

# SWEEPING CUTS IN EXPENDITURE

## Federal Estimates Details

### REDUCTIONS IN GRANTS

Canberra, July 22.

Sweeping cuts in Government expenditure for the year 1931-32 are detailed in the annual Estimates, which were distributed in Parliament today.

The following reductions are shown in departmental expenditure:—  
Postmaster-General's Department, £1,863,282.  
Defence, £538,950.  
Trade and Customs, £151,273.  
Works, £89,000.  
Transport, £62,837.  
Prime Minister's Department, £62,600.  
Home Affairs Department, £47,760.  
Attorney - General's Department, £26,500.  
Health Department, £25,500.  
Markets Department, £17,950.  
Parliament, £13,220.

#### £700 Less For Refreshment-room

There is a reduction of £700 in the grant in aid of the Parliamentary refreshment-rooms. The grant has been brought down to £200 a year. The refreshment-rooms are estimated to cost £3,750 during the coming year, which is a £300 reduction on the vote for 1929-30.

A saving of £4,000 has been made in the item "conveyance of members of Parliament and others," which now stands at £25,000.

Expenses set down against the Australian Commissioner-General in the United States are £4,710 lower, at £6,518.

#### £93,000 For Senate Election

An allocation of £93,000 has been made to meet expenses in connection with the Senate election, which must be held in the middle of next year, irrespective of whether the House of Representatives election is held at that time or later in the year, when the Government's three-year period expires.

The Government's contribution to the Graves Commission, for the Commonwealth's share of the cost of the care and maintenance of soldiers' graves, has been reduced from £94,950 to £13,638. The vote towards the erection and maintenance of memorials has been cut from £3,500 to £1,000.

A new item of Treasury expenditure is £713,000, to meet exchange on Commonwealth remittances to London.

#### £10,000 For Silver Coining

During the coming year £10,250 is provided in the Treasury accounts to cover coining of silver, including freight and other expenses, not including the cost of bullion. Expenditure under this head in the year just closed was £2,552, although the estimate was nil.

Savings in the Attorney-General's Department include £2,893 in the Crown Solicitor's office, £3,270 in the High Court, £1,821 in Bankruptcy administration, £2,446 in the Arbitration Court, £2,332 in the Commonwealth Investigation Branch, and £7,069 in the Patents Office.

Outside legal advice in connection with the sales tax legislation cost the department £269.

New works and buildings provided for in the estimates for the new financial year total £829,077, most of which will be spent on maintenance and additions to existing structures.

For repairs to plant and buildings at the Cockatoo Island dockyard £10,000 has been provided.

### Health and Research Cuts

Drastic cuts in Health Department expenditure include reduction of the vote for subsidies and expenses in connection with the control of venereal diseases and tuberculosis from £19,000 to £500. A similar item regarding maternal and infant hygiene has been cut from £2,000 to £500.

The grant in aid of research is reduced from £6,500 to £2,000, and the subsidy for cattle tick control from £55,000 to £44,000. Expenses in connection with the control of radium are lowered from £6,500 to £2,000. The vote for the Australian Institute of Anatomy is reduced from £4,437 to £1,521, although the Institute cost only £2,571 last year.

Last year's grant of £4,000 towards the export of canned fruits has been removed altogether.

An economy in connection with the East-West air service subsidy is cancellation of the £3,000 a year publicity allowance.

The allocation for maintenance of broadcasting stations and studios is reduced from £61,770 to £42,600.

Travelling expenses, including motor hire, of the Federal Capital Administration are reduced by £550 a year to £1,650. As against this the grant for unemployment relief in the territory is increased from £1,000 to £39,500, though last year's expenditure under this head exceeded the estimate by £25,471.

For caretaking and maintenance of the evacuated Military College at Duntroon £1,150 has been set aside, while the grant to the Canberra University College has been reduced from £3,000 to £1,670.

### Tariff on Pencils Opposed

Opposition to a proposed tariff of 45 per cent. on imported pencils was decided upon at the annual convention of the Printing and Allied Trades Employers' Federation of Australia in Melbourne, said Mr. A. Chappel (president of the Master Printers' and Allied Trades Association), who returned on the Westralia, which reached Port Adelaide this morning.

Information about the proposed tariff was placed before the convention. Mr. Chappel said that only a small proportion of the supply of pencils used could be manufactured in Australia, and the move would not provide employment for many people.

