

APPENDIX.

[Recent information and returns which have come to hand since the various chapters were sent to press are given hereunder.]

CHAPTER III.—GENERAL GOVERNMENT.

§ 3. Administration and Legislation.

2. Governors-General and Ministers, p. 72.

(c) LYONS GOVERNMENT, FROM 6TH JANUARY, 1932.

DEPARTMENTS.	MINISTERS (17th October, 1933).
Prime Minister and Treasurer ..	Rt. Hon. JOSEPH ALOYSIUS LYONS.
Attorney-General, Minister for External Affairs and Minister for Industry	Rt. Hon. JOHN GREIG LATHAM, C.M.G., K.C.
Minister for Defence	*Rt. Hon. SIR GEORGE FOSTER PEARCE, K.C.V.O.
Postmaster-General	HON. ROBERT ARCHDALE PARKHILL.
Vice-President of the Executive Council	*HON. ALEXANDER JOHN McLAHLAN.
Minister for Health and Minister for Repatriation	HON. CHARLES WILLIAM CLANAN MARR, D.S.O., M.C., V.D.
Minister for the Interior	HON. JOHN ARTHUR PERKINS.
Minister for Commerce	HON. FREDERICK HAROLD STEWART.
Minister for Trade and Customs ..	HON. THOMAS WALTER WHITE, D.F.C., V.D.
Assistant Ministers	{ *HON. SIR HARRY SUTHERLAND WIGHTMAN, LAWSON. HON. JOSIAH FRANCIS. HON. JAMES ALLAN GUY. HON. RICHARD GARDINER CASEY, D.S.O., M.C.

* Senator.

[NOTE].—The Right Hon. Stanley Melbourne Bruce, C.H., M.C., Minister without Portfolio to 6th October, 1933, was appointed High Commissioner for Australia in London on 7th October, 1933.

CHAPTER VI.—TRANSPORT AND COMMUNICATION.

E. MOTOR VEHICLES.

5. Motor Vehicles Registered, p. 197.—Motor vehicles registered at 30th June, 1933, were as follow :—

MOTOR VEHICLES REGISTERED AT 30th JUNE, 1933.

State or Territory.	Motor Cars.	Commercial Vehicles.	Motor Cycles.	All Vehicles.	
				No.	Per 1,000 of Population.
New South Wales (a) ..	152,717	46,399	23,354	222,470	85.5
Victoria	124,609	31,554	23,439	179,602	98.7
Queensland	(b) 81,492	(c)	7,725	89,217	94.1
South Australia ..	39,036	12,073	8,520	59,629	102.6
Western Australia ..	27,710	12,885	5,992	46,587	106.1
Tasmania	11,557	2,457	3,741	17,755	78.0
North Australia ..	369	206	39	614	} 139.9
Central Australia ..	42	20	4	66	
Federal Capital Territory ..	967	243	82	1,292		144.4
Australia	438,499	105,837	72,896	617,232	93.1

(a) Approximate figures only, on account of Annual and Quarterly Registration Certificates.
 (b) Includes Commercial Vehicles. (c) Included under Motor Cars.

CHAPTER VII.—TRADE.

§ 2. Commonwealth Legislation affecting Oversea Trade, pp. 224-226.

THE OTTAWA CONFERENCE, 1932.

The Imperial Economic Conference opened at Ottawa, on the 21st July, 1932, and continued until the 20th August. Delegates were present from the United Kingdom, Canada, Australia, New Zealand, Union of South Africa, Irish Free State, Newfoundland, India and Southern Rhodesia.

The Commonwealth of Australia was represented by the Rt. Hon. S. M. Bruce, C.H., M.C., M.P., Minister without portfolio, and the Hon. H. S. Gullett, M.P., Minister of State for Trade and Customs. The delegates were accompanied by an official staff of advisers and business consultants.

An official report of the Conference has been issued, together with a supplementary volume, showing the texts of the Trade Agreements concluded during the Conference.

Subjects considered by the Conference were in five principal divisions, and included—
 (a) Matters relating to the Promotion of Trade within the British Commonwealth ;
 (b) Matters relating to Customs Administration ; (c) Matters relating to Commercial Relations with Foreign Countries ; (d) Matters relating to Monetary and Financial Questions ; and (e) Matters relating to Methods of Economic Co-operation.

Under division (a) "Promotion of Trade within the Commonwealth," Trade Agreements were drawn up for the extension of mutual trade by means of reciprocal preferential tariffs. In regard to these Agreements the Conference adopted the following resolution:—

"The nations of the British Commonwealth having entered into certain Agreements with one another for the extension of mutual trade by means of reciprocal preferential tariffs, this Conference takes note of these Agreements, and records its conviction:—

That by the lowering or removal of barriers among themselves provided for in these Agreements the flow of trade between the various countries of the Empire will be facilitated, and that by the consequent increase of purchasing power of their peoples the trade of the world will also be stimulated and increased;

Further, that this Conference regards the conclusion of these Agreements as a step forward which should in the future lead to further progress in the same direction and which will utilize protective duties to ensure that the resources and industries of the Empire are developed on sound economic lines."

The Trade Agreement between the Government of the United Kingdom and the Government of the Commonwealth of Australia was signed on the 20th August, 1932.

According to the Agreement, the Government of the United Kingdom agreed to the following Articles:—

(1.) The Government to undertake that Orders shall be made in accordance with the provisions of Section 4 of the Import Duties Act, 1932, which will ensure the continuance after the 15th November, 1932, of entry free of duty into the United Kingdom of Australian goods which comply with the laws and statutory regulations for the time being in force affecting the grant of Imperial preference and which by virtue of that Act are now free of duty, subject, however, to the reservations set forth in Schedule A as follows:—As regards eggs, poultry, butter, cheese and other milk products, free entry for produce of Australia will be continued for three years certain. The Government of the United Kingdom reserve to themselves the right after the expiration of the three years, if they consider it necessary in the interests of the United Kingdom producer to do so, to review the basis of preference, so far as relates to the articles enumerated and after notifying the Commonwealth Government either to impose a preferential duty on produce of Australia, or, in consultation, to bring such produce within any system which may be put into operation for the quantitative regulation of supplies from all sources in the United Kingdom.

(2.) The Government to invite Parliament to pass the legislation to impose on the foreign goods specified in Schedule B the duties of customs shown in that Schedule in place of the duties (if any) now leviable.

The commodities and rates of duty specified in Schedule B are as follow:—Wheat, in grain, 2s. per quarter; butter, 15s. per cwt.; cheese, 15 per cent. ad valorem; apples, raw, and pears, raw, 4s. 6d. per cwt.; apples, canned, 3s. 6d. per cwt., in addition to the duty on sugar content; other canned fruits, 15 per cent. ad valorem in addition to the duty on sugar content; dried fruits, now dutiable at 7s., 10s. 6d. per cwt.; eggs in shell—(a) not exceeding 14 lb. in weight per great 100, 1s. per great 100; (b) over 14 lb., but not exceeding 17 lb., 1s. 6d. per great 100; (c) over 17 lb. 1s. 9d. per great 100; condensed milk, whole, sweetened, 5s. per cwt., in addition to duty on sugar content; condensed milk, whole, not sweetened, 6s. per cwt.; milk powder and other preserved milk, not sweetened, 6s. per cwt.; honey, 7s. per cwt.; copper, unwrought, refined or not, in ingots, bars, blocks, etc., 2d. per lb.; oranges, raw, 3s. 6d. per cwt. from 1st April to 30th November; grape fruit, raw, 5s. per cwt. from 1st April to 30th November; grapes (other than hothouse) 1½d. per lb. from 1st February to 30th June.

(3.) The Government to invite Parliament to pass the legislation necessary to secure to Australian goods of the kinds specified in Schedule C which comply with the law and statutory regulations for the time being in force affecting the granting of Imperial preference, the margins of preference specified therein over similar foreign goods.

Schedule C—Wine not exceeding 27 degrees of proof spirit—Margin of preference—2s. per gallon.

(4.) The Government undertake that the general ad valorem duty of 10 per cent. imposed by Section 1 of the Import Duties Act, 1932, on the foreign goods specified in Schedule D shall not be reduced except with the consent of the Government of the Commonwealth of Australia.

The goods specified in Schedule D are as follow :—Leather, tallow, canned meat, zinc, lead, barley, wheat flour, macaroni, dried peas, dressed poultry, casein, eucalyptus oil, meat extracts and essences, copra, sugar of milk, sausage casings, wattle bark, asbestos, and dried fruits, other than currants, not specified in Schedule B.

(5.) The duties provided in this Agreement on foreign wheat in grain, copper, lead and zinc on importation into the United Kingdom are conditional in each case on Empire producers of wheat in grain, copper, lead and zinc respectively continuing to offer those commodities on first sale in the United Kingdom at prices not exceeding the world price.

(6.) The Government in the United Kingdom and the Commonwealth Government agree that arrangements shall be made for the regulation of imports of frozen mutton and lamb and frozen and chilled beef into the United Kingdom in accordance with the declaration of the Government of the United Kingdom in Schedule H.

The Declaration by the Government of the United Kingdom (Schedule H) provides, *inter alia*, that, owing to the present wholesale price of meat being at a level which had resulted in grave depression in the live stock industries of the United Kingdom and the Dominions, it is essential to take whatever steps may appear feasible to raise the wholesale prices of meat in the United Kingdom market to such a level as will maintain efficient production.

With a view to the earliest possible improvement of the position, the Government in the United Kingdom will, during the currency of the Ottawa Agreement, arrange for the regulation of importations of meat into the United Kingdom. The policy of the Government in relation to meat production is, first, to secure development of home production, and, secondly, to give to the Dominions an expanding share of imports into the United Kingdom.

In order to co-operate in the carrying out of this policy the Commonwealth Government agrees to limit the export of frozen mutton and lamb to the United Kingdom for the year 1933 to an amount equivalent to the total imports from Australia during the year ended 30th June, 1932, in consideration of the United Kingdom Government—

- (a) Arranging for the regulation of the importation of foreign meat in accordance with an agreed programme between the Governments, and including within its scope frozen mutton and lamb, and frozen beef and chilled beef.
- (b) Arranging, as soon as possible after receiving the report of the Commission on the re-organization of the pig industry in the United Kingdom, for the quantitative regulation of the supplies of bacon and hams coming on to the United Kingdom market.
- (c) Undertaking that no restriction will be placed upon the importation of any meat from Australia during the period named in the agreed programme.

During the year 1933 the two Governments, in consultation, will consider the best means of ensuring an improved price situation and the more orderly marketing of supplies. Should no permanent policy be agreed upon as the result of the consultation, the Government in the United Kingdom undertakes, after the expiry of the period named in the agreed programme and during the remainder of the Agreement concluded at Ottawa :—

- (a) To arrange for the continuance, unless otherwise agreed between the Governments concerned, of the regulation of the imports of foreign meat at the rates in force at the end of the period named in the agreed programme.
- (b) In any action affecting the imports of meat into the United Kingdom which the United Kingdom Government may take on behalf of United Kingdom agriculture, to the policy of giving to the Dominions an expanding share of imports into the United Kingdom.

The Declaration provides that should it appear that, after inquiry, at any time, in consequence of a restriction upon foreign imports, the supplies of meat of any kind are inadequate to meet the requirements of consumers in the United Kingdom, then the Government may remove any such restriction until supplies are again adequate.

The Agreed Programme.—Statement showing the maximum quantities of foreign meat to be imported into the United Kingdom during each quarter of the period 1st January, 1933, to 30th June, 1934, expressed as percentages of the quantities imported in the corresponding quarters of the twelve months ended 30th June, 1932.

The percentages fixed were as follow :—Frozen mutton and lamb—First quarter, 90 per cent. reducing by 5 per cent. each quarter, to 65 per cent. in last quarter ; frozen beef (carcasses and boned beef), similar percentages ; chilled beef—100 per cent.

The Commonwealth Government recognizing the interrelation of all meat products, and that the object of the above regulation of imports into the United Kingdom is to raise the price level of frozen meat, undertakes to use its best endeavours to ensure that during the year 1933 the exports of frozen beef from Australia to the United Kingdom shall not be increased to an extent exceeding 10 per cent. of the quantities exported for the year ending 30th June, 1932.

(7.) The Government of the United Kingdom will invite the Governments of the non-self-governing Colonies and Protectorates to accord to Australia any preference which may for the time being be accorded to any other part of the British Empire, with the exception of preferences accorded by Northern Rhodesia to the Union of South Africa, Southern Rhodesia, and Territories of the South African High Commission, and further will invite the Governments of the Colonies and Protectorates shown in Schedule E to accord to Australia new or additional preferences on the commodities and at the rates shown therein.

Schedule E.—The countries to be invited to accord preference and the commodities affected are as follows :—The Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Jamaica, Leeward Islands, Trinidad and Tobago, and the Windward Islands—butter ; The Bahamas—brandy and wine ; Barbados, British Guiana, Trinidad—brandy ; Barbados, Jamaica and Trinidad—condensed and powdered milk ; Bermuda—canned meat, canned fruit and vegetables ; British Guiana and Trinidad—wines ; Jamaica—biscuits (unsweetened), canned meat, fruit (dried), jams, jellies and preserved fruit ; Ceylon—bacon and ham, biscuits, brandy, canned fruit and vegetables, cheese, fruits (fresh), condensed and powdered milk, and wines ; Cyprus—butter, cheese and timber ; The Federated and Unfederated Malay States—brandy, butter (frozen and tinned), canned fruit and vegetables, confectionery, condensed and powdered milk, and wines ; Hong Kong—brandy ; Malta—biscuits, brandy, flour and condensed and powdered milk ; Mauritius—bacon and ham, cheese ; Straits Settlements—brandy and wine.

