

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.

§ 1. Schemes of Parliamentary Government.

3. Governor-General and State Governors, p. 62. Governor of New South Wales—BRIGADIER-GENERAL THE HON. SIR ALEXANDER GORE ARKWRIGHT HORE-RUTHVEN, V.C., K.C.M.G., C.B., D.S.O.—Assumed office on the 21st February, 1935.

§ 2. Parliaments and Elections.

3. Federal Elections, p. 65.

FEDERAL ELECTIONS HELD ON 15TH SEPTEMBER, 1934.

Electors Enrolled.			Electors who Voted.			Percentage of Electors who Voted.		
Males.	Females.	Total.	Males.	Females.	Total.	Males.	Females.	Total.
THE SENATE.								
1,954,339	1,948,338	3,902,677	1,862,749	1,845,829	3,708,578	95.31	94.74	95.03
THE HOUSE OF REPRESENTATIVES.								
(CONTESTED ELECTORATES.)								
1,930,418	1,934,021	3,864,439	1,843,949	1,833,774	3,677,723	95.52	94.82	95.17

§ 3. Administration and Legislation.

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

(c) LYONS GOVERNMENT, FROM 12TH OCTOBER, 1934.

DEPARTMENTS.	MINISTERS (9th November, 1934).
Prime Minister and Treasurer	.. The Rt. Hon. JOSEPH ALOYSIUS LYONS.
Minister for Commerce	.. .. The Rt. Hon. EARLE CHRISTMAS GRAFTON PAGE.
Minister for External Affairs and Minister-in-Charge of Territories	Senator the Rt. Hon. SIR GEORGE FOSTER PEARCE, K.C.V.O.
Attorney-General and Minister for Industry	The Hon. ROBERT GORDON MENZIES, K.C.
Minister for Defence	.. .. The Hon. ROBERT ARCHDALE PARKHILL.
Vice-President of the Executive Council, Minister for Health and Minister for Repatriation	The Rt. Hon. WILLIAM MORRIS HUGHES, K.C.

(c) LYONS GOVERNMENT, FROM 12TH OCTOBER, 1934—*continued*.

DEPARTMENTS.	MINISTERS (9TH November, 1934).
Minister for the Interior	The Hon. THOMAS PATERSON.
Postmaster-General and Minister-in-Charge of Development, and Scientific and Industrial Research	Senator the Hon. ALEXANDER JOHN McLACHLAN.
Minister for Trade and Customs ..	The Hon. THOMAS WALTER WHITE, D.F.C., V.D.
Assistant Treasurer	The Hon. RICHARD GARDINER CASEY, D.S.O., M.C.
Ministers without Portfolios ..	<div style="display: inline-block; vertical-align: middle;"> <div style="display: inline-block; vertical-align: middle; font-size: 3em; line-height: 1;">{</div> <div style="display: inline-block; vertical-align: middle;"> The Hon. SIR HENRY SOMER GULLETT, K.C.M.G. Senator the Hon. THOMAS CORNELIUS BRENNAN, K.C. The Hon. HAROLD VICTOR CAMPBELL THORBY. The Hon. JAMES AITCHISON JOHNSTON HUNTER. </div> </div>

3. State Ministries, p. 73.—New South Wales. The Ministry was reconstructed on the 11th February, 1935, the only change being that the portfolios previously held by the Hon. R. W. D. Weaver were allocated as follow :—Secretary for Public Works to the Premier and Colonial Treasurer ; and Minister for Health to the Hon. H. P. Fitzsimons.

CHAPTER VI.—TRANSPORT AND COMMUNICATION.

E. MOTOR VEHICLES.

5. Motor Vehicles Registered, p. 200.—Motor vehicles registered at 30th June, 1934, were as follow :—

MOTOR VEHICLES REGISTERED AT 30th JUNE, 1934.

State or Territory.	Motor Cars.	Commercial Vehicles.	Motor Cycles.	All Vehicles.	
				No.	Per 1,000 of Population.
New South Wales (a) ..	155,063	50,108	22,571	227,742	86.86
Victoria... ..	130,495	33,513	24,248	188,256	102.89
Queensland	(b) 85,333	(c) 7,502	7,502	92,835	96.91
South Australia ..	42,417	15,228	8,584	66,229	113.54
Western Australia ..	28,499	14,199	6,284	48,982	110.79
Tasmania	12,050	2,712	3,790	18,552	81.38
North Australia ..	234	338	40	612	137.78
Central Australia ..	44	20	2	66	
Federal Capital Territory ..	1,100	227	88	1,415	152.27
Australia	455,235	116,345	73,109	644,689	96.55

(a) Number of Vehicles on the road. (b) Includes Commercial Vehicles. (c) Included under Motor Cars.

