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CREDIT BALANCES

(By T. S. Opie, B.A., Dip. Ec.)

A balance of purchasing power to the credit of Australia in London is a more or less frequent economic phenomenon. These credits are created by the proceeds of the sale of Australian products, wheat and wool especially, or by borrowing on the London market.

Generally speaking, however, credit balances in favor of Australia have not been due of late to the excess of exports over imports of merchandise, but to borrowing in England and the United States. From 1914 to the present day the debts of the various States have increased by more than £200,000,000 and the interest payments by more than £12,500,000. This means that we are mortgaging to an unwarranted extent the proceeds of future production to maintain a rather hysterical present expenditure.

Purchasing power may be added to legitimately or illegitimately—the former, if the credit advance is for real productive purposes, and the latter if for consumption purposes only. Monetary expansion is not offset by more than proportionate increase in the quantity of goods produced, inflation and other artificial conditions result which destroy the harmony of the economic system.

Such has been the state of affairs due to the war, and the present European position is not one that Australia should strive to attain. Credit is the very life-blood of industry, the basis of national prosperity, but it is so easy to misuse it. As you spend so your benefits will be, but how may the greatest benefit be secured?

Imports and Exports

During 1923 our imports of merchandise amounted to £136,000,000 and our exports to £112,000,000 giving an excess of imports £24,000,000. But as the figures for exports also include an amount about £30,000,000 as interest payable to investors abroad, it will be seen that the real excess of imports is about £54,000,000, paid for partly by Bank realisations and gold exports, but mainly by fresh borrowings.

A plethora of funds in London has encouraged in the past an excessive importation of goods. For example, after the Armistice large quantities of high-priced goods flowed into Australia, and importers soon found that they were accumulating huge stocks without hope of selling them at high prices. Owing to the depletion of their London funds the banks shut down on payments in London and advised merchants to restrict the volume of their imports.

Again, if the kind of articles imported are examined it will be found that a larger percentage than it warranted are consumption goods of a luxurious nature. Increased luxury consumption at this stage means the retardation of the industrial progress of Australia. We have not yet reached the stage of a creditor country which through interest payments on capital investment abroad can command luxury. The other fellow can live in luxury on more than 30 millions of interest payments which we have to make, but when we try to emulate him by means of the capital he lends us something disastrous is sure to happen sooner or later.

Conservation of purchasing power is needed and, what is more, a redirection of buying. Our own industrial development is stimulated by the redirection of our spending power. Production is not keeping pace with consumption. We are producing £10, as it were, and spending £12 or more, and the £2 in excess would not be called a good speculation by a business man.

Population and Production

Obviously one of the best ways to utilise a credit balance is to stimulate production and to effect an increase in the population. It cannot be denied that the loan expenditure of several States has stimulated certain industries, particularly building and contracting. But on viewing production figures as a whole it is evident that the effects, both direct and indirect, of this stimulus have been confined to a certain section of industry and labor only. Moreover, this section has become to a certain extent dependent upon Government loan expenditure, and if this is reduced, as is indicated, a large amount of distress may result.

BOLD EDUCATION POLICY

This State has waited a long time for a Minister who, in addition to appreciating the needs and possibilities of education as a national asset, has had the vision to realise its value as an investment, and the courage to determine that, at all costs, the money must be raised for all requirements.

For too long "I would" has had to wait upon "I dare" with the Ministers providing the necessary funds for the purposes of education. Ministers have been appalled by the extent of the sum which an adequate system would cost, and they starved the vote rather than jeopardise their ministerial existence by suggesting new taxation. A wholesome development of public knowledge and the comprehension of the energising influences of education in the progress and advancement of a country have no doubt been inspiring factors in the present Minister's recent declaration.

There must be universal approval of his view that funds must be found for a proper system of education, but differences of opinion and difficulties of no ordinary character have to be faced in obtaining those funds. The Minister talks of a special education tax, and here is the first problem. If the money is to be earmarked for a particular purpose which is to benefit directly every individual member of the community without exception, it is manifestly only just and equitable that the taxation imposed should be co-extensive. That must be the basis.

It was suggested that the amusement tax should be appropriated for the purpose, but the money would be insufficient, and would be drawn only from a section of the people. It would therefore be unjust in its operation, in that many, who would benefit largely in the disbursement of the tax, would contribute nothing toward it.

Taxing bachelors would be open to similar objection. Though the State should discourage its male citizens from shirking their responsibilities as human beings, it would be infamously unjust to impose upon them the whole burden of the taxation for education from which they derived no advantage. Besides the load would be insupportable.

Bearing in mind that such a special tax must be equitable in its incidence and universal in its application, the problem which faces the Minister is no ordinary one. It is beset with difficulties, of which no doubt he is fully aware. People will be found fighting strenuously against the form of a tax who are whole-heartedly in favor of the extension of the education vote.

Now that the proposal has been definitely made, the will of the people to achieve the end in view must eventually work out the means of its accomplishment. If the Australian aspiration of becoming the most free and enlightened nation upon earth is to be attained it must be through the superior mental training and equipment of its citizens. In every human struggle, mind is the deciding factor.

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ORIENTAL STUDENTS.