By the Agreement the Government of the Commonwealth of Australia agrees—

(8.) To invite Parliament to pass the legislation making the tariff changes necessary to give effect to the preference formula set forth in Part I. of Schedule F, subject to the exceptions indicated in Part II. of that Schedule, and further undertakes that existing preferential margins which exceed those laid down in this formula shall be maintained subject, however, to the right of the Government in the Commonwealth to reduce the existing margins of preference in the case of goods of the kinds specified in Part III. of that Schedule to an extent not exceeding the amounts shown therein.

Schedule F (Part I.).—Subject to the exceptions enumerated in Part II., goods produced or manufactured in the United Kingdom, and imported into Australia shall, on compliance with the regulations for the time being in force governing the entry of goods at preferential rates of duty, enjoy preferences in accordance with the following formula :—

- (a) When goods the produce or manufacture of the United Kingdom are free of duty, or are liable to duties of customs not exceeding 19 per cent. ad valorem, the difference between the British Preferential Tariff rate and the rate upon similar goods from the most favoured foreign country shall be at least 15 per cent. ad valorem.

- (b) When goods the produce or manufacture of the United Kingdom are liable to duties of customs exceeding 19 per cent. ad valorem, and not exceeding 29 per cent. ad valorem, the difference between the British Preferential Tariff rate and the rate upon similar goods from the most favoured foreign country shall be at least 17½ per cent. ad valorem.
- (c) When goods the produce or manufacture of the United Kingdom are liable to duties of customs exceeding 29 per cent. ad valorem, the difference between the British Preferential Tariff and the rate upon similar goods from the most favoured foreign country shall be at least 20 per cent. ad valorem, provided that in no case shall this margin be applied so as to result in a rate of duty exceeding 75 per cent. ad valorem.

The above formula shall not apply in the case of goods of a class or kind not commercially produced or manufactured in the United Kingdom, or in the case of particular goods in respect of which it may be agreed that its application is unnecessary. The formula also shall not apply to certain goods, shown in Schedules attached to the Agreement, it being understood that the existing preference shall be maintained except where otherwise indicated in the Schedules.

Part II. of Schedule F shows the minimum margin of preference to be accorded to certain specified goods, while Part III. shows the maximum amount of reduction in preference to be made on goods specified. The Schedules are too lengthy to be given in this statement.

(9.) To undertake that protection by tariffs shall be afforded only to those industries which are reasonably assured of sound opportunities for success.

(10.) To undertake that during the currency of this Agreement the Tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of such principle special consideration may be given to the case of industries not fully established.

(11.) To undertake that a review shall be made as soon as practicable by the Australian Tariff Board of existing protective duties in accordance with the principles laid down in Article 10 hereof, and that after the receipt of the report and recommendation of the Tariff Board the Commonwealth Parliament shall be invited to vary, wherever necessary, the tariff on goods of United Kingdom origin in such manner as to give effect to such principles.

(12.) To undertake that no new protective duty shall be imposed, and no existing duty shall be increased on United Kingdom goods to an amount in excess of the recommendation of the Tariff Tribunal.

(13.) To undertake that United Kingdom producers shall be entitled to full rights of audience before the Tariff Board when it has under consideration matters arising under Articles 11 and 12.

(14.) To undertake in so far as concerns goods the produce or manufacture of the United Kingdom :—

- (a) to repeal as soon as practicable the Proclamation published in *Commonwealth Gazette* No. 46 of 19th May, 1932, prohibiting the importation of certain goods ;
- (b) to remove as soon as practicable the surcharges imposed by resolution introduced into the Parliament on the 24th May, 1932 ; and
- (c) to reduce or remove primage duty as soon as the finances of Australia will allow.

(15.) To undertake to accord to the non-self-governing Colonies and Protectorates and the Mandated Territories of Tanganyika, the Cameroons under British Mandate and Togoland under British Mandate, preferences on the commodities and at the rates shown in Schedule G of the Agreement and any preferences for the time being accorded to the United Kingdom if the Government in the United Kingdom so request.

Provided that the Commonwealth Government shall not be bound to accord any preferences to any Colony or Protectorate which, not being precluded by international obligations from according preferences, either (i) accords to Australia no preferences, or (ii) accords to some other part of the Empire (in the case of Northern Rhodesia, excepting the Union of South Africa, Southern Rhodesia, and the territories of the South African High Commission) preferences not accorded to Australia.

Schedule G.—The commodities on which preferences may be accorded are:—Asphalt, bitumen and natural pitch; dry gums; essential oils, bananas, cocoa (raw), fruit juices, fruits preserved in liquid or partly preserved or pulped. coco-nuts (whole), plumbago and graphite, sago and tapioca, spirits—bitters and rum, sponges, timber (logs), tobacco, unmanufactured for cigars, tobacco, manufactured, cigars, and unground spices.

(16.) The Agreement is to be regarded as coming into effect as from the date hereof (20th August, 1932), subject to the necessary legislative or other action being taken as soon as may be practicable hereafter. It shall remain in force for a period of five years, and if not denounced six months before the end of that period shall continue in force thereafter until a date six months after notice of denunciation has been given by either party.

In the event of circumstances arising which, in the judgment of the Governments concerned, necessitate a variation in the terms of the Agreement, the proposal to vary those terms shall form the subject of consultation between the two Governments.

§ 5. Balance of Payments, p. 234.

Australian Balance of Payments, 1928–29 to 1932–33.

1. **General.**—In the following tables, tentative estimates have been made of the main items entering into the Australian balance of international payments during the five years ending in June, 1933. While insufficient direct statistical data are available to provide a completely accurate presentation of the position, it is possible, by resorting to indirect methods of estimation, to narrow the range of uncertainty. Additional data are constantly becoming available, however, while the methods of estimation adopted are susceptible of gradual improvement. The conclusions reached at this stage of the investigation, therefore, must be regarded as first approximations rather than as final results pretending to a substantial degree of accuracy.

The calculations have been carried out in terms of English sterling throughout. For the more important items, the figures for 1932–33 will require little revision. In a few cases, items of minor significance have been estimated in 1932–33 on the basis of the previous year's figures, with an allowance for known tendencies. Figures thus subject to material revision have been marked with an asterisk.

2. **The Balance of International Payments.**—The form in which the items entering into the balance of payments have been set out approximates fairly closely to that used by the League of Nations in its annual volumes on *Balances of Payments*, though modifications have been introduced, especially in the "Summary Tables", in order to present the results more clearly to the general reader.

The individual credit and debit "current" items appear in the first statement (A), and are followed by a statement (B) of the inward and outward movements of capital, so far as they can be traced. The totals of these statements are then set out in the "Summary Tables", in which is included a statement of monetary gold movements (C). The final statement of the balance of payments brings together A, B and C, at the end of the "Summary Tables".

If the information contained in the primary statements were both accurate and exhaustive, the balances on current account and the monetary movement of gold should be exactly offset by contra balances on capital account each year. In practice, differences inevitably appear, on account of errors of estimation, omissions and time-lags. The discrepancies attributable to time-lags will be greater, of course, the greater are the fluctuations in the total volume of transactions. During the five years at present considered these fluctuations have been unparalleled in their violence.

A.—CURRENT MOVEMENTS OF GOODS, SERVICES AND GOLD PRODUCTION.

Inward or Credit Movements (Exports).	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
I. MERCHANDISE.					
1. Merchandise, including silver bullion and coins other than gold, exported	138,646	98,255	76,628	75,467	78,814
2. Ships' stores exported	2,316	2,047	1,401	1,225	1,295
3. Value of gold produced, in all forms	1,871	1,873	2,156	3,609	4,660
4. Deduct household effects, prizes, &c., exported	— 111	— 102	— 92	— 75	— 62
5. Deduct for over-valuation of wool exported	— 1,718	— 1,195	— 613	..	..
	141,004	100,873	79,480	80,226	84,707
II. INTEREST AND DIVIDENDS.					
6. Interest on Commonwealth Government investments overseas	90	181	161	174	161
7. Interest on Sinking Funds investments overseas	52	45	53	58	66
8. Interest on "other" assets overseas	295	490	610	1,280	935
9. Interest on net assets overseas of Australian banks—					
(a) In London	2,433	1,578	488	1,086	246
(b) In New Zealand	14	82	149	146	85
10. Interest on New Zealand Government debt domiciled in Australia	269	293	307	216	223*
11. Interest on New Zealand Local Bodies' debt domiciled in Australia	388	436	426	415*	391*
12. Interest on local investments in Australian Government securities domiciled overseas, n.e.i.	?	?	?	?	?
13. Interest and dividends on other long and short term investments overseas, n.e.i.	?	?	?	?	?
	3,341	3,105	2,194	3,375	2,107
III. OTHER SERVICES.					
14. Insurance earnings overseas by Australian companies—					
(a) Life	..	..	..	..	..
(b) Fire, marine and general	30	30	25	20	20
15. Earnings of Australian ships on account of all overseas freight traffic	646	663	537	523	538
16. Expenditure of foreign ships in Australian ports	6,297	6,697	4,505	3,891	4,231
17. Duties collected on ships' stores consumed in Australian waters	83	78	58	48	43
18. Expenditure in Australia by overseas tourists and travellers	1,295	1,202	827	717	750
19. Funds brought in by immigrants and returned emigrants	1,072	705	360	208	226
20. Emigrants' remittances and money gifts from overseas, n.e.i.	560	578	546	426	376
21. Diplomatic, consular and similar expenditure in Australia	120	120	110	100	100
22. War pensions received from overseas	381	451	446	436	297
23. Government receipts in cash on account of reparations	876	878	1,265	..	..
24. Government receipts from overseas, n.e.i.	12	12	12	12	11
	11,372	11,414	8,691	6,381	6,592

A.—CURRENT MOVEMENTS OF GOODS, SERVICES AND GOLD
PRODUCTION—*continued.*

Outward or Debit Movements (Imports).	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
I. MERCHANDISE.					
25. Merchandise, including silver bullion and coins other than gold, imported	143,300	130,787	60,586	44,059	56,847
26. Value of outside packages of imports (unrecorded)	2,690	1,315	..	..	..
27. Add for under-valuation of freight, insurance and sundry charges	3,260	5,832	3,229	3,387	4,299
28. Add for under-valuation of films imported	605	1,071	421	147	122
29. Deduct household effects, prizes, &c., imported	— 202	— 181	— 120	— 111	— 140
	149,653	138,824	64,116	47,482	61,128
II. INTEREST AND DIVIDENDS.					
30. Interest on Government debt overseas—					
Commonwealth—					
(a) Long-term securities	7,744	8,530	8,534	5,068	4,960
(b) Short-term securities					
(c) Bank advances or balances, net	— 24	171	189	5	— 2
States—					
(d) Long-term securities	19,562	19,193	18,893	19,223	19,239
(e) Short-term securities	..	222	472	1,312	662
(f) Bank advances or balances, net	42	592	1,500	— 6	— 7
31. Interest on Local Bodies' debt overseas	1,487	1,485	1,503	1,641	1,681
32. Interest on net assets in Australia of oversea banks	421	527	445	305	285
33. Interest and dividends on long-term private capital invested in Australia	8,750	8,750	5,932	4,122	4,191
34. Interest on trade moneys held temporarily in Australia on oversea account	..	..	332	337	285
35. Deduct contribution of British Government to interest on migration loans	— 109	— 126	— 131	— 112	— 110
	37,873	39,344	36,309	31,895	31,184
III. OTHER SERVICES.					
36. Insurance earnings in Australia by oversea companies—					
(a) Life	— 2	21	24	16	18*
(b) Fire, marine and general	975	944	459	805	800*
37. Expenditure overseas by Australian tourists and travellers, including fares	4,375	4,044	1,956	1,553	1,880
38. Funds taken out by emigrants and returning immigrants, including fares	1,197	1,523	1,401	782	695
39. Immigrants' remittances and money gifts sent overseas, n.e.i.	801	847	702	329	321
40. Commonwealth contributions to assisted passages	133	58	10	..	..
41. Diplomatic, consular and similar expenditure overseas	170	177	158	134	112
42. Expenditure overseas by Department of Defence, n.e.i.	1,285	357	137	81	84
43. War pensions paid overseas	342	367	374	325	264
44. Contributions to upkeep of soldiers' graves	95	95	95	..	..
45. Oversea mail subsidy	130	130	130	110	110
46. Loan flotation and management expenses and stamp duties on transfers	430	174	35	31	510
47. Government expenditure overseas, n.e.i.	121	108	85	79	90
	10,052	8,845	5,566	4,245	4,884

B.—CAPITAL MOVEMENTS.

Inward or Credit Movements (Increase of Liabilities.)	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
48. Government debt domiciled overseas—					
Commonwealth—					
(a) Long-term securities ..	6,279	7,941	— 1,952	— 103	— 360
(b) Short-term securities ..	..	175	8,645	1,400	..
(c) Bank advances or balances, net	— 1,665	10,618	— 7,817	— 2,590	8
States—					
(d) Long-term securities ..	— 4,164	— 11,595	— 616	— 1,675	— 1,087
(e) Short-term securities ..	..	4,825	19,430	2,850	— 3,200
(f) Bank advances or balances, net	9,580	12,433	— 14,686	— 3,743	— 711
49. Local Bodies' debt domiciled overseas	1,070	— 40	952	— 100	— 205
50. "Other" public debt held overseas, n.e.i. .. ..	..	..	..	..	1,000
51. Net assets in Australia of overseas banks	1,772	1,754	— 1,538	— 112	349
52. Net assets in Australia of overseas life insurance companies .. ..	..	4	9	2	..*
53. Long-term private capital invested in Australia	?	?	?	?	?
54. Trade moneys held temporarily in Australia on overseas account ..	..	4,031	6,390	558	— 1,673
	12,872	30,146	8,817	— 3,513	— 5,879

Outward or Debit Movements (Increase of Assets).	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
55. Commonwealth Government investments overseas	— 86	— 172	— 155	— 29	— 699
56. Sinking Funds investments in securities domiciled overseas, or bank balances	— 7,768	— 33	247	— 84	2,028
57. "Other" assets overseas	1,260	14,065	8,819	3,484	16,461
58. Net assets overseas of Australian banks—					
(a) In London	— 1,432	— 28,272	— 3,726	17,599	— 9,007
(b) In New Zealand	— 846	3,547	— 429	484	— 2,565
59. New Zealand Government debt domiciled in Australia	— 1	109	— 86	— 204	..*
60. New Zealand Local Bodies' debt domiciled in Australia	314	814	318	..*	..*
61. Local investments in Australian Government securities domiciled overseas, n.e.i.	?	?	?	?	?
62. Other long and short term investments overseas, n.e.i.	?	?	?	?	?
	— 8,539	— 9,942	4,988	21,250	6,218

SUMMARY TABLES.

