TREASURER CALLS ON WHOLE STATE

SURPLUS OF £16,467 ANTICIPATED

HEAVY CHARGE ON INCOMES: EXEMPTION STILL £100 MOST LOAN WORKS MUST CEASE

SALARY CUTS, £200,000; GRANTS REDUCED £140,000

Wages Tax Dropped; Special Legislation for Unemployment

The Budget speech delivered by the Treasurer (Mr. Hill) in the House of Assembly on Thursday forecast heavy additional taxation on most incomes and a temporary addition to the army of unemployed. Most loan works must cease at the end of next month, and increased income tax must yield £820,000. The aggregate revenue is estimated at £12,764,050. Estimated expenditure is £12,747,583, showing an estimated surplus of £16,467. The question of dealing with the unemployment problem will be the subject of special legislation later. The Government will not proceed with the wages tax.

Civil servants not covered by industrial awards and teachers will contribute £200,000 in salary reduction, which will be arranged by a reclassification of the service. Grants to local governing bodies, the Adelaide University, the School of Mines, and other bodies will be cut by £140,000.

Increased expenditure has proved necessary in several departments on account of interest on temperary loans, interest on soldier settlement loans, extra sustenance for distressed persons, depreciation, and other causes. Savings in the Railways Department total 256,558.

Mr. Hill said he was introducing the had been general trade depression, taxation community services, &c...

Budget under financial and economic serious unemployment, and financial compiled from the Treasurer's account discostant generally. The closing of was as under:—

Was as under:—

SUMMARY OF O.

DIRECT TAXATION. He did not suppose that any other Trea-surer in the history of the State had had such a difficult task to perform. There were many critics of the Government, were many critics of the Government, particularly in a time of crists, but those critics offered few suggestions or alter-ment of the control of the bud-set had even in the country and the ment many hours of thought and many hours of work. He believed the country and the House would be satisfied with the proposals. The situation was one of grave danger, threatening the very foun-table that the country they were to be successful in their fight how were to be successful in their fight. perity, upon which depended the welfare and happiness of their people, then there must be a general appreciation of their problem, and a courageous, united, and sustained effort to solve it. The occasion demanded that nothing should be allowed to divert their attention from very vital issues at stake, and that for matters of difference should for minor matters of difference should for the time being at any rate be placed in the background. Pallure to deal effec-tively with the menacing situation with the place of the place of the place of the tronted would be followed by conse-quences so disastrous and disrupting to their national life that their mere con-templation should be sufficient to Induce the place of the place of the place of the which was demanded of them. He ap-pealed to all parties and all persons to subordinate all selfish reprocess and to assist the Government.

the overseas loan market against them was thought to be only temporary, and, speaking of Australia generally, there was no substantial effort made to arrest the drift. Instead, the expenditure of money, private as well as public, was continued at the same rate as previously, and naturally resulted in a speedy exhaustion of local credit and funds. Teasurers whose expenditure.

Government's Financial Position

The extreme difficulty of the situation which the Government had to face upon assuming office was indicated by a study of the cash position. According to the cash position of South Australia on June 30, 4930, was as follows:

as follows:— at the Commonwealth Corrected as the Commonwealth Commonwealth at the Commonwealth as the Commonwealth Government, £1,000.000. Temporary loan from the Commonwealth Government, £1,000.000. Temporary loan from the Queensland Government, due October 1, 1930. 2759.000.

-28 -29	274,931 930,852 1,625,823	Interest on 120,892 120,802 120,802 120,802 120,802 120,802 120,802 120,802 120,802 120,802 120,802 12	734,662 734,662 734,662 734,662	
otal	£2,831.612		£3,784,860	
Living	on Our O	wn Reso	urces	

£ 91,298

as as under:-			ment	to	the	Advisory	Commi	tte
	SUMMARY TAXATION Receipts	OF OPE		CC	NMMI	INITY SE	ture	1
and and Income amp Duties		1,904.683 426,939 393,285	Intere Loar Grants Mine Hoult Pobl &cc. Police, Grants Roads tion Intere Loar	t is for too s. & dis. Com. S. & dis. too s. & dis. s. & dis. s. & dis. for the s. &	or So United to the teller teller teller d G	artment Sinking F. hools versity, So dren's Well Board and and Prisor pitals, &c. rants to Sinking F. seds I down	and on thool of tare and Health, Corpora-	. 3
	Charles a	£2,724,887						22

BUSINESS UN DERTAKINGS

£3.281.203

3.191.997

THE PARTY OF THE P		EXPEND IT	URE		1929	*0
	1927-28. Per. centage		1828-29. Per- centage		1929	entage
	2	of the Whole.	£	of the Whole,	2	of the Whole.
Interest on Public Debt	-		-			
(including Interest and Exchange)	4,278,087	36.81	4,390,050	37.29	4,598,980	37.77
Reduction of Public Debt, &c	257,791 1,836,089	2.22 15.80	233,345 1.844,934	1.98 15.67	278,290 1,888,149 2,317,383	2.29 15.50 19.03
Wages	2,540,751	21.86	2,302,050	19.56		
Materials, Provisions,	1,434.158	12,34	1,496,217	12,71	1,636,671	13.44
Grants to Corporations, Hospitals, &c	392,774 882 184	3.38	391.961 1.113.215	3.33 9.46	375,590	3.09 8.83

100.00 £11,771.772

100.00 £12,176,840 100.00

ment might make further demands Of the total amount of £3.784.860 effort to major causes of their financial difficul- Treasurer, leaving the seasons; (f) the shrinkage in our national income due to falling prices of our exports.

