

ALL MUST MAKE SACRIFICE

PREMIER DISCUSSES FINANCES OF STATE

UNEMPLOYMENT RELIEF A STAGGERING BURDEN

Public Servants' Salaries May Come Down

Action to be taken by the Government to cut expenditure were outlined by the Hon. L. L. Hill (Premier) when replying to a deputation from the Suburban Municipal and District Councils' Association, which waited on him this morning.

A 50 per cent. reduction in subsidies to local governing bodies, and cuts in grants to the Adelaide University, School of Mines, Department of Agriculture, and Education Department were stated to be part of the programme. There might also be a reduction in the salaries of public servants.

Unemployment relief was becoming a "staggering and embarrassing burden," said Mr. Hill, and Parliament would be asked to pass legislation to give the Government control of rationing and relief.

Democracy in Australia was on its trial, he declared. It must not be allowed to fail.

Mr. Hill said that the financial outlook was most serious. The estimated deficit this financial year was £2,789,000, and the shrinkage of revenue threatened to be even more serious.

The loan position was such that the Government would probably have to close loan works at the end of the month. The future of 2,000 men engaged on them would be involved.

A great deal of criticism had been levelled at the proposed salaries, wages, and income tax, he said. Critics confined themselves largely to the tax on wages and salaries. Little mention had been made of income. If the Government could not raise revenue for unemployment relief after having made large savings—which would be shown in the Budget, which he proposed to bring down on Tuesday, September 23—the position would be serious indeed. Unemployment relief was costing more than £12,000 a week now.

"It is becoming a staggering and embarrassing burden," went on Mr. Hill.

SACRIFICES NECESSARY

"The Government is framing a policy to balance the Budget, and I think it will succeed in doing so. It will have to make sacrifices, and will call upon the people to make sacrifices, too.

"The annual vote to a number of departments and institutions is to be reduced. These will include libraries, the Adelaide University, School of Mines, Education Department, local governing bodies, Department of Agriculture in respect of experimental farms, and in other directions. These economies will be outlined in the Budget.

"In addition there will probably be a reduction in the salaries of public servants. The Premier said that while he recognised members of local governing bodies

were performing valuable work, in an honorary capacity for the most part, a reduction in the subsidies to councils and corporations would have to be made.

The Commonwealth Bank, he continued, had notified the Australian State Governments that their overdrafts could not be exceeded, and that it would have enough to do in assisting "lagging Government revenue" in the early part of the current year. If the Government defaulted then the credit of the Commonwealth and Government and private property would be greatly affected. It would be preferable for local governing bodies to suffer rather than for the Government not to pay its way.

With regard to grants to local governing bodies it was proposed not to pay the statutory 5/ in the pound on rates collected, but to ask the Highways Commissioner to make recommendations with respect to assistance for grants.

UNEMPLOYMENT A MENACE

"The Government does not intend to go on spending at the rate of £500,000 a year in what amounts to doles for the unemployed," the Premier proceeded. "It is intended to ask Parliament to pass an Act to set up machinery to enable it to take control of rationing and unemployment generally.

"The whole thing needs to be properly handled. It is becoming a menace. The Government wants those who are earning to do the patriotic thing and assist it to do something for those who are not earning.

"There must be a more humane spirit shown than that manifested in the statements of those who for selfish reasons are opposing the salaries tax. I regard that tax as being merely a temporary levy to assist in a difficult time.

"Democracy is on its trial. If it is split up into factions it will fail. That must be avoided."

PREMIER ANNOUNCES DRASTIC CUTS IN LOAN WORKS PROGRAMME

May Throw 2,000 Men Out Of Jobs At End Of Month

COUNCIL SUBSIDY TO BE HALVED

Return To Be Sought For Money Spent On Unemployed Relief

BECAUSE of the State's financial stringency, the Premier (Mr. Hill) told a deputation yesterday, the Government would probably have to make the following economies:—

Close down, at the end of this month, on loan works employing about 2,000 men.

