

# 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.

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 progress in its efforts to find a solution of Australia's economic problems.

The report of the Loan Council sub-committee, which met the bankers last night, was presented by the chairman of the sub-committee (Mr. Jones, M.L.C.).

The report revealed that the savings banks had accepted the principle of reduction of interest. The reduction will probably amount to 1 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 Premier (Mr. Moore) and the Treasurer (Mr. Barnes).

South Australia—The Premier (Mr. Hill), the Chief Secretary (Mr. Whitford).

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' re-

by private trading banks upon fixed deposits was correspondingly reduced.

#### Administering Salary Cut

The expert committee spent the afternoon discussing proposals for the application of the reduction of 20 per cent. in Government expenditure, upon the basis of expenditure for last year. It was agreed unanimously that all Australian Governments should endeavor to make the suggested reductions.

The conference declined to commit itself to the method of reduction suggested 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 left to each Government to achieve the necessary economies under any differential rate or by any other method it desired.

#### £12,000,000 Loan Suggested

It was agreed that Professor Melville should work with the Under-Treasurers as actuary.

Mr. Scullin pointed out that the banks' intimation that credit facilities would be provided for industry and would facilitate the absorption of unemployed 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 immediate position. There were advances to Governments and wheatgrowers and unemployed to be considered.

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. Mr. Theodore—You have full statutory powers. Legally, there is a right to insist on any compulsory con-

#### EXPERTS' 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 1929-30.
2. We are of opinion that, with the reduction mentioned in item 1, a conversion of the whole of the internal indebtedness 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 Government expenditure, proportional to the reduction suggested 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 substantial 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 Split

Canberra, May 26.

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 go far towards rescuing the Commonwealth from its difficulties, the Government, judging from the political temper of Labor members, will be risking another party crisis, comparable to the split that led to the withdrawal of Mr. Lyons 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.

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 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 desirability of the continued attendance there of Messrs. 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 notice paper is

## "ALL WORKING TOGETHER"

### Mr. Hill Pleased With Progress

#### REDUCING DEFICITS

Melbourne, May 26.

Expressing keen satisfaction at the progress made at the Premiers' Conference today, the Premier of South Australia (Mr. Hill) said tonight that the conference had settled down to the definite and determined intention of making its work a success.

"All States are working well together. There is no friction with representatives 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 Government expenditure will be £194,000,000, compared with £184,000,000 in 1927-28. The expenditure in interest, 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 committee has been appointed to advise on the Commonwealth and State legislation necessary to carry out this plan. Negotiations are being made with banks, insurance companies, and other financial institutions."

## CO-ORDINATION OF TRANSPORT SERVICES

### 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 railway routes.

"Both the Royal Commission on Railways and the Transport Board are doing excellent work at very little 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. The board consists of Messrs. J. Sincok (chairman), W. P. Bishop, and G. A. W. Pope, all of whom are public servants."

#### Unprofitable Railways

"The Railways Commissioner, with whom the board has had many interviews," writes the chairman, "has supplied 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 not be in the best economic interests of the State to close some of these unprofitable railways, and the Commissioner is now preparing necessary data regarding the following lines:—

- Adelaide to Willunga.
- Mount Barker Junction to Victor Harbour.
- Gawler to Angaston and Truro.
- Eudunda to Robertstown.
- Balhannah to Mount Pleasant.
- Monarto to Sedan.
- Mundoorra to Port Broughton.
- Gladstone to Wilmington.
- Yeelanna to Mount Hope.
- Wandana to Penong.
- Kimba to Buckleboo."

## PROSPECTING PARTY MASSACRED

### New Guinea Natives Kill 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 food used by the party was obtained from natives of the Cooka Cooka tribe. According to the three Kanaka survivors of the tragedy, the Cooka Cookas brought in sweet potatoes and yams in bags, and were paid at regular rates. Mr. Baum noticed that the bags became lighter and lighter, and he remonstrated with the sellers, who answered impudently. He became exasperated when a bag was delivered almost empty, and refused to pay for it. When the bag was refused, Mr. Baum was seized by the arm by the natives and hit on the head with a stone-headed club. He was probably killed instantly. The natives cut off his head and opened the body. They decorated the body and sang round it in triumph.

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 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 Salamoa, 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



Mr. Scullin (Prime Minister), Mr. Theodore (Fed. Treas.), Mr. Hill (Premier, S.A.), Mr. Whitford (Chief Sec., S.A.), Mr. Hogan (Premier, Vic.), Mr. Jones (Works Min., Vic.)



Mr. Lang (Premier, N.S.W.), Mr. Moore (Premier, Q'ld.), Mr. Barnes (Treasurer, Q'ld.), Sir J. Mitchell (Premier, W.A.), Mr. Davey (Attorney-General, W.A.), Mr. McPhee (Premier, Taa.)

