

advertiser  
The appointment of Mr. T. J. M. Napier, K.C., as a judge of the Supreme Court has been made to date from February 27, instead of March 1.

23 FEB 1924  
The first Mayor of the new Municipality of Narracoorte, which was gazetted early this month, is Mr. A. C. De Garis, a native of the town, who was born on July 30, 1887. He was educated at district schools, and later attended Prince Alfred College. A son of Mr. Lucas De Garis, of Adelaide (head of the firm of De Garis, Sons, & Co.), he has been manager of the firm since 1920, with Narracoorte as the head office. He has brothers managing branches of the firm at Mount Gambier, Millicent, and Penola. The new Mayor is active in local institutions, being secretary of the Methodist Church, a Past Master of the Masonic Lodge, secretary of the University Local Centre, a member of the High School and State School Committees, and a Vice-President of the Pastoral and Agricultural Society. Mr. De Garis and the members of the council were chosen at a mock election, and their election was confirmed in Executive Council. The first meeting of the new council will shortly be held.

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Dr. E. A. Johnson has been appointed Deputy Inspector-General of Hospitals from February 12, during the temporary absence of Dr. B. H. Morris.

News  
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### SCHOOL DENTIST

#### Help to Country People

Children are more than educated in the State schools. Two experts are kept by the Government to attend to the children's health. One is Dr. G. Halley, and the other Mr. R. L. George, who was recently appointed travelling dentist to the Education Department, in succession to Mr. A. P. R. Moore. The position of travelling dentist was created with Mr. Moore's appointment in April, 1922.

The work of the travelling dentist is confined to country schools, which, in many cases, are without the services of a dentist. This was demonstrated by Mr. Moore, who toured the country extensively, and examined many thousands of children. He attended isolated schools on the West Coast, the Far North, and in the South-East.

The dental expert reports on the health of the children so far as their teeth is concerned. He is accompanied by a trained nurse on all of his tours. If he thinks that a child's teeth urgently require attention he informs the parents, and after having received their consent makes extractions or fillings as required. He is unable to perform the latter in every instance, as if he were to do so the wide range of territory he has to cover would make his duties practically impossible of performance.

News  
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### EDUCATING WORKERS

#### University Men Interested

#### DR. HEATON IN ENGLAND

Dr. H. Heaton, M.A. (Director of Tutorial Classes of the Workers' Educational Association) has been accorded a flattering reception in Great Britain, where he and his family are now on a visit. He recently attended a conference at Oxford, where he met most of the leading economists of England. He spoke of the experiments in teaching by the Workers' Educational Association in Adelaide, and his address was described as the feature of the conference. As a result he was invited by Mr. P. Sargent Florence, the Cambridge industrial fatigue expert, to lecture to professors in economics at Cambridge University on the same subject.

Dr. Heaton will give six lectures at Cambridge after Easter, and will spend two or three weeks at the Oxford summer school in July. He has been invited to go to Leeds, and also to Toronto (Canada).

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Mr. Ralph Walter Segnit, B.A., B.Sc., F.G.S., has been appointed assistant mechanical and electrical engineer, in the Architect-in-Chief's Department.

News  
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#### Student to Headmaster

Student, teacher, and headmaster at the same college is an achievement of which Mr. W. R. Bayly, B.A., B.Sc. (headmaster of Prince Alfred College) can be proud. The interests in the school, the educational attainments and athletic activities of the boys, coupled with their moral advancement, are objects which Mr. Bayly always has before him. He is a strict disciplinarian, but he is held in esteem by all the boys.

Mr. Bayly was born near Port Adelaide in 1867. By a coincidence this was the year in which the foundation stone of the school in which he has had a life-long interest was laid.

He entered Prince Alfred College in 1880, and after three years in the classroom became a teacher. While carrying out his teaching duties Mr. Bayly studied at the Adelaide University. In 1898 he took his B.A. degree, and two years later he added the letters B.Sc.

In 1910 he accepted the position of headmaster of the Geelong Grammar School, a position he held for five years. Upon the resignation of Mr. F. G. Chapple as headmaster of Prince Alfred College, Mr. Bayly returned to South Australia to take charge of that school.



Mr. W. R. Bayly, B.A., B.Sc.

In the realms of sport Mr. Bayly was a keen oarsman and lacrosseur when he was studying at the University. He took part in the first University boat races, and was a member of the A lacrosse team for several years. Mr. Bayly is no longer actively interested in sport, except to watch and look after the activities of his students.

He is candid when he admits that he has not the time to take up hobbies. His time is devoted to educating his boys and instilling into them those things which will make them better citizens.