A. Current Movements of Goods, Services, and Gold Production.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
Inward or Credit Movements (Exports)—					
I. Merchandise	141,004	100,878	79,480	80,226	84,707
II. Interest and Dividends	3,541	3,105	2,194	3,375	2,107
III. Other Services	11,372	11,414	8,691	6,381	6,592
Total Credits	155,917	115,397	90,365	89,982	93,406
Outward or Debit Movements (Imports)—					
I. Merchandise	149,653	138,824	64,116	47,482	61,128
II. Interest and Dividends	37,873	39,344	30,309	31,895	31,184
III. Other Services	10,052	8,845	5,566	4,245	4,884
Total Debits	197,578	187,013	105,991	83,622	97,196
Excess of Debits (-) or Credits (+)	- 41,661	- 71,616	- 15,626	+ 6,360	- 3,790
B. Capital Movements.					
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
Inward or Credit Movements (Increase of Liabilities)	12,872	30,146	8,817	- 3,513	- 5,879
Outward or Debit Movements (Increase of Assets)	- 8,559	- 9,942	4,988	21,250	6,218
Excess of Debits (-) or Credits (+)	+ 21,431	+ 40,088	+ 3,829	- 24,763	- 12,097
C. Monetary Gold Movements.					
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
63. Inward or Credit Movements (Exports in excess of New Production)	1,116	24,999	10,120	5,927	13,381
64. Outward or Debit Movements (Imports)	348	294	374	654	1,141
Excess of Debits (-) or Credits (+)	+ 768	+ 24,705	+ 9,746	+ 5,273	+ 12,240
Balance of Payments.					
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
Deficiency (-) or Surplus (+) on Current Account	- 41,661	- 71,616	- 15,626	+ 6,360	- 3,790
Deficiency (-) or Surplus (+) on Monetary Gold Account	+ 768	+ 24,705	+ 9,746	+ 5,273	+ 12,240
Total	- 40,893	- 46,911	- 5,880	+ 11,633	+ 8,450
Deficiency (-) or Surplus (+) on Capital Account (so far as it has been traced) ..	+ 21,431	+ 40,088	+ 3,829	- 24,763	- 12,097
Balance, accounted for by lags, errors and omissions, especially in private capital items	+ 19,462	+ 6,823	+ 2,051	+ 13,130	+ 3,647

The balances appearing at the foot of the above table call for more detailed investigation than is possible at this juncture. The most serious omission from the calculations is the increase, which has undoubtedly taken place, in oversea capital privately invested in Australia. It may well be, also, that the inward movement of short-term speculative moneys has been greater than the amounts included above. Taking these facts into consideration, the balances shown in the last four years do not appear unreasonably large. In 1928-29 the balance not specifically accounted for amounts to approximately £19½ millions. Some part of this discrepancy is possibly due to the actual receipt in 1928-29 of part of the oversea public borrowings of 1927-28, which amounted, for the States and the Commonwealth as a whole, to the huge sum of £54,254,627. Further discussion of the possibilities must await a fuller exploration of the balance of payments in earlier years. Attention should be called, however, to the fact that the estimates of the banks' oversea balances are based on average liabilities and assets for the June quarters of each year. The use of quarterly averages, the only figures at present available, involves possibilities of error, particularly when large transactions take place near the end of the financial year.

3. The Balance of International Indebtedness.—The annual movements of capital, inward and outward, have already been dealt with. A supplementary statement may now be given setting out the total capital sums outstanding at successive dates. For convenience they have been termed "liabilities" and "assets". Some of the items included, however, are not of the nature of fixed money obligations, and the totals should be accepted with caution. Further qualifications will be found in the notes on capital items.

BALANCE OF INTERNATIONAL INDEBTEDNESS.

(Approximate.)

Liabilities.	At 30th June—						
	1928.	1929.	1930.	1931.	1932.	1933.	
	000.	000.	000.	000.	000.	000.	
65. Government debt domiciled overseas—							
Commonwealth—							
(a) Long-term securities { (\$4,866) (£ stg.)	17,291	17,156	17,156	17,156	17,116	16,890	
(b) Short-term securities (£ stg.) ..	136,216	142,630	150,571	148,619	148,556	148,422	
(c) Bank advances or balances, net (£ stg.) ..	..	..	175	8,820	10,220	10,220
States—	150	Cr. 1,515	9,103	1,286	Cr. 1,304	Cr. 1,296	
(d) Long-term securities { (\$4,866) (£ stg.)	30,990	30,779	30,687	30,436	29,964	29,581	
(e) Short-term securities (£ stg.) ..	385,671	381,718	370,215	369,850	368,647	368,252	
(f) Bank advances or balances, net (£ stg.) ..	..	..	4,825	24,255	27,105	23,905
66. Local Bodies debt domiciled overseas (mainly £ stg.) ..	Cr. 3,957	5,623	18,056	3,370	Cr. 373	Cr. 1,084	
67. "Other" public debt held overseas, n.e.i. (£ stg.) ..	26,713	27,783	27,743	28,695	28,595	28,390	
68. Net assets in Australia of oversea banks (£ A.) ..	..	..	..	..	..	1,000
69. Net assets in Australia of oversea life insurance companies (£ A.) ..	6,135	7,907	9,661	7,846	7,703	8,140	
70. Long-term private capital invested in Australia (£ A.) .. approx.	42	42	46	57	59	59*	
71. Trade moneys held temporarily in Australia on oversea account (£ A.) ..	175,000	175,000	175,000	175,000	175,000	175,000	
	..	..	4,031	11,571	12,281	10,186
	£ stg. ..	774,251	787,123	817,269	584,895	581,446	577,809
Totals ..	£ A.	194,474	195,043	193,385
	\$4,866	47,592	47,080	46,471

BALANCE OF INTERNATIONAL INDEBTEDNESS—*continued.*

(Approximate.)

Assets.	At 30th June—					
	1928.	1929.	1930.	1931.	1932.	1933.
72. Commonwealth Government investments overseas (£ stg.)	000.	000.	000.	000.	000.	000.
73. Sinking Funds investments in securities domiciled overseas, or bank balances (£ stg.)	3,320	3,234	3,062	2,907	2,878	2,179
74. "Other" assets overseas (£ stg.)	8,899	1,131	1,098	1,345	1,261	3,289
75. Net assets overseas of Australian banks—	5,721	6,981	21,046	29,865	33,349	49,810
(a) In London (£ stg.)	52,704	51,272	23,000	19,274	36,873	27,866
(b) In New Zealand (£ N.Z.)	707	Dr. 139	3,408	2,949	3,481	488
76. New Zealand Government debt domiciled in Australia (£ A.)	4,169	4,168	4,277	4,175	3,915	3,915*
77. New Zealand Local Bodies debt domiciled in Australia (£ A.)	7,072	7,386	8,200	8,575	8,575*	8,575*
78. Local investments in Australian Government securities domiciled overseas, n.e.i.	?	?	?	?	?	?
79. Other long and short-term investments overseas, n.e.i.	?	?	?	?	?	?
Totals	82,592	74,033	64,091	53,391	74,361	83,144
£ stg.	..	..	..	..	..	..
£ N.Z.	..	..	..	2,949	3,481	488
£ A.	..	..	..	12,750	12,490	12,490

4. Notes on Goods, Services and Gold Production.—The estimates of the current movements of goods, services and gold production presented in the foregoing statements have in some cases been based on conjectural materials, while in others they represent the bald results of lengthy and intricate calculations. A full explanation of the sources of the data and the methods followed in their elaboration must be deferred. Meanwhile some indication of the degree of validity attaching to the less obvious of the estimates may be gained from the following notes:—

Item 1.—Includes the recorded (sterling) values of all exports, other than gold in all forms, and ships' stores, which are recorded separately.

Item 3.—Since Australia is a gold-producing country, the gold production of the year has been regarded as an export of merchandise. Exports in excess of actual production are entered in Statement C. (In the event of exports falling short of production, it would be necessary, of course, to enter the deficiency, in Statement C, as a debit item.)

Item 4.—Since household effects, prizes, etc., are not paid for, they must be deducted from exports at their recorded values.

Item 5.—A comparison of the recorded export values of wool per pound with the prices recorded by the wool-selling brokers reveals discrepancies in the earlier years which cannot be satisfactorily accounted for. The adjustment has been made on the basis of the brokers' prices, plus an allowance for charges incurred between store and ship. The recorded export values in 1931-32 and 1932-33 are believed to be correct, in consequence of revised methods of valuation.

Item 6.—From Commonwealth Budgets.

Item 7.—See item 73. Partly estimated.

Item 8.—From confidential information received.

Item 9 (a).—Estimated at the average rate for 3 months' bankers' acceptances, on the averages of the amounts outstanding at the beginning and end of each year.

(*b.*)—Estimated at 5 per cent. on the averages of the amounts outstanding at the beginning and end of each year.

Items 10 and 11.—Actual amounts paid by the New Zealand Government and Local Bodies.

Item 14 (a).—The amounts tentatively included under this heading in last year's statement have not been included, as it is not considered that this item represents a net credit to Australia.

(*b.*)—Estimated from New Zealand business of Australian companies.

Item 15.—Total freight charges on imports have been estimated under item 27. The share earned by Australian ships was allocated in accordance with the tonnage of oversea cargo discharged by Australian ships as compared with the tonnage discharged by foreign ships. The total freight charges on exports were separately estimated by applying actual and estimated freight rates to quantities exported. The total earnings on exports were then allocated according to the tonnage of oversea cargo shipped by Australian ships and foreign ships respectively.

Item 16.—Estimated at 22½ per cent. of the total freight earnings of foreign shipping, from data in *Report of the Overseas Shipping Conference (1929)* and sundry sources. The figures so estimated have been regarded as being expressed in terms of Australian currency. The item covers numerous expenses (other than stores, fuel and duties) in Australian ports, and crews' expenditures in Australia.

Item 18.—Estimated in detail from the numbers of "temporary visitors arriving" from various groups of countries in each year. The average length of stay and average expenditure per head assumed, differ considerably for the various classes of visitor.

Item 19.—Estimated at £30 per head for immigrants from British and North American countries, and £20 per head for all other immigrants, in the first three years; and at £25 and £15 respectively in 1931-32 and 1932-33.

Item 20.—Estimated as in Roland Wilson, *Capital Imports and the Terms of Trade*, pp. 22-26.

Item 21.—Very rough estimate.

Item 23.—No reparations were received in 1931-32 and 1932-33, on account of the Hoover Moratorium.

Item 24.—From Commonwealth Budgets.

Item 25.—Includes the recorded values of all imports, other than gold. The recorded values of merchandise imports are the sterling f.o.b. values plus an arbitrary addition of 10 per cent. as an allowance for freight and charges.

Item 26.—"Outside packages" were not separately recorded until the second half of 1929-30. Previously it is probable that they were excluded almost entirely from the recorded values of dutiable goods and in part from the recorded values of free goods. In 1930-31 they amounted to about 3 per cent. of the value of other merchandise imports. An adjustment of 3 per cent. of the value of dutiable imports has therefore been made.

Item 27.—Total freight charges on imports were estimated by applying actual freight rates to quantities imported, in the case of "bulk" imports; and by applying an estimated rate per ton to the remaining tonnage of goods discharged from overseas. The estimated rate per ton on "berth" imports was deduced from the actual average rate per ton earned on inward and outward cargoes in 1927 and 1928 by vessels carrying

over one million tons of goods between Australia and Europe. (*Report of the Overseas Shipping Conference, 1929*). By calculating the average freight rate per ton on "berth" exports, from actual freight quotations, and estimating the comparative tonnage of inward and outward "berth" cargoes, it was possible to break down the weighted average rate per ton, as given in the *Report*, into its two component rates. The percentage of freight charges, so estimated, on the f.o.b. values of all merchandise imports in 1927-28 was 10.6; in 1928-29, 11.3; in 1929-30, 13.7; in 1930-31, 14.6; in 1931-32, 17.2; and in 1932-33, 17.1 per cent. The rise in the percentage has been due to the much more rapid fall in import prices than in freight rates. For insurance and numerous small charges not included in the recorded values a further adjustment of $1\frac{1}{2}$ per cent. of the f.o.b. values of merchandise imports was made. The excess of the total charges so estimated, over the 10 per cent. already allowed, is the final adjustment required.

Item 28.—Cinematograph films are recorded at official valuations which bear little relation to the sums paid as rentals and purchase price. The total amounts payable overseas have been roughly estimated from data collected by the Royal Commission on the *Moving Picture Industry*, and from information obtained privately. The excess of these amounts over the recorded values of imports is the adjustment required.

Item 30 (a) and (b).—The amounts stated are those actually paid in sterling during the financial year, on Commonwealth liabilities only. In 1931-32 and 1932-33 the amount paid in interest on Commonwealth Government long-term debt was reduced by £3,919,774, payment of which was postponed under the Hoover Moratorium on war debts and reparations. Allowance has also been made for the sterling premium on dollar payments during 1931-32 and 1932-33. The interest obligation on long and short term securities can be shown separately only on the basis of interest payable at 30th June, in each year, viz. :—

			Long term		Short term
			£000 stg.		£000 stg.
At 30th June, 1929	..	..	8,018	..	..
At 30th June, 1930	..	..	8,416	..	11
At 30th June, 1931	..	..	8,320	..	303
At 30th June, 1932	..	..	4,396*	..	376
At 30th June, 1933	..	..	4,378*	..	251

(c).—From Commonwealth Budgets.