It had been proposed that a company in Australia should import pencils in the initial stages of manufacture. It would cut the pencils to required lengths and polish them.

"The only effect of such a measure would be to give a foreign country a monopoly in the supply of material," said Mr. Chappel. "If the tariff were imposed the selling prices of the lower grades of pencils would be nearly doubled."

One of the principal matters before the convention related to a log served by the Printing Industry Employers' Union. It was decided to continue the existing award for 12 months.

### Conversion Act Proclaimed

Sydney, July 23.

The Governor (Sir Philip Game) proclaimed the Debt Conversion Act today.

Brisbane, July 23.

The Debt Conversion Agreement Bill passed all stages, and was assented to by the Governor half an hour later, when it was proclaimed in accordance with the request of the Prime Minister.

Perth, July 23.

The Debt Conversion Act was proclaimed today.

### FEDERAL INCOME TAX

#### New Formula Used

#### Slight Reduction in Some Cases

Canberra, July 21.

Details of the increased Federal income taxation announced in the Budget were explained by the Prime Minister (Mr. Scullin) in the House of Representatives today, when he introduced the Bill to give effect to the proposals.

A feature of the new taxation is a change in the method of calculating the tax resulting, in general, in a slight reduction in the case of incomes from personal exertion. The Bill provides also for an increase of 5 per cent. to 10 per cent. in the special property tax.

Mr. Scullin said that a special feature of the Bill would be the consolidation of the original schedule rates of 1915 and all the existing super taxes and increases (except the special tax on property incomes) into one rate expressed in a simple formula. This was performed by Professor Giblin. The effect of the new system was to avoid sudden jumps which occurred in the existing scale. The following tables set out the new taxes.

#### Personal Exertion

Taxable Income.	New Tax.	Old Tax.
£	£ s. d.	£ s. d.
50	0 13 10	0 14 4
100	1 10 2	1 10 4
150	2 9 3	2 8 1
200	3 10 10	3 7 6
201	3 11 4	3 14 8
250	4 15 1	4 17 5
300	6 1 10	6 2 6
350	7 11 4	7 9 5
400	9 3 4	8 18 2
500	12 15 2	12 1 4
501	12 16 0	13 18 0
600	16 17 0	17 19 0
700	21 10 0	22 18 0
800	26 13 0	27 6 0
1,000	38 11 0	38 8 0
1,200	52 10 0	51 5 0
1,500	77 7 0	73 13 0
1,501	77 9 0	77 2 6
2,000	129 0 0	125 0 0
2,500	194 0 0	184 0 0
3,000	272 0 0	254 0 0
3,001	272 0 0	266 0 0
4,000	467 0 0	447 0 0
5,000	714 0 0	675 0 0
6,000	1,012 0 0	950 0 0
6,900	1,326 0 0	1,237 0 0
7,600	1,589 0 0	1,487 0 0
8,000	1,739 0 0	1,636 0 0
10,000	2,439 0 0	2,381 0 0
15,000	4,364 0 0	4,244 0 0
20,000	6,239 0 0	6,107 0 0

#### Property

Taxable Income.	Tax under New Method.	Old Tax
50	0 14 7	0 14 9
100	1 13 0	1 12 0
150	2 16 3	2 11 3
200	4 3 4	3 13 11
201	4 3 11	4 1 9
250	5 14 7	5 8 5
300	7 10 0	6 18 4
350	9 9 7	8 10 11
400	11 13 4	10 6 3
500	16 13 4	14 5 2
501	16 15 0	16 9 0
600	23 10 0	22 9 0
700	31 10 0	30 5 0
800	40 13 0	39 3 0
1,000	62 10 0	59 19 0
1,200	89 0 0	84 12 0
1,500	137 10 0	128 2 0
1,501	138 0 0	134 0 0
2,000	231 0 0	225 0 0
2,500	349 0 0	335 0 0
3,000	491 0 0	462 0 0
3,001	491 0 0	483 0 0
3,700	729 0 0	693 0 0
4,000	841 0 0	789 0 0
5,000	1,216 0 0	1,134 0 0
6,000	1,592 0 0	1,499 0 0
8,000	2,341 0 0	2,243 0 0
10,000	3,091 0 0	2,989 0 0
15,000	4,966 0 0	4,852 0 0
20,000	6,841 0 0	6,715 0 0