

The Alternative

"As an alternative to a building devoted entirely to Parliamentary purposes the question of incorporating in the plans some provision for accommodation for Government offices was also considered, and the result was rather disappointing," the Premier explained. "Owing to the necessity of completing the building in conformity with the present uncompleted structure, the design would militate seriously against the possibility of providing extensive, well-lighted accommodation."

"As there would be no office accommodation on the ground floor and no extensive areas on the other floors, the space could not be conveniently used as a complete unit for housing any one large department. Further, a building erected for the dual purpose of making proper provision for Parliamentary requirements and office accommodation would necessitate increased expenditure."

In expressing his pleasure that the Government would now be able to proceed with the most desirable of all the schemes, the Premier said that no more fitting mode of commemorating the State's centenary could be devised than the construction of a great public building combining beauty and utility, and no more fitting object could be found on which to expend Sir Langdon Bonython's gift to the State, than to erect a structure which would beautify Adelaide for all time and earn for this generation the thanks of its descendants.

Future Of Parliament

"Some people," said the Premier, "may say, 'Why erect further buildings for Parliament? Parliaments have had their day, and State Parliaments in particular have not much longer to live.' I do not agree with this view. In my opinion the State Parliament will long continue to be a vital factor in the life of the State. Although many people say that Parliamentary government has failed, British communities show no signs of abolishing their Parliaments."

"But it may be said that this State Parliament will not endure for any lengthy period—that the tendency is towards centralisation, and that the Federal Parliament is likely to be the only Parliament in Australia in the future. I do not for one moment admit the truth of this contention. Although we often talk about the sacrifice of our powers under the Federal Constitution, our powers remain extremely wide."

"The completion of the construction of our State Parliament House will be a demonstration to the rest of Australia that we are determined to maintain our rights and control of our own affairs."

The leader of the Opposition (Mr. Lacey) secured the adjournment of the debate until this evening.

Later, Mr. Lacey said that the gift of Sir Langdon Bonython was in keeping with previous acts of remarkable generosity by this public-spirited citizen. His only criticism of the Premier's announcement was on the question as to whether State Parliaments were not becoming obsolete. It appeared that the functions of State Parliaments were being usurped gradually by the Commonwealth, and it was controversial whether the time was not opportune for one Parliament for the whole of Australia. However, if State Parliaments were to be retained, the gift of Sir Langdon Bonython was a splendid public-spirited action. The present State building undoubtedly was an eyesore, and the Legislative Council building could not be allowed to remain in its existing condition.

"It is pleasing," added Mr. Lacey, "to see that 60 per cent. of the money will be expended on labor. This must have a desirable effect in providing additional employment, a practical reflection on the kindheartedness of this great benefactor. Apart from the labor which will be utilized in the reconstruction of Parliament House, the work also will be an incentive for others to reconstruct old buildings and erect new premises, and, consequently, Sir Langdon Bonython's gift will provide much employment."

# What Must be Worn For Royal Functions in This State

DETAILED instructions have been issued as to what State officials should wear at the functions arranged in honor of His Royal Highness the Duke of Gloucester.

On his arrival at the Adelaide Railway Station on Friday, October 12, he will be met by the Premier, other State officials, and representative citizens wearing full-morning dress or uniform. The same formal attire will be worn at the University, when the Duke receives a degree, and at the school children's demonstration. The last function will be held shortly before the

Duke's departure on Tuesday, October 16, when presumably His Royal Highness will be in uniform.

Full evening dress is laid down for the dinner which will be given by the Governor (Sir Winston Dugan), the Lord Mayor's ball on Friday, October 12, and the Parliamentary dinner, although members may wear less formal clothes at the last-named function.

Everyday clothes will be worn at the Royal Show, the combined demonstration by Boy Scouts and Girl Guides, the public reception at Government House, the visits to Glenelg and to the Repatriation Hospital.

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## REAL PURPOSE OF GOLD STANDARD "Regulator Of Economic System" PROFESSOR MELVILLE'S LECTURE

The gold standard was supposed to act as a regulator of the economic system, moving resources to those places where they could be put to the best use, and if nations refused to allow it to operate in that way its principal virtue was lost, said Professor L. G. Melville, Economic Adviser to the Commonwealth Bank, who delivered the Joseph Fisher lecture for 1934 in Brookman Hall, School of Mines, last night. His subject was "Gold Standards or Goods Standards." He added that they could not prevent booms or depressions by monetary management, although wise control would make them less intense. The Vice-Chancellor of the University (Sir William Mitchell) presided.