Decrease in Value of Exports The falling price level was affecting not only Australia, but the whole world, and was a contributing, if not a determining, factor in the severe economic

disturbance which was operating in nearly all countries with more or less harmful effect. Australia was dependent on her primary products for overinterest on borrowed capital. It had been obvious for some time that the volume of primary exports was not prices to meet overseas obligations. They were now confronted with a disastrous collapse in commodity values affecting all the principal items of exportable production, and simultaneously the overseas money markets were closed against them. They were thrown entirely upon their own resources at a spread drought conditions had reduced the Australian national income by at

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augment its £953,000 had been debited to loan falling revenues was causing the thereby adding to the deficit in the State Government very grave concern. loan account; £1,206,000 had been tem-In a statement made by him to Parlia- porarily financed out of trust funds ment on July 8 last, he set out the and other money in the hands of the ties as follows:-(a) Disabilities arising £1,625,000 still to be covered. The foreout of Federation; (b) the war; (c) going figures indicate the extent to over-borrowing; (d) continued deficits which they failed to pay their way in in the State accounts; (e) unfavorable those years, and to that extent the people of the State avoided taxation Moreover, it had substantially added to their present burden. The deficit of £1.625,000 which they inherited from the previous Government had to be met from loan, and that would practically exhaust the loan funds available and necessitate the immediate cessation of practically all loan works It would also add approximately £90,000 per annum to the interest bill. Interest on last year's loan expenditure would require a further £165,000 per annum from revenue, and interest on soldler settlement and soldier settlement administration expenses, together totalling £330,000, previously paid from loan must now be met from revenue. Altogether interest on the public debt (together with interest and exchange) would absorb £5,300,000 of this year's revenue, and a proper appreciation of the effect this had on their financial position and the high level of taxation t necessitated, must lead to the conclusion that further borrowing was out of the question. They must live upon their own resources for some time to come if they were to restore their credit and escape irreparable financial

Review of Accounts for 1929-30 When the ex-Treasurer (Mr. Butler) introduced his Budget on October 24. 1929, he explained that at the request of the Commonwealth authorities the amount paid by the Commonwealth to the State under the financial agreement, viz., £703,816, was to be paid directly towards the payment of interest and was therefore excluded from the Budget figures, the interest bill being reduced by a corresponding amount. At the end of the financial year, however, the Commonwealth authorities requested that that amount should be brought into revenue as a grant, and the interest bill shown at the full amount, and the figures for 1929-30 had now been adjusted accordingly. After making these adjustments. a comparison of the figures for the last financial year with those of the previous financial year gave the following

Public Debt Transactions, 1929-30 The summary of the public debt transactions for the past year was as fol-

lows'-Amount of public debt at June

Deduct loans redeemed, 1929-30 12,969,068

Amount of public debt at

June 30, 1930 £93,419,118 sibility. amounting to £2,033,170 on account of the Northern Territory and Port Au- "At a Conference of Ministers beld in gusta to Oodnadatta railway loans, the Melbourne from August 18 to 21, reobligation for which had been transferred to the Commonwealth Govern-Included in the sum of £12,969,068 shown as loans redeemed in tant resolutions were arrived at. The 1929-30, was a sum of £438.081 representing securities redeemed from funds Niemeyer (representative of the Bank in the hands of the National Debt Commission and subsequently cancelled. The increase in the public debt for the year was £765,587, and the public debt of the financial position of Australia was now equal to £161 1/4 per head of generally the following resolutions were the population, compared with £159 18/2 a year ago, or an increase for the year of £1 3/2 per head. In addition however, to the public debt, as shown above, the State had borrowed on June 30, 1930, the sum of £2,314,470 by way Commonwealth and Queensland Gov- similar balanced Budget in future ernments), and those temporary loans would be converted into long-dated securities and added to the public debt whenever a favorable opportunity presented itself. Further, the total overdraft from the Commonwealth Bank in years. Further, if during any finan-London and Australia on June 30 last was £2,195,970. As regards the overdraft in Australia, that was extinguished in July as a result of the proceeds of wealth on behalf of the States, and the overdraft in London would be extinguished whenever a suitable oppordated loan in that centre. Allowing for the temporary loans, overdrafts, &c., the actual indebtedness of the State might be summarised thus:-

Public debt £92,653,531 Temporary loans . 445,057

Total indebtedness £96,573,196 £101,224,342

Trust funds, &c. . 2.954.608

the services which it has already rendered, and I may say that the proposals which I will shortly disclose for balancing the Budget in this financial year are based upon the recommendations 30, 1929 £92,653,531 of the Advisory Committee. I want to Add new loan issues, 1929-30 13,734,655 stress this point to the House and to the country. The proposals have been carefully considered by the Government and its financial advisers. If the House disagrees, it must offer some alternative, or take the respon-

