

# INTO THE INTERIOR.

## STEFANSSON'S LATEST QUEST.

### "THE RESOURCES OF THE COUNTRY."

No. 1—By Vilhjalmur Stefansson

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OODNADATTA, July 19.

The official party, which will leave Oodnadatta about noon to-day for the MacDonnell Ranges and beyond, is small and handily accommodated in one car driven by its owner, Mr. Gerhard T. Johnsen, who has been living for a number of years at various points between here and Alice Springs, and now resides at the Hermansberg Mission.

The party is under the direction of Mr. Keith Ward, the Chief Geologist of South Australia, with me for its only other member; but it is only officially that we have a small party, for there are six other motor cars journeying towards the MacDonnells at the same time, and since Mr. Johnsen knows the road better than any one they will probably all follow our track. He says the going is unusually bad now, for this has been the driest season for many years, and where the topography makes it necessary to keep to a single trail the road is badly cut up with the traffic, which has been heavier this winter than ever before. Apparently many people are beginning to discover the attractions of the open country, with its tonic climate and glorious sunsets.

#### Several Overland Parties.

On leaving Adelaide it was already apparent that many were going beyond Oodnadatta, and but for the uncertain political conditions in his State, His Excellency the Governor of Victoria would have been on the train. Lady Stradbroke's party occupied a private car. She was attended by Capt. Keppel Palmer, and was accompanied by Mr. Colin Fraser and Dr. Basedow. Mr. and Mrs. Harry Dutton, the owners of many large stations in various parts of Australia, had also decided to revisit the MacDonnell Ranges, which they had first seen on their honeymoon motor journey from Adelaide to Darwin in 1908. In their party were Professor T. G. B. Osborn, of the University of Adelaide, and Mrs. Osborn. The Dutton party had two motor cars of their own on the train, while a third motor belonged to Miss Freda Sternberg, and with her was her friend Mrs. James Burns, of Sydney. Their objective was "journalistic material from the women's point of view." With the Dutton and Sternberg parties were Professor and Mrs. H. N. Wilcox, who were presumably seeing Australia from the American point of view, as they are both Americans, although Professor Wilcox is an Oxford man.

#### The Australian Wyoming.

From Adelaide we travelled north by the railway through beautiful farming country, which the Americans agreed seemed much like Ohio or Southern Ontario. Farther on they began to say that the country seemed much like Wyoming, which pleased Mr. Ward, for he had made the journey some years ago with Professor Herbert Gregory, of Yale University, who had also remarked that the same country was almost identical with Wyoming. So it appeared to me also. Where the vegetation was heavier, it seemed like the sections of Wyoming where rain is more abundant, and when we got into the drier country it was again like the drier parts of that State. The difference as to water seemed to be that while there was evidently more available for the growth of vegetation in this Australian Wyoming, there was less apparent on the surface accessible to stock. This difficulty human ingenuity has conquered by the deep boring for artesian water where nature has

not supplied it through mound springs. Thanks to the presence of the train, we were able to stop now and then at interesting points, and examine them more carefully. At the south end of Lake Eyre, for instance, we took a half hour's walk out upon the salt-crusted dry lake bed.

#### "The Dead Heart of Australia."

For several hundred miles before reaching Oodnadatta we travelled through what is called a desert, and is so from the geographer's point of view, for his definition is that a desert is a country, of rainfall sufficiently limited so that, in consequence, there is a characteristic vegetation known as desert flora. Since this is the edge of the section called by some "the dead heart of Australia," I want to suggest to Australians who are travelling through the United States on their way to England that they take the train from Los Angeles, California, direct to Salt Lake City, Utah, instead of crossing as they usually do from San Francisco. Then they will see a real desert. Except for a few miles, when we were practically on the bed of Lake Eyre, we saw no half-mile stretch totally devoid of vegetation; but, on the Los Angeles salt lake line, you may go for an hour at a time without finding a place where the best square mile has as much vegetation as the worst square mile on the Oodnadatta line. We talked about temperatures with the old residents, and heard of 115 and 118 deg. in the shade. On or near the Los Angeles salt lake line they have from 120 to 134 deg.

