

In most of the other lines, revenue had been estimated at about the same figure as was received last year. The combined result of the various changes left the estimated revenue £540,000 less than the amount collected in 1930-31.

"I have experienced the greatest difficulty in estimating the revenue, as important changes are occurring almost every day," said the Premier. "The estimates of revenue have been finalised after repeated conferences with the departmental heads, and I believe that there is every justification for budgeting for the revenue shown in the above statement."

### Comparison of Expenditure

Dealing with expenditure, Mr. Hill said the comparative figures gave the following results:—

Interest, decrease £470,000.—The saving in interest consequent on the National Conversion Loan was originally estimated at £750,000 for a full year. As the Conversion Loan date was finally fixed as July 31, 1931, the saving would operate for only 11 months of the present financial year, and certain securities with low interest rates would not be affected, the approximate saving in interest this year was approximately £580,000. On the other hand, interest on certain short-dated loans raised in London had risen, and interest had also to be provided on the increase in the debt of last year, and also upon the overdraft and Treasury Bills that would be required to finance the deficit in this financial year, as well as upon any sums borrowed to finance the loan works programme. Allowing for all these factors, it was estimated that there would be a net decrease in the interest bill of £470,000.

Sinking fund, increase £40,000.—Due to the increase in the public debt and to the increased amount required for the special sinking fund of 4½ per cent. per annum on the cancelled securities applied to reduction of the public debt.

Mr. Anthony—Has the Treasurer considered a suspension of sinking fund payments?

The Treasurer—You would have to get the whole of the Governments to agree to that alteration in the Financial Agreement. If you begin to tamper with it, you do not know what it will lead to.

Exchange, continued Mr. Hill, totalled £370,000, due to the increased exchange rates payable upon remittances to London of interest payable overseas. Should exchange rates be reduced as a result of the change in monetary policy in London, the Budget figures would be correspondingly improved.

Unemployment, increase £70,000.—This increase was due to unemployment payments being heavier than at this time last year. It was hoped that with the advent of the summer and the harvesting of the wheat crop that the monthly outlay on unemployment would show a marked contraction, and that the expenditure for the year would be kept within the total figure of £950,000 provided.

Railways, decrease £520,000.—The large reduction shown demonstrated the result of the general reduction in salaries and wages and other costs. The total reduction in expenditure in railways in two years amounted to the very large sum of £1,290,000, or, if allowance were made for the item of £150,000 for depreciation omitted this year, the actual saving in expenditure in the two years amounted to £1,140,000, equal to nearly 33 per cent. on the 1929-30 figure.

Harbors, decrease £50,000, and water supply and sewerage, decrease £50,000.—These decreases were due mainly to the factors already referred to in connection with railways. The total decrease in expenditure on business undertakings for the two years was £1,420,000, or, allowing for £203,000 for depreciation suspended this year £1,217,000, equal to nearly 30 per cent. on the 1929-30 figure.

Total departmental, decrease £240,000.—The effect of the reduction in salaries and wages and other economies that had been effected.

The total decrease on the 1929-30 figures for business undertakings and departmental expenditure was £1,960,000, which represented a reduction of 28 per cent. If allowances were made for the £203,000 depreciation item omitted, the net savings in expenditure was £1,760,000, equal to slightly more than 25 per cent. As the Premier's Plan provided for a reduction of at least 20 per cent. in adjustable expenditure, it would be seen that South Australia had complied fully with its undertakings in connection with the Plan.

## Premier Makes Long-Awaited Speech

The Premier (Mr. Hill) made his long-awaited Budget speech in the House of Assembly yesterday. In his speech, which is fully reported on page 20 Mr. Hill included the following points:—

Estimated revenue, £10,191,753; estimated expenditure, £11,681,260; estimated deficit, £1,489,507.

Deficit thus reduced below Premier's Plan limit of £1,500,000 by omission from revenue of £203,000 for depreciation on wasting assets, and £113,000 for sinking fund charge on funded deficiencies.

Total State debt on June 30 was £102,826,930, or £176 7/6 per head of population.

Last year the total State debt increased by £1,602,588—equal to £2 0/8 per head of population.

Net decrease in interest bill for 1930-31 of £470,000.

Estimated increase in exchange payments of £370,000.

Provision for rations increased to £950,000 for this year—an increase of £70,000.

Estimated decrease in expenditure of £858,408 compared with last year.

Last year savings on railways amounted to £520,000.

It is estimated that the revenue this year will be £534,000 less than last year. This includes decreases of £450,000 in income tax and £90,000 in land tax.

Estimated reduction in expenditure on education this year amounts to £80,000.

A net loan expenditure of £900,000 is proposed this year.