CHAPTER VII.—TRADE.

§ 5. Oversea Trade.

3. Balance of Payments, p. 246.

Australian Balance of Payments, 1928-29 to 1933-34.

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 six years ending in June, 1934. 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 1933-34 will require little revision. In a few cases, items of minor significance have been estimated in 1933-34 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 six 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.	1933-34.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
I. MERCHANDISE.						
1. Merchandise, including silver bullion and coins other than gold, exported ..	138,645	98,255	77,050	75,813	78,548	91,107
2. Ships' stores exported ..	2,316	2,047	1,401	1,225	1,295	1,294
3. Value of gold produced, in all forms ..	1,872	1,874	2,157	3,609	4,606	5,659
4. Deduct household effects, prizes, &c., exported ..	— 111	— 102	— 92	— 75	— 62	— 61
5. Deduct for over-valuation of wool exported ..	— 1,718	— 1,195	— 613	..	..	..
6. Exchange adjustment to official values ..	— 1,025	— 2,781	— 48	147	..	..
	139,979	98,098	79,855	80,719	84,387	97,999
II. INTEREST AND DIVIDENDS.						
7. Interest on Commonwealth Government investments overseas ..	90	181	161	174	161	86
8. Interest on Sinking Funds investments overseas ..	52	45	53	58	66	36
9. Interest on "other" assets overseas ..	295	490	610	1,280	935	767
10. Interest on net assets overseas of Australian banks ..	2,254	1,554	599	1,085	225	316
11. Interest on New Zealand Government debt domiciled in Australia ..	267	284	278	186	127	124
12. Interest on New Zealand Local Bodies' debt domiciled in Australia ..	385	424	387	307	245	245*
13. Interest on local investments in Australian Government securities domiciled overseas, n.e.i. ..	?	?	?	?	?	?
14. Interest and dividends on other long and short term investments overseas, n.e.i. ..	?	?	?	?	?	?
	3,343	2,978	2,088	3,090	1,759	1,574
III. OTHER SERVICES.						
15. Insurance earnings overseas by Australian companies—						
(a) Life ..	?	?	?	?	?	?
(b) Fire, marine and general ..	— 6	6	21	— 15	13	15*
16. Earnings of Australian ships on account of all overseas freight traffic ..	646	663	537	523	538	669
17. Expenditure of foreign ships in Australian ports ..	6,297	6,697	4,505	3,891	4,233	4,056
18. Duties collected on ships' stores consumed in Australian waters ..	83	78	58	48	41	40
19. Commonwealth land and income taxation paid by overseas interests ..	537	592	834	633	547	581
20. Expenditure in Australia by overseas tourists and travellers ..	1,409	1,297	853	735	739	776
21. Funds brought in by immigrants and returned emigrants ..	1,072	705	360	208	238	239
22. Emigrants' remittances and money gifts from overseas, n.e.i. ..	560	578	518	408	363	358
23. Diplomatic, consular and similar expenditure in Australia ..	120	120	110	100	100	100
24. War pensions received from overseas ..	381	451	446	436	297	333
25. Government receipts in cash on account of reparations ..	876	878	1,265	..	..	..
26. Government receipts from overseas, n.e.i. ..	37	33	23	26	17	21
	12,012	12,098	9,530	6,993	7,126	7,188