(d).—The figures stated for the first four years are the averages of the amounts payable at the beginning and the end of each financial year. The figures for 1932-33 are rather more exact. Allowance has been made for the sterling premium on dollar payments during 1931-32 and 1932-33, at the appropriate rates.

(e).—Interest actually accrued during the year.

(f).—Interest on overdrafts has been calculated at 5 per cent., and lower rates have been allowed on net credit balances.

Item 31.—Partly estimated, but in the main a compilation. Allowance has been made for the sterling premium on dollar payments during 1931-32 and 1932-33.

Item 32.—Estimated at 6 per cent. in the first three years, at 5 per cent. in 1931-32, and $4\frac{1}{2}$ per cent. in 1932-33, on the averages of the amounts outstanding at the beginning and end of each year.

Item 33.—This item is largely conjectural. Interest has been allowed at 5 per cent. in the first two years, at 4 per cent. in 1930-31, and at 3 per cent. in 1931-32 and 1932-33, on a capital value in Australian currency of £175,000,000.

Item 34.—Interest earned at estimated rates on the bonds and fixed deposits included in item 71.

Item 35.—From Commonwealth Budgets.

* Exclusive of sterling premium on amounts payable in dollars in New York.

Item 36.—Excess of receipts over expenditure in Australia, as returned by the companies.

Item 37.—Estimated in detail from the numbers of “Australian residents departing temporarily” to various groups of countries in each year. The average length of stay and average expenditure per head assumed, including fares, differ considerably for the various classes and destinations.

Item 38.—Estimated at varying amounts per head, allowing for fares, for “Australian residents departing permanently” to various groups of countries.

Item 39.—See item 20.

Item 40.—From Commonwealth Budgets.

Item 41.—Includes upkeep of Australia House and Agents-General, and representation at conferences, &c.

Item 42.—Estimated by Department of Defence; does not include value of goods imported.

Items 43 to 45.—From Commonwealth Budgets.

Item 46.—From Commonwealth Budgets (including estimated flotation expenses of the May conversion loan of £11,400,000).

Item 47.—Includes expenditure in territories outside Australia, contributions to oversea institutions and scientific bodies, &c.

5. Notes on Capital Items.—The capital movements stated for each year in the Balance of Payments are based on the corresponding items in the Balance of International Indebtedness. In the latter statement the individual liabilities and assets have been expressed in the currencies in which they are repayable. The increases or decreases from year to year, however, have been converted where necessary into English sterling at the average rates of exchange ruling during the year in question.

Items 48 and 65.—Particulars of long-term and short-term securities are published in the *Finance Bulletins* and the Commonwealth Budgets. *Sub-items 49 (a) and (d)* have been converted into sterling at the par rate of exchange, the formal error thus introduced being regarded as sufficiently offset by the fall in the dollar market value of the securities repurchased or cancelled. *Sub-item 48 (d)* has been adjusted to allow for the debit of £309,000 arising from the discount and bonus on conversion of the £12,360,000 loan in October, 1932. Particulars of bank advances and balances have been supplied by the Commonwealth and State Treasuries.

Items 49 and 66.—Partly estimated, but in the main a compilation.

Items 50 and 67.—Based on confidential information received.

Items 51 and 68.—Data from the quarterly banking returns. The figures stated are averages for the quarters ending in June.

Items 52 and 69.—From details supplied by the companies. The returns are not complete.

Items 53 and 70.—The amount of £175,000,000 has been chosen after consideration of a number of estimates, none of which is very firmly based. Little information on this item has so far become available.

Items 54 and 71.—The amounts stated consist of short-dated Commonwealth bonds (data from Commonwealth Treasury) and current and fixed deposits with the banks (data from confidential returns furnished by individual banks). The figures are possibly slightly understated.

Items 55 and 72.—From Commonwealth Budgets. Includes amounts owing by the British Phosphate Commissioners, White Star Line, and “other administrations”.

Items 56 and 73.—Data from *Statistical Register of Western Australia* and *Annual Reports of the National Debt Commission*.

Items 57 and 74.—Based on confidential information received.

Items 58 and 75.—Estimated from shareholders' funds, and average assets and liabilities as stated in the Australian and New Zealand quarterly banking returns. The figures stated are averages for the quarters ending in June. (For methods of estimation, see articles on "Australian Monetary Policy," by K. S. Isles and Roland Wilson, *Economic Record*, Nos. 12, 13 and 15.)

Items 59 and 76.—Data from New Zealand *Official Year Books*.

Items 60 and 77.—Data from New Zealand *Official Year Books*.

Items 61 and 78.—There is much evidence to suggest that Australian securities domiciled overseas have been repurchased by Australian residents, particularly while Australian Government stocks were very low in price overseas. No estimate of the amounts involved, in excess of those already included, has been made.

Items 62 and 79.—During the more acute stages of the depression it was common knowledge that capital was being moved out of Australia, for various reasons, even while the exchange was heavily depreciated. No estimate of the amounts involved can be made.

6. *Short-cut Estimation.*—The foregoing tabular statements give us as clear a picture of Australia's international financial dealings over the last five financial years as the data available permit. It will be readily understood by anyone who has taken the trouble to follow out the estimation in detail, that crude inferences from the gross recorded values of imports and exports are scarcely adequate for an intelligent appraisal of the problems on which the balance of payments has a bearing.

The detailed statements presented above, however, relate necessarily to the past; and for the purposes of practical policy it is often necessary to make tentative estimates of results in the current year. In order to facilitate the making of such estimates, the following summary of current items is included :—

Current Movements of Goods, Services, and Gold Production.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34. Approx.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
Exports of merchandise and silver ..	138,646	98,255	76,628	75,467	78,814	
Current gold production	1,871	1,873	2,156	3,609	4,660	(5,400)
Total credits from above items	140,517	100,128	78,784	79,076	83,474	
Imports of merchandise and silver ..	143,300	130,787	60,586	44,059	56,847	
Interest on central and local government debt	28,811	30,193	29,731	27,243	26,533	(24,600)
Total debits from above items	172,111	160,980	90,317	71,302	83,380	
Deficiency (-) or Surplus (+) on above items	-31,594	-60,852	-11,533	+ 7,774	+ 94	
Deficiency (-) or Surplus (+) on all other current items	-10,067	-10,764	- 4,093	- 1,414	- 3,884	(-5,500)
Deficiency (-) or Surplus (+) on all current items	-41,661	-71,616	-15,626	+ 6,360	- 3,790	

Estimation of the prospective balance on current account in 1933-34 with the aid of the above table involves the making of only five individual estimates.

The deficiency or surplus on "all other current items" can be estimated roughly from the figures for 1932-33, making allowance for known tendencies. At the time of writing* a deficiency of £ stg. 5.5 millions appears probable. This figure allows for an increase of $\frac{1}{2}$ per cent. in the return on oversea capital privately invested in Australia, and assumes the maintenance of the present rate of exchange.

Interest on central and local government debt may be estimated much more closely, though the possibility of unexpected alterations in the sterling-dollar rate of exchange must not be overlooked. Taking the amount of interest payable as at 30th June, 1933, and making allowance for savings due to completed and prospective conversions subsequent to that date, the total for the year may be put at approximately £ stg. 24.6 millions.

The prospective sterling value of gold production in 1933-34 is much less easy to estimate. Production has averaged 71,000 fine ounces monthly in the past three months, at an average sterling price of about £6 7s. 2d. If the sterling price remains somewhere about its present level of £6 10s. od. production in the full year should reach a value of at least £ stg. 5.4 millions.

Estimates of the prospective value of imports and exports of merchandise and silver for the full year are much more problematic. The more important materials for such estimates are to be sought in the monthly returns of oversea trade, the prospects of "the season," the levels of import and export prices, and the general state of business both at home and abroad. Special factors will also be present on occasion. Since the data on which these two estimates must be based are constantly changing, no figures need be suggested here.

It must not be overlooked that the table above refers only to the "current" items in the balance of payments. Monetary movements of gold and capital movements must also be considered to complete the picture.

Monetary movements of gold, i.e., net exports in excess of production, are not likely to be appreciable during the current financial year.

Movements of long-term private capital are more likely to be inwards than outwards, though in what volume it is impossible to say. The direction of movement of short-term trade and speculative moneys is less predictable. It should be noted, however, that over £A 10 millions of trade moneys (see item 71) were being held temporarily in Australia on oversea account on 30th June, 1933. The possibility of the repatriation of these moneys is a factor to be reckoned with. As for capital transactions by governments and local bodies, new borrowings overseas in the current year are not likely to be appreciable. On the other hand, sinking fund requirements will probably be an important item. In 1932-33 about £ stg. 3.7 millions were devoted either to the building up of sinking fund balances overseas or to the reduction of overseas debt.

CHAPTER XIV.

PUBLIC FINANCE.

(See pp. 380, 438, 445, 450.)

THE FINANCIAL CRISIS.

1. **General.**—It is not within the functions of the Official Year Book to attempt a full record of the financial and economic crisis which began to develop in Australia towards the end of 1929, and space does not permit of a presentation of the whole of the statistical and financial data relevant to the subject. The principal documents relating to the crisis, however, up to November, 1932, have been conveniently put together, with some brief comment, by Professors E. G. Shann and D. B. Copland in the three compact volumes entitled *The Crisis in Australian Finance*, *The Battle of the Plans*, and *The Australian Price Structure*, 1932. These may be supplemented by the official reports of the Premiers' Conferences, especially those dealing with the Conferences of 25th May

* 31st October, 1933.

to 11th June, 1931, (P.P. No. 236), 28th January to 5th February, 1932 (P.P. No. 12), 14th to 21st April, 1932 (C.3847), 28th June to 8th July, 1932 (F.1969), and 8th to 14th June, 1933 (F.2184). Particular reference may be made to the Treasury Officers' Report on the Budgets of 1931-32 and 1932-33 (F.1969); and to the Report of the Committee appointed to make a "Preliminary Survey of the Economic Problem" (C.3847). Discussions of the economic and financial issues will be found in the "Economic Survey of Australia" published in the *Annals of the American Academy of Political and Social Science* (Philadelphia) for November, 1931; in *Australia in the World Depression*, by Dr. E. R. Walker (1933); in the *Circulars of the Bank of New South Wales* (Sydney); in Nos. 11 to 17 of the *Economic Record* (Melbourne), and in its Special Supplement (October, 1932) containing the "Papers on World Economic Influences" read before Section G of the A.N.Z.A.A.S. (Sydney Congress, August, 1932).

2. Elements of the Situation.—The elements of the situation before the depression began, were :—

- (1) A national income of about £100 per head in 1928-29.
- (2) Oversea interest obligations, fixed for the most part in sterling, of about £5 per head.
- (3) Imports of about £27 per head in 1926-27, falling to £23 per head in 1928-29.
- (4) Exports of commodities, which for some years had failed to pay for imports, amounting in 1928-29 to £21 per head.
- (5) A standing net debit of interest obligations and balance of visible trade, which had been met by oversea long-term loans averaging about £5 per head for some years, helped by some investment of private capital from overseas.
- (6) Deficits in Government finance for the Commonwealth and all States, which for 1929-30 totalled about £1 15s. per head.

On this situation impinged :—

- (1) A world fall in commodity prices, with consequent general depression and increase in the burden of fixed money claims which were estimated for Australia at about £20 per head in 1928-29.
- (2) A rapid fall in Australian export prices, which, in gold, had declined by the end of 1931 to about 32 per cent. of the 1927-28 level, and to 58 per cent. even in Australian currency; while, at the same time, interest obligations remained fixed in sterling for the most part, and import prices fell very much less than export prices.
- (3) A total cessation of oversea long-term loans, which had in recent years roughly balanced interest obligations overseas.
- (4) Government deficits, which had been about £1 15s. per head in 1929-30 rose to over £4 per head in 1930-31, and threatened to be £7 per head in 1931-32, with consequent further loss of business confidence and intensification of the depression.

3. Attempts to meet the Situation.—A brief diary of the attempts to meet this situation may be set out as follows :—

April, 1930.—Special customs surcharges of 50 per cent. of the amount of duty already imposed were placed on certain items of import; and the importation of 78 items was prohibited by proclamation.

July-August.—Sir Otto Niemeyer, representing the Bank of England, visited Australia at the invitation of the Commonwealth Government, and made a statement on severely deflationary lines to a Conference of Premiers in Melbourne (see *The Crisis in Australian Finance*, p. 18.) The Premiers resolved to balance budgets in 1930-31.

22nd January, 1931.—The Commonwealth Court of Arbitration after a protracted hearing made a comprehensive survey of the economic position (see *The Crisis*, pp. 102-145), and awarded a 10 per cent. reduction in all railway wages which were the subject of the case, operative from the 1st February, 1931. This judgment was followed by others, making the same reduction in practically all wages and salaries which were determined by Federal award. This reduction of 10 per cent. was in addition to the "automatic" adjustment to falling prices, and made the total reduction over 20 per cent. on the wage rates of 1929. Wages under State jurisdiction were gradually brought into line, except in New South Wales where no adjustment was made in State awards for some time.

January to February.—Premiers' Conference, Canberra and Melbourne.—A committee of Treasury officers presented a report analysing the financial and economic position. The report preserved much of the deflationary tone of Sir Otto Niemeier's statement, and commented adversely on the high exchange rate. Curtailment of Government expenditure was strongly urged, but no definite reductions were proposed. This report was signed by four of the State Under-Treasurers only.

Mr. Lang (Premier of New South Wales) proposed as an alternative the reduction of internal interest on Government bonds to 3 per cent., the cessation of oversea interest payments pending agreement for a similar reduction, and the substitution for the gold standard of "currency based on the wealth of Australia".