Professor Melville said that there were many business men who were beginning to have a sneaking feeling that perhaps it was the gold standard which was academic and highbrow. Today, the greater part of the world rejected the gold standard and pledged its adherence to some kind of goods standard. By a goods standard was meant a monetary system under which the quantity of money would be regulated rather with reference to the prices of some selected group of goods than with reference to the quantity of gold. At the Ottawa Conference the countries of the British Commonwealth of nations declared that they desired to see a rise in the level of wholesale sterling prices. After the failure of the World Economic Conference, those countries stated that the problem with which the world was faced was to reconcile stability of exchange rates with a reasonable measure of stability, not merely in the price level of a particular country, but in world prices.

### A Monetary Babel

"A number of countries in Europe follows the sterling bloc, and hankers after a goods standard," added Professor Melville. "Nevertheless, the countries remaining faithful to gold, though few, are important. Only four or five countries have anything like a genuine gold standard—France, Belgium, Switzerland, Holland, and Lithuania. These countries permit free conversion of their currency into gold, and gold into currency; but otherwise they do not play the gold standard game. One of the functions of the gold standard is to give countries adhering to it a warning when their prices, costs, wages, are out of line with prices, costs, and wages in other countries. The theory is that when domestic prices are too low gold will flow into the country, and by causing a domestic inflation, raise wages and prices; when domestic prices are too high, gold will flow out of the country, and by causing a domestic deflation, lower wages and prices. But the countries now adhering to gold will have none of that."

Professor Melville said that the gold standard was supposed to act as a regulator of the economic system, moving resources to those places where they could be put to the best use. If nations refused to allow it to operate in that way, its principal virtue was lost. Until the last few years Holland and Belgium had kept the tenets of the gold standard more faithfully. Their recent imbibing of economic nationalism was easily forgiven in a world drunk with the doctrine of self-sufficiency, particularly when the one-time

sober John Bull was more than a little intoxicated. The United States had returned to a gold standard of a kind, but not the gold standard of former years. Today that country had a commodity dollar, or was on a goods standard rather than a gold standard. Possibly monetary experiments in that country were now in the discard, and U.S.A. was on a real gold standard, with an invariable weight of gold in the dollar and fixed rates of exchange with countries on the gold standard.

The currencies of the British Empire and Scandinavia were frankly on a paper standard, he added. They were not properly on a goods standard, although much influential opinion was deeply tinged with its philosophy.

"The official policy of the British Empire, at the moment, is to raise prices to a level which will restore the normal activity of industry and employment, which ensures an economic return to the producer of primary commodities, and which harmonises the burden of debts and fixed charges with economic capacity," said the speaker. "The British Empire is prepared to return to a gold standard, but only if that gold standard is a kind of gilded goods standard. For Britain, the reign of the gold standard as an absolute monarch is officially over."

"There is much opposition in Great Britain to the restoration of the gold standard. Government pronouncements may not convince one that Britain will not return to the gold standard when the time seems propitious, but they do suggest that the event will be long postponed. It is significant, too, that Great Britain and the United States, two countries in which there has been much talk of a goods standard, hold today more gold than ever before. Popular belief in gold as the monetary standard of the future is demonstrated by the great hoarding of gold and the ready sale of gold shares. If there were any reason to suppose that gold would cease to be used as the monetary standard we should expect it to fall heavily in price at some future date, just as the price of silver was depressed when it ceased to function fully as money. The accumulation of gold by central banks and individuals is evidence that, in responsible quarters, there is not the slightest distrust of the position which will be assigned to gold in the future."

### Supply And Demand

Professor Melville said that in some ways the monetary chaos after 1931 had made the restoration of the gold standard difficult. Countries which were content to economise gold by holding claims to gold in foreign money markets as note issue reserves, would not be so ready to do that after the loss they sustained by the depreciation of sterling. Countries which had met the crisis by cutting costs and reducing prices, would, in future, be able to support a greater volume of production and business with a given volume of gold. Those countries which had met the crisis by depreciating their currencies would have a greater quantity of gold—if the second view were taken—and so could support a greater output. Thus the events of the last few years had, in effects, greatly increased the supply of gold. Since the pound and the dollar had fallen about 40 per cent., the quantity of gold in Great Britain and the United States had been increased about 67 per cent.

