

A THOUGHT FOR TO-DAY  
Fortune cannot take away what she did not give.  
—Seneca.

# The Canberra Times

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FOUR PAGES

## JAPAN MAY LEAVE LEAGUE OVER MANCHURIAN SITUATION

### DELEGATES AGAINST RECOGNITION OF MANCHUKUO

### LYTTON REPORT TO BE UPHELD

LONDON, Thursday.  
The Geneva correspondent of "The Daily Telegraph" states that well-informed circles believe that, unless a miracle happens, Japan will declare next week its intention of leaving the League owing to the uncompromising nature of speeches at to-day's meeting of the Assembly.

Japan does not want to leave the League, but has no intention of withdrawing from Manchuria.

Chinese and Japanese delegates made long expositions of the Manchurian dispute to-day, after which, Irish, Czechoslovakian, Swedish and Norwegian delegates expressed views on the problem, generally advocating acceptance of the Lytton Report and non-recognition of Manchukuo.

## A.L.P. OBJECTION TO RETROSPECTIVE CLAUSES OF MORATORIUM BILL

SYDNEY, Wednesday.  
The Leader of the Federal Labour Group in the Legislative Council (Mr. Conroy) said to-day that amendments to the Moratorium Bill moved on behalf of his party, were designed to prevent adoption of retrospective legislation, the nature of which was indicated by the Premier in his election speeches and which were deliberate and flagrant violation of his promises to the people concerning the moratorium.

## AIR SERVICE IMPERIAL AIRWAYS' ATTITUDE FAVOURS ONE CONTROL

LONDON, Tuesday.  
The Society of British Aircraft Constructors in a statement on the British-Australian Airway project welcomed the stipulation that the tenders must be British.

## TAXING POWERS EVIDENCE BEFORE INQUIRY

SYDNEY, Wednesday.  
Giving evidence before the Taxation Inquiry to-day, L. J. Thompson, secretary of the New South Wales division of the Australasian Institute of Secretaries, told of a case in which a company had been called upon to pay £15,000 additional taxation, owing to the Commissioner's action in amending the original assessment.

## JAPANESE CAMPAIGN ENDS AT MANCHU

TOKIO, Wednesday.  
After a meeting of the Ministry, the War Minister reported a successful termination of the Manchukuo operations, and expressed determination that Japan and Manchukuo, with the closest co-operation of the Soviet Union, would maintain peace in the Far East.

## RECONSTRUCTION OF RURAL BANK NEGOTIATIONS WITH COMMONWEALTH

SYDNEY, Wednesday.  
The policy of the Government with regard to the Rural Bank was outlined by the Assistant Treasurer (Mr. Spooner) in the Legislative Assembly to-night in moving for leave to bring in a bill to provide for reconstruction of the institution.

## COLOSSAL DEFICIT AMERICAN BUDGET NO ESTIMATES OF REVENUE PRESIDENT'S WARNING

WASHINGTON, Tuesday.  
The United States budget for 1932-33 allows for an expenditure of a total of 4,218 million dollars, representing a reduction of 580 millions compared with the previous year.

The largest item of estimated expenditure is 238,077,000 dollars for service men. The Navy Department appropriation is 208 million and the War Department 276 million.

The President recommends an excise tax on manufactures of 21 per cent to produce additional funds to meet the present expenditure.

While the President's message to Congress does not specifically estimate the total deficit for the 1932-33 budget, it is unofficially forecast that it will be 1800 million dollars.

The message contains no estimate of revenue, and there is no intimation even in the provisions of the expectation of war debt payments.

## MR. HOOVER'S MESSAGE

WASHINGTON, Tuesday.  
Far-reaching proposals which will have a tremendous effect on the economic position of America, are contained in President Hoover's finance message delivered to the Congress.

They include a sales tax on manufactures at an unspecified rate, covering virtually everything but food, and an additional cut of 11 per cent in salaries of Federal employees.

Mr. Hoover reiterated his previous stand on war debts and did not touch upon prohibition. He asserted that three separate efforts were necessary foundation to any other action, firstly, balancing of the budget; secondly, complete reorganization of the banking system; and thirdly, co-operation with the other nations in economic dealings.