During September, £30,500 worth of income tax stamps were sold, and deductions from wages and salaries of Government employes amounted to £13,500.

Altogether 3,500 farmers have been assisted under the Farmers' Relief Act. For this purpose £400,000 has been appropriated.

Compared with 1929-30, the following reductions in adjustable expenditure have been estimated for this year:—Commonwealth, 21 per cent.; New South Wales, 16 per cent.; Victoria, 29 per cent.; Queensland, 18 per cent.; South Australia, 30 per cent.; Western Australia, 28 per cent.; Tasmania, 21 per cent.

From accumulated profits in the Government Workmen's Insurance Fund, £50,000 has been transferred to revenue this year.

South Australia will receive a grant of £1,000,000 this year from the Commonwealth, because of disabilities arising out of Federation—£170,000 less than last year.

## GOVERNMENT RELIEF

### How £951,407 Will Be Spent

The estimated expenditure on relief in South Australia during the present financial year is £951,407. Of this amount £176,975 has been allocated to the Children's Welfare and Public Relief Department, which is under the control of the Chief Secretary, and which administers all relief except that given to unemployed persons.

The balance, £774,432, will be required by the Unemployment Relief Council, £715,000 of it for sustenance for unemployed. The other main estimated items of expenditure are:—Clearing reservoir site at Mount Bold, £3,100; land settlements at Hope Forest, Keith, &c., £20,000; clearing land for afforestation, £15,000; recoups to other departments of amounts spent on unemployment works, £5,000, and salaries of clerks, visiting officers, relief officers, typists, &c., £12,398.

## EDUCATION SAVINGS



### Railway Problems

"The loss on our railways is still the outstanding problem in connection with our finances," said Mr. Hill. "Notwithstanding the marked reduction in railway expenditure made last year, the loss for the year (after allowing for a proportionate share of the interest bill) was £1,640,148. The comparative loss for 1929-30 was £1,680,356, and for 1928-29, £1,153,021. The Commission which was appointed to investigate the position of the railways has recently submitted its report, which makes various suggestions for improving the finances of this important department. The report is now receiving the careful consideration of the Government. I hope to introduce legislation shortly which will bring about large savings and make the proposed alterations in administration.

Mr. McIntosh (Lib.)—Do you think legislation will be introduced this session?

The Treasurer—Yes; the Parliament cannot neglect its duties for another twelve months in attacking the huge loss on the railways. At present it is like pouring money down a sink.

Mr. Butler—Hear, hear.

### Loan Expenditure

"As was forecast in last year's Budget, it was necessary drastically to reduce loan expenditure in 1930-31. The gross loan expenditure for the year was £1,462,082, and allowing for ordinary credits of £568,914, the net loan expenditure was reduced to £893,168. These figures for loan expenditure (both gross and net) are the lowest for very many years past, and meant that the State has not incurred a staggering increase in the interest bill which would otherwise have happened. Unfortunately, the reduction in loan expenditure has meant the shutting down of loan works, with a consequent increase in unemployment. Pursuant to resolutions agreed to at the Loan Council, we are fixing the gross loan expenditure for 1931-32 at £1,200,000 which, after allowing for estimated credits to the loan fund of £300,000, will give a net loan expenditure of £900,000. The customary loan estimates giving details of the proposed expenditure will be submitted to Parliament shortly.

"The provision of this money for the loan expenditure will ease the unemployment problem somewhat, as the Government is placing 1,000 men at work on the various undertakings embodied in the loan programme. I must again emphasise that permanent relief to our unemployment problem can be secured only by the reabsorption by private industry of those whom it formerly employed. Government expenditure on reproductive loan works will, however, afford considerable relief, and these two factors must be considered together in reviewing the question of unemployment.

### Restoration of Prosperity

"A complete restoration to prosperity, as far as South Australia is concerned (and this is largely true of Australia as a whole), is dependent on a marked improvement in the prices received overseas for our exportable products, mainly wheat, wool, and metals. The improvement in prices that has recently taken place gives us courage and hope for the future, and if the improvement continues we may anticipate a gradual return to those conditions which ensure happiness and prosperity for all sections of the community."

The Premier moved the adoption of the first line of the Estimates, and the debate was adjourned on the motion of the leader of the Opposition (Mr. Butler).

### Cuts In Salaries And Grants

In addition to a saving this year of £80,109 in the vote for the Education Department, which comes chiefly from salary reductions, £2,000 has been deducted from the grants to the Public Library, Museum, and Art Gallery, £2,142 from the grant to the School of Mines, £340 from the Kindergarten Union, and £300 from the Institutes Association.

The grant of £137 made last year to the University of Sydney towards the cost of a Chair of Anthropology has been discontinued, making a total saving on the education vote of £85,879, compared with last year.