The Conference rejected Mr. Lang's motion and resolved to aim at budget equilibrium in three years, reducing salaries and wages on a cost of living basis, taxing interest on Government bonds at the source and putting on the banks the responsibility of reducing interest rates.

January.—The Unpegging of the Exchange.—Australian exchange with sterling had been held by the banks at $8\frac{1}{2}$ per cent. discount since 9th October, 1930. On 5th January, 1931, on the initiative of the Bank of New South Wales, the rate was allowed to move up until it reached 30 per cent. on 29th January, 1931, and it was held at that figure notwithstanding some competition at higher rates, by "outside" dealers.

2nd April.—Letter from the Commonwealth Bank to the Chairman of the Loan Council, stating that it was unable to finance Governments beyond the outstanding £25,000,000 in London, and a limit of £25,000,000 in Australia. This limit in Australia was bound to be, and was, in fact, reached within three months.

25th May to 11th June.—Premiers' Conference, Melbourne.—The Conference had before it a report of a Committee of economists and Treasury officers, of which Professor D. B. Copland was Chairman. This report proposed a definite scheme of reduction of expenditure of all kinds, including wages, salaries, pensions, and interest. The reduction aimed at was from 20 to 25 per cent. below the 1928-29 level, based on the actual reduction in wage rates in Federal awards of something over 20 per cent. The aim of the proposals was to reduce total Government deficits in 1931-32 from a prospective £40,000,000, to some figure not much above £10,000,000. This report, which is printed in full at the end of this section, formed the basis of the "Premiers' Plan," adopted on the 10th June, 1931.

19th June.—Gold Position.—The minimum proportion of gold to be held against notes was reduced from 25 per cent. to 15 per cent., with provision for gradual restoration over a term not exceeding five years to 25 per cent. This amendment of the Commonwealth Bank Act was put through by general consent to permit further shipments of gold to meet short-term debt in London.

26th June.—Reduction of Bank Deposit and Advance Rates.—The Commonwealth Bank and the trading banks reduced by 1 per cent. the rates on new fixed deposits or renewals.

1st July.—The Commonwealth Bank reduced rates for advances by 1 per cent. The other trading banks by successive small steps fell into line.

The Commonwealth and State Savings Banks reduced interest rates by 1 per cent., except in Victoria where successive reductions of one-half, one quarter, and again one-quarter of 1 per cent. were made by the State Savings Bank.

July-August.—*Conversion Loan*.—A conversion loan was launched to reduce the rate of interest on all internal Government debt by approximately 22½ per cent.

The results of the conversion plan will be best understood by consideration of the following figures:—

	£
Total Internal public debt at 31st July, 1931	557,998,904
Conversion applications notified	510,331,153
Dissents notified	16,655,769
Conversion effected automatically (in absence of notification of either conversion or dissent)	31,011,982
	557,998,904

The amount held by dissentients was thus a little less than 3 per cent. of the total outstanding public debts.

The annual savings in interest to all the Governments for a full year in consequence of the conversions effected were calculated to be about £6,500,000, but some part of this relief was to be passed on to settlers and other debtors to the State Governments.

31st July.—A reduction in the rate of interest on Treasury Bills from 6 per cent. to 4 per cent. was announced.

10th to 14th August, and 1st to 12th September.—*Premiers' Conference, Melbourne*. The several Governments reported their attempts to adjust their budgets to the "Premiers' Plan." After some allowance had been made for unforeseen contingencies, the new budgets appeared on the whole to be in fair conformity with the "Plan," though for some of the State Governments there was an appreciable gap. Measures were agreed upon for applying compulsion to the small amount of Debt which had not been converted, and provision was made for the redemption from the National Debt Sinking Fund of securities held by persons in necessitous circumstances.

21st September.—Great Britain ceased payment in gold, and sterling depreciated over 20 per cent. in terms thereof, thus making a corresponding reduction in the real burden of interest payments by Australian Governments, which are for the most part fixed in sterling. Australian exchange was kept for the time at the old discount of 30 per cent. with sterling, so that no direct relief to Australian budgets ensued.

30th October.—The Commonwealth Government made provision for the payment of a bounty of 4½d. per bushel on wheat produced in the 1931-32 season.

27th November.—Further reduction in bank deposit rates of one-half and one-quarter of one per cent. on short and long-term deposits respectively.

3rd December.—*Exchange*.—Commonwealth Bank Board resolved to take responsibility for the regulation of sterling exchange and to announce rates for the coming week every Friday. The rate was fixed at £125 for £100 sterling, in place of £130, which had been the official bank rate since 29th January. It may be noted that sterling in the preceding week had depreciated from about 20 per cent. discount on gold to about 30 per cent. For some weeks the banks had been rationing their purchases of exchange, with the result that the "open market" rate had fallen considerably below the "carded" rates.

January, 1932.—Letter from the Commonwealth Bank to the Chairman of the Loan Council calling attention to the growth of the floating debt, and suggesting that "national finance" might be refused.

28th January to 5th February.—*Premiers' Conference, Melbourne.*—A serious drift in State finances was revealed. After receiving assurances that further economies would be sought, the Commonwealth Bank agreed to provide further assistance for the small States. During the meetings, New South Wales announced its default on interest payments due in London, New York and Australia. The payments were met, after a short delay, by the Commonwealth Government.

February.—A beginning was made in the revision of the tariff and the removal of prohibitions on imports.

8th March.—Further reductions in bank deposit rates of one-half, one-quarter and one-quarter of one per cent. on 3, 6 and 12 months' deposits, respectively.

12th March.—The Financial Agreements (Commonwealth Liability) Act resolved all doubts as to the liability of the Commonwealth for debts taken over in pursuance of the Financial Agreement.

March to May.—The Financial Agreements Enforcement legislation was enacted, giving the Commonwealth drastic powers to attach State revenues and other moneys in the event of failure by a State to pay to the Commonwealth moneys due under the Financial Agreement. The High Court decided in favour of the Commonwealth on a writ for recovery of interest paid on behalf of New South Wales. The New South Wales Government then contested the validity of the Enforcement Acts, which were upheld by the High Court, leave to appeal being refused.

13th April.—A Committee of Experts appointed by the Commonwealth Government to make a "Preliminary Survey of the Economic Problem" issued its report, recommending the restoration of economic balance by a combination of reduced costs and a high exchange rate, the former to be secured in part by the general application by State wage-fixing authorities of the 10 per cent. "cut" in real wages. The chief measures of more immediate alleviation recommended were (i) systematic revision of the customs tariff, (ii) construction of public works when the reductions in costs of construction made it possible for such works to earn interest, (iii) advances on debentures to large-scale enterprises for which three-quarters of the needed capital had been privately subscribed, and (iv) the settlement of married recipients of sustenance as cottagers on established farms.

14th to 21st April.—*Premiers' Conference, Melbourne.*—It was decided to raise a loan of £2,400,000 for expenditure on unemployment relief works.

May.—The trade union unemployment percentage reached the peak of 30 per cent. Mr. Lang was dismissed by the Governor of New South Wales, and the Victorian Labour Government was defeated at the elections. A widespread agitation for a higher exchange rate commenced, and lasted for some months.

11th June.—The State Labour Party was defeated in the New South Wales elections, while in Queensland the Labour Party was victorious.

16th and 17th June.—The New South Wales Industrial Commission was reconstituted. The Commonwealth Court of Arbitration refused an application for restoration of the special 10 per cent. reduction in wages.

21st June.—The Commonwealth Bank Act was amended to allow part of the note reserve to be held in English sterling. Subsequently, £G10,000,528 of gold was shipped overseas from the gold reserve of the Australian Notes Fund.

May-June.—Further reductions in bank deposit rates of one-quarter and one-half of one per cent. on 12 and 24 months' deposits, respectively.

30th June.—*Balance of Payments.*—The balance on current account, excluding the movement of monetary gold, was estimated to be in Australia's favour by approximately £6,360,000 sterling in 1931-32, as against a debit balance in 1930-31 of approximately £15,626,000 sterling. (See Appendix, Chapter VII.—Trade, p. 873.)

28th June to 8th July.—*Premiers' Conference, Canberra and Sydney.*—The Conference unanimously affirmed its adherence to the "Premiers' Plan" of 1931. The estimated deficits for 1931–32 were reported to the Conference; and, with the notable exceptions of New South Wales and Queensland, they disclosed a satisfactory conformity with the "planned" deficits. The Conference agreed to reduce the total deficits in 1932–33 to £9,000,000 (inclusive of £6.45 millions for sinking funds); and arranged for a three-year unemployment relief works plan involving the ultimate expenditure of £15,000,000. Of this amount, £7,000,000 was to be spent in 1932–33, in addition to the ordinary works programme of £6,000,000.

1st July.—The Commonwealth Bank reduced its rate for advances by a further one-half of one per cent., bringing the rate to 5 per cent. The average reduction by the trading banks, since 1st October, 1931, was stated to be 1 per cent. Further reductions were anticipated by prominent bankers.

21st July to 19th August.—*Imperial Economic Conference at Ottawa.*

26th August.—The New South Wales Industrial Commission reduced the basic wage for adult males from £4 2s. 6d. to £3 10s., and for adult females from £2 4s. 6d. to £1 18s.

1st September.—The Commonwealth Budget provided *inter alia* for a further reduction of pensions and salaries, decreased customs duties, the final removal of import prohibitions, exemptions from Sales Tax and primage, and suspension of the gold bounty, which had been introduced on 1st January, 1931.

September to November.—Wool prices showed some improvement; share prices advanced substantially; the value of imports and Commonwealth customs revenues increased steadily. Early in October all the 4 per cent. Commonwealth bonds reached par, after allowing for accrued interest.

4th October.—A conversion loan was issued in London at $3\frac{1}{2}$ per cent., issue price £97 $\frac{1}{2}$, maturing 1936–37, to replace £12,360,000 of $5\frac{1}{2}$ per cent. N.S.W. stock maturing in October, 1932.

14th October.—Revision of the Customs Tariff to validate the Ottawa Agreement. The margin of preference under the British Preferential Tariff was considerably widened, mainly by means of increased duties on a wide range of foreign manufactures.

24th to 29th October.—*Premiers' Conference, Melbourne.*—It was decided to place on the Australian market a loan of £8,000,000 at $3\frac{1}{2}$ per cent., for Unemployment Relief and the funding of Treasury Bills. A reduction in the rate of interest on Treasury Bills from 4 per cent. to $3\frac{1}{2}$ per cent. was announced.

1st November.—Further reductions in bank deposit rates of one-quarter of one per cent. for all terms, bringing the rates down to $2\frac{1}{2}$, $2\frac{3}{4}$, 3 and $3\frac{1}{4}$ per cent. on 3, 6, 12 and 24 months' deposits respectively.

5th December.—In view of the improved revenue position, the Commonwealth Government made substantial reductions in land and income (property) taxes, further exemptions from sales tax, increased the payments to certain Invalid and Old-age pensioners, and provided from revenue £2,000,000 for assistance to wheat-growers and £250,000 for assistance to other primary producers.

January, 1933.—Considerable improvement in the unemployment situation was shown in the trade union percentages for the last quarter of 1932. This improvement has continued.

20th January.—A reduction in the rate of interest on Treasury Bills from $3\frac{1}{2}$ per cent. to $3\frac{1}{4}$ per cent. was announced.

4th February.—The Loan Council agreed with the Commonwealth Bank that future requirements for loan programmes should be raised on the open market.

7th February.—Further reductions in bank deposit rates of one-quarter of 1 per cent. for all terms, bringing the rates down to 2, $2\frac{1}{2}$, $2\frac{3}{4}$, and 3 per cent. on 3, 6, 12 and 24 months' deposits respectively.

17th February.—Further reduction in the Treasury Bill rate from $3\frac{1}{4}$ per cent. to $2\frac{1}{2}$ per cent.

23rd February.—A conversion loan was issued in London at 4 per cent., issue price par, maturing 1955-70, to replace £9,621,000 of 4 per cent. stock maturing in July, 1933.

30th May.—Appointment of Commonwealth Grants Commission to inquire into matters relating to grants of financial assistance to the States.

A conversion loan was issued in London at $3\frac{1}{2}$ per cent., issue price £99, maturing in 1937-38, to replace £11,400,000 of $6\frac{1}{2}$ per cent. stock with optional rights of redemption.

31st May.—Lists closed for internal loan of £5,000,000 for State public works, issued at $3\frac{3}{4}$ per cent. at par, maturing in 1942, with subscriptions amounting to £8.4 millions.

1st June.—A further reduction in the Treasury Bill rate from $2\frac{1}{4}$ per cent. to $2\frac{1}{2}$ per cent. was announced.

8th to 14th June.—*Premiers' Conference, Melbourne.*—By arrangement with the Loan Council, the Commonwealth Bank agreed to finance revenue deficits in 1933-34 by short-term loans to the amount of £8.5 millions, subject to reduction to the extent of any relief obtained by the States from conversion of overseas loans.

12th June to 27th July.—World Monetary and Economic Conference in London.

30th June.—The Commonwealth Court of Arbitration ordered the restitution of the 10 per cent. reduction in real wages in the Glass Industry; subsequently extending the restitution to the Paper and Pulp, Jam and Fruit Preserving, and certain other industries.

13th July.—A conversion loan was issued in London at 4 per cent., issue price £99, maturing in 1943-48, to replace £17,221,000 of 6 per cent. stock with optional rights of redemption.

14th September.—A conversion loan was issued in London at $3\frac{3}{4}$ per cent., issue price £98, maturing in 1948-53, to replace £20,951,000 of 6 per cent. and $5\frac{1}{4}$ per cent. stock with optional rights of redemption.