## BUDGETARY REFORMS

In addition to a sales tax on manufactures, his proposals for balancing the budget, which he terms necessary to restore confidence in the future, were reorganization of the Federal Government with executive orders to be submitted in a few days for re-grouping and consolidating of more than 50 federal departments and agencies; a flat 11 per cent cut in the federal salaries, with an exemption of a thousand dollars, in addition to the (through system); a reduction in appropriations for the present fiscal year of \$30 million dollars, this to be offset in part by increases in uncontrollable items of 250,000,000 dollars; a drastic whittling down of expenditure on public works from 717,282,000 to 442,759,000 dollars; elimination of certain unnamed payments to veterans arising from ill-considered legislation.

## THE REICHSTAG NAZI PROTEST AGAINST REFUSAL OF POWER TO HITLER

BERLIN, Tuesday.  
Major-General Lipmann, the oldest deputy and a Nazi, opened proceedings in the Reichstag amid cheers and jeers.

All Nazis except Lipmann appeared in full uniform.

Lipmann declared that President Hindenburg's refusal to give Herr Hitler power was pre-arranged. He added that the present regime would lead to chaos and foreign isolation.

## OTTAWA TREATY INDIA RATIFIES PERIOD OF THREE YEARS

CALCUTTA, Tuesday.  
Amid cheers, the Legislative Assembly ratified the Ottawa Agreement by 77 votes to 25, adopting the amendments proposed by Sir Hari Singh Gaur, the Opposition Leader, setting a three year limit on the agreement with the right of termination by six months' notice.

Sir George Schuster, Finance member, alluded to the advantages accruing to India and her credit by joining the British Commonwealth group.

It was pointed out that nothing in the agreement would be allowed to stand in the way of the application of the policy of protection to the Indian industries. It was open to India to decide what rate of duty would be put on a particular commodity.

## BEER AND WINES BILL TO LEGALISE DRAFTED FOR CONGRESS

WASHINGTON, Tuesday.  
Legislation to legalize and tax the sale of 2.75 beer and wines was drafted on Tuesday by the Chairman (Mr. James Collier) of the House Ways and Means Committee, as the basis for hearing beginning on Wednesday.

Mr. Collier explained that the alcoholic percentage set as a basis on which to work. It would be for the committee to determine the contents desirable. The same was true of the tax rate.

He added that the bill would levy a tax of five dollars a barrel on beer and 20 cents a gallon on natural grape wines without the addition of distilled spirits.

## MEAT PRICES EFFECT OF RESTRICTIONS

LONDON, Tuesday.  
Answering a question in the House of Commons regarding improvement in the wholesale meat prices since the introduction of import restrictions, Dr. Burt (Parliamentary Secretary of the Board of Trade) said that he understood prices paid by consumers in the Argentine had definitely increased.

He was informed that increase in price in London of mutton and lamb had been reflected in the price paid by the Australian producers, and there had been some increase in the price of beef. The New Zealand season was just opening and so far as could be seen, the prices paid to producers conformed with the London prices.

## CHICAGO BANDITS ROBBING OF REGISTERED MAIL

CHICAGO, Tuesday.  
In the early morning, five armed bandits held up a mail carrier and escaped with registered mail of the face value of eight million dollars, including cheques and securities.

The value of negotiable securities is not known, although it is believed to be comparatively small.

## FIVE PER CENT. REDUCTION OF MEMBERS' SALARIES

SYDNEY, Wednesday.  
The deputy-Premier (Mr. Bruzner) in the Legislative Assembly to-night reduced the salaries and allowances of all members of Parliament by five per cent.

## ADVERSE BALANCE CERTAIN FOR YEAR SMALL SURPLUS AT PRESENT HIGHER IMPORTS SHOW TRADE REVIVAL

There is now practically no chance of maintaining foreign balances through 1932-33 as a reserve against bad seasons, is a conclusion reached by the acting-Commonwealth Statistician (Prof. Giblin) in a survey of Australian overseas trade for the first four months of the fiscal year.