#### Exhilarating Atmosphere.

We were met at Quorn by Mr. Mackay, the superintendent for the northern section of the Oodnadatta line, who told us that some of the railway water reservoirs are dry now for the first time in more than 20 years. This misfortune of the country is in a way our good fortune, for we are seeing it at its worst, and have nothing to imagine except what the residents tell us, that in almost any year there would be more grass and that in years of specially plentiful rain thousands of square miles would be green that we now see brown. Last night some one was quoting His Excellency the Governor of South Australia, who had said on his return from a trip to the MacDonnell Ranges last year that the air there was as exhilarating as champagne. Our party are feeling this effect already, which can be seen in the energy of the preparations for the journey. With the application of American advertising methods this climate could be made one of the resources of the country, as it has already been made one of the chief resources of Colorado, Arizona, and California.

#### AT CHARLOTTE WATERS.

CHARLOTTE WATERS, Sunday.  
We passed Charlotte Waters at 2 o'clock this afternoon. We are experiencing beautiful weather. The speed of travel varies from 16 to 35 miles per hour, averaging nearly 20.

# THE NEWS

SATURDAY, JULY 19, 1924.

## RESERVES

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

It has often been said that money is not an end in itself. To individuals money is useful only in so far as it helps to aid in the development and satisfaction of individual desires. Likewise to society a monetary system is useful only if it furthers the development of the production, exchange, and distribution of goods.

#### Finance and Prosperity

Nowadays finance and a community's prosperity are so interdependent that the health of the latter depends largely upon the health of the former. And the trade of finance has become the science of credit. Hence the test of a good banking system is to be found in its system of credit, for banks are the custodians of national credit.

Three things are required of a good credit system:—

- (1) Credit must be able to flow from places where it is not needed to places where it is needed.
- (2) Banks must be able to increase or decrease credit according to fluctuations in total demand from time to time.
- (3) Inflation must be prevented.

Normally, and it must be so in a good banking system, credit, whether in the form of notes or bank deposits, may always be immediately redeemed in legal tender. Hence the amount of credit that can be advanced by banks is always regulated by the amount of their legal tender reserves or their facilities for obtaining legal tender when necessary. Mobility of credit, the easy flow of credit, depends upon mobility of legal tender reserves. But how may the greatest mobility of reserves in Australia be obtained? The answer is, through centralisation.

#### Branch Banking

Partial centralisation of reserves has been obtained in Australia through the system of branch banking. But ultimately, however, this system only satisfies requirement No. 1 of a good banking system. That is, fluctuations in the demand for credit arising from different places in Australia may be well met, but fluctuations in the total demand for credit from Australia as a whole might not be so well met. However, the facilities afforded by branch banking are great, and this is realised the more when Australia is compared with the banking system of the United States before the Federal reserve system.

Australia has 16 banks (omitting foreign, etc.), whereas the United States possesses many thousands of independent banks. Bank A, for example, might have a large percentage of its reserves lying idle owing to a decreased local demand for credit, whereas bank B, in another town, might be unable to satisfy an increased demand for credit owing to the fact that its proportion of reserves to liabilities has been reduced to the minimum safety limit.

In Australia branches of some big bank take the place of independent banks, and the total demand for credit remaining the same, variations in demand from place to place are satisfied by the various branches, for the reserve of the whole bank is at the back of them. For example, Australian bank A has a reserve of £100, which enables it to advance with safety £400—that is, a 25 per cent. proportion. Its Adelaide branch, however, encounters a decreased demand for credit of £12, while its Melbourne branch encounters an increased demand of £12. Under the branch system the increased demand would be met without decreasing the safe reserve proportion, but under the independent bank system, not only would £3 of the reserve be idle, but its demand for credit in Melbourne would have to be refused.