Conference of Ministers presentatives of the Commonwealth Government and of all State Governments were present, and most imporconference was addressed by Sir Otto of England) and by Sir Robert Gibson (chairman of the Commonwealth Bank Board), and after full discussion unanimously adopted by the confer-

(1) That the several Governments represented at this conference declare their fixed determination to balance their respective Budgets for the financial year 1930-31, and to maintain a years. This Budget equilibrium will be maintained on such a basis as is consistent with the repayment or conversion in Australia of existing internal debt maturing in the next few cial year there are indications of a failure of revenue to meet expenditure, immediate further steps will be taken during the year to ensure that the

(2) That the Loan Council raise no further loans overseas until after existing overseas short-term indebtedness has been completely dealt with. This decision to apply to overseas borrowing by large public authorities, in controlling the operations of which the State Treasurer concerned will act in agreement with his colleagues on the Loan

(3) That it is resolved by the several Governments, as regards such public work as it may be possible to finance by loans raised in the internal market, that approval will not be given to the undertaking of any new works which



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Deficit . . £930.858 £695.406 £1.625.823 The principal items in which the recome tax, £137,000, and succession duties. £15,000, whereas, on the other hand, revenue failed to reach the estimate in the case of railways by £400,000. waterworks £56,000, harbors £55,000 stamp duties £83,000, land tax £15,000, monwealth on account of disabilities sustained under Federation by £140,000. The leader of the Opposition would recollect that he budgeted for £500,000 on the recommendation of the Federal Disabilities Commission, and eventually Estimates out by £140,000. As regards expenditure, the principal items in which expenditure exceeded the estimate were railways by £80,000, Children's Welfare and Public Relief £75,000, and interest and exchange The reasons for the increases in expenditure referred to were fully explained when the Supplementary mitted to Parliament in June last.

digest of the revenue account for the

Per head of popu-Actual, Estimated, Actual. 1929-30, 1929-30, Revenue . . 10,840,914 11,284,179 10,551,017 Expenditure 11 771 772 11 979 585 12 176 940

the population.

From those figures it would be seen within a reasonable period a revenue that the actual increase in the indebtedness of the State for the year was £4.651,146, or £7 17/1 per head of

Estimates for 1930-31

"Before giving details of the Estimates of revenue and expenditure for the current financial year," continued Mr. Hill, "it will be advisable for me to make some general statements which have a direct bearing upon our financial affairs. According to the Treasury records the deficits for the past three years have been:-1927-28, £274,931; 1928-29, £930,858; 1929-30, £1,625,823. In addition to the deficits as shown above, there should be an addition of a sum of approximately £250,000 per annum to cover the loss on soldier settlement, which has been capitalised in the Soldier Settlement Loan Account, and also an allowance for depreciation of wasting assets. In terms of the Public Finance Act, 1929, however, any loss arising no emphasis from me, and the fact from interest and administrative costs that the various Australian Governin connection with soldier settlement ments are having difficulty at the prewill in future be charged against re- sent time in producing a balanced Budvenue, and will no longer be capitalised. get illustrates the advisability of pass-The Act further provides that the ing the resolutions referred to and the year under various heads, such as direct Treasurer shall set aside each year necessity for re-establishing Australian

are not reproductive in the sense of THE PERSON OF THE PERSON WOLLD WITHOUT lation £166 13 5 £174 10 6 yielding to the Treasury concerned at least equal to the service of the debt (4) That in order to secure the regu-

lar service of the public debt from revenue, steps will be taken to provide that all interest payments shall be made to a special account in the Commonwealth Bank, to be used solely for the payment of interest.

(5) That the Commonwealth and State Treasurers will publish monthly. in Australia and overseas, a brief summary on uniform lines showing their Budget revenue and expenditure, the position of their short-term debt, and the state of the loan account; such statements to be drawn up after a uniform model to be agreed upon. "These resolutions are of the most farreaching nature, and disclose the in-

tention of all the Governments of Australia (irrespective of party), to see that Budgets will be balanced and kept balanced in future years. The soundness of the resolutions arrived at needs such sum as the Auditor-General cer-tifies in writing as necessary for the depreciation of wasting assets. When these two matters have been dealt with in terms of the Act the may be said that in terms of the Act it may be said that all sums rightly debitable to revenue will be brought to account each year, and the Treasury accounts will then set out correctly the real position of all the various activities controlled by the Government. the Government.