Reduce subsidies to local governing bodies by at least 50 per cent., thereby saving £75,000 or more.

Reduce grants to institutions, including libraries, the University, School of Mines, Education Department, local governing bodies, and experimental farms.

Reduce salaries of civil servants.

Obtain return for huge sums spent on relief of unemployed.

Mr. Hill's announcements were made to a deputation from the Suburban, Municipal, and District Councils' Association, which urged the Government to make as much money as possible available in council subsidies, and pointed out the serious position that would be created by heavy reductions.

Members of the deputation, which included Messrs. A. J. W. Lewis (mayor of Port Adelaide), A. J. Penno (chairman of the Mitcham District Council), A. W. F. Webb, and J. Sankey Robinson, said they realised the seriousness of the Government's position, but the councils were also up against it.

All they asked for was a slightly better deal than was proposed under the Local Government Grants Bill now before Parliament.

"BUDGETS MUST BE BALANCED"

"The Government of this State, together with others, has agreed that budgets must be balanced in order to improve their credit at home and abroad," the Premier said in reply.

"While the condition of credit in the overseas market remains as it is, there is little hope of borrowing abroad. At present we have a huge floating debt of about 39 million pounds."

Unless arrangements could be made to take over this debt, Australia would be in a precarious position, and the internal position was also serious.

Loan programmes throughout the Commonwealth had to be reduced by more than 50 per cent.

To cap it, the State had a big shrinkage of revenue, which would probably be worse in 1930-31. This year the deficit was estimated at £2,789,000.

MORE REVENUE OR SAVINGS?

The Premier's Conference had granted assistance to the extent of £1,000,000.

To balance the Budget, therefore, the additional £1,789,000 would have to be made up, either by increasing revenue, or by saving.

Last year's deficit of £1,625,000 had to be met out of loan money, and the loan programme had been reduced from about four and a half millions to two and a half millions.

"This means," said Mr. Hill, "that we will have to close down on loan works at the end of the month, and the position of 2,000 men will be seriously involved."

The proposed tax on wages and incomes

had been severely criticised, but if the Government could not raise revenue for unemployment relief after having made large savings, which would be indicated in the Budget to be brought down on Tuesday, the position would be serious indeed.

The cost of unemployment relief—already more than £12,000 a week—was becoming staggering and embarrassing.

A policy had been framed by which to balance the Budget, and if the Government was to succeed, it would not be without sacrifices by both the Government and the people.

GRANTS TO BE REDUCED

The Budget would show that it was proposed to reduce grants to institutions, including libraries, the University, School of Mines, Education Department, local governing bodies, and the Department of Agriculture in respect of experimental farms, and in other directions.

In addition, salaries of public servants would probably be reduced.

A reduction of subsidies to councils was inevitable.

If one Government defaulted, it would effect the credit of the whole Commonwealth. For local governing bodies to suffer hardships would be far better than for the Government not to pay its way.

In regard to subsidies, it was proposed not to pay the statutory 5/ in the £1 on rates collected, but instead to ask the Commissioner of Highways to make recommendations with respect to assistance for councils.

"If Parliament will give us the money we want for unemployment relief," the Premier continued, "we will certainly call on local governing bodies, or assist them in finding work for the unemployed."

WORK FOR RATIONS HINT

"The Government will have to consider seriously the position of men who give no work in return for the rations they receive. There are big objections to the policy of work for rations, and we do not want to have to go back to the old method.

"The Government feels, however, that it cannot go on spending at the rate of £500,000 a year on what amounts to a dole. It is intended to ask Parliament to pass an Act to set up machinery for the distribution of rations and the control of unemployment generally."

TIMBER WORKERS PROTEST

A protest against the proposed stamp tax on wages and salaries at the rate of a shilling in the pound has been sent to the State Parliamentary Labour Party by the Timber Workers' Union.

The letter favours a tax on a sliding scale, with no impost on wages below the basic rate.



Mr. L. L. Hill