

BUDGET REFLECTIONS.

Free Trade and Finance.

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The 1926 British Budget, details of which were published in The Register on Wednesday, may best be summed up in the illuminating phrase of the Secretary of War—"Quill pens must go, but not bayonets." Although his remark was meant to apply to his own department, it may also be read as the phrase which gives expression to the fundamental principle underlying the whole of the present Budget, or in fact, the whole of the present British policy. It is an ominous phrase, but it has the supreme merit of frankness in respect to Britain's position in world affairs to-day. It expresses realities and not theories. To realize the importance of the frame of mind represented by the present Budget, we have to remind ourselves that Free Trade was the guiding principle in the nineteenth century in British international trade; but it embodied a philosophical and political concept, and not a financial one. British industry apparently waxed fat upon Free Trade, but behind the scenes international trade was being administered by a financial mechanism (The Bank Act of 1844) which was better suited to the trade policy of the eighteenth century, i.e., Protection. Such a separation of trade and finance could not permanently result in success. The financial policy of the Bank of England, endeavouring to support Free Trade with a mechanism which was better adapted to Protection had the general effect of milking the world of its consumption power, with the result that countries outside England, in self-protection, were driven to build up barriers of various types in order to conserve their local consumption markets for their own use. These self-protecting devices took the form of tariffs, trusts, trade unions and subsidies to local industry. Outside England "Protection had become an unfortunate necessity," as it always is; theoretically Free Trade is always most desirable. Britain, also in self-protection, strove to counteract the general movement against her by "dumping" in order to overleap tariff walls; and also by a stupendous export of capital in order to reinvigorate the declining purchasing powers of the countries of the world generally. This had a boomerang effect, and tended to weaken the local British market, which, normally, absorbed 60 per cent. approximately of British production. Thus did financial and trade policies—never during the century in actual harmony—do their best to work in double harness.

Chamberlain's Failure.

By the end of the century the penetrating insight of Chamberlain—that cold realist—divined the true position of affairs; but, instead of bending his activities to the development of a financial policy, which would make Free Trade possible, not only for England, but also for the world, he threw his influence behind a movement which would bring trade policy into harmony with financial policy, i.e., he strove to lead England into Protection—and failed. In terms of finance and trade the Great War was the only logical result of such a state of affairs, wherever we may place the blame for its actual or political cause. From 1914-1918, the nations of the world were engaged in putting out the flames of the conflagration, and in saving as much of their furniture as was possible; they co-operated in certain groups for the purpose and managed to save quite a lot. Unbeknown and unrealized, however, in the act of pulling their household gods, and goods out of the fire, they took the first step in creating the financial mechanism which should have been created in 1844; and had they acted with the same intelligence and goodwill after 1918, as they exerted from 1914-1918, it might have been possible to have created a trade policy free and unrestricted upon a financial basis equally free and unrestricted. But such a consummation was not realized, and all, save the United States, fell back upon a policy of suspended agnosticism, tempered by an optimism of an evangelical variety. The British Labour Party was allowed to engage the attention of the electorate, while the stage managers whispered in the wings what was to be done. The British Labour Party, with the tacit support of the Liberal Party, gave the straight lead for Free Trade, but did nothing to alter the financial mechanism of 1844; and the financial statesmen of the world, realizing that a repetition of 1914-1918 would be the outcome if a trade policy out of harmony with financial policy were initiated, induced the stage managers to call off the Labour Party, and to put on the Tories for a turn—with the condition that the Tories

should make trade policy harmonize with financial policy. Rightly or wrongly, the British electorate has an instinctive conviction that Free Trade is morally right, and so the Tories had to don neutral trade policy clothing in order to get back to the 1844 financial policy, in the hope that the British electorate would be wooed by the honesty of Baldwin into accepting—at a later stage, the spectacular attempt of Churchill to harmonize a 1926 trade policy, with an 1844 financial one.

The Preliminary Step.