Advisory Committee on Finance

"After the present Government had taken office and had had an oppor-tunity of examining the financial affairs of the State it was satisfied that the financial outlook was far more serious than had been realised. The Government therefore decided to ap-point an Advisory Committee, which point an Advisory Committee, was empowered to advise the Govern-ment on all matters of State finance, including:—(a) Steps for balancing the Budget, with due regard to economic effect; (b) limitation of expenditure; (c) increasing the revenue; (d) incidence of any proposals for taxition; (e) measures immediately necessary to protect the State's credit; (f) any other protect the State's credit; (1) any other relevant matter which the Government considered should be investigated. The personnel of the Advisory Committee is Mr. Walter J., Young (managing director of Elder, Smith & Co., Ltd.); Professor L. G. Melville (Professor of Economics, Adelaide University): Messrs. L. C. Hunkin (Public Service Commissioner); J. W. Wainwright (Assistant, Auditor-General) and R. R. (Assistant Auditor-General), and R. R. Stuckey (Under-Treasurer). The committee, which is acting in an honocommittee, which is acting in an honorary capacity, has met continuously, and has frequently conferred with the Government. Many of the questions considered have already been dealt with by me in memoranda which I have submitted to Parliament, and it is unnecessary for me to further refer to these matters at the present time. I think I should, however, at this stage, express the appreciation of my Government to the Advisory Committee for

ERATIONS, 1929-30 COMMUNITY SERVICES Net Expenditure

Interest an and Sinking Fund on Loans for Roads Balance carried down ..

91,925

501,650 318,474 52,255

194.508

```
DERTAKINGS
 Loss after paying interest-
                                                                                 47,858
      Advances for Homes
                                                                            8,588
1,680,356
369,244
     Advantages Advantages Country Waterworks Country Waterworks Country Waterworks Closer
     Land Repurement
Settlement
South-Eastern Drainage
Improvements on Pastoral Leases
Irrigation and Reclamation
Railway Relaying
Railway Depreciated Assets
Water Conservation
Murray River Weirs, Dams, and
                                                                                 22,776
49,152
37,176
                                                                               37,176
249,851
                                                                                 69,698
                                                                               165,603
     109,394
28,895
363,241
                                                                        £3,281,203
LANEOUS
   Balance brought down . . £2,482,884
Net Expenditure—All other
       Departments
                                                                         206.755
                                                                   £2.689.639
nd expenditure might be set out thus, for the last three years were shown:
NUE
                                                                  1929-30.
                    1928-29.
                                Per-
                              centage
of the
                                                                            centage
                               Whole.
                               29.44
                                                                                27.08
                                                       2,857,618
         3.191,997
          6.662.684
                                61.46
                                                        6.387,273
                                                                                60.54
                                                                                10.08
    £10,840,914 100.00 £10,551,017
                                                                                100.00
                                                                  1929-30.
                                Per-
                                                                              Per
                                                                            centage
of the
                              centage
                               of the
                                                                             Whole.
                               Whole,
          4.390.050
                                     37.29
                                                        4,598,980
                                                                                  37.77
                                                         278,290
1,888,149
2,317,383
                                                                                   2.29
           233,345
1,844,934
                                       1.98
                                      15.67
                                      19.56
           2,302,050
                                                                                  13.44
                                      12.71
                                                         1,636,671
          1.496.217
           391.961
1,113,215
                                        3.33
9.46
                                                        375,590
1,081,777
                                                                                     3.09
                                   100.00 £12,176,840
                                                                                100.00
      £11,771,772
the services which it has already rendered, and I may say that the proposals which I will shortly disclose for balancing the Budget in this financial year are based upon the recommendations of the Advisory Committee. I want to stress this point to the House and to the country. The proposals have been carefully considered by the Government and its financial advisers. If the House disagrees, it must offer some alternative, or take the responsibility.
  sibility.
                    Conference of Ministers
  "At a Conference of Ministers held in
Melbourne from August 18 to 21, re-
presentatives of the Commonwealth
  Government and of all State Govern-
ments were present, and most impor-
tant resolutions were arrived at. The
conference was addressed by Sir Otto
```

generally the following resolutions were unanimously adopted by the confer-(1) That the several Governments represented at this conference declare their fixed determination to balance their fixed determination to balance their respective Budgets for the financial year 1930-31, and to maintain a similar balanced Budget in future years. This Budget equilibrium will be maintained on such a basis as is consistent with the repayment or conversion in Australia of existing internal debt maturing in the next few years. Further, if during any financial year there are indications of a fallure of revenue to meet expenditure, immediate further steps will be taken during the year to ensure that the Budgets shall balance.

(2) That the Loan Council raise no further loans overseas until after existing overseas short-term indebtedness

Niemeyer (representative of the Bank of England) and by Sir Robert Gib-son (chairman of the Commonwealth Bank Board), and after full discussion of the financial position of Australia

further loans overseas until after exist-ing overseas short-term indebtedness has been completely dealt with. This decision to apply to overseas borrowing by large public authorities, in control-ling the operations of which the State Treasurer concerned will act in agree-ment with his colleagues on the Loan Council

Council (3) That it is resolved by the several Governments, as regards such public work as it may be possible to finance

work as it may be possible to finance by loans raised in the internal market, that approval will not be given to the undertaking of any new works which are not reproductive in the sense of yielding to the Treasury concerned within a reasonable period a revenue at least equal to the service of the debt (interest and sinking fund).

(4) That in order to secure the regular service of the public debt from revenue, steps will be taken to provide that all interest payments shall be made to a special account in the Commonwealth Bank, to be used solely for the payment of interest.

monwealth Bank, to be used solely for the payment of interest.