## THE NEWS

SAURDAY, FEBRUARY 23, 1924.

### PRICE MOVEMENTS

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

An upward movement in the price of all commodities is an economic phenomenon of real interest to all classes. It cannot be doubted that the great rise in prices which started during the war has been an important factor in causing industrial and social unrest as well as business depression. Why, then, has the value of £1 in terms of goods fallen?

#### Misplaced Emphasis

The influence of some economic factors on the price level has been exaggerated, especially in regard to wages. Each increase in wages during the war took place after a rise in prices, and this definitely proves that the former was the effect and not the cause.

Again, in a competitive trade no individual member has full control over the market price of his commodities, as the fall in prices after the Armistice demonstrates. In that case, if the costs of production are in excess of the price obtained, then the unfortunate business must close down.

In any case, no one of these economic influences or others can cause a general rise in the price of all commodities. Causes peculiar to certain commodities cannot affect other and entirely different commodities. Factors common to all produced articles must be sought, that is, those which at the same time influence the price of beer as well as the price of iron or clothing. Two such factors can be found.

Variations in the general price level depend upon the proportion existing between the supply of goods to the quantity of active purchasing power. When the price of all commodities begins to rise the explanation must be sought, either in an increase in the money supply, a decrease in the quantity of goods offered for sale, or both.

Leaving the goods factor out of consideration for the present, forms of purchasing power may be classified under two heads: currency, and credit instruments. An advance of credit increases present purchasing power on the anticipation of future purchasing power. But 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 purposes of consumption only.

#### War-time Inflation

During the war the huge expansion in purchasing power was not followed by a corresponding increase in the production of goods. The following table shows the purchasing power of Australia at the beginning and after the war:—

	June, 1914.	June, 1921.
Bank deposits .. ..	£ 159,161,199	£ 253,451,505
Savings deposits .. ..	83,559,933	153,147,477
Currency .. ..	11,550,000	23,924,174

Total .. .. . 254,271,132 430,523,156  
From 1914 to 1921 the available purchasing power increased by 69 per cent.

Also, the amount of purchasing power increases if the velocity of the circulation of money increases. If the same £1 note is used by 12 different men to purchase twelve articles, it is doing the work of £12, and hence really increases the money supply by that amount. It is very difficult to obtain the velocity of the currency, but the velocity of circulation of credit, as instanced by bank deposits can be obtained by dividing the total amount of bank clearings by the amount of deposits not bearing interest. This method shows that the velocity of credit decreased from 1915 to 1917, and increased during 1918 to 1921.

### Willingness to Purchase

Willingness to purchase is an important factor in determining the quantity of active purchasing power in circulation. High prices, however, did not appear to confound the Australian public, which kept up a high rate of expenditure.

If those persons who subscribed to War Loans would have otherwise spent their money, then the amount thus subscribed would have had little more influence on prices than normally. The difference in price levels, if any, would have been caused by the immediate expansion of the demand for goods, that is, contraction of the time length of expenditure, whereas if the money had been kept by subscribers the demand would have been spread over a period.

An important factor influencing the initial rise in prices was the increase in the Australian note issue, but after the second year of the war the increase was rather an effect of the rise in prices.

#### Bank Credit

The abnormal influence acting on the price level was the extension of bank credit for the purpose of subscription to war loans. Banks did not purchase the stock with real money, as it were (namely, currency notes or gold), but merely gave the Commonwealth Government the right to draw cheques on them to the amount of their subscriptions. In short, credit or purchasing power was created by the banks to assist the Government in its method of war finance, and the credit thus created was used for destruction, not production.

About £50,000,000 was subscribed by the banks, and Commonwealth Government securities held by the Commonwealth Bank by 1919 increased by nearly £8,000,000. It is evident from the above figures that a large amount of the monetary inflation has to be attributed to this bank.

Nevertheless it must be remembered that this position was caused by the Government's financial methods, and as other support was lacking the banks courageously made up the deficiency by straining their resources. If the Government had made less resort to bank credit and more to taxation, the rise in prices would not have been so great.

#### Quantity of Goods

The price level, other things remaining the same, varies inversely as the quantity of goods produced, or, in other words, inversely according to the volume of trade.

Generally it may be said that a decrease in the total volume of trade occurred during the first two or three years of the war, followed by an increase towards the cessation of hostilities. Psychological influences were also operating in the sense of an increased demand for goods based on the anticipation of a rise in prices.

But after the war the restriction of credit, foreign influences (including the fall in the price of exports), and the decrease in the volume of consumption caused the decline in the general level of prices. The vicious circle of inflation closed; artificial prosperity gave place to a real depression.

Gold