...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 2½ 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 assistance.
  - (b) The interest on the new securities to be free from the present Commonwealth super tax of 7½ 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 securities not converted into the new loan.
2. Reduction of interest rates on loans of local authorities, local bodies and semi-Government bodies.
3. Interest rates on bank deposits of 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 those cases where there is no adjustment, and in the case of dividends on preference shares, the matter should be dealt with by taxation, to secure 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 enable the short term debt to be funded, and a certain amount of long term credit provided. In order to ease the cost of exchange on Government remittances, and for the purpose of creating easier conditions for future conversions on the overseas market, it was suggested that the exchange pool be continued, with, if necessary, fuller power to control all transfers of money from Australia.

The conference adopted the committee's report as a basis of discussion, and, in the debate which followed, it was pointed out that details of the conversion loan would have to be submitted for approval to the banks. Assurances were given that, in arranging the conversion, the proposed reduction would not be applied equally on the low interest loans and those bearing high interest, such as stocks as those bearing a rate of only 3½ per cent. might not be touched.

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 conversion loan.

Soon after the luncheon adjournment, the conference received a letter from the conference of State Savings Bank officers, meeting in Melbourne, announcing that it had decided upon a reduction of interest on deposits in the Savings Banks Department of the Commonwealth Bank and State Savings Banks subject to approval by the 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 range of interest paid by the Australian Savings Banks varied from 4 per cent. to 4½ per cent., so that the proposed new rates would vary from 3 per cent. to 3½ per cent. The reduction would operate from July 1, but only on condition that the interest rate offered

right to insist on a compulsory conversion. Interest charges are to be brought down by a statute in each Parliament.

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

On the suggestion of Mr. Lang, a committee was appointed to consider what legislation would be necessary. The committee consists of the Commonwealth Crown Solicitor (Mr. G. Castieau), 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 entered into by farmers with machinery firms, who are pressing heavily on them.

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 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 35-1-3 per cent.

**Most Costly State**  
The Acting Commonwealth Statistician (Professor Giblin), who attended the conference in an advisory capacity, in reply to Mr. Lang, said, "Your wages were reduced, but your salaries were not. On general figures, the whole administration of New South Wales is more costly than any other State. The total salaries amount to £26,000,000. 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 8½ 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 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 report to conference tomorrow.

**War Pensions "Sacrosanct"**  
Mr. Scullin introduced to the conference Mr. G. J. C. Dyett, Federal president of the Returned Soldiers' League, who asked that, in any scheme of review of expenditure, special consideration should be given to war pensioners.

Certain promises had been made to these men, he said, and he asked the conference not to touch soldiers' pensions until every other avenue of savings had been explored. He felt that war pensions should be considered sacrosanct as a natural corollary of the promises made by the people both during and subsequent to the war.

The conference adjourned until 10 a.m. tomorrow.

### RATES OF INTEREST

#### Savings Banks' Conditional Cut of 1 p.c.

Melbourne, May 26.  
The future policy in respect of rates of interest was fully discussed by the board of directors of the Commonwealth Bank today, in conference with representatives of the various Governments' Savings Banks of Australia. After the conference it was announced that the banks had agreed to the principle of reducing interest on fixed deposits and current accounts, provided the trading banks fell into line.

The chairman of the Commonwealth Bank Board (Sir Robert Gibson) said that he had convened a meeting for tomorrow, at which Mr. A. C. Davidson, representing New South Wales banks, and Mr. G. D. Healy, representing the Victorian banks, would be present. The question of a general reduction of interest would be then considered.

The first item on the notice paper in the tariff debate, which, in the ordinary course of events, will continue for at least another two or three weeks. The discussion on the sugar agreement takes second place in the order of business.

### MR. BUTLER OPPOSES MORE TAXATION

#### Drastic Expenditure Cuts the Solution

Discussing the experts' financial plan yesterday, the leader of the Opposition (Mr. Butler) said he doubted the wisdom of increasing taxation, in view of the heavy imposts of various States, 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 1.35 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.

"Although the news is very pleasing," concluded Mr. Butler, "it must be remembered that many resolutions and 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 stick to his agreement, for he was the only Premier who had gone back on the Melbourne agreement he signed last August.

### 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 was apparently prepared to make large reductions in expenditure. He believed that the conversion loan could be arranged with great benefit to the community by a Government that

### 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 Solicitor 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 success of the policy proposed by the economic experts, now before the Premiers' Conference, must be the abandonment of the proposals 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.

### 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-yearly meeting of the Executor Trustee Company yesterday.

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 dividend at the rate of 8 per cent. per annum had been declared by the company. There had been a considerable falling off in rents and dividends collected, 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 would be paid eventually. New business was progressing satisfactorily.