(5) That the Commonwealth and State Treasurers will publish monthly, in Australia and overseas, a brief summary on uniform lines showing their Budget revenue and expenditure, the position of their short-term debt, and the state of the loan account; such statements to be drawn up after a uniform model to be agreed upon.

"These resolutions are of the most farreaching nature, and disclose the intention of all the Governments of Australia (irrespective of party), to see that Budgets will be balanced and kept balanced in future years. The soundness of the resolutions arrived at needs no emphasis from me, and the fact that the various Australian Governments are having difficulty at the present time in producing a balanced Bud-

sent time in producing a balanced Bud-get illustrates the advisability of pass-ing the resolutions referred to and the necessity for re-establishing Australian

R UNITED EFFORT TO BALANCE BUDGET

credit upon a thoroughly sound basts. A lot has been said about an agree-tered into with Sir Otto Niemeyer. There has been no agreement with Sir Otto Niemeyer. There has been no agreement with Sir Otto or the Bank of England. Sir of the Sir Otto or the Bank of England. Sir or sound in the Sir Otto or the Sir Otto or the Sir Otto or sound in th Budgets would be balanced on the lines of the continued in those resolutions. Therefore, it is wrong, as a matter of range to the continued in We do hope, however, to do business with the Bank of England, and if with its assistance we can place the \$39,000,000 owing in London in a long-dated loan, the result will be of great benefit to Australia.

Disabilities Due to Federation

"The disabilities of this State arising out of Federation have been frequently stressed in recent years. The Federal Government appointed a Commission to Government appointed a commission to enquire into our case, and this Commission recommended that there should be a grant to South Australia of the commended that there should be a grant to South Australia of that before the expiry of that period there should be appointed a permanent committee to make a continuous study of the finances of the Commonwealth of the commonwealth of the finances of the Commonwealth of the commission of the commonwealth of the comm over three years instead of two.
The State has always contended that
the recommendations of the Royal Commission did not fully recognise the extent of our disabilities under Federation, and the Commonwealth Government has recently arread.

tion, and the Commonwealth Government has recently accred to submit South Australius claim to the Sedent South Australius claim to the Sedent Training the Commonwealth has a season of the Commonwealth for the Commonwealth Sedent Commonwealth Sedent Commonwealth Sedent Commonwealth Sedent Commonwealth Sedent Sedent Commonwealth Sedent Se preparing the case for South Australia preparing the case for South Australia to the Advisory Committee on State Finance, and have arranged for Mr J. Sincock to act as secretary to the committee. The Government hoose bhat as a result of this enough the advantages which the State at present curfers will be removed, and a more astisfactory and stable basis of adjustment determined.

Reduction of Salaries

"The balancing of the Budget can be seand beliancing of the budget office secured either by reducing expenditure or by increasing revenue, or by a combination of these methods. In considering the field for reduction of expenditure it was seen that the greatest portion of the expenditure (approximately 40 per cent, consisted of interest on past borrowings, and is outside the con-trol of the Government. The next

plus. We cannot as you fellows did.		
Proceeding, he s	aid detail	s of the
actual recenue of		
estimated revenue		
estimated revenue		
		Estimated
Item.		Revenue.
	1929-30.	1930-31
Railways	£3,299,808	£3,300,000
Income Tax	1,507.375	2,020.000
Interest and Ex-		
change	954,874	1,206,630
Commonwealth		
(Special Grant) .	10 mm	1,000,000
Waterworks and		
Sewers	884,351	901,000
Commonwealth		
(Financial Agree- ment Grant)	703,816	703.816
	105,010	100.010
Motor Taxation and		600.000
	582.343	582.500
Harbors	431,922	375.000
Stamp Duties	440.285	540.000
Land Tax Succession Duties .	395.032	
	383,034	220,000
Commonwealth	350,000	320,000
(Disabilities Grant	300.000	320,000
Land Sales, Rents,	242,310	201.057
800,	242,310	201,031
Sundry Smaller	THE REAL PROPERTY.	684 047
Items	748,871	034 047
	A DESCRIPTION OF THE PERSON NAMED IN	1
Total	£10.551.017	£12,764.050

Estimated net increase in revenue for the year, £2,213.033. Details of Estimated Revenue

Details of the proposed revenue were as follow :-Railways, £3,300,000.—The Govern-ment Statist had recently estimated that the wheat harvest this season

would yield 44,000,000 bushels, com-pared with 23,345,000 bushels last seapared with 23,38,000 binness has sea-son. With the recent rains, the crop prospects were now exceedingly hope-ful, and, should anticipations be rea-lised, the railways should benefit by in-creased freight receipts. Although railway revenue to date was somewhat less than that received last year, it was hoped that the latter portion of the year would show an improvement, and total revenue for the year had there-fore been set down at the same figure as last year.

Mr. Giles-You will be lucky if you get 35,000,000 bushels. The Treasurer—Another pessimist! Let us hope the statist's estimate will

Mr. Butterfield—He is an optimist. The Treasurer—Let us hope also that there will be an increase in prices. (Hear, hear).