4th October.—The Commonwealth Budget provided *inter alia* for substantial remissions of direct and indirect taxation; including further exemptions from Sales Tax and reduction of the rate of tax from 6 to 5 per cent., reduction of special tax on income from property from 10 to 5 per cent., reductions in the income taxation on Life Assurance and other companies, and partial restoration of Financial Emergency reductions in Invalid, Old-age and War Pensions, Public Service salaries and contributions to the Public Service Superannuation Fund. The total relief of taxation was estimated to be at the rate of £7.5 millions annually. At the same time the Government signified its intention of giving effect to that part of the report of the Tariff Board on the protective incidence of primage and exchange which applied to protected goods entitled to admission under the British Preferential Tariff.

16th November.—An internal loan of £10,000,000 was issued at $3\frac{1}{2}$ per cent., issue price £99, maturing in 1943, half for State public works and half for the purpose of retiring Treasury Bills.

30th November.—The price of wool, which had been advancing rapidly for some months, reached nearly 15d. per lb. (greasy merino, standard average). Wheat prices continued to fluctuate at very low levels. Export prices as a whole, in Australian currency, had recovered to 72 per cent. of their 1927-28 level.

5th December.—A conversion loan was issued in London at $3\frac{3}{4}$ per cent., issue price £99, maturing in 1946-49, to replace £16,647,000 of $5\frac{1}{2}$ per cent. and 5 per cent. stock with optional rights of redemption.

The Commonwealth Government provided £3,000,000 for assistance to wheat-growers to be financed partly from a temporary sales tax on flour of £4 5s. a ton, and in part from other sources. The special tax on incomes from property was raised from 5 to 6 per cent. and the customs duty on imported tobacco raised by 6d. a lb.

4. **Effects on Government Finance.**—The aggregate deficit for the year 1930-31 of the Commonwealth (£10,760,000) and the States (£14,610,000) amounted to £25,370,000.

The aggregate deficit originally estimated for 1931-32 was £41,080,000. As a result of the conference proposals and subsequent revisions, this was reduced to £12,660,000. The aggregate deficit ultimately realized, however, was £19,490,000, though the Commonwealth itself had a surplus of £1,314,000.

For 1932-33 the States budgeted for a deficit of £8,766,000 and the Commonwealth for a small surplus. At the end of the year the actual deficits of the States amounted to £8,609,000. The Commonwealth's receipts exceeded the ordinary expenditure by £3,545,000, which was appropriated for the payment of Invalid and Old-age Pensions in 1933-34.

The results outlined above are shown in greater detail in the following table:—

DEFICITS BEFORE AND AFTER THE "PLAN", COMMONWEALTH AND STATES.
(£'000.)

States, etc.	1930-31.	1931-32.		1932-33.	1933-34.	
	Deficit.	Estimated Deficit.		Deficit.	Estimated Deficit	
	Realized for Year.	Prior to Melbourne Conference.	After Conference Adjustments and later Revisions.	Realized for Year. (a)		
New South Wales (b)	7,850	11,510	5,910	(e) 14,228	4,271	3,790
Victoria ..	2,450	3,060	1,610	1,608	856	700
Queensland ..	840	1,630	760	2,075	1,554	1,848
South Australia ..	1,810	2,400	1,500	1,063	1,009	933
Western Australia ..	1,420	1,860	1,560	1,558	864	759
Tasmania ..	240	220	170	272	55	51
Six States ..	14,610	20,680	11,510	20,804	8,609	8,081
Commonwealth ..	10,760	20,400	1,150	(+) 1,314	(+) 3,545	1,176
Grand Total ..	(c) 25,370	41,080	(d) 12,660	19,490	5,064	9,257

(a) Preliminary figures. (b) Exclusive of Metropolitan Board of Water Supply and Sewerage, (c) Excluding interest, &c., £3,834,149 paid by the Commonwealth on behalf of New South Wales and not recovered at 30th June, 1931. Of this amount £1,672,722 would normally have been brought to account as expenditure by New South Wales during 1930-31 and the remainder in 1931-32. (d) Originally £14,650,000. (e) Excludes surplus of £890,000 Main Roads Board, and includes £1,673,000 Interest and Exchange properly attributable to 1930-31.

5. **Present Position of Government Finance.**—The following summaries have been compiled from information published in the monthly statements prepared by the Commonwealth and State Treasuries.

The aggregate deficits of all States amounted to £5.17 millions for the quarter ended 30th September, 1932. The Commonwealth surplus of £2.62 millions reduced the aggregate deficit to £2.55 millions, which represents a very marked improvement on the results for the corresponding quarter of the previous year, when the deficits aggregated £13.07 millions. Revenue increased by £6.4 millions, and expenditure decreased by £4.1 millions, giving a net improvement of £10.5 millions. For the quarter ended 30th September, 1933, the improvement was even more marked. The deficit of Commonwealth and States combined was £1,756,000—Receipts were £904,000 less, but expenditure fell by £1,702,000—an improvement on 1932 of £800,000 and on 1931 of no less than £11,315,000.

COMMONWEALTH AND STATES FINANCES.—SUMMARY.

Quarter ended 30th September.				Receipts.	Expenditure.	Deficit.
				£1,000.	£1,000.	£1,000.
1931	..	..	..	32,504	45,575	13,071
1932	..	..	..	38,944	41,498	2,554
1933	..	..	..	38,040	39,796	1,756

Comparing results for the September quarter of the past three years, taxation receipts increased by £4.06 millions in 1932, but fell in 1933 by £1,672,000, and the expenditure on administrative and social services was reduced by £0.76 million in 1932 and by a further £1.63 millions in 1933.

In regard to Business Undertakings, the trading results, excluding provision for interest, etc., can be summarized as follow :—

BUSINESS UNDERTAKINGS—COMMONWEALTH AND STATES.—SUMMARY.

Quarter ended 30th September.				Receipts.	Expenditure.(a)	Excess Receipts.
				£1,000.	£1,000.	£1,000.
1931	..	..	..	13,789	10,395	3,394
1932	..	..	..	14,129	10,090	4,039
1933	..	..	..	14,208	9,833	4,375

(a) Excludes Interest, etc., charges.

6. **The Adopted Plan.**—The full text of the Report prepared by the representatives of the various Australian Governments in connexion with the national financial position is as follows :—

CONFERENCE REPORT.

The Governments of Australia have met in Conference to consider what measures are possible to restore solvency and avoid default. The national income was £650,000,000 in 1927-28. It fell to £564,000,000 in 1929-30, and a further fall to £450,000,000 in 1931-32 is estimated.

This has reacted on Government finance.

The total deficit of the seven Australian Governments will be £31,000,000 for the present financial year. The Governments are now going behind at the rate of £40,000,000 a year, in spite of reduction of expenditure amounting to £11,000,000 per annum since 1929-30. The deficits have been met hitherto by bank overdraft. The Commonwealth Bank has notified the Governments that the limit to that process has been reached. Early in July, Governments will have insufficient means to meet their obligations. Unless the drift be stopped, Public Service salaries and wages, pensions and interest could not be paid in full. Public default would be followed by a partial breakdown in public utilities such as railways, and in private industry and trade. Revenue would come toppling down, and even half-payment might become impossible. With this prospect, everything that can be got from Government economy, from taxation, and from reduction of interest, must be called on to bring the debit balance within manageable limits that can safely and practicably be covered for a time by borrowing.

THE PLAN.

The Conference has, therefore, adopted a plan which combines all possible remedies in such a way that the burden falls as equally as possible on every one, and no considerable section of the people is left in a privileged position. This sharing of the burden is necessary to make the load more tolerable; it is still more necessary, because only on this condition will it be possible to get the combined effort required.

The plan has been adopted by the Conference as a whole, each part of which is accepted on the understanding that all the other parts are equally and simultaneously put into operation. It embraces the following measures:—

- (a) A reduction of 20 per cent. in all adjustable Government expenditure, as compared with the year ending 30th June, 1930, including all emoluments, wages, salaries, and pensions paid by the Governments, whether fixed by statute or otherwise, such reduction to be equitably effected;
- (b) Conversion of the internal debts of the Governments on the basis of a 22½ per cent. reduction of interest;
- (c) The securing of additional revenue by taxation, both Commonwealth and State;
- (d) A reduction of bank and Savings Bank rates of interest on deposits and advances;
- (e) Relief in respect of private mortgages.

These proposals require the greatest effort in economy and taxation which the Conference considers it safe to attempt. The effect will be still to have a gap of from £13,000,000 to £15,000,000 to be covered for a time by borrowing.

REDUCTION OF EXPENDITURE.

The plan provides for Government economy on the basis of an immediate cut, averaging 20 per cent. for all Government wages and salaries below the level of 1929-30. To this will be added all saving that can be made from a strict scrutiny into the necessity of every item of Government expenditure.

The same general principle is extended to all pensions provided out of Government funds—old-age and invalid pensions, war pensions, superannuation pensions, and the maternity allowance. Over the whole field of this expenditure, the cut will amount to 16 per cent. The result will be, for each Government, savings as shown in the following table:—

FURTHER REDUCTIONS IN EXPENDITURE BEYOND THOSE PROVIDED FOR IN THE PRESENT ESTIMATES FOR 1931-32.—ADMINISTRATION AND PENSIONS.

					£
Commonwealth	..	..	..	..	6,050,000
New South Wales	..	..	..	..	3,300,000
Victoria	..	..	..	..	880,000
Queensland	..	..	..	..	620,000
South Australia	..	..	..	..	400,000
Western Australia	..	..	..	..	560,000
Tasmania	..	..	..	..	110,000
					11,920,000

The further savings to be made in accordance with the plan are, therefore, £11.92 millions for all Governments. The total reduction of expenditure (excluding Commonwealth pensions) compared with 1929-30 will be £21.4 millions.

TAXATION.

Taxation equally must make a maximum contribution. Ordinary direct taxation has nearly reached the limit in some States. The Commonwealth will raise an additional £1.5 millions by income tax, and what capacity for direct taxation remains will be left for a last reserve as the option of the several State Governments. The only possible substantial contribution must, therefore, be by taxes on consumption so designed as

to add as little as possible to the costs of industry. It has been agreed that the sales tax and primage should be increased to give £6.4 millions of additional revenue. By the agreed economies and taxation, the position estimated for 1931-32 will be improved by £20,000,000, exclusive of savings on interest and additional State taxation.

REDUCTION OF INTEREST.

The reduction in the rate of interest is of urgent importance, for two reasons :—

1. With the fall in prices since 1929, interest payments have become an intolerable load on all industry, and immediate relief is necessary for the restoration of industry and employment. Government budgets are subject to the same strain, because revenue falls with falling prices, and thus interest relatively becomes a heavier burden. A reduction of interest will substantially reduce the deficit which remains when economy and taxation have made their maximum contribution.

2. Income from interest, particularly from Government bonds and bank interest, has hitherto suffered little loss. A reduction of interest will ensure that it will contribute equitably to the common effort to restore solvency. Unless the contribution is made, it is not to be expected that the wage-earner and the pensioner will acquiesce in the very real hardships imposed on them by this plan.

The second of these objects could be obtained by taxation, but taxation would give no relief to industry and no stimulus to employment. The Conference has, therefore, resolved on an appeal to all bond-holders to accept a reduction of 22½ per cent. in the effective rate of interest. This is to be done by a conversion loan, and the new securities will be exempt from the present super-tax of 7½ per cent. and from any additional taxation imposed on income from interest, in order to spread as evenly as possible the sacrifices required to restore solvency.

Concurrently with the reduction of bond interest must go a reduction in private interest. This is mainly a matter for the banks, who are co-operating to that end. Reductions of interest are being arranged between the Commonwealth Bank, the trading banks, and the Savings Banks which will result in the rapid reduction in the interest on money required for trade and industry. This reduction of interest will be supplemented by legislation giving relief to mortgagors. This legislation forms part of the plan.

The lower rates of interest will greatly stimulate the general demand for credit, and the conference has the assurance of the Commonwealth Bank and the trading banks that, as a result of the operation of the plan, money will be readily available. With falling costs and ample supplies of credit, industry should then recover. This recovery will be stimulated by the maintenance of a free external exchange rate and the avoidance of any measures that will cause a sudden further fall in prices. A reduction of existing exchange rates will best be achieved on rising markets for Australian exports. If premature attempts are made to force the rates down earlier, they may bring about a further crisis by reducing export values once more.

SUMMARY.

The total effects of the plan on the budgets of 1931-32 may now be summarized. The total deficit as estimated for 1931-32 was £39,000,000. The extra economies agreed upon take £12,000,000 off this total. New Federal taxation embodied in the plan will contribute a net £7.5 millions, in addition to any increases which may be obtained by the States. The saving of interest by conversion will reduce the internal interest burden by £6.5 millions. As Governments will pass on this relief to their own borrowers—public bodies, public utilities, and private individuals—the net benefit to the budgets will be £5.5 millions. The combined effect will be a reduction of the deficit from £40,000,000 to £15,000,000. A further reduction of the deficit by £2,000,000 could be secured by levelling up the income tax in at least two States.

These very substantial reductions will go far to restore confidence both at home and abroad. This restoration of confidence, with the indirect effects of the fall in interest, may be expected to restore revenue, even to some extent in 1931-32, and substantially in the years following. A rise in world's price for our exports would accelerate the upward movement, and this rise may reasonably be expected within the next two years. With any improvement in industry, the expenditure on unemployment sustenance will decline, with further relief to budgets.

With this prospect, and confidence restored, there would be no difficulty in borrowing temporarily to meet the deficits as substantially reduced.

The deficit includes £10.6 millions additional charge on overseas interest and external payments on account of exchange. If the exchange rate falls, there will be a corresponding decline in the deficit. On the other hand, if the present exchange rate is maintained, its full effect in keeping up local prices and incomes will have a beneficial effect on Government revenues.

A UNITED EFFORT.

