

TWO MILLIONS LESS OUT OF TAXPAYERS' POCKETS

Concessions On Federal Land And Super Taxes, Sales Tax, And Primage

SPECIAL BOOK IMPOSTS REMOVED

Relief Not Assured Beyond Year

CANBERRA, November 10.

Tax reductions worth £1,600,000 during the present financial year were announced in the House of Representatives by the Prime Minister today. These had been made possible, said Mr. Lyons, by the fact that owing to the buoyancy of revenue, there would be a Budget surplus of £3,500,000 above the original estimate, but there could be no guarantee that it would be possible to continue the reductions next year.

The concessions will include a reduction of one-third in the land tax rates and extension of the Act to enable the Hardship Board to grant relief to the extent of £300,000 to £400,000; relief amounting to £500,000 by increasing the exemption on the 10 per cent. super-tax; exemption of books, magazines, and periodicals from sales tax and primage duty; exemption of fish, jams, fruit, canned vegetables, and cakes from sales tax, and correction of anomalies in the invalid and old age pensions law.

A sum of £100,000 will be set aside towards additional works of an urgent and reproductive nature.

Mr. Lyons also made an announcement today regarding the wheat bounty, stating that the assistance to farmers was estimated to total £2,150,000. This will be made up of a grant of £1,250,000 to be made available to needy farmers through State Government organisations on a production basis, and a bounty of £1 a ton on all superphosphates purchased and delivered between the time of the passage of the Bill and June 30. In addition, the States would be asked to consider a reduction in freight charges.

Details of the reductions are as follows:—

A cut of one-third of the existing land tax rates. The operation of Section 66 of the Land Tax Assessment Act will be extended to enable the Hardship Board to grant relief in cases where loss has been occasioned by the fall in the price of primary products.

Relief to the extent of £500,000 will be given by increasing the exemption on the 10 per cent. super tax, making this a fixed exemption applicable to all taxpayers who have property income.

The following items will be exempted from sales tax:—

Books, magazines and periodicals; fish of Australian origin; jams, fruit, pulp, canned fruits and canned vegetables; pickles, sauces, and vinegar, and cakes which are now taxable.

Books, magazines and periodicals will be exempted from primage duty.

Additional expenditure will be involved in the correction of certain anomalies in the Invalid and Old Age Pensions Law contemplated by the Government, and a further £100,000 is to be set aside towards additional works of an urgent and reproductive nature.

Explaining the reduced land tax, Mr. Lyons said the Government felt that the prices of primary products were so low that some relief should be given to land owners, not only to aid them, but to enable them to give employment. The Government felt that the dual effect of the two concessions proposed would materially assist, not only the wool industry, but many other enterprises.

Action would be taken to expedite the hearing of cases by the Hardship Board so that relief could be given at the earliest possible moment. The Government expected to allow concessions worth between £300,000 and £400,000 in that direction.

The Government would have liked to remove the super tax on property income altogether, but this was not yet possible.

£200,000 Reduction On Sales Tax

The additional sales tax exemptions meant a £200,000 reduction of taxation for the remainder of the present year, and for a full year would represent £330,000. In the main, these removed the tax from the manufactured products of the market gardener and the orchardist.

In addition to expenditure in the adjustment of anomalies in pensions, said Mr. Lyons, there would also be an amount of £400,000 added to the estimates on this item on account of the adjustments made to the original

FEDERAL SURPLUS OF £2,707,000 ON OCT. 30

£88,000 Credit For Month

CANBERRA, November 10.

With a total excess of revenue over expenditure of £2,707,000 for the four months ended October 31, the Commonwealth financial figures, issued by the Treasury today, show an increased surplus of £88,000 compared with last month's returns.

October receipts were £5,921,000, and those for the four months £24,220,000, as against the expenditure of £5,833,000 and £21,513,000 for the respective periods.

The chief revenue items in October included:—Customs, £1,837,000; Excise, £921,000; sales tax, £833,000; income tax, £508,000; Post Office, £1,905,000.