**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.	1933-34.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
I. MERCHANDISE.						
27. Merchandise, including silver bullion and coins other than gold, imported	143,300	130,788	60,586	44,059	56,872	59,681
28. Value of outside packages of imports (unrecorded)	2,690	1,315	..	..	..	..
29. Add for under-valuation of freight, insurance and sundry charges	3,260	5,332	3,229	3,387	4,308	4,681
30. Add for under-valuation of films imported	605	1,071	421	147	122	200
31. Deduct household effects, prizes, &c., imported	— 202	— 181	— 120	— 111	— 141	— 140
32. Exchange adjustment to official values .. .. .	..	— 45	— 116	— 144	— 194	— 330
	149,653	138,780	64,000	47,338	60,967	64,092
II. INTEREST AND DIVIDENDS.						
33. Interest on Government debt overseas—						
Commonwealth—						
(a) Long-term securities ..	7,952	8,776	8,669	4,858	4,993	4,694
(b) Short-term securities ..	..	44	134	493	256	210
(c) Bank advances or bal- ances, net	— 25	171	204	5	— 2	— 4
States—						
(d) Long-term securities ..	18,891	18,555	19,674	18,932	18,386	18,034
(e) Short-term securities ..	..	197	906	1,121	721	570
(f) Bank advances or bal- ances, net	174	409	320	— 16	— 2	— 8
34. Interest on Local Bodies' debt overseas	1,340	1,404	1,438	1,640	1,643	1,481
35. Interest on other public debt held overseas .. .. .	..	..	..	..	..	31
36. Interest on net assets in Australia of overseas banks	421	527	445	305	285	249
37. Interest and dividends on long- term private capital invested in Australia	8,830	8,064	4,585	4,106	4,532	5,096*
38. Interest on trade moneys held temporarily in Australia on oversea account .. .. .	..	..	332	337	285	253
39. Deduct contribution of British Government to interest on migration loans	— 109	— 126	— 131	— 112	— 110	— 106
	37,474	38,021	36,576	31,669	30,987	30,500
III. OTHER SERVICES.						
40. Insurance earnings in Australia by oversea companies—						
(a) Life	— 2	21	24	16	24	26*
(b) Fire, marine and general ..	975	944	459	805	1,043	1,200*
41. Expenditure overseas by Australian tourists and travellers, including fares	4,306	3,958	1,853	1,419	2,381	2,871
42. Funds taken out by emigrants and returning immigrants, including fares	1,268	1,608	1,514	896	689	663
43. Immigrants' remittances and money gifts sent overseas, n.e.i. ..	801	847	696	327	303	315
44. Other payments to absentees ..	400	263	223	163	176	195
45. Commonwealth contributions to assisted passages	133	58	10	..	..	..
46. Diplomatic, consular and similar expenditure overseas	227	221	170	119	125	133
47. Expenditure overseas by Depart- ment of Defence, n.e.i.	1,285	357	137	81	53	80
48. War pensions paid overseas ..	342	367	374	325	264	253
49. Contributions to upkeep of soldiers' graves	95	95	95	..	..	..
50. Oversea mail subsidy	130	130	130	110	110	110
51. Loan flotation and management expenses and stamp duties on transfers	417	83	42	33	529	1,078
52. Government expenditure overseas, n.e.i.	150	138	123	109	125	138
	10,527	9,090	5,850	4,403	5,822	7,062

B.—CAPITAL MOVEMENTS.

Inward or Credit Movements (Increase of Liabilities).	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
53. Government debt domiciled overseas—						
Commonwealth—						
(a) Long-term securities ..	6,279	7,941	— 1,952	— 103	— 360	— 1,288
(b) Short-term securities ..	..	1,575	8,645	..	..	..
(c) Bank advances or balances, net ..	— 1,665	9,218	— 7,817	— 1,190	8	— 610
States—						
(d) Long-term securities ..	— 4,164	— 11,601	— 610	— 1,674	— 779	— 2,209
(e) Short-term securities ..	..	8,425	19,430	— 751	— 3,199	— 500
(f) Bank advances or balances, net ..	9,580	8,845	— 14,698	5	— 512	— 834
(g) Discounts and cash bonuses on conversion ..	— 672	— 113	..	..	— 309	— 1,407
54. Local Bodies' debt domiciled overseas ..	1,288	1,634	952	— 884	— 95	— 70
55. "Other" public debt held overseas, n.e.i. ..	..	..	..	..	770	..
56. Net assets in Australia of overseas banks ..	1,772	1,704	— 1,538	— 112	349	— 531
57. Net assets in Australia of overseas life insurance companies ..	..	4	9	2	1,801	..
58. Long-term private capital invested in Australia ..	?	?	?	?	?	?
59. Trade moneys held temporarily in Australia on overseas account ..	..	3,916	6,390	557	— 1,673	110
	12,418	31,548	8,811	— 4,150	— 3,999	— 7,339

Outward or Debit Movements (Increase of Assets).	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
60. Commonwealth Government investments overseas ..	— 86	— 172	— 155	— 29	— 699	28
61. Sinking Funds investments in securities domiciled overseas, or bank balances ..	— 7,768	— 33	247	— 84	2,028	— 2,213
62. Net assets overseas of Note Issue Department ..	1,260	14,065	8,820	3,483	16,461	— 1,250
63. Net assets overseas of Australian banks ..	— 5,115	— 18,114	— 3,138	7,369	— 4,258	21,145
64. New Zealand Government debt domiciled in Australia ..	— 1	106	— 86	— 204	— 835	31
65. New Zealand Local Bodies' debt domiciled in Australia ..	314	791	318	— 1,015	— 1,239	..
66. Local investments in Australian Government securities domiciled overseas, n.e.i. ..	?	?	?	?	?	?
67. Other long and short-term investments overseas, n.e.i. ..	?	?	?	?	?	?
	— 11,396	— 3,357	6,006	9,520	11,458	17,741

SUMMARY TABLES.