Before the details of the plan were settled, and in order to make it effective, the Leaders of the Opposition in the Commonwealth Parliament were invited to attend the Conference. After full discussion of the whole plan, the following resolution was passed:—

“The Conference, including the Leaders of the Opposition in the Federal Parliament, having most carefully considered the financial position of the Commonwealth and the States, and recognizing the national inability to meet existing Government charges, is unanimously of the opinion that to prevent national default in the immediate future, and a general failure to meet Government payments, all expenditure, including interest on Government securities and other interest, and expenditure upon governmental salaries and wages, pensions, and other social services must be substantially reduced.

These measures, drastic as they may appear, are the first essentials to the restoration of prosperity and the re-employment of our workless people.

The necessary sacrifice is due to national inability to pay, and it must, therefore, be shared by all.

The Conference has accordingly provided a conversion plan under which bond-holders may make their contribution to the general sacrifice by themselves accepting the lower rate of interest which the existing position makes unavoidable.

The Conference therefore appeals to all sections of the people to recognize the position, and, in the interests of the nation to accept the sacrifices which are involved.

A National Appeal Executive, consisting of the Prime Minister, the Leader of the Opposition, and the Chairman of the Commonwealth Bank Board, is appointed by this Conference to direct the conversion campaign.”

CONCLUSION.

1. The plan agreed upon is an indivisible whole and the carrying out of any one part is dependent upon the carrying out of all parts.

2. It involves sacrifices by every member of the community, and the Conference appeals to all sections of the people to recognize the position, and to accept these sacrifices as a national duty.

3. To the bond-holder the plan involves a reduction of interest by $22\frac{1}{2}$ per cent. but it safeguards the capital of the investor.

4. To the Government employee the plan involves a reduction, which with reductions already effected represents an average of 20 per cent., but it makes his position, and future emoluments, much more secure.

5. To the war pensioner, the plan involves a reduction of 20 per cent. (in some cases less), but it removes the danger of any sudden stoppage, and provides security for future payments.

6. To the invalid and old age pensioner the plan involves a reduction in most cases of $12\frac{1}{2}$ per cent., but it removes the danger of any sudden stoppage, and provides security for future payments.

7. To all of these a large part of the reduction is counterbalanced by the fall in prices, and in the cost of living.

8. To the unemployed, the plan provides for a restoration of employment, and in the meantime makes more secure the continuation of sustenance relief.

9. With the sacrifice distributed over the whole community in this manner, with the lead of Governments followed by all citizens, with the revival of business confidence and activity, a sure foundation will have been laid for the restoration of general prosperity in Australia.

EFFECT OF THE PLAN ON DEFICITS.

—	1929-30 Actual.	1930-31 Estimate.	1931-32.	
			Original Estimate.	After making the Agreed Adjustments.
	£ millions.	£ millions.	£ millions.	£ millions.
Commonwealth ..	1.50	13.40	20.40	4.38
New South Wales ..	5.57	10.48	11.51	5.41
Victoria	1.17	2.60	3.06	1.31
Queensland .. ..	.72	.74	1.63	.76
South Australia ..	1.63	2.20	2.40	1.50
Western Australia ..	.52	1.52	1.86	1.20
Tasmania .. ..	.02	.21	.22	.09
Total States ..	9.63	17.75	20.68	10.27
Total ..	11.13	31.15	41.08	14.65*

* Further adjustments reduce this amount to £12.66 millions. See page 891.

FINAL RESOLUTION.

Just prior to concluding its business, the Conference unanimously passed the following resolution, on the motion of Mr. Hill (Premier of South Australia) :—

The representatives of each Government present at this Conference bind themselves to give effect promptly to the whole of the resolutions agreed to at this Conference.

B. COMMONWEALTH FINANCE, 1932-33.

Particulars.	See page—	Amount.	Per Head of Population.
Consolidated Revenue Fund—(a)		£	£ s. d.
Revenue	369	73,512,809	11 3 6
Expenditure	369	(b)73,512,809	11 3 6
Loan Fund—			
Works Expenditure, 1932-33	389	Cr, 726,910	} 0 1 8
Unemployment Relief	"	1,155,698	
Wheat Bounty	"	132,807	
Total	"	561,595	
Aggregate expenditure to 30th June, 1933	"	89,035,387	..
Public Debt, 30th June, 1933—			
Commonwealth—(c)			
War	430	283,134,362	42 14 0
Works and other purposes	"	113,672,141	17 2 11
Total (c)	"	396,806,503	59 16 11
States(c)	"	807,851,620	122 1 10
Grand Total(c)	"	1,204,658,123	181 13 8
Place of Maturity—			
Australia (£ Aust.)	"	607,388,238	91 12 1
London (£ Str.)	"	550,799,115	83 1 5
New York (£ Gold)	"	46,470,770	7 0 2
Total (c)	"	1,204,658,123	181 13 8

(a) Excludes balance of interest on States' Debts. (b) Includes Balance of Receipts over ordinary expenditure, £3,546,608, appropriated for payment of Invalid and Old-age Pensions in following year. (c) Total "Face" or "Book" value of the Public Debt leaving out of account currency changes since the loans were floated.

C. STATE FINANCE, 1932-33.

STATE FINANCE, 1932-33 (a).

States.	Revenue. (Page 408.)		Expenditure. (Page 416.)		Net Loan Expenditure. (Page 420.)	
	Amount.	Per Head.	Amount.	Per Head.	Amount.	Per Head.
	£	£ s. d.	£	£ s. d.	£	£ s. d.
New South Wales	50,721,350	19 18 9	54,991,961	21 12 4	4,747,338	1 17 4
Victoria	24,283,181	13 8 0	25,138,832	13 17 5	2,162,000	1 3 10
Queensland	13,396,644	13 15 1	14,951,088	15 7 0	772,038	0 15 10
South Australia	10,160,712	17 6 3	11,169,610	19 0 8	641,683	1 1 10
Western Australia	8,332,153	19 12 3	9,196,234	21 12 11	2,060,530	4 17 0
Tasmania	2,522,191	11 6 4	2,577,407	11 11 3	41,742	0 3 9
All States	109,416,231	16 13 4	118,025,132	17 19 7	10,425,331	1 11 9

(a) Preliminary figures subject to revision.

CHAPTER XV.

PRIVATE FINANCE.

B. BANKING, p. 435.

ALL CHEQUE-PAYING BANKS—AVERAGE LIABILITIES AND ASSETS IN AUSTRALIA, QUARTER ENDED 30th SEPTEMBER, 1933.

Average Liabilities. (Page 442.)		Average Assets. (Page 442.)	
	£		£
Notes in circulation ..	174,915	Coin and Bullion ..	2,722,980
Bills in circulation ..	2,600,685	Australian Notes and Cash with Commonwealth Bank	43,792,446
Balances due to other Banks Deposits—	24,054,646	Government and Municipal securities	98,389,834
Not bearing interest ..	92,513,996	Landed and other property Balances due from other Banks	9,101,526
Bearing interest ..	220,127,269	Notes and Bills of other Banks	4,054,311
		Advances and all other Assets	1,444,775
			262,347,343
Total Liabilities (a) ..	339,471,511	Total Assets (a) ..	421,853,215

(a) Government "Set-off" Accounts, Interstate (Commonwealth Bank) deducted.

§ 2. Savings Banks, p. 448.

SAVINGS BANK DEPOSITS (page 451).

State or Territory.	31st July, 1933.	31st August 1933.	30th Septem- ber, 1933.	31st October, 1933.
	£	£	£	£
New South Wales	72,308,525	72,309,250	72,357,678	72,453,208
Victoria	67,761,372	67,852,209	67,839,074	67,890,449
Queensland	23,557,665	23,701,054	23,604,139	23,866,894
South Australia	22,585,658	22,623,737	22,667,956	22,718,155
Western Australia	9,985,314	9,951,827	9,961,345	10,007,883
Tasmania	5,875,894	5,956,766	5,948,685	5,910,748
Federal Capital Territory ..	223,518	222,960	221,668	223,983
Northern Territory	39,070	39,128	40,026	40,413
Total	202,337,016	202,656,931	202,640,571	203,111,733

CHAPTER XVI. MINERAL INDUSTRY.

§ 1. The Mineral Wealth of Australia.

3. Value of Production, p. 495.—The following table gives the value of Australian mineral production for the year 1932 :—

MINERAL PRODUCTION.—VALUE, 1932.

Mineral.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	Total.
	£	£	£	£	£	£	£	£
Gold ..	203,622	351,586	173,144	22,018	4,413,809	43,137	4,486	5,211,802
Silver and Lead	1,566,912	208	756,546	..	5,716	69,941	..	2,399,323
Copper ..	21,785	..	108,858	..	..	399,762	137	530,542
Iron ..	1,668	..	8,783	618,617	..	..	..	629,068
Tin ..	120,124	404	66,174	..	3,295	109,767	2,322	302,086
Zinc ..	155,928	..	..	..	..	..	..	155,928
Coal (Black)	4,376,453	274,903	684,555	..	270,630	86,733	..	5,693,274
Other ..	86,699	281,893	20,641	197,261	38,290	29,718	6,866	661,368
Total ..	6,533,191	908,994	1,818,701	37,296	4,731,740	739,058	13,811	15,523,391

§ 12. Oil Shale and Mineral Oil, p. 523.

Early in 1933 the Governments of the Commonwealth and of New South Wales appointed a technical Committee to inquire into the economics of the shale oil industry, with Newnes as the focal point. It is expected that the Committee will report at an early date, and, if the report is favorable, the Governments concerned will provide a sum of £80,000 to assist in the development of the deposits, and will encourage the formation of a public company to exploit the areas commercially.

Further inquiries are being prosecuted into the question of obtaining oil from coal by the hydrogenation process.

A Commonwealth Fuel Adviser was appointed in 1932.

CHAPTER XVIII.

AGRICULTURAL PRODUCTION.

§ 4. Wheat.

7. Voluntary Wheat Pools, p. 577.—(i) *General.* Voluntary wheat pools operated in the States of New South Wales, Victoria, South Australia, and Western Australia during the season 1932-33. The New South Wales pool had been inactive during 1928-29 and 1929-30. The system adopted in these States is somewhat similar, and is a co-operative one controlled by trustees, or committees appointed by the growers, the whole of the proceeds, less administrative expenses, being distributed amongst contributors of wheat to the pool. The trading names of these organizations in the various States are as follow :—

New South Wales.—The Farmers and Graziers' Co-operative Grain Insurance and Agency Co. Ltd.

Victoria.—Victorian Wheat-growers' Corporation Ltd.

South Australia.—South Australian Co-operative Wheat Pools Ltd.

Western Australia.—The Trustees of the Wheat Pool of Western Australia.

The marketing of wheat in Queensland was conducted on the compulsory basis by the State Wheat Board, consisting of five elected representatives and the Director of Marketing who represents the Queensland Government.

(ii) *Delivery of Wheat to Pools, Costs, etc.* The quantities of wheat received and the estimated average costs per bushel of rail freight and of administrative and other expenses are given hereunder. As the season's operations are not yet complete, the costs shown are subject to revision.

WHEAT RECEIVED BY VOLUNTARY POOLS, 1932-33.

Particulars. :	Unit.	New South Wales.	Victoria.	Queensland. (b)	South Australia.	Western Australia.
Wheat received . . .	Bushel	415,240	15,793,000	2,151,963	7,075,370	12,550,000
Percentage on Total Marketable Wheat . . .	%	0.5	33.0	87.0	19.0	34.0
Estimated average cost of rail freight to seaboard, per bushel . . .	d.	5.4	4.7	4.0	3.93	4.42
Estimated average cost per bushel of Administration and other expenses . . .	d.	3.0	(a)	(c) 4.5	(c) 3.5	2.5

(a) Not yet available.

(b) Compulsory Pool.

(c) Approximate.

(iii) *Finance.* The requisite financial accommodation in New South Wales, Victoria and South Australia was furnished by the Commonwealth Bank. In Western Australia funds were made available by the Co-operative Wholesale Society Ltd., of Great Britain. Initial advances made available to growers on the delivery of their wheat at country stations are shown, together with subsequent payments, in the following table :—

WHEAT POOLS ADVANCES(a) PER BUSHEL MADE TO OCTOBER, 1933.

Particulars.	New South Wales.	Victoria.	South Australia.	Western Australia.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
1st Payment	1 6	1 10	2 1	1 10
2nd Payment	1 2	0 6½	0 3	0 7
3rd Payment . . . . .	..	0 2	0 2½	0 2½
Estimated Final Payment . . . . .	..	(b)	(b)	(b)

(a) Less Rail Freight.

(b) Not yet available.

In Queensland the Commonwealth Bank provides the financial assistance necessary to make advances on wheat delivered, the State Government guaranteeing the Wheat Board's accounts with the bank. All wheat not required for consumption on the farm is delivered to the Board, which is the sole marketing agency. The crop in 1932-33 amounted to 2,474,382 bushels, of which 2,151,963 bushels, or 87.0 per cent., was delivered into the pool. Advances to 28th August, 1933, have been made on milling wheat as follows, viz. :—No. 1 quality, 2s. 9d. per bushel, No. 2, 2s. 7d. to 2s. 8d. per bushel according to quality, and No. 3, 2s. 3d. to 2s. 6d. per bushel according to quality, while advances on feed wheat ranged from 1s. 9d. to 2s. per bushel according to quality. A further advance will be made when the season's operations have been finally dealt with.

CHAPTER XXIV. LABOUR, WAGES, AND PRICES.

A.—PRICES.

§ 2. Retail Prices and House Rents, p. 705.

Retail Price Index Numbers—Food, Groceries and Rent (all Houses) 1911 Base.—The index numbers in the following table are computed for the Commonwealth Court of Conciliation and Arbitration on a different basis to those given in § 2. The rent constituent is based upon the weighted average of *all houses*. The index numbers are directly comparable with those published in Labour Report, No. 15, and in Quarterly Summaries of Australian Statistics previous to No. 99.

RETAIL PRICE INDEX NUMBERS—FOOD, GROCERIES AND RENT—ALL HOUSES.