The Budget of 1926 is the preliminary step in a process which, we are assured, is to occupy a period of 10 years, "the possibilities of which can only be foreseen for two years." So much for our historical perspective. The British Tories for some time have been intellectually persuaded by Sir William Ashley, the recent occupant of the Chair of Commerce, at Birmingham—that some form of mild protection on an Empire basis, with Free Trade within, would be the only safe answer to the national strength and dollar diplomacy of the United States, whose economic strength lies in her large internal Free Trade market, her high tariff wall, and her long-headed and mobile foreign financial policy. What, to the Tories, was a theoretic possibility, has since the war become "an unfortunate necessity." Two ugly facts have, however, stared them in the face with such force as to exact recognition. The first of these is that the financial policy of the Bank of England is tied to the dollar, and Lloyd George is never tired of thrusting this in their faces. The other is that British plant and machinery, when compared with that of the United States is inefficient, and the Presidential report of British Federated Industries has recently confirmed their fears. Britain is prepared to remedy her industrial inefficiency, of which the coal trouble is an important detail; but her thinking men and experts realize that at any time the dollar may emasculate, not only British, but world purchasing power through the medium of international debts and competitive international loans. Hence a re-created and virile British efficiency would only bark its shins on the edge of the American dollar diplomacy, with the further possibility of the American Zambuk man rushing in with salve, ostensibly to soothe the pain, but really to get a foot in the British market. This being so, the British Bulldog has decided to set its teeth, put up with its miseries for another year and, in the meantime, try to dispense with such unnecessary frills as pen quills, while spending money on essentials—with "bayonets" as a last, but not unimportant resort. If the Bulldog is prepared to make itself industrially efficient, it sees no reason why its temporary financial master should beat it with the stick of dollar diplomacy; and, if the master persists in his foolishness, then the Bulldog will bite, and when it bites it will hang on for some time.

Mild Form of Protection.

These are gloomy prognostications. However, it is well to know the limits of our activity before we face a problem and the limits are well expressed in the phrase, "Pen quills must go before bayonets." Now let us move to the centre of the stage, having spent a moment in the wings. The aim of the 1926 Budget is a mild form of Protection on an Empire-wide basis, with preference or possibly later on, Free Trade within. The new taxation is aimed at preserving, as far as possible, British purchasing power within the Empire by shutting up those avenues of wasteful expenditure which dissipate British savings. British industry is to be offered an inducement to become efficient. A veiled request is made to the U.S. to play the game in world affairs till every one rises from the mud (into which all nations were precipitated by the war), in order to continue the game with every one on an equal footing. Now the question is, has United States' financial statesmanship developed sufficient sporting tradition to do this, or will she press her advantage home? If she does the latter, Britain will drop her duty to her neighbours and stiffen her Bulldog bristles in self-preservation. We shall then get in the near future more Protection, the intensification of the 1844 financial policy, and a larger navy—for this is the only answer to a dollar diplomacy, whose social conscience is imperceptive. But, if the spirit of Washington and Lincoln prevail in the Wall street parlours, and if dollar diplomacy withholds its pressure, then Britain will come to see that Protection, plus 1844 finance, supported by a navy, is only a policy of self protection, tempered by desperation, and will plump for a 1926 financial policy which alone can make the world safe for universal Free Trade. A prominent English family banker once mentioned the following formula as a solution for present British woes—"Put Baldwin in charge because he is a gentleman with a social conscience; put Lloyd George in charge of the House of Commons because he can talk, and he has a lawyer's respect for landed property; put MacDonald at the Foreign Office, because he can play golf; and put Reginald McKenna at the Exchequer, because he is the head of the only British bank which does not meddle with international finance. With such a Cabinet Britain would once more represent the world's highest ideal of Christian Government." To conclude, the 1926 Budget is designed—consciously or unconsciously—to meet any possibility; war, stagnation or constructive peace; but

future does not depend on the action which even Britain will take immediately. The next move depends on America, and in particular on American financial statesmanship. The essential question in any decision emanating from New York is and will be, for some time, "Has American financial statesmanship a social world conscience?" If so, we may hope for much.