"Drought a Memory"  
There were prospects, Sir Herbert said, of a good season, and with it must come a revival in cereal and pastoral productions, which justified the hope that drought would soon be a memory only. If the political outlook was changed, the threatening clouds should soon pass.

The steady, though quiet, advances in markets of the world for Australia's most important produce gave encouragement.

Mr. V. M. Newland seconded the motion for the adoption of the chairman's report, which was carried.

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### 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, known in the trade as "cherry pickers."
- (2) That a regular service, in going out of business, had no goodwill to sell.
- (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.
- (4) That it was impossible for the Railways Commissioner to observe the law with respect to the hours and wages of his employees 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 Port Broughton.
- Redhill to Port Pirie, via Crystal Brook.
- Balaklava 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 abundant reasons to justify them, and also the amounts fixed.

"It is incumbent on the board," the chairman says, "to create a fund from which to pay administrative costs and claims for compensation, and it is only fair that these should be paid by the persons who have the shelter and protection of the Act."

### Savings and Profits

The report states that for the licences which had been granted, the fee had been fixed at 10 per cent. of the gross earnings. "This," explains the board, "is necessarily an arbitrary figure, but the board considers it a fair one. Some of the carriers are now paying that rate, both in Adelaide and in the country towns, to agents who merely book passengers and parcels. Before deciding on the amount of the licence fee the board invited applicants to state what they were prepared to pay, either as a lump sum, or as a percentage of their gross earnings. The amounts varied from £5 to £1,250 (for a monopoly), and from 2½ per cent. to 15 per cent. (for a monopoly). For the advantages 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

The board has granted 22 licences for southern routes and 39 permits.

### PORT PIRIE TRAFFIC

#### Road Routes To Be Closed

The Transport Control Board has decided to close all road routes for vehicles carrying passengers and goods for hire (except for week-end traffic) between Adelaide and Port Pirie, with the exception of services beyond Port Pirie, such as Whyalla, to utilise the railways for goods service; and to provide for a co-ordinated road and rail service via Redhill for passengers. The goods service to Port Pirie will be three days per week as at present.

The new passenger service will be a co-ordination of train and bus. Trains will run between Adelaide and Redhill, where they will link up with buses to run between these two centres exclusively. Combination tickets will be issued at both Adelaide and Port Pirie

### 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 several centres. At Penong 2.65 points were recorded, and other centres which benefited were Carrow 1.54, Nuljarbor 1.38, Ungarra 1.18, Koonibba 5.5, Cummins 3.5, and Yeelanna 2.5.

On Yorke Peninsula, Warooka received 1.09 points, Yorktown 1.05, Port Vincent 9.0, Curramulka 8.7, Ardrossan 6.5, and Stansbury 5.0.

On the south coast: Goolwa registered 1.27 points and Victor Harbour 9.2, and in the Mount Lofty Ranges Yankalilla recorded 9.4, Willunga 6.7, Myponga 6.0, Aldinga 5.9, and Strathalbyn 4.4.

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 raining.

by the Railways Department. The new schedule will be as follows:—  
Leave Adelaide, 8.5 a.m.; arrive Port Pirie at 1.45 p.m.  
Leave Port Pirie, 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 ordinary week-days.

The week-end road service will run as follows:—Leave Port Pirie on Friday night and Sunday morning for Adelaide; leave Adelaide on Saturday night and Sunday night for Port Pirie.

### Kulpara-Kadina Route

The board has also decided not to grant licences for the road between 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 service:—

Goods.—Three days per week in each direction. Special arrangements will be made for the carriage of perishable produce.

Passenger Services.—Leave Adelaide daily at 8.5 a.m. and 4.10 p.m., arriving at Moonta at 1.3 p.m. and 8.4 p.m. respectively. On Saturdays, however, the afternoon train from Adelaide will be delayed until 7.10 p.m., arriving at Moonta at approximately 11 p.m. On the journey to Adelaide trains will leave Moonta at 7.23 a.m. and 4.45 p.m. daily, reaching Adelaide at 11.48 a.m. and 8.33 p.m. respectively. These services will permit of the return journey being made in either direction on the same day.

### Costly Compensation Involved

The chairman of the Country Carriers' Association (Mr. E. D. Scammell) said last night that the closing of the road services to Port Pirie would drive five businesses off 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 traffic. The Government would, therefore, be involved in compensation amounting to thousands of pounds.

Mr. Scammell said he believed big retail stores at Port Pirie, which now had a portion of their freight, especially that needed hurriedly, carried by road, would run their own lorries and carry all their freight, thus taking more business from the railways.

Mr. Scammell said the Act exempted services which carried perishable goods, but this was no protection, because the owners, mainly market gardeners, could afford to carry their own perishable products to market only if they could get back loading. This homeward freight was never perishable stuff, and, therefore, would be prohibited.