#### Elasticity of Credit

Under decentralised or partially centralised reserves credit is more or less rigid, and a relatively low limit is set to the possible extension of credit. For example, I have calculated the approximate amount of credit that might have been extended in Australia in June, 1921 under three different systems, on actual gold reserves.

In June, 1921, the gold reserve of Australia (note issue and bank's reserve) amounted to about £44,000,000. Of this amount 24 millions represented the note reserve, which gave 30 millions in note credit and 30 millions bank reserve, which gave 120 millions bank credit—total credit 150 millions. The remaining £20,000 of gold in the vaults of the banks gave 80 millions bank credit. So with a gold reserve of 44 millions about 230 millions of total credit was created. If there had been no Australian note issue, the actual gold reserve would have made possible an extension of credit of only 196 millions, and if there were only independent banks merely 144 millions of credit could have been created. Consequently it will be seen that the nearer the reserves of a country approach centralisation the greater the elasticity or mobility of credit.

#### Central Bank

The importance of a central bank lies in the fact that it is the agency whereby the commercial banks are enabled to increase their legal tender reserves in an emergency, and so increase the mobility of credit. Nowadays credit at a certain point becomes rigid in Australia owing to the fact that the legal tender reserve may have been reduced to the safety limit, and yet the banks might hold millions of pounds' worth of good securities.

A central bank, however, through the process of rediscounting or direct loans enables these securities to be converted into legal tender and to act as the basis of credit advances. Hence by the agency of a central bank a nation's gold reserves acquire the greatest possible degree of mobility. Also if the central bank controls the discount rate inflation is prevented.

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## THE CONSERVATORIUM.

### CHAMBER MUSIC RECITAL.

The Conservatorium String Quartet made its first appearance under the newly-appointed professor of violin, Mr. Charles Schilsky, at the Elder Hall on Monday evening. Since its formation there have been many changes in the personnel of this quartet. At different times Miss Nora Kylin Thomas, Miss Hilda Reimann, Mr. William Cade, and Mr. Gerald Walenn have given of their best to further the cause of chamber music in this city. Miss Sylvia Whittington has moved from violin to the important viola part, and Mr. Harold Parsons has always played the violoncello parts. Evidently the pioneer work in this branch of the musical life of Adelaide has been well done, for nowadays an announcement of a concert of this description causes a large audience to assemble, an audience trained to appreciate thoroughly the beauties of chamber music.

Mr. Schilsky's influence is making itself felt in the world of violin playing here. He is an able demonstrator, his judgment is cosmopolitan in interpretative matters, and his musicianship is of immense breadth and culture. With this leadership, Miss Kathleen Meegan (second violin), Miss Sylvia Whittington (viola), and Mr. Harold Parsons (violoncello) created a wonderful impression in the Dvorak Quartet in F, Op. 96. This work was composed while Dvorak was Director of the Conservatorium in Boston, and is known there as the "American Quartet." It is in four movements, founded on typically American negro melodies, with traces of Dvorak's Czech nationality in rhythmic treatment. What concerned the quartet most was clear interpretation, absolute beauty of nuance, perfection of ensemble, and the spirit of the themes. It was one of the most artistically presented works yet heard under the auspices of the Conservatorium. There was a unanimous burst of applause at its conclusion. Mendelssohn's familiar Trio in D minor, op. 49, for pianoforte, violin, and violoncello, was played by Mr. L. G. Reimann, Mr. Schilsky, and Mr. Parsons. The brilliancy of the "Molto allegro," the melting legato phrases of the "Andante," the sparkling, fascinating

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#### DENTAL ASSISTANTS.

From "A GRADUATE"—It is to be hoped the Dental Board will recognise its responsibility to the registered dentist and dental students, and not allow any further infringements of the Dental Act. I am sure the great majority of dentists feel this way; the minority are not worth counting, yet the assistants take a prescribed course at the University, surely they feel equal to this. I feel this is the only way to deal fairly with the present graduating students. The board said the 1917 Act would be the final of this. We expect it to honor this promise.