REG. 30.4.26 FIFTY YEARS AGO.

From The Register, Friday, April 28, 1876.

The annual dinner of the Old Scholars' Association connected with St. Peter's Collegiate School was held on Thursday evening, April 27, in the Town Hall refreshment room. The Hon. C. Mann, Q.C., was Chairman, supported by Archdeacon Marryat, M.A., and Mr. C. B. Young. Dean Russell was Vice-Chairman. There were about 50 persons present. Mr. J. J. Stuckey proposed "The masters" in eulogistic terms, and the Revs. F. Williams, M.A., and W. A. Sharp, M.A., acknowledged the compliment. The toast of the evening, "St. Peter's Collegians' Association," fell into the hands of Mr. C. J. Dashwood, and Mr. H. S. Anthony returned thanks. Dr. S. J. Magarey proposed the "University of Adelaide," and Dean Russell replied. Then followed "South Australia," proposed by Mr. C. B. Young and acknowledged by the Hon. C. Mann. In response to the toast of "The master," it was mentioned that £2,500 had been recently expended on college buildings, and in reference to the membership of the association it was regretted that the number did not exceed 160, which showed a certain apathy on the part of old scholars.

NEWS. 29.4.26

Benefit to Richard Watson

The staff and students of Elder Conservatorium will give a benefit concert to Mr. Richard Watson in the Adelaide Town Hall on Wednesday evening. The Conservatorium string quartet, under the leadership of Mr. Charles Schilsky, will take part. Among the performers will be:—Misses Hilda Gill, Elsie Woolley, Valda Harvey, and Messrs. Clive Carey, Fred Stone, and Richard Watson (vocalists); Miss Irene Kemp (pianist); Mr. Harold Parsons (cellist); and Miss Alice Meegan and Mrs. George Pearce (accompanists). Under the organisation of Mrs. E. Harold Davies, Madame Delmar Hall, and other members of the staff, the students will be responsible for the sweets stall, which is a profitable feature of most benefit concerts.

REG. 1.5.26

FIFTY YEARS AGO.

From The Register, Saturday, April 29, 1876.

At a meeting of the Council of the Adelaide University, held on Friday, April 28, the Lord Bishop of Adelaide was elected Chancellor, in the place of the late Sir R. D. Hanson; and His Honor Mr. Justice Way Vice-Chancellor. A committee, consisting of the Chancellor, Vice-Chancellor, Sir Henry Agers, and the Hons. A. Blyth and A. Hay, were appointed to prepare a scheme for suitable buildings.

NEWS. 30.4.26

Work of the Australian Examinations Board, which has been sitting in Adelaide during the week under the chairmanship of Prof. E. Harold Davies, has been transacted with commendable facility, and was concluded today. Mr. N. L. Salmon (Registrar of the New South Wales Conservatorium), Mr. A. E. Nickson (Melbourne), and Mr. A. J. Leckie (Perth University) will leave Adelaide this afternoon. Mr. Arundel Orchard, Mus. Bac. (Director of the New South Wales Conservatorium) will leave for Sydney tomorrow afternoon.

ADV. 1.5.26

FREE PASSAGES FOR STUDENTS.

The Associated Steamship Company have, on the nomination of the University of Adelaide, awarded free passages to England to the following students who are going abroad to continue their studies:—Miss Hope Crompton, B.A., Mr. W. R. Crocker, B.A., and Mr. E. G. Kelly, M.A. Miss Crompton will go to Paris to continue her studies in modern languages, and Messrs. Crocker, and Kelly will proceed to Oxford.

REG. 1.5.26

CONSERVATORIUM CONCERT.