A. Current Movements of Goods, Services, and Gold Production.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
Inward or Credit Movements (Exports)—						
I. Merchandise	139,979	98,098	79,855	80,719	84,387	97,999
II. Interest and Dividends ..	3,343	2,978	2,088	3,090	1,759	1,574
III. Other Services	12,012	12,098	9,530	6,993	7,126	7,188
Total Credits	155,334	113,174	91,473	90,802	93,272	106,761
Outward or Debit Movements (Imports)—						
I. Merchandise	149,653	138,780	64,000	47,338	60,967	64,092
II. Interest and Dividends ..	37,474	38,021	36,576	31,669	30,987	30,500
III. Other Services	10,527	9,090	5,850	4,403	5,822	7,062
Total Debits	197,654	185,891	106,426	83,410	97,776	101,654
Excess of Debits (—) or Credits (+)	-42,320	-72,717	-14,953	+ 7,392	- 4,504	+ 5,107
B. Capital Movements.						
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
Inward or Credit Movements (Increase of Liabilities)	12,418	31,548	8,811	- 4,150	- 3,999	- 7,339
Outward or Debit Movements (Increase of Assets)	-11,396	- 3,357	6,006	9,520	11,458	17,741
Excess of Debits (—) or Credits (+)	+23,814	+34,905	+ 2,805	-13,670	-15,457	-25,080
C. Monetary Gold Movements.						
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
68. Inward or Credit Movements (Exports in excess of New Production)	1,115	24,998	10,119	5,927	13,443	2,015
69. Outward or Debit Movements (Imports)	348	294	374	654	1,141	1,211
Excess of Debits (—) or Credits (+)	+ 767	+24,704	+ 9,745	+ 5,273	+12,302	+ 804
Balance of Payments.						
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
Deficiency (—) or Surplus (+) on Current Account	-42,320	-72,717	-14,953	+ 7,392	- 4,504	+ 5,107
Deficiency (—) or Surplus (+) on Monetary Gold Account ..	+ 767	+24,704	+ 9,745	+ 5,273	+12,302	+ 804
Total	-41,553	-48,013	- 5,208	+12,665	+ 7,798	+ 5,911
Deficiency (—) or Surplus (+) on Capital Account (so far as it has been traced)	+23,814	+34,905	+ 2,805	-13,670	-15,457	-25,080
Balance, accounted for by lags, errors and omissions, especially in private capital items	+17,739	+13,108	+ 2,403	+ 1,005	+ 7,659	+19,169

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 overseas 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 do not appear unreasonably large. In 1928-29 the balance not specifically accounted for amounts to approximately

Liabilities.		At 30th June—						
		1928.	1929.	1930.	1931.	1932.	1933.	1934.
70. Government debt domiciled overseas—		000.	000.	000.	000.	000.	000.	000.
Commonwealth—								
(a) Long-term securities	{ (\$4,866) (£ stg.)	17,291	17,156	17,156	17,156	17,116	16,890	16,711
(b) Short-term securities (£ stg.)		136,216	142,630	150,571	148,619	148,556	148,422	147,313
(c) Bank advances or balances, net (£ stg.)		..	..	1,575	10,220	10,220	10,220	10,220
States—		150	Cr. 1,515	7,703	Cr. 114	Cr. 1,304	Cr. 1,296	Cr. 1,906
(d) Long-term securities	{ (\$4,866) (£ stg.)	30,990	30,779	30,687	30,436	29,964	29,581	29,237
(e) Short-term securities (£ stg.)		385,671	381,718	370,209	369,850	368,648	368,252	366,387
(f) Bank advances or balances, net (£ stg.)		..	..	8,425	27,855	27,104	23,905	23,405
71. Local Bodies debt domiciled overseas (mainly £ stg.)		Cr. 3,957	5,623	14,468	Cr. 230	Cr. 225	Cr. 737	Cr. 1,571
72. "Other" public debt held overseas, n.e.i. (£ A.)		24,821	26,109	27,743	28,695	27,811	27,716	27,646
73. Net assets in Australia of oversea banks (£ A.)		..	..	..	..	..	965	965
74. Net assets in Australia of oversea life insurance companies (£ A.)		6,135	7,907	9,661	7,846	7,703	8,140	7,475
75. Long-term private capital invested in Australia (£ A.)		42	42	46	57	59	2,315	2,315*
76. Trade moneys held temporarily in Aus- tralia on oversea account (£ A.)		175,000	175,000	175,000	175,000	175,000	175,000	175,000
		..	..	4,031	11,571	12,281	10,186	10,324
	{ £ stg. ..	772,359	49	580,694	584,895	580,810	576,482	571,494
Provisional Totals	{ £ A. ..	..	..	188,738	194,474	195,043	196,606	196,079
	{ \$4,866 ..	..	..	47,843	47,592	47,080	46,471	45,948

BALANCE OF INTERNATIONAL INDEBTEDNESS—*continued.*

(Approximate.)