Income Tax, £2,020,000.—Owing to the

Income Tax, £2,020,000.—Owing to the diminished incomes received in 1929-30 the estimated receipts from income tax showed a shrinkage of approximately £300,000 on last year. In order to balance the Budget the Government was balance the Budget the Government was compelled to obtain additional revenue from income tax amounting to £220,000. The income tax proposals to raise this extra money might be briefly summarised as follows:-

briefly summarised as follows:—
The statutory exemplion of £100 would be relained, but would be on a time to be a second of the property of th

with families. Mr. Laffer-You are exempting your The Treasurer-Do you say that we

Mr. Laffer-No. The Treasurer-Anyone should be

should tax people on an income below

ture were shown in	the attached
schedule:-	Esti-
	Expen- Expen-
Division in Estimates.	diture, diture,
	1929-30, 1930-31,
	£ £
Legislature	54.239 42,316
Chief Secretary	1,162,625 1,294,434
Attorney-General	92,751 85,541
Treasurer	412,144 650,408
Commissioner of Crown	
Lands	138,764 123,821
Commissioner of Public	
Works	451,897 482,392
Minister of Education	933,950 940,869
Minister of Industry Minister of Agricul-	17,534 16,855
ture, &c	236,126 238,193
Minister of Irrigation	122,738 115,339
Minister of Mines	15,787 32,424
Minister of Marine	253,486 235,956
Minister of Railways	3,596,580 3,331,222
Minister of Local Gov-	
ernment	37,192 260,470

penditure 7,590,863 7,850,240 Interest on public debt 4,336,313 4,800,000 Other special Acts . . 249,664 97,343 Total expenditure . £12,176,840 £12,747.583 Estimated increase in expenditure.

Reference was made elsewhere to reduc-Reference was made elsewhere to reduc-tions and savings generally that had been made and it was unnecessary to refer to these matters in detail. The principal items to which attention should be called were:—

should be called were:— Legislature.—The decrease of \$11973 was occasioned mainly by the fact that an election was held last year and this can be seen to be seen that the seen that the seen that the seen that the can be seen that the seen that the seen The Treasure—We have just had one. Surely we do not want another. Mr. Reidy—I don't want one, but I think the people will demand one. (Opposition cheers and Ministerial dis-

Chief Secretary's Department.—The increase of £131.809 was almost entirely due to the provision of this extra amount for Public Welfare and Unemployment Relief. He was Budgeting for an expenditure of about £400,000 and would have something to say about unemployment later

Mr. Laffer (with emphasis)—We will have something to say about it, too. The Treasure—The member must have taken hot sauce to-day. I have been than the same to the same that have taken hot sauce to-day. I have been to be supported to the same to the same taken hot sauce to deep the same taken to the same to the same taken t

Commissioner of Public Works.—The increase of £30,495 was caused mainly by the provision of £30,000 for depreciation in terms of the Public Finance Act

of 1929.

The treatment referring to the item, Their of Mines' said the increase of £1£,637 provided was mainly under the line gold prospecting, &c., and was designed to give a stimulus to mining. Of £2£,538 arose from sainly savings, to which fuller reference was made elsewhere. In addition, the provision for depreciation had been reduced from Auditor-General pursuant to the Pub-

£220.000 to £180.000 on the advice of the Auditor-General pursuant to the Public Finance Act. 123.

Beginning the Lag. 123.

Government—The increase of £222.378 was accounted for by the sum of £30.000 for grants to local governing bodies previously provided under special Acts, and the sum of £30.000 for expenditure on roads pre-

£12.747.583, £5,300,000 (approximately 40 quired for wages and salaries, the rates being almost wholly determined by arbitration machinery. It would be seen therefore, that those two items accounted for £9,300,000 of this year's expenditure, leaving a bal-ance of £3,447,553 from which to meet ance of £3,447,583 from which to meet all other expenses of administration, including the purchase of stores and materials, and provision for temployee, the store of the store of the store of the store could be reduced without seriously cur-tailing and impairing the efficiency of hospitals, education, have convinced that the costs of administration were manufactured to the store of the store mand for economy was to be satisfied it would be necessary to restrict the ambit

Budget Committee Appointed Shortly after assuming office the Gov-

Budget Committee Appointed
Shortly after assuming office the Government decided that departmental escapital and checked in detail before being accepted for Budget purposes, and for
this purpose appointed a Sudget Comthis purpose appointed a Sudget Comthis purpose appointed a Sudget Comkin (Public Service Commissioner), W.
G. Tucker accountant, Treasury Department), the investigating officers
Bishop, and instructed the committee
to examine in detail departmental estimaximum economy in departmental exsible the funds available to the most
urgent and pressing requirements. The
committee, which had acced in any
every week hight for some months, and
made an exhaustive examination of
every departments estimates. The
accepted by the Government, and had
resulted in a large decrease in the
aggregate expenditure. The commit-

resulted in a large decrease in the aggregate expenditure. The committee aggregate expenditure is the committee of the commit an unpleasant task for the Government to face, but the stern necessity of liv-ing within their income would require a careful overhaul of the larger depart-ments in order to make certain that cae community was getting variue for the huge sums spent, and that the policy was not too costly for their diminished national income. Questions of such importance could not be settled off-hand, and if they were to moderate their policy and currial the activities of their major community services. It on Public Finance, acting in collapora-tion with experts on the various mat-ters, into—(a) Education policy and ad-ministration; (b) agriculture policy and administration; and (c) solder settle-ment. Investigations were continually

be amalgamated, reorganised, or reduced in scope, and the field available for further progress in that direction was now exceedingly limited. The total number of Government employes

nomy it was found the state we employes of the State we do by awards of either the Fed State Arbitration Courts. As relating in the Public Services an agreement can be reached teachers f of the Education Department, Failing such an agreement, application wil to the Arbitration Court for ation of the award. The salaries greater proportion of railways are subject to an award of the deral Arbitration Court, and it is an-ipated that they will be reviewed as

the Government.