The next Conservatorium concert on Monday, May 17, will be a students' concert. An excellent programme has been arranged, and programmes will be available next week. Plans open at Cawthorne's, Limited.

SYDNEY MUSIC DIRECTOR

Mr. A. Orchard in Adelaide

Mr. Arundel Orchard, Mus. Bac. (Director of the Sydney Conservatorium), is visiting Adelaide for the conference of the Australian Music Examinations Board. "Things had fallen rather flat by the time I took office in 1923," said Mr. Orchard in an interview. "There was no orchestra or string quartet and no choir. I set to work at once to reorganise all three, Mr. Gerald Walenn taking the string quartet and myself the orchestra and choir. Last year we received a subsidy from the Government of £3,000. It is to be continued annually. It has enabled us firmly to establish the orchestra and to appoint teachers for brass and wood-wind instruments. It also allows us to give 54 scholarships in all classes of wind instruments. "We now have an orchestra of 70 players, with professional leaders in each section. A feature of the year's work was six orchestral matinees for children, at which I gave explanatory talks concerning works performed and instruments employed. I thus hope to give to young people an intelligent interest in orchestral music. All this has been made possible through the Government subsidy."

Questioned about the opera work of the Sydney Conservatorium Mr. Orchard said that owing to the unusual activity in orchestral matters no opera would be given this year. The first was produced in 1924 with Rutland Boughton's "The Immortal Hour." Last year six nights of Mozart's "Marriage of Figaro" had been given, and next year he proposed to resume the production of opera as a yearly event. The Conservatorium in Sydney was most active. More than 1,600 students attended weekly.

Mr. Orchard considers that the active state of music in Sydney, Melbourne, and Adelaide is due to the influence of the Conservatorium in each State. Their high standards must have the effect of building up the best in musical art, he said. Asked whether he considered Sydney a musical city he said that the question could be best answered by the attendances at the concerts of the finest artists. Kreisler gave 14 concerts to audiences of between 2,000 and 3,000, and was welcomed for a return season, but a second-rate artist failed to attract such audiences.

The Sydney diploma course, concluded Mr. Orchard, was high, and its final year tests included a public recital, as well as other far-reaching demonstrations of musical ability.

ADV. 1.5.26

MUSIC EXAMINATIONS BOARD.

The conference in connection with the Australian Examinations Board, which has been sitting at the Adelaide University during the week, concluded on Friday afternoon. Those taking part were Professor E. Harold Davies (chairman), the Registrar of the New South Wales Conservatorium (Mr. N. L. Salmon), the Director of the New South Wales Conservatorium (Mr. W. Arundel Orchard, Mus. Bac.), and Messrs. A. E. Nickson, of Melbourne, and A. J. Leckie, of the Perth University.

ADV. 1.5.26

CONSERVATORIUM CONCERT.

The next concert at the Conservatorium will be given on May 17. It will be a students' concert. An excellent programme has been arranged. Programmes will be available next week. Plans at Cawthorne's.

ADV. 1.5.26

At the meeting of the council of the University of Adelaide yesterday, the Chancellor (Sir George Murray) presiding, it was decided to join with the University of Melbourne in sending an invitation to Professor Bergson, a French philosopher, to lecture in Australia this year. Should he be unable to accept Professor Sir Arthur Quiller-Couch, Professor of English Literature at Cambridge, will be invited.

ADV. 1.5.26

The council of the University of Adelaide yesterday appointed Mr. J. Ward Walters as technical assistant in the physiological research department in place of Mr. L. A. Ray, who recently resigned.

ADV. 1.5.26

Mr. Charles Schilsky was yesterday appointed by the council of the University of Adelaide for a further term of five years as violin teacher at the Conservatorium.

ADV. 1.5.26

The council of the University of Adelaide yesterday adopted the report of the Faculty of Medicine appointing Dr. William Ray acting-dean during the absence of Dr. Swift, and Professor C. Sand to represent the faculty on the Sheridan Research Committee.