

Royal Commission to investigate system of local government with view to reduction in rural rates.

Subsidy on carriage of lime and fertilizers continued at estimated cost of £40,000.

TRANSPORT.

Object of legislation is to eliminate unnecessary and wasteful competition between motor-transport and railways.

REDUCTION IN INTEREST RATES.

Government successful in arranging general reduction in interest rates as from 1st August.

Associated banks have agreed to make reductions in both deposit and overdraft rates.

State savings-bank rate reduced to $3\frac{3}{4}$ per cent. per annum.

BANKING AND CURRENCY.

Return to normal rates of exchange desirable.

Sir Otto Niemeyer's report—summary of recommendations.

PROSPECTIVE BUDGETARY POSITION.

Expenditure carefully reviewed by Economy Committee and savings effected.

Reductions in revenue, together with unavoidable expenditure increases, total £6,850,000.

REMEDIAL MEASURES.

Ten-per-cent. reductions in salaries and allowances of Cabinet Ministers, members of Parliament, and Public Service.

Suspension of war-debt payments following proposals of President Hoover, of United States of America.

Annual contribution to Singapore Base reduced to £100,000.

Sundry reductions in annual votes, in addition to savings by 10-per-cent. reduction.

Economy Committee on Education to be set up, with view thoroughly to overhaul financial aspect of problem.

British Government has agreed in future to pay Dominion half profits on silver and bronze coins. Balance to compensate Mint for losses on worn coin, &c.

Sundry accounts to be abolished and balances transferred to Consolidated Fund.

Balance of Reserve Fund held in London to be utilized.

SUMMARY OF PROPOSALS.

	£
Reductions in salaries and wages	1,390,000
Benefit from suspension of funded-debt payments	870,000
Other economies in expenditure	595,000
Post Office surplus and other additional revenue	936,000
Use of reserves	1,140,000
Subsidies to local authorities, &c., to remain a charge on Highways Account	125,000
	£5,056,000

leaving approximately £1,800,000 to be provided for by additional taxation.

TAXATION PROPOSALS.

Government reluctant to impose additional taxation, but balanced Budget essential to maintain public finances on sound basis.

Income-tax—Surtax to be increased from 10 per cent. to 30 per cent.; also present general exemption of £300 to be reduced to £260. Estimated to provide an additional £730,000.