,000 of Treasury bills which fall due in London on June 30 was discussed, no statement was made of any decision having been reached.

Opposition Leaders to Confer

The leader of the Opposition (Mr. Butler) received a telegram yesterday asking him to go to Melbourne to confer with other leaders of Nationalist Oppositions on the decisions of the Premiers' Conference. They will be Sir Stanley Argyle (Victoria) and Mr. Bayin (New South Wales).

Mr. Butler will leave this afternoon and will return on Saturday morning.

Another Federal Writ Against N.S.W.

Sydney, June 10.

The Commonwealth Crown Solicitor (Mr. Sharwood) today issued a second writ against New South Wales, claiming, on behalf of the Commonwealth Government, a further sum of £220,875 for moneys due and payable, pursuant

to the agreement between the Commonwealth and New South Wales dated December 12, 1927.

The writ issued today asks that New South Wales shall pay interest on the money at the rate of 6 per cent. from March 15, 1931, to the time of payment.

MR. PRICE APPEALS TO WOMEN

"It is absolutely vital that every person and every section of the community should throw their whole weight behind the experts' plan for the rehabilitation of Australia," said Mr. Grenfell Price at the Town Hall yesterday when he addressed a large audience of members of women's organisations. They listened with interest to his survey of the causes and effects of the Australian crisis.

"The success of the experts' plan will depend entirely upon whether we accept it as a way out of our difficulties," he said. "If we all make our sacrifices cheerfully we shall regain confidence, and confidence in us will be restored. Some officials at Canberra are asking to be exempted; but if the action of selfish people causes the plan to fail, all will suffer, for default is the alternative."

ENGLAND DELIGHTED

"Progress at Last"

LONDON, June 9.

The news that the Premiers' Conference had decided to adopt the experts' plan was hailed with delight by the English newspapers.

"The Times" headed its leading article today, "A Brave Decision," and said that parties, which last week were engaged in bitter party warfare, were now co-operating whole-heartedly in a great attempt to save the country from bankruptcy. Nothing would contribute more to the restoration of Australian credit than the success of the conversion loan. Australians had never failed to respond to an appeal to their patriotism, and were not likely to fail now when the need was clear and urgent.

The "Financial News" declared that tangible progress towards recovery had at last been made. Once Australia gave an earnest of her determination to recover, the British investor would not withhold financial assistance.

Back to Sound Finance

The "Financial Times" declared that the Australian financial situation was improving steadily, if slowly. The margin between buying and selling prices of stocks showed that there was a steadier sentiment among investors.

The "Morning Post" said it seemed that the cause of sound finance won when the conversion plan was made voluntary. British investors should take courage from the fact that Mr. Scullin appeared to have definitely renounced his dangerous inflationary ideas. The constitution of the National Appeal Committee (Messrs. Scullin and Lyons and Sir Robert Gibson) should provide a satisfactory guarantee of a return to sound principles.