Assets.	At 30th June—							
	1928.	1929.	1930.	1931.	1932.	1933.	1934.	
	000.	000.	000.	000.	000.	000.	000.	
77. Commonwealth Government investments overseas (£ stg.) ..	3,320	3,234	3,062	2,907	2,878	2,179	2,207	
78. Sinking Funds investments in securities domiciled overseas, or bank balances (£ stg.) ..	8,899	1,131	1,098	1,345	1,261	3,289	1,076	
79. Net assets overseas of Note Issue Department (£ stg.) ..	5,721	6,981	21,046	29,866	33,349	49,810	48,560	
80. Net assets overseas of Australian banks (£ stg.) ..	50,728	45,613	27,499	24,361	31,730	27,472	48,617	
81. New Zealand Government debt domiciled in Australia (£ A.) ..	4,169	4,168	4,277	4,175	3,915	2,869	2,908	
82. New Zealand Local Bodies debt domiciled in Australia (£ A.) ..	7,072	7,386	8,200	8,575	7,282	5,730	5,730*	
83. Local investments in Australian Government securities domiciled overseas, n.e.i. ..	?	?	?	?	?	?	?	
84. Other long and short-term investments overseas, n.e.i. ..	?	?	?	?	?	?	?	
Provisional Totals .. {	£ stg. ..	79,909	68,513	52,705	58,479	69,218	82,750	100,460
	£ A.	12,477	12,750	11,197	8,599	8,638

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 subsequent years are believed to be correct, in consequence of revised methods of valuation.

Item 6.—Prior to the year 1930-31 it was not customary to make official estimates of the English sterling currency value of Australian exports, and it has been the general practice to regard the Australian currency value as a fair approximation to the sterling value. In 1929-30, however, the difference was substantial, and it was over a million pounds in 1928-29. The adjustments made in the table above are designed to convert the export values uniformly to an English sterling basis, using the mean of the buying and selling rates for telegraphic transfers throughout. Minor adjustments are also necessary in the two following years.

Item 7.—From Commonwealth Budgets.

Item 8.—See item 78. Partly estimated.

Item 9.—From confidential information received.

Item 10.—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.

Items 11 and 12.—Actual amounts paid by the New Zealand Government and amounts payable by New Zealand Local Bodies.

Item 15 (a).—Definite information not yet available.

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

Item 16.—Total freight charges on imports have been estimated under item 29. 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 17.—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 19.—Based on data contained in the annual *Reports* of the Commonwealth Commissioner of Taxation. Partly estimated.

Item 20.—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 21.—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 the last three years.

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

Item 23.—Very rough estimate.

Item 25.—No reparations were received in 1931-32, 1932-33 or 1933-34, on account of the Hoover Moratorium and subsequent arrangements.

Item 26.—From Commonwealth Budgets and special returns supplied by the State Treasuries.

Item 27.—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 28.—"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 29.—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 annually 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; in 1932-33, 17.1; and in 1933-34, 17.4 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 30.—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 32.—Imports are recorded for duty purposes in "British currency values". For the most part British currency, in this context, is synonymous with English sterling; but in those cases where import values are already expressed in terms of £. s. d. they are regarded for duty and statistical purposes as being expressed in terms of "British currency." This exception to the general rule is chiefly important in the case of imports from the Australian territories, and imports from New Zealand and South Africa, when their currencies are not at par with English sterling. Adjustments have been made above to correct the discrepancies in these three cases.

Item 33 (a), (b) and (c).—The amounts stated are those actually paid, in sterling, during the financial year, on Commonwealth liabilities only. In 1931-32 and subsequent years the amount paid in interest on Commonwealth Government long-term debt was reduced by £3,919,774, payment of which was originally postponed under the Hoover Moratorium on war debts and reparations. Allowance has been made for the sterling premium or discount on dollar payments during the last three years. Data from Commonwealth Budgets and Commonwealth Treasury.

(d) (e) and (f).—The amounts stated are those actually paid, in sterling, during the financial year, on State liabilities only. Allowance has been made for the sterling premium or discount on dollar payments during the last three years. Data from special returns supplied by the State Treasuries.

Item 34.—Partly estimated, but in the main a compilation. Allowance has been made for the sterling premium or discount on dollar payments during the last three years.

Item 35.—Based on confidential information received.

Item 36.—Estimated at 6 per cent. in the first three years, at 5 per cent. in 1931-32, at $4\frac{1}{2}$ per cent. in 1932-33, and at 4 per cent. in 1933-34, on the averages of the amounts outstanding at the beginning and end of each year.