"The fear that there is likely to be a shortage either of monetary stocks of gold or of the annual output, can, I think, be dismissed," he added. "We have still to consider the objection that the gold standard is responsible for booms and depressions. It seems to me that it is both desirable and possible, by monetary management, to eliminate the secular movements in the general level of prices; but that it is impossible by monetary means to eliminate the short period fluctuations, and that it would be undesirable to try. Unfortunately, it is the short period fluctuations in the general level of prices which are associated with booms and depressions. I am afraid, therefore, that we cannot prevent booms and depressions by monetary

management, although wise control will make them less intense. As for the secular trend of prices, it does not seem to me to matter much whether the trend of prices is slightly upwards, stable, or slightly downwards. The practical difficulty is to decide whether a tendency for prices to fall is a short period movement or a secular trend.

### Managed Currencies

"Having in mind the controversies of the last few years about the cause of the fall in prices and the inadequate statistics on which enthusiasts have based wholly conflicting conclusions, it seems to be impossible for us to see clearly at any time under what influence prices are rising or falling. Unless we can see our way clearly, any action taken is as likely to land

us in difficulties as to avoid them. Remembering that there will always be outside pressure present, political and other, to persuade the monetary authorities to take some course of action against their better judgment, the probability is considerable that any attempt to manage the currency so as to minimise short period fluctuations in the price level, would cause serious trouble.

"On theoretical grounds he believed that a gold standard, with the supply of monetary gold increasing at a rate of about 2 or 3 per cent. per annum, would give us quite as good results, if not better, than any managed currency or goods standards, and it would avoid a host of political difficulties."

Central banks, he said, were exhorted by one group of eminent economists to raise the price level and then stabilise it. Unless they did this, central banks were earnestly assured, they would run the ship of State on the rocks of rigid wages and fixed charges. Another equally eminent group, just as earnestly assured central banks that if they did attempt to raise prices and then stabilise them, they would be overwhelmed in a tempest of heaving prices. Meanwhile, could they expect central bankers to pursue any other course than what seemed to be the common sense one of supplying the world with a currency which would expand about the same rate as the output of commodities?

The question whether or not they were to return to the gold standard was one which Australia, in common with other countries, would some day have to face. There were strong arguments for both points of view. They must beware lest their judgment on a matter which was essentially technical be deflected by such base metaphors as the picture of "mankind crucified on a cross of gold," said Professor Melville.

A vote of thanks to the professor was proposed by the chairman of the Board of Commercial Studies (Mr. Russell Booth) and seconded by Mr. W. R. Bayly, a member of the University Council.

Adw 27-9-34

## "SHORTAGE OF JUNIOR DOCTORS"

### MEDICAL MAN'S SUGGESTION

To the Editor  
Sir—The question of the shortage of junior doctors referred to in your paper on September 25, gives rise to serious consideration, because there is anything but a shortage of doctors outside the hospitals. As a matter of fact the depression and wage cuts have made scores of people look to the hospital for medical treatment, whereas in the past they were attended by private practitioners, in their homes. The medical profession and many others are overcrowded, and in many places are not earning a salary commensurate with their years of study. Now what will happen if the Board of the Children's Hospital cables to London? The response will lead to additional junior practitioners coming to this city. They will fill their appointments for one or two years, after which they will be turned adrift and will be numbered among the outside doctors with little practice at the best. Can we not learn a lesson from war experience? Would it not be possible for some of the later graduates to take on such a post without any loss of dignity themselves; but rather let it be viewed as an effort to assist in the national depression. Some of the practitioners who have been in outposts might welcome the opportunity of returning to the city for a short time with a view to doing a "refresher" practical course. In some such way surely it should be possible to overcome these temporary difficulties.—I am, Sir, &c.,

MEDICO.

Adw. 28-9-34

Professor A. K. Macbeth has been given an honorary commission to enquire into and report on poison and dangerous drugs legislation in Great Britain.