The unfunded debt return shows Treasury bills held in Australia at £2,850,000, and debentures in London £10,220,000; a bank balance of £610,000 in London and an overdraft of £450,000 in Australia.

It is expected that the Customs revenue will show a falling off in the second half of the year.

BOOK EXEMPTIONS WELCOMED

"Necessary To Assist Culture"

"News of the removal of the impost on books," said the librarian of the Public Library (Mr. H. R. Purnell) yesterday, "will bring such a sense of relief to the community that it is difficult to know what to say about an action so obviously required to assist Australian culture."

Mr. Purnell said that it was pleasing to think that South Australia, with the help of "The Advertiser," had played a leading part in expressing public opinion which had brought about this relief. This tax on knowledge, instead of being a help to recovery that was so earnestly desired, had the effect of preventing recovery.

It had been a hindrance to the State Governments, which spent millions each year in an endeavor to educate their people and give them at least some of the benefits experienced by the people of other countries. They had been gravely handicapped, however, by the increasing difficulty of obtaining books—the main source of their efforts.

budget cut scheme soon at the Budget was brought down.

Wheat Industry Needs Paramount
"Were it not for the difficulties arising out of the position of the wheatgrowers," said Mr. Lyons, "the Government would have been able to give much greater immediate relief to the general taxpayer. One of the major causes which is maintaining interest rates is to be found in the very heavy taxation imposed, and it was hoped by the Government that circumstances would have enabled it so to reduce this burden that a reduction of interest rates on advances would have resulted. The assistance which the Government feels it necessary to extend to the wheat industry makes this course impossible at the moment."

Value Of Benefits To Taxpayers

The £2,100,000 saving to taxpayers, resulting from the Federal Budget adjustments, are said by Ministers to be a conservative estimate of the ultimate benefit to be passed on.

The total is made up approximately as follows:—

One-third of the estimated land tax	£600,000
Hardship remissions of land tax	£300,000
Increased exemption on super tax on property incomes	£500,000
Saving tax exemptions	£200,000
Relief announced in the Budget earlier in the year	£500,000
Total	£2,100,000

No Certainty Of Continuance

A feature of Mr. Lyons's announcement was his warning note as to the uncertainty of a continuance of the remissions next year.

"In the proposals which the Government is now submitting," he said, "it must be borne in mind that we are unable to anticipate at the moment what our financial position is likely to be when we are called upon to frame next year's Budget."

It is highly probable that, even if a settlement is arrived at in regard to war debts and reparations, some substantial sum will have to be found on account of the war debt to Britain next financial year and, though the Government is proposing this year substantial reductions in taxation, it can give no guarantee that it will be able to continue these reductions next financial year, or to augment them. While at the moment the Government feels that it can justify the steps it now proposes to take, it must be distinctly understood that the reimposition of this taxation next year may be unavoidable."

What the Government hoped he added, was that the present proposals would be only a first instalment of a much more comprehensive review of the taxation field later on, when circumstances permitted.

Surplus Higher Than Expectations

The reductions were possible, said Mr. Lyons, because, after carefully considering the Budget, the Government was convinced that there would be a surplus of £3,500,000 above earlier expectations.

The financial statement issued today, covering the transactions of the first four months, had revealed a surplus of £2,707,000. Allowing for the usual lag in the expenditure which was customary early in the year, and which for the last four months amounted to about £900,000, the accounts to date revealed an actual surplus of £1,800,000 above the pro rata Budget estimate.

"The tax has hampered our University libraries, and above all, it has made more than ever difficult the desire of individuals to continue in after-school years to widen their education which comes from reading," said Mr. Purnell. "The campaign towards the removal of the tax began from an article published in 'The Advertiser' last year on October 19. It pointed out that the Tariff Board had emphatically pronounced against any duty on books and asked that the Commonwealth Government should exempt them in the interests of Australia. This was followed by a public meeting in Adelaide, and the movement was taken up in Victoria and New South Wales. After the fall of the Scullin Government, which imposed the tax, a deputation representing all the States waited on the Prime Minister and asked for immediate action. This was refused, however, and all the consequences that had been foreseen came about from a general cramping of Australian intellect."