States. The salaries of a number e railways chief administrative offihave in the past been fixed by the rays Commissioner, and in res the Government has rece ive effect to this recommendation, and by administration and legislation of tend its application to the Public S e, salaries amounting in the a gate to £53,000 per annum are paid Legislation will b der special Acts.

consequence of the application to the

First Review of Budget

Mr. Hill said the deficit for 1929-30 as £1,625,000. When the first review the Budget was made, it was seen was £1,625,000. that, without economies and increased taxation, the deficit for 1930-31 would have been approximately £3,000,000. The increase was accounted for principally

the following items:—
Estimated shrinkage in income tax resipps, £300,000: estimated shrinkage in
ther taxation receipts, £180,000; estimated
diuction in revenue from harbors and ion in revenue fr services, £90,000; net loss and administration account terest and administration account sounces settlement (now charged to revenue), £225,000; interest on 1929-30 denott, £30,000; extra interest on public debt (including interest and exchange), £340,000; extra cot public welfare and relief, £130,000. The problem facing the Government was the overtaking of the deficit of £3,000,000 already referred to, and every avenue was explored for making eco nomies and raising extra revenue. was realised at the outset that the rais ing of such a large sum would involve hardship and sacrifice, and it had been aim of the Government to spread quitably as possible, so that no an undue burden. In addition, the Govstantial sum for unemployed works, &c. The measures

works, &c. The adopted were:-Reduction of grants to local government odies. £110,000; reduction of grants to niversity, School of Mines, Public Library would have been the position of had not secured £1,000,000 from the Commonwealth, difficult to conceive. That money be contributed from the whole Australia, because the position Australia was situated realised by all the Governments money he regarded not as a as a right because of the disabilisuffered under Federation. It would be difficult again next year, and it was hoped that something would

to make such Opposition (Mr The Treasurer said they wanted get money for the unemployed, a were going to carry out their oblitions to balance the Budget. He ho

so much was was a case again of "Tax the other fellow, but do not tax me."

Mr. Laffer—You exempted your own class at the instance of the Labor Con-ference, which dictated its terms.

The Treasurer—The proposals are

not what the Labor consideramined, (Derisive laughter the Opposition). Members will an opportunity to discuss them, will have an opportunity to reply

Mr. Reidy (sarcastically)—You will want it, too.
Mr. Hill said the rate of tax on income from property would commence at 1/8 in the pound, increasing at the rate of .006 of a penny for every pound of taxable income in excess of £100. In addition, on both per-sonal and property income, there would be imposed a tax of £2 10/ on every person who had a taxable income. The graduated scale would be con-tinued beyond £5,000 up to £7,000.

Single persons would pay a minimum

tax of £2 10/ when their income ex-

ceeded £100, and in addition to the ordinary rate of tax, a special tax of

I for each £100 of taxable income

The special tax

in excess of £100.

would not apply to single persons under 21 years of age. Taxation of e insurance companies would be at full rates instead of half rates, and taxation on other companies remain as at present. The deducposes of arriving at the income subposes of arriving at the income sub-ject to State tax would be discon-tinued. Dividends in the hands of shareholders would be taxed at a rate of 6d, in the pound. The super tax on individual incomes would be discontinued. discontinued. If the companies tax were got down to the minimum they could look

to the minimum they could look forward to more of the unemployed being ab-sorbed. The country was in a parlous position, but the present Government could not be blamed. Mr. Butler-You have broken every pledge you made. The Treasurer—If so, the honorable The Treasurer—If so, the honorable member opposite is the cause. Mr. Reldy—It was your own stupi-dity in making them. Mr. Butler—You broke every promise you ever made.

The Treasurer—And you broke the

which he gave notice on September would not be proceeded with, and would be brought other resolutions

down in due course.