Both imports and exports were high in October, the imports being three per cent, and the exports nine per cent, over those of the preceding month. In merchandise alone, the increase was three per cent for imports and 13 per cent for exports.

Exports of merchandise, valued in sterling at £7,211,000, were well up to the figures for October in recent years. Imports of merchandise, valued in sterling at £5,305,000, were, however, nine per cent, ahead of those for the corresponding month of last year.

The increase was chiefly in goods necessary for production, such as corn, sacks, machinery, chemicals, motors and petrol. There was, therefore, a favourable commodity balance of £1,866,000 for the month. This wiped out the previous deficit and made for the four months a small favourable balance of £100,000.

## INQUIRY INTO MILK BOARD

SYDNEY, Wednesday.  
The Government proposes to appoint a Royal Commission of Inquiry into the operations of the Milk Board, following upon a report made to the Minister for Health by detectives.

556 as compared with a credit balance of £5,258,000 for the corresponding period of 1931. Including shipment of gold, the credit balance for the four months was £2,187,000.

The trade balance for the four months ended October 31, is as follows:

Item	Four months 1932 (est.)	1931
Merchandise	21,901	20,429
Exports	19,301	20,429
Imports	14,043	20,329
Commodity Balance	5,258	100
Bullion and Specie Balance	1,995	2,087
Total Balance	7,253	2,187

Imports continue at a relatively high level. Values for the last four months may be compared with corresponding values in 1931:

Month	1931	1932
July	£m. 4.54	£m. 4.54
August	£m. 3.79	£m. 5.18
September	£m. 3.36	£m. 5.13
October	£m. 2.31	£m. 5.21

Preliminary figures indicate that imports will show a further rise in November to about £5.8 millions, compared with £3.8 millions last November.

The increases in October imports are in the direction of production goods rather than the mere replenishment of stocks. With the further increase in November there is a definite suggestion of some general revival of industry and consequent purchasing power.

"Unfortunately," said Prof. Giblin, "this cannot be expected to bring an accompanying increase of exports to finance the increased imports. Exports for the four months are a little above last year's in value, but not much inference can be made from this result on account of the accidents of marketing. There is a good possibility that the volume of exports for the year will come up to the record volume of 1931-32; but there is no certainty that prices will average higher, particularly in view of the present butter shortage. Exports of merchandise and of current gold production may, therefore, amount to £75m. sterling for 1932-33. Overseas Government obligations may now be increased to £31m. if interest has to be paid in the next half year on British war debt. The balance left to finance imports out of income would then be £48m. sterling. Imports for the five months will be over £26m., leaving only £22m. or about £3m. a month for the remaining seven months. It is certain then either that imports will be severely reduced by the natural operation of the exchange rate or otherwise, or that they will be financed by overseas credit, whether on account of Governments or banks or trading interests. There is now practically no chance of maintaining foreign balances through 1932-33, as a reserve against bad seasons.

## MORATORIUM BILL UPPER HOUSE IMPASSE DEVELOPMENTS EXPECTED RISES UNTIL TUESDAY

SYDNEY, Wednesday.  
The Government has not yet been able to find a way out of the situation which has arisen out of its defeat on the Moratorium Bill in the Legislative Council.

A meeting of Cabinet which was held at the home of the Premier lasted for several hours, but no decision was reached.

It was agreed, however, to seek an adjournment of the Legislative Council for several days and, in the meantime, it is hoped that the difficulties will be overcome.

Immediately the Council met to-night the Attorney-General (Mr. Manning) said he desired to make a statement. During the day, he said, there had been so many interruptions to regular routine in Government Departments that it had been difficult to obtain a full exchange of views and, as a result, the Government had been unable to reach a decision as far as the conduct of the House was concerned.

In the lobbies it is generally agreed that the only method for the Government to get over the impasse is an application to the Governor for additional appointments. The next few days will probably see important developments.