Item 37.—This item is largely conjectural, but rather more firmly based than in previous statements. The detailed calculations have been based on data contained in the annual *Reports* of the Commonwealth Commissioner of Taxation, and indexes of company profits from *Jobson's Investment Digest*. The estimates are designed to include dividends, interest on debentures, other interest, profits, rents, &c., not elsewhere included.

Item 38.—Interest actually paid on the bonds and fixed deposits included in item 76.

Item 39.—From Commonwealth Budgets.

Item 40.—Excess of receipts over expenditure in Australia, as returned by the companies.

Item 41.—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 42.—Estimated at varying amounts per head, allowing for fares, for "Australian residents departing permanently" to various groups of countries.

Item 43.—See item 22.

Item 44.—Rough estimates, based on data contained in the annual *Reports* of the Commonwealth Commissioner of Taxation. The estimates are designed to include personal exertion income of visitors not spent in Australia, and the incomes of absentees not taxable as such.

Item 45.—From Commonwealth Budgets.

Item 46.—Includes upkeep of Australia House and Agents-General, and representation at conferences, &c.

Item 47.—Estimated by Department of Defence; does not include value of goods imported.

Items 48 to 50.—From Commonwealth Budgets.

Item 51.—From Commonwealth Budgets and Commonwealth Treasury.

Item 52.—Includes expenditure in territories outside Australia, contributions to overseas institutions and scientific bodies, &c. Data from Commonwealth Budgets and special returns supplied by the State Treasuries.

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 53 and 70.—Particulars of long-term and short-term securities are published in the *Finance Bulletins* and the Commonwealth Budgets; but for special reasons the figures stated above for short-term securities in 1930 and 1931 include certain amounts previously included as bank overdrafts. Particulars of bank advances and balances have been supplied by the Commonwealth and State Treasuries. The amounts shown under *sub-items 70 (a) and (d)* have been converted into sterling at the par rate of exchange, the formal error thus introduced being regarded as sufficiently off-set by the fall in the dollar market value of the securities repurchased or cancelled. *Sub-item 53 (g)* has been introduced in order to effect a reconciliation between the changes in the nominal amounts of the overseas debt and the actual sums borrowed or repaid. Data from Commonwealth Treasury.

Items 54 and 71.—Partly estimated, but in the main a compilation.

Items 55 and 72.—Based on confidential information received.

Items 56 and 73.—Data from the quarterly banking returns. The figures stated are averages for the quarters ending in June.

Items 57 and 74.—From details supplied by the companies. The returns are not complete.

Items 58 and 75.—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. Pending further information the amount has not been varied over the period.

Items 59 and 76.—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 60 and 77.—From Commonwealth Budgets. Includes amounts owing by the British Phosphate Commissioners, White Star Line, and "other administrations".

Items 61 and 78.—Data from *Statistical Register of Western Australia and Annual Reports of the National Debt Commission*.

Items 62 and 79.—From information supplied by the Note Issue Department of the Commonwealth Bank. Includes estimated sterling value of gold in transit overseas at 30th June, 1931 and 1932.

Items 63 and 80.—From information supplied by the Trading Banks and Banking Department of the Commonwealth Bank. (For further details see article on "London Funds and the Australian Economy," by Roland Wilson, *Economic Record Supplement* March, 1935.)

Items 64 and 81.—Data from *New Zealand Official Year Books*.

Items 65 and 82.—Data from *New Zealand Official Year Books*.

Items 66 and 83.—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 67 and 84.—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 six 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.	1934-35. Approx.
	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.	£000 stg.
Exports of merchandise and silver..	138,645	98,255	77,050	75,813	78,548	91,107	..
Current gold production ..	1,872	1,874	2,157	3,609	4,606	5,659	(6,500)
Total credits from above items	140,517	100,129	79,207	79,422	83,154	96,766	..
Imports of merchandise and silver..	143,300	130,788	60,586	44,059	56,872	59,681	..
Interest on central and local government debt ..	28,332	29,556	31,345	27,033	25,995	24,977	(23,300)
Total debits from above items..	171,632	160,344	91,931	71,092	82,867	84,658	..
Deficiency (—) or Surplus (+) on above items ..	- 31,115	- 60,215	- 12,724	+ 8,330	+ 287	+ 12,108	..
Deficiency (—) on Surplus (+) on all other current items ..	- 11,205	- 12,502	- 2,229	- 938	- 4,791	- 7,001	(- 9,000)
Deficiency (—) or Surplus (+) on all current items ..	- 42,320	- 72,717	- 14,953	+ 7,392	- 4,504	+ 5,107	..

Estimation of the prospective balance on current account in 1934-35 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 1933-34, making allowance for known tendencies. At the time of writing* a deficiency of £ stg. 9 millions appears probable. This figure allows for some increase 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, 1934, 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. 23.3 millions.

