Last week, the Treasurer introduced his Tenth Budget. I believe it was a good one. When we examine a Budget, we have got to look at it in relation to the time and to the economic position that prevailed when it was introduced.

Last year, the Budget, together with the Little Budget, had been designed to curb inflation and to prevent it getting worse. This year, inflationary forces have eased and the demand is not quite so pressing in many spheres as it then was. Indeed, with 22,000 people in receipt of unemployment benefits, the Government's view has been that a little extra stimulus in those places which need it most is what the economy needs at this time. The Budget gives this stimulus.

Very briefly I will outline the main points in the Budget and in later reports I will discuss the why's and the wherefores in greater detail.

War and Repatriation pensions and services have been increased. For instance, the special rate war pension for total and permanent incapacity has been increased by 25/- per week to £11. Other pensions have also been increased. Total expenditure on these services in 1957/58 will be £139 million.

Under the Social Services fund, old age and invalid pensions have been increased by 7/6d. per week. Unemployment and sickness benefit rates have been increased by 15/- a week for a single adult and by 22/6d. a week for a man and wife, bringing the weekly rates to £3/5/0 and £5/12/6 per week.

Government allowances to hospital patients have also been increased where those patients are insured in some hospital insurance organisation.

In all, the increased benefits under Repatriation and Social Services will cost £220 million in a full year. Total expenditure on Social Services in this year will be £243 million in addition to the £139 million spent on repatriation.
Subsidy on homes for the aged is going to be increased. Payments for the States will be £22 million more than last year.

Payments to the States under Commonwealth Aid Roads legislation will be increased by about £2 million and in addition to this, a grant of £3 million will be made for road building based on a tax on diesel fuel used by diesel road users. I will explain this position in detail in a later talk. Primary producers and industry will not have to pay the diesel tax.

The Government has agreed in principle to beginning the standardisation of the Melbourne-Albury rail link and discussions will begin with the respective State Governments to work out the details.

An extra £5 million, bringing the total to £35 million, will be allocated to War Service homes. This should make the waiting list for outstanding applicants much shorter than it has been in the past.

The Immigration target of 115 thousand people is remaining the same and the Defence Budget of £190 million will be the same as last year. This is far less than is spent per head of population by either England, Canada or the United States and I believe it is cheap enough insurance for the security of this country.

In addition to these increased grants from the Government, there have been many taxation concessions which may seem small in themselves but which in actual fact total many millions of pounds. Dependants' allowances have been increased by £13 for each dependant, a concession which will cost £2½ million in a full year.

Company taxation has been reduced by 6d. in the pound, and you will remember in the Little Budget of two autumns ago, Company taxation had been increased by 1/- in the pound. Sixpence of this shilling has been taken off.

In addition to this, Depreciation Allowances for industry have been very greatly increased. These two points will give a
stimulus to industry and, consequently, to employment. The Depreciation Allowances in particular will encourage industry to replace out-dated equipment and will thus help to keep our industries modern and competitive.

Sales Tax on many items has been reduced especially on household furniture and equipment such as refrigerators and vacuum cleaners. Sales Tax on travel goods and handbags has been reduced from 25% to 12½%.

Employers who pay less than £10,400 in wages will, from henceforth, be exempt from Payroll Tax.

These, in the broad, are the main concessions given by the Budget, concessions which in all total about £77 million.

I believe we should all be encouraged by what we heard from the Treasurer last week. Extra grants and extra assistance has been given where it is most needed and, at the same time, taxation concessions over a wide field should do a great deal to stimulate further activity in the industrial sphere and, at the same time, should lessen the burden of taxation on the family which is, after all, the foundation of our community and of our nation.

In later reports I will discuss different aspects of the Budget in detail.

6/9/1957.