Weighted Average—Six Capitals in 1911 = 1,000.

Town.	1928.				1929.				1930.				1931.				1932.			
	1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.	1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.	1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.	1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.	1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.
NEW SOUTH WALES.																				
Sydney	1,846	1,853	1,825	1,830	1,916	1,905	1,914	1,929	1,851	1,836	1,776	1,704	1,661	1,621	1,571	1,530	1,534	1,522	1,502	1,474
Newcastle	1,726	1,722	1,716	1,712	1,777	1,758	1,761	1,769	1,713	1,692	1,641	1,572	1,550	1,513	1,451	1,385	1,397	1,385	1,382	1,346
Broken Hill	1,711	1,685	1,666	1,667	1,753	1,761	1,768	1,793	1,719	1,710	1,634	1,581	1,537	1,511	1,435	1,379	1,393	1,377	1,365	1,322
Goulburn	1,836	1,840	1,827	1,828	1,897	1,891	1,901	1,926	1,852	1,813	1,750	1,617	1,571	1,540	1,481	1,433	1,438	1,458	1,451	1,422
Bathurst	1,555	1,569	1,562	1,549	1,647	1,618	1,620	1,642	1,593	1,584	1,543	1,492	1,465	1,450	1,402	1,343	1,339	1,335	1,313	1,279
Weighted Average— New South Wales	1,830	1,835	1,810	1,814	1,898	1,887	1,895	1,910	1,834	1,819	1,759	1,687	1,646	1,607	1,555	1,512	1,516	1,504	1,487	1,457
VICTORIA.																				
Melbourne	1,768	1,761	1,729	1,726	1,801	1,816	1,816	1,815	1,733	1,723	1,667	1,565	1,519	1,457	1,411	1,405	1,417	1,392	1,369	1,332
Ballarat	1,553	1,549	1,548	1,540	1,604	1,610	1,636	1,655	1,579	1,576	1,542	1,455	1,420	1,371	1,339	1,327	1,350	1,322	1,304	1,279
Bendigo	1,584	1,583	1,575	1,556	1,629	1,621	1,655	1,659	1,577	1,576	1,525	1,428	1,389	1,330	1,297	1,294	1,286	1,274	1,259	1,226
Geelong	1,712	1,693	1,672	1,681	1,731	1,717	1,729	1,734	1,635	1,624	1,577	1,505	1,459	1,420	1,399	1,407	1,410	1,400	1,383	1,342
Warrnambool	1,585	1,575	1,549	1,556	1,594	1,600	1,654	1,688	1,618	1,623	1,588	1,547	1,484	1,435	1,424	1,438	1,447	1,437	1,424	1,393
Weighted Average— Victoria	1,749	1,742	1,713	1,709	1,782	1,795	1,798	1,799	1,717	1,707	1,653	1,554	1,507	1,448	1,404	1,398	1,409	1,385	1,363	1,327
QUEENSLAND.																				
Brisbane	1,596	1,593	1,584	1,608	1,633	1,610	1,615	1,624	1,554	1,461	1,406	1,342	1,343	1,333	1,293	1,289	1,289	1,269	1,246	1,229
Toowoomba	1,449	1,454	1,458	1,470	1,499	1,477	1,488	1,508	1,453	1,427	1,396	1,337	1,324	1,286	1,246	1,251	1,251	1,260	1,239	1,219
Rockhampton	1,516	1,526	1,505	1,539	1,579	1,545	1,551	1,555	1,536	1,484	1,455	1,397	1,399	1,350	1,310	1,327	1,318	1,290	1,263	1,244
Charts Towers	1,505	1,497	1,490	1,541	1,580	1,547	1,565	1,539	1,485	1,465	1,362	1,321	1,318	1,318	1,277	1,265	1,276	1,257	1,230	1,213
Warwick	1,425	1,430	1,431	1,454	1,496	1,468	1,476	1,495	1,431	1,406	1,375	1,314	1,311	1,288	1,261	1,267	1,249	1,247	1,226	1,210
Weighted Average— Queensland	1,570	1,569	1,561	1,586	1,613	1,589	1,595	1,608	1,539	1,459	1,407	1,345	1,345	1,330	1,289	1,288	1,288	1,269	1,246	1,228

RETAIL PRICE INDEX NUMBERS—FOOD, GROCERIES AND RENT—ALL HOUSES—continued.

Weighted Average—Six Capitals in 1911 = 1,000.

Town.	1928.				1929.				1930.				1931.				1932.			
	1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.	1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.	1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.	1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.	1st Quarter.	2nd Quarter.	3rd Quarter.	4th Quarter.
SOUTH AUSTRALIA.																				
Adelaide	1,758	1,760	1,713	1,689	1,766	1,784	1,781	1,755	1,689	1,655	1,563	1,466	1,427	1,370	1,286	1,280	1,299	1,289	1,258	1,218
Kadina, &c.	1,464	1,445	1,424	1,434	1,489	1,471	1,497	1,506	1,423	1,406	1,350	1,261	1,237	1,192	1,115	1,126	1,166	1,157	1,146	1,103
Port Pirie	1,564	1,565	1,532	1,528	1,606	1,595	1,618	1,621	1,559	1,559	1,494	1,429	1,396	1,341	1,276	1,272	1,299	1,280	1,250	1,199
Mount Gambier	1,420	1,416	1,411	1,389	1,439	1,445	1,463	1,466	1,401	1,353	1,333	1,274	1,202	1,181	1,167	1,174	1,208	1,201	1,182	1,164
Peterborough	1,682	1,672	1,655	1,673	1,741	1,724	1,758	1,749	1,668	1,660	1,608	1,501	1,438	1,393	1,322	1,334	1,343	1,319	1,296	1,262
Weighted Average— South Australia	1,733	1,734	1,689	1,668	1,743	1,759	1,759	1,736	1,669	1,637	1,549	1,453	1,414	1,359	1,277	1,272	1,292	1,282	1,252	1,212
WESTERN AUSTRALIA.																				
Perth, &c.	1,607	1,689	1,706	1,705	1,724	1,742	1,716	1,678	1,660	1,651	1,581	1,470	1,484	1,461	1,379	1,339	1,361	1,363	1,316	1,277
Kalgoorlie, &c.	1,480	1,515	1,577	1,583	1,626	1,667	1,659	1,579	1,525	1,554	1,530	1,391	1,376	1,390	1,386	1,403	1,435	1,469	1,450	1,431
Northam	1,571	1,610	1,637	1,639	1,664	1,667	1,672	1,633	1,599	1,609	1,557	1,446	1,407	1,369	1,328	1,319	1,317	1,343	1,319	1,274
Bunbury	1,525	1,559	1,593	1,572	1,578	1,613	1,616	1,586	1,575	1,574	1,510	1,384	1,360	1,352	1,301	1,261	1,245	1,270	1,254	1,239
Geraldton	1,565	1,570	1,571	1,596	1,627	1,650	1,661	1,629	1,621	1,630	1,615	1,488	1,484	1,481	1,458	1,424	1,421	1,427	1,372	1,300
Weighted Average— Western Australia	1,590	1,664	1,685	1,686	1,707	1,728	1,706	1,663	1,642	1,638	1,575	1,460	1,469	1,450	1,379	1,345	1,367	1,373	1,330	1,292
TASMANIA.																				
Hobart	1,658	1,665	1,653	1,666	1,730	1,721	1,725	1,740	1,687	1,685	1,651	1,564	1,534	1,491	1,431	1,433	1,453	1,456	1,427	1,410
Launceston	1,594	1,597	1,580	1,569	1,618	1,611	1,628	1,668	1,602	1,590	1,558	1,495	1,465	1,428	1,391	1,378	1,387	1,377	1,352	1,334
Burnie	1,566	1,588	1,562	1,576	1,640	1,623	1,663	1,669	1,589	1,606	1,563	1,466	1,389	1,365	1,337	1,340	1,370	1,347	1,320	1,297
Devonport	1,559	1,583	1,540	1,532	1,609	1,605	1,634	1,635	1,539	1,535	1,519	1,441	1,423	1,374	1,342	1,357	1,395	1,382	1,335	1,328
Queenstown	1,389	1,406	1,416	1,418	1,494	1,487	1,492	1,520	1,464	1,469	1,458	1,405	1,374	1,327	1,300	1,315	1,331	1,329	1,321	1,317
Weighted Average— Tasmania	1,622	1,630	1,615	1,620	1,681	1,673	1,683	1,704	1,644	1,640	1,608	1,529	1,498	1,457	1,407	1,406	1,424	1,422	1,394	1,377
Weighted Average— Thirty Towns	1,745	1,750	1,727	1,728	1,797	1,797	1,800	1,803	1,731	1,711	1,651	1,566	1,531	1,487	1,435	1,414	1,423	1,409	1,386	1,354
Weighted Average— Six Capital Cities	1,768	1,774	1,748	1,749	1,820	1,821	1,823	1,825	1,752	1,730	1,668	1,582	1,546	1,501	1,447	1,425	1,435	1,419	1,395	1,363

Retail Price Index-Numbers—Capital Cities—Annual Figures—1901 to 1932.—The index-numbers given in the separate parts of the table cannot be compared with each other in order to show the relative cost of (say) housing, and food and groceries, since the weighted average cost for the six capital cities taken together in 1911 in each group or combination is made equal to 1,000.

Weighted Average—Six Capitals in 1911 = 1,000.

FOOD AND GROCERIES ONLY.

City.	1901.	1907.	1911.	1914.	1917.	1918.	1919.	1920.	1921.	1922.	1923.	1924.	1925.	1926.	1927.	1928.	1929.	1930.	1931.	1932.
Sydney	917	936	989	1,156	1,540	1,549	1,783	2,148	1,898	1,703	1,820	1,732	1,785	1,867	1,846	1,826	1,948	1,759	1,567	1,524
Melbourne .. .	965	925	935	1,091	1,412	1,466	1,620	2,056	1,901	1,644	1,802	1,684	1,748	1,774	1,732	1,684	1,795	1,632	1,414	1,355
Brisbane	965	947	1,018	1,078	1,406	1,495	1,762	2,052	1,812	1,608	1,693	1,690	1,734	1,788	1,680	1,671	1,701	1,508	1,392	1,320
Adelaide	1,028	951	1,020	1,215	1,445	1,554	1,719	2,132	1,906	1,723	1,823	1,791	1,840	1,869	1,841	1,775	1,887	1,674	1,411	1,361
Perth	1,184	1,197	1,346	1,302	1,505	1,486	1,772	2,050	1,995	1,776	1,828	1,891	1,938	1,866	1,796	1,882	1,938	1,719	1,494	1,438
Hobart	1,011	1,010	1,058	1,212	1,544	1,635	1,748	2,162	2,025	1,794	1,863	1,849	1,810	1,868	1,788	1,727	1,833	1,702	1,459	1,425
Weighted Average— Six Capitals	972	955	1,000	1,144	1,472	1,514	1,716	2,101	1,902	1,684	1,805	1,732	1,785	1,829	1,789	1,761	1,866	1,682	1,477	1,425

HOUSING—ALL HOUSES.

Sydney	858	911	1,090	1,279	1,215	1,252	1,289	1,415	1,474	1,535	1,617	1,687	1,729	1,813	1,808	1,857	1,870	1,839	1,637	1,486
Melbourne .. .	733	804	970	1,126	1,124	1,180	1,283	1,405	1,502	1,597	1,672	1,729	1,742	1,839	1,850	1,835	1,836	1,729	1,497	1,412
Brisbane	488	575	767	882	859	905	983	1,061	1,079	1,206	1,247	1,242	1,251	1,459	1,480	1,487	1,505	1,344	1,204	1,171
Adelaide	629	812	1,112	1,040	959	1,022	1,108	1,216	1,289	1,360	1,450	1,551	1,565	1,553	1,601	1,665	1,607	1,477	1,240	1,134
Perth	801	684	810	914	874	885	916	996	1,055	1,092	1,124	1,134	1,154	1,316	1,331	1,382	1,395	1,497	1,304	1,177
Hobart	667	708	805	914	951	956	1,134	1,373	1,440	1,445	1,602	1,665	1,634	1,650	1,603	1,565	1,580	1,568	1,492	1,455
Weighted Average— Six Capitals	751	816	1,000	1,135	1,098	1,143	1,215	1,333	1,404	1,480	1,551	1,609	1,632	1,725	1,734	1,758	1,760	1,685	1,483	1,374

FOOD, GROCERIES AND HOUSING—ALL HOUSES—COMBINED.

Sydney	893	926	1,031	1,206	1,406	1,427	1,580	1,847	1,724	1,634	1,737	1,714	1,762	1,844	1,830	1,839	1,916	1,792	1,596	1,508
Melbourne .. .	870	875	950	1,105	1,294	1,349	1,481	1,788	1,737	1,625	1,749	1,703	1,745	1,801	1,781	1,746	1,812	1,672	1,448	1,378
Brisbane	769	794	915	997	1,181	1,252	1,442	1,645	1,511	1,442	1,510	1,506	1,535	1,653	1,598	1,595	1,620	1,441	1,315	1,258
Adelaide	864	894	1,058	1,143	1,245	1,335	1,468	1,756	1,653	1,574	1,670	1,693	1,727	1,739	1,742	1,730	1,772	1,593	1,341	1,266
Perth	1,027	986	1,126	1,143	1,246	1,239	1,420	1,617	1,609	1,495	1,538	1,580	1,616	1,640	1,605	1,677	1,715	1,591	1,416	1,329
Hobart	869	886	954	1,090	1,301	1,356	1,496	1,837	1,785	1,651	1,756	1,773	1,738	1,778	1,712	1,661	1,729	1,647	1,472	1,437
Weighted Average— Six Capitals	880	897	1,000	1,140	1,318	1,362	1,510	1,785	1,697	1,600	1,700	1,682	1,722	1,786	1,766	1,760	1,822	1,683	1,479	1,403