Mr. Purnell contended that, as a result of the tax, books had become very costly, difficult even for national libraries and universities to obtain, and quite beyond the reach of those most in need of them.

There was already so great a handicap to progress in this country, such as the adverse exchange, and the need for bringing learning from distant parts of the world, that books would continue to be costly. The long overdue removal of the tax would make a big difference to Australian culture and Australia's place among nations.

"Perhaps it is not out of place to point out how big a handicap we suffer in the acquisition of knowledge compared with other countries," Mr. Purnell continued. "In England, for instance, by a national system of the free circulation of books, everyone, even in the most isolated hamlet, is encouraged to read and to continue his education. Here in South Australia, not only have the people no set libraries—an special boon in these times of unemployment—but the book tax has been an added artificial discouragement to the cultivation of their minds. In the relief from the tax we can be profoundly thankful, and we can hope that the intellectual disabilities resulting from it will be a lesson to us never again to place such hindrances in the way of the dissemination of knowledge."

Welcomed By Booksellers

The decision pleased city booksellers yesterday. Mr. Edgar Preece, partner of the firm of F. W. Preece & Sons, said that the lifting of the sales tax alone would make a difference of 8s to 10 per cent in the landing cost of books. He welcomed the proposal, as the impositions, coming at a time of depression, had made bookselling practically an impossibility.

"Not only had we to sell books at higher prices but the margin of profit was smaller," he said.

With primage also removed, landing costs would be reduced by 20 per cent.

Request For Removal Of Sales Tax

The following resolution adopted by the general council of the Citizens' League has been forwarded to the Prime Minister:—"That owing to the restrictions placed upon business, and upon Australia's industrial recovery, it be a recommendation to the Federal Government that the sales tax be removed."

OPPOSITION LEADER CRITICAL

Objects Generally To Schemes Of Relief

CANBERRA, November 10.

Criticising the Prime Minister's tax reduction statement, the Opposition leader (Mr. Scullin) said in the House of Representatives today, that the revenue had exceeded expectations because the Government had deliberately under-estimated it in the Budget.

Appealing to the Speaker, Mr. Lyons said that this statement was offensive and a reflection on him.

Mr. Scullin withdrew the remark. "If it was not deliberate, it is proof of incapacity," said Mr. Scullin, "but it seems as though an effort was made to justify an unwarranted attack on the poorest sections of the community. More than £1,000,000 was taken from old-age and invalid pensioners, while money was being handed back to taxpayers. It is an outrage that will be resented throughout the country. It is not carrying out the Premier's Plan; it is a violation of the principle of spreading the burden."

Mr. Forde—And nothing is being done for the unemployed.

Objects To Plan To Help Wheat-growers

Mr. Scullin disapproved of the method adopted for the assistance of the wheat industry. There was no justification for the discontinuance of the bounty on production. The right course for the Government was to encourage growers to grow more wheat to sell overseas so that a proper trade balance could be maintained and the nation kept solvent.

Mr. Scullin also objected to the decision to subsidize manufacturers of fertilisers so that they could reduce their price. It was not an equitable form of assistance, because in some districts fertilisers were not required.

"I object strenuously to the reduction of the rate of land tax," continued Mr. Scullin. "This action is being taken, under the cover of the difficulties of the man on the land, to provide relief for wealthy city property owners. In cases of genuine hardship, a generous application of section 66 would meet the situation. I have never objected to the lenient administration of this section."

W.A. PREMIER REJOICES

Objects To Method Of Farmers' Relief, However

PERTH, November 10.

"This is splendid," said the Premier (Sir James Mitchell), referring to Mr. Lyons's taxation announcement. "It is good to know that taxes are on the down grade, for if a certain people would not have been able to continue long to bear the burden of the added taxation."

The Premier disapproved entirely, however, with the method of helping the wheatgrowers and was sure it would not work. He did not see how the arrangement could depend on last year's production so far as necessitous farmers were concerned. The amount was certainly too low and would not have the desired effect.

"We give many bounties and set up tariffs," he said, "and have never said to any man concerned that he will not get tariff benefit unless he is necessitous."