A NEW FEDERAL DECISION.

MELBOURNE, Friday. Following representations made by Mr. Thomson, M.P., it is understood that the Federal Ministry has decided to vary the arrangements under which Chinese students are admitted to Australia. Recently students as young as five years of age have entered the Commonwealth and attended State schools. It will now be laid down that no Oriental student under the age of 14 years can enter the Commonwealth, and that applications for exemptions from the provisions of the Immigration Act must be accompanied by a certificate from a British consul in China or elsewhere that the student proposes to undertake an educational course of a secondary character. A meeting of Cabinet to discuss the matter was held today.

Advt. SOCIAL HYGIENE CONGRESS

IRRESPONSIBILITY OF YOUTH.

LONDON, May 16.

At the final meeting of the Imperial Social Hygiene Congress at Wembley Park today, Dr. W. T. Hayward (South Australia) regretted the growing feeling of irresponsibility among young people chiefly through lack of parental control, second-rate cinemas, and neurotic literature.

Dr. C. W. B. Littlejohn (Victoria) pointed out that although the law in Victoria and New South Wales required medical practitioners to notify the authorities when they treated patients with certain complaints, his experience was that private practitioners normally failed to notify unless they were treating a very large number of cases. He said there was less venereal disease in Western Australia, Victoria, and Queensland than in 1916. This did not indicate that the disease was waning, but that the pre-war level was being reached.

The delegates were astonished at his announcement that of the Australian births in the years 1909-20 nearly 54 per cent. were illegitimate or nearly so. He added that conditions were becoming worse, and that the education of adolescents was the key problem. Personally, he favored the use of prophylactics.

The delegates plied Drs. Hayward and Littlejohn with questions concerning Australian venereal legislation.

Our cable message clearly states that Dr. Littlejohn mentioned "fifty-four per cent." as the rate of births that were illegitimate or "nearly so." Probably "nearly so" includes first births in marriage following pre-nuptial conception; but, even so, the delegates had reason to be "astonished" at the statement. The percentage of illegitimate births went up to 5.30 per cent. in 1919, and fell to 4.84 per cent.

NAUTICI CAVETE.

Mr. Deputy-President N. A. Webb, writing in regard to the solution of the inscription on the copper tablet erected at Memory Cove by Flinders, asks if any one has yet made a suggestion in answer to his question as to where "Nautici Cavete" is to be found. In a previous letter Mr. Webb gave Professor Henderson the credit of having solved the mystery of the tablet. Professor Henderson, who is recuperating his strength at Dora Creek, New South Wales, writes as follows to Mr. Webb:—"It was very kind of you to send me the cuttings. Mr. Marshall, of the Public Library, had already sent me one. I see you have made something of a connoisseur at deciphering difficult texts of me. It was a shot, like many other attempts, but it happened to be near the mark. It was generous of you to make me appear so much more expert than yourself. It is a good thing that the matter is now finally cleared up. There is extraordinary interest for quite a number of people in reading these messages of the past, when they help to elucidate the history of one's own State, or country. I have felt the lure of it pretty strongly, and that is the reason why I have been trying to build up the archives of South Australia. With kind regards and best wishes."

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HOBART STUDENTS' PROCESSION.

PUBLIC AND UNIVERSITY PROTESTS.

HOBART, Thursday.

It has become more apparent that although a large number of university students took part in the Commemoration Day procession on Tuesday only a section can be held responsible for the element described as vulgar which was in evidence. Most of the participants, it is declared, are ashamed that they should have allowed themselves to be associated with an affair possessing such objectionable features. The students, however, take the view that the impression of the public was of the procession as a whole. For that reason all who took part, and a few who did not, are declared not to be concerning themselves with the protests.

A meeting of students was held at the university this afternoon. At the close the following official report was given out for publication:—"At a meeting of students, held at the university, it was decided to express general regret to the University Council for any incidents in the commemoration procession which have given offence." It is understood that two propositions were carried. One apologized to the people generally and the other conveying expressions of regret to the University Council. The general attitude of the meeting seemed to be one of regret, there being but weak support of the tactics adopted.

When approached the Chancellor of the University (Sir Elliott Lewis) declined to make any comment. It is understood, however, that at a meeting on Tuesday afternoon next the University Council will decide what action shall be taken against the students responsible for the objectionable element of the procession. The fact that some of those who are held to blame will be absent on the mainland with the university rowing crew will complicate matters somewhat.

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NATIVE FLORA AND FAUNA.

PRESERVATION IN FLINDERS CHASE.

Members of the South Australian Fauna and Flora Board, including Professor Wood Jones and Mr. Edgar R. Waite, Director of the Museum, left on Friday on a visit to the Coorong and the South-East. The trip, which will extend over a fortnight, is being made with the object of securing rare specimens of fauna and flora for transfer to Kangaroo Island. There an effort will be made to establish them in the animal and bird sanctuary known as Flinders Chase. Many plants peculiar to this State are already very scarce owing to cultivation and the depredations of native and imported animals and birds, and the only hope of preserving them is to transfer them to a sanctuary. Experiments by the Board have been carried out in this direction from time to time, and the results have been sufficiently successful to warrant their continuance.