The prospective sterling value of gold production in 1934-35 may also be estimated fairly closely. Production has averaged 75,700 fine ounces monthly in the past six months, at an average sterling price of about £6 19s. 10d. If the sterling price remains somewhere about its present level of £7 1s. 6d. production in the full year should reach a value of at least £ stg. 6.5 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 76) were being held temporarily in Australia on oversea account on 30th June, 1934. 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.

CHAPTER XV.

PUBLIC FINANCE.

(See pp. 387, 449, 457, 462.)

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

* December, 1934.

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 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 amounted to 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 Niemeyer'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 $22\frac{1}{2}$ 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
	<hr/> 557,998,904 <hr/>

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 $2\frac{1}{4}$, $2\frac{3}{4}$, 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 $3\frac{1}{2}$ per cent. to $2\frac{3}{4}$ 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 $2\frac{3}{4}$ 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 oversea 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.

4th December.—Flour Tax of £4 5s. per ton imposed to provide portion of revenue necessary to assist necessitous farmers.

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.

January, 1934.—During 1933, Unemployment statistics disclosed by Trade Union returns showed steady progressive improvement. Percentage unemployed in December quarter, 23 per cent., lowest level since August, 1930.

2nd January.—Wool realized increased prices at first of 1934 sales. The average prices realized were the highest since September, 1928.

16th to 28th February.—Premiers Conference on Constitutional matters.

22nd February.—Conversion in London of £21,636,550, 5½ and 5 per cent. loans. New issue 3½ per cent. at £97, maturing 1954-59.

1st April.—Treasury Bill rate reduced from 2½ per cent. to 2¼ per cent.

12th April.—Bank deposit rates further reduced to 2¼, 2½ and 2¾ per cent. for 6, 12, and 24 months respectively.

31st May.—Provisions of 1933 Flour Tax Act ceased to operate.

5th June.—Internal Loan of £12,234,000, 3½ per cent. at £98 10s., repayable at par in fourteen years, raised for Commonwealth and State public works and funding of Treasury Bills. The terms of this flotation were the lowest ever offered for a Commonwealth loan.

19th June.—Commonwealth Bank Board agreed to finance Revenue Deficits for 1934-35 to a limit of £5,880,000, subject to the funding of an equivalent amount of Treasury Bills during the year. This amount subject to reduction by any additional special grants from the Commonwealth over the 1933-34 basis.

25th June.—The Commonwealth Bank Board announced its withdrawal of the guarantee of payment and the undertaking that the bills would be rediscounted before maturity at the fixed rate in regard to new issues and re-issues after 30th June. Rediscounting will still be possible but at the rate fixed by the Commonwealth Bank at the time of the transaction.

1st July.—Commonwealth accounts for 1933-34 showed a surplus of £1,302,000. State accounts showed deficits aggregating £6,787,000.

24th July.—Commonwealth Budget for 1934-35 provided *inter alia* for further remissions in indirect taxation including additional exemptions from Sales Tax and reductions in primage, concessions in wireless licence fees and telephone charges; further restoration in part of public service salaries; more liberal war pensions, repatriation, old-age and invalid pensions, and maternity allowance benefits; assistance to primary producers in the form of a fertilizer subsidy; assistance to fruit-growers and other primary producers; and a special non-recurring grant of £2,000,000 to the States.

1st August.—New tariff schedule giving wider protection to cotton-growers and manufacturers came into force.

8th August.—Bank deposit rates for three months terms reduced from 2 per cent. to 1½ per cent.

11th October.—Further reduction in Bank deposit rates of one-quarter of 1 per cent. to 2, 2¼ and 2½ per cent. respectively for 6, 12, and 24 months terms.

15th October.—Treasury Bill rate reduced from 2¼ to 2 per cent.

8th November.—Conversion loan of £14,601,806 issued in London at £99, interest at 3½ per cent.

20th November.—An internal loan of £15,000,000 raised for Public Works and funding of Treasury Bills issued at 3 per cent. at £99 15s., maturing in fourteen years.

8th December.—Commonwealth 5 per cent. stocks in New York reached par.

13th December.—Flour tax re-imposed. Rate of tax £2 12s. 6d. per ton.

17th December.—Further reduction of Bank Deposit rates—three and six months terms reduced to 1 and 1½ per cent. respectively. Treasury Bill rate on new issues and re-issues to be reduced to 1½ per cent. from 1st January, 1935.

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 £8,082,000. 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.

For 1933-34, the Budget deficits of the States aggregated £8,082,000 and the deficits realized totalled £6,787,000. The Commonwealth budgeted for a deficit of £1,176,000 and realized a surplus of £1,302,000. Of the accumulated surplus since 1931-32, viz., £6,162,000 :—£4,160,000 is to be allocated for Defence equipment and £2,000,000 for assistance to the States.