## SHIPPING DARK OUTLOOK P. AND O. COMPANY PAYS NO DIVIDEND

LONDON, Wednesday.  
Mr. Alexander Shaw, addressing the annual meeting of the P. & O. Steam Navigation Co., Ltd., said that the payment of dividends on the deferred shares was only possible for some years through conservative finance in the past. He was certain that in view of the calamitous state of shipping, shareholders would approve the decision to defer dividends and husband the resources.

Mr. Shaw said that unless earnings improved in 1932, they would be forced to draw on the reserves.

Shipping was in the trough of the most profound and prolonged depression in its history.

Referring to the war debts, Mr. Shaw said that Germany was now free of both internal debt and external obligations. The only continuing victims of the war were the victors, who were faced with the task of two generations in trying to force on to America as debt payment goods or services.

## NEWFOUNDLAND DISASTER BODIES WASHED UP

ST. JOHNS (Newfoundland), Tuesday.  
Fears that the salvage boat, Sand Beach, with a crew of 18, was lost in a heavy south-west gale, were strengthened by the finding of a seaman's body in one of the vessel's lifeboats on the shore of St. George's Bay to-day, and a second body later in the same vicinity.

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## DISARMAMENT FIVE POWERS DISCUSS AMERICAN PLAN

GENEVA, Tuesday.  
A five-Power conference took place to-day, mainly, it is understood, on the basis of the memorandum put forward by Mr. Norman Davis, the United States delegate.

The main feature of its proposal is the provision for an immediate convention to run until 1936, when the naval agreements now in force expire.

This document would embody, inter alia, a formal recognition of Germany's right to armed equality and France's right to security, both to be worked out within the next three years, and provisions regarding the limitation of land gun calibre, reduction of size of tanks by 33.3 per cent, abolition of air bombing, gas, germ, and flame warfare, and the addition of France and Italy to the London naval treaty.

It is understood that the German Foreign Minister regards the proposal as unacceptable in its present form, and that the Premier of France, M. Herriot, was also critical of it.

Developments are considered unlikely until the week-end, when the British and French Premiers, according to the present arrangements, have returned from Geneva to Paris, and Herr von Neurath has consulted the German Government.

## ANGLO-FRENCH DISCUSSION ON LAUSANNE

LONDON, Tuesday.  
Mr. Ramsay MacDonald is leaving on Tuesday night for Paris, travelling by the same train as M. Herriot, and will be joined there to-morrow by the Chancellor of the Exchequer (Mr. Neville Chamberlain), who is leaving London in the afternoon.

The British Ministers will discuss with Messrs. Herriot and Germain Martin, the French Minister of Finance, the state of the Lausanne Agreement in the event of the continued refusal by the United States to postpone the war debts instalments due on December 15.

## WHEAT HARVEST EXCEEDS ESTIMATE MAY BE RECORD IN N.S.W.

SYDNEY, Wednesday.  
The monthly crop report issued by the Department of Agriculture, states that harvesting is now in full swing in the early districts.

Some delay has been caused as a result of a green secondary growth and yields almost generally are exceeding anticipations.

Based on conditions which existed on November 10 the department forecasts a yield of 65,000,000 bushels, and it is now probable on account of continued favourable conditions that a record harvest of 67,000,000 bushels will be produced.

## GAMING HOUSE POLICE RAID ELABORATE PLANS

SYDNEY, Wednesday.  
An odd untenanted residential to Commonwealth Street, city, was raided late last night by the police, and 26 men were arrested. They were later charged with having been found in a common gaming house.

It is believed that they were playing two-up.

The police had considerable difficulty in effecting entrance as scouts were stationed in the street to warn the men in the building of the approach of the police. Constable O'Donnell eventually smashed in the back door with a sledge hammer after he had scrambled over a fence 12 feet high.

When the police entered there was a wild scramble for money on the floor. The floor had been heavily rugged and a well-equipped buffet was available for the use of players.

PERSIAN REPLY TO BRITISH NOTE  
LONDON, Tuesday.  
The British Government has received a reply by the Persian Government to the recent note protesting against the cancellation of the Anglo-Persian oil concession.