Interest and Exchange, £1,206,630.—
The increase of £251,756 shown was accounted for by additional returns upon advances to the Municipal Tramceipts from soldier settlers. ter item was now credited to revenue instead of to loan as heretofore (Special £1,000,000.—The reason for this special

grant had already been explained Waterworks and Sewers, £901,000.— The small increase of £16,649 shown was due to a natural expansion in the acto again £600,000.-It was proposed bring motor taxation into general revenue. Out of such revenue it is pro-£210,000 on roads. the discontinuance of grants to he net gain to revenue changes would Stamp Duties, £375,000.—The reduc-

tion of £56,922 was due to the reduced

ebitable to revenue on account of of £463,687 was caused partly by the increase in the public debt, but mainly

e loan account, but which was bitable to revenue in terms of blic Finance Act 1929. Never be had that amount been met out of re-

venue, Mr. Butler—Why don't you go back over nine years, instead of referring penny piece when you left office. omised to leave a bottle of smelling

Mr. Butler-You will want it in a few weeks' time. Mr. Reidy—I think he Mr. Reidy—I think he will want a bottle of oil after this. (Laughter). The Treasurer asked members to be serious, as they were passing through serious times. A change of Govern-ment would not alter the position. The

resent Government was courageously facing the position. Mr. Laffer-Nothing of the sort, The Treasurer—The previous Gov-ernment spent £4,800,000 from loan and gave Mr. Webb £2,000 for deferred ment fell down on the job, and never

position was when we came into Mr. Butler-Surely this is not a Bud-Treasurershow the true position of South Australia, and the recommendations from men who do know some do know something about the financial situation

Other Special Acts—The decrease of £152,321 shown was accounted for by the elimination of grants to local gov-erning bodies under this head and the reduction of the grant to Fire Brigades

The estimates of railway revenue and expenditure (including interest ar sinking fund) showed a deficit of ar sinking fulfid. Shower at telestory approximately £1,430,000 to be provided for by taxation. The necessity of finding such a large sum was one of the outstanding budgetary problems, and a reduction of this loss to a reacher the course would enable the Government. sonable figure would enable the Go ernment to reduce taxation. At t last election he promised the electors that a Royal Commission would be appointed to make a thorough enquiry nto the railways, and a Commission

Messrs. W. consisting of Messra T. Goodman, C. M. McInnes and J. W. appointed on May The Commission was working touch with and the Railways Commissioner, pperations for the year 1930-31 were ment on the results of transport, had been received, Parliament would be asked at early date to give legislative effect in a further saving of way finances, and the Commission was of the opinion that, ultimately, the monetary advantage of regulated transport to the railways would amount to sion was proceeding with a detailed enquiry into all branches of railway ons, and would present further progress reports which must necessarily complete. progress report would be acted upon In addition, the work of internal reorganisation and staff re-arrangement

Unemployment

The most disturbing feature of the present depression was the vast and increasing extent of unemployme There were over 14,000 persons re-tered at the Labor Exchange as une criticised for not finding work army of men, but critics had not ration to a male adult cost and it was difficult to find su earn that amount, and the pro of relief works would necessitate more money than the Government could obtain if all were to be given

proportion of the unemployed. he restoration of prosperity tries was the only real solution problem. That meant that sentative committee to go fully into the ment, the provision of work, and Loan Expenditure

The gross loan expenditure for the year 1929-30 was £4,620,627, and the net expenditure after allowing for mis laneous credits to the Loan Fun excluding a special credit om the State Bank)

row this year anything like the that had been borrowed in years. The total loan programs the Governments of Australia had fixed at £15,000,000, and the share able to South Australia was £2 out of which the deficit for £1,625,000, must be financed. £56,000

curtailment in the loan programme with the result that in almost a not be out of place to point out going back a few years the good The loan programme had been a

those factors, combined

reduction in_

for primary

Surplus of £16,467

The estimates of revenue and expenditure for 1930-31, as presented to Parliament, gave the following figures:-Estimated Revenue .. . £12,764,050 Estimated Expenditure £12,747,583 Estimated Surplus ..

£16,467

This announcement provoked a chorus of satirical comment from the

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of every description executed at The Advertiser Printing Office Way mouth Street, Phone C, 5772 volume of business now being transacted by the community in various ments totalisator investments, &c.

£99,735 was due to the imposition of an extra id, in the £ taxation on land values generally.

Succession Duties, £330,000,-This item was always difficult to estimate and i was considered unlikely that the reve-The Treasurer-We must have a surnue of £395,082 received last year would be reached this year. £65,082 had therefore been provided

> Commonwealth (Disabilities Grant). £320,000 .- The reason for the reduction of £40,000 in that grant had already

> been explained. Land Sales, £201,057, and Sundry Smaller Items, £684,047.—Decreases of two items had been provided for on ness now being conducted throughout the community.

> Estimated Expenditure The details of the estimated expendi-

formed, consisting of the Railways Commissioner, the Chief Mechanical Engineer, and the Comptroller of Ac-The assistance of three investigating officers had also been supplied by the Public Service Commissloner, and this committee and those officers were investigating such matters as abolition of unnecessary offices, coordination of work, reduction of salaries, and retrenchment or reduction of status of employes.

Economies in Administration

The Government was aware of the in public expenditure, and had endeavored to make savings wherever possible. It realised that the financial and economic situation required that the most careful consideration should be given to every item of expenditure. and was making efforts to comply with the growing public demand for a reduction in Government spending. Un-Government had in reducing expenditure was not generally appreciated, and and unfair. Out of the total esti-

mated expenditure for this year of

ness which had made itself felt throughout every section of the com-1930-31, giving full details of works proposed for the current financial year, would shortly be presented

Continued on Page 20

munity.

"Not for some of the peoble some of the time, but for all the people all the time." Advertiser

TREASURER'S BUDGET SPEECH