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.	1934-35.
	Deficit Realized for Year.	Estimated Deficit (Prior to Melbourne Conference.)	Deficit Realized for Year. (a)	Deficit realized for Year.	Deficit realized for Year.	Estimated Deficit.
New South Wales (b)	7,850	11,510	(e) 14,228	3,758	3,208	2,910
Victoria ..	2,450	3,060	1,608	842	769	243
Queensland ..	840	1,630	2,075	1,554	1,129	1,002
South Australia ..	1,810	2,400	1,063	1,009	844	518
Western Australia ..	1,420	1,860	1,558	864	789	644
Tasmania ..	240	220	272	55	48	208
Six States ..	14,610	20,680	20,804	8,082	6,787	5,525
Commonwealth ..	10,760	20,400	(+) 1,314	(+) 3,545	(+) 1,302	(+) 14
Grand Total ..	(c) 25,370	(d) 41,080	19,490	4,537	5,485	5,511

(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) This figure was finally reduced to £12,660,000 after the Melbourne Conference adjustments and later revisions. (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. Receipts for the September quarter of 1934 were £840,000 less and expenditure £206,000 greater than for the corresponding quarter of 1933.

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
1934	..	..	..	37,200	40,002	2,802

Comparing results for the September quarter of the past four years, taxation receipts increased by £4.06 millions in 1932, but fell in 1933 by £1,672,000 and by £1,690,000 in 1934. Expenditure on administrative and social services was reduced by £0.76 million in 1932 and by a further £1.63 millions in 1933, but showed an increase of £555,000 in 1934.

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
1934	..	..	..	14,218	10,222	3,996

(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
					<hr/>
					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 $22\frac{1}{2}$ 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 $7\frac{1}{2}$ 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 892.

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, 1933-34.

Particulars.	See page—	Amount.	Per Head of Population.
Consolidated Revenue Fund—(a)		£	£ s. d.
Revenue	377, 378	73,941,953	11 2 2
Expenditure	377, 388	(b)73,941,953	11 2 2
Loan Fund—			
Works Expenditure, 1933-34	400	221,748	} 0 1 7
Unemployment Relief	"	300,161	
Wheat Bounty	"	257	
Total	"	522,166	
Aggregate Expenditure to 30th June, 1934	"	89,558,003	..
Public Debt, 31st December, 1934—			
Commonwealth—(c)			
War	403	278,695,941	41 11 1
Works and other purposes	"	115,796,865	17 5 4
Total (c)	"	394,492,806	58 16 5
States(c)	441	842,629,587	125 17 11
Grand Total(c)	"	1,237,122,393	184 9 1
Place of Maturity—			
Australia (£ Aust.)	"	643,898,339	96 0 1
London (£ Stg.)	"	547,325,462	81 12 1
New York (d)	"	45,898,592	6 16 11
Total (c)	"	1,237,122,393	184 9 1

(a) Excludes balance of interest on States' Debts. (b) Includes Balance of Receipts over ordinary expenditure, £1,301,570, 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. (d) Payable in terms of dollars. For the purposes of this table dollars have been arbitrarily converted to £'s at the rate of \$4.8665 to £1.

C. STATE FINANCE, 1933-34.

STATE FINANCE, 1933-34 (a).

States.	Revenue. (Page 420.)		Expenditure. (Page 428.)		Net Works Loan Expenditure. (Page 432.)	
	Amount.	Per Head.	Amount.	Per Head.	Amount.	Per Head.
	£	£ s. d.	£	£ s. d.	£	£ s. d.
New South Wales	45,508,239	17 8 3	48,762,965	18 13 2	7,003,812	2 13 7
Victoria	24,567,739	13 9 3	25,336,797	13 17 8	2,199,550	1 4 0
Queensland	13,859,385	14 11 7	14,987,916	15 15 4	1,717,182	1 16 2
South Australia	10,187,986	17 9 10	11,031,802	18 18 10	671,466	1 3 1
Western Australia	8,481,697	19 5 2	9,270,609	21 0 11	2,563,087	5 16 5
Tasmania	2,698,214	11 15 7	2,746,099	11 19 9	118,783	0 10 4
All States	105,303,260	15 17 2	112,136,188	16 17 8	14,264,880	2 3 0

(a) Preliminary figures subject to revision.

CHAPTER XVI.

PRIVATE FINANCE.

B. BANKING, p. 447.

ALL CHEQUE-PAYING BANKS—AVERAGE LIABILITIES AND ASSETS IN AUSTRALIA, QUARTER ENDED 31st DECEMBER, 1934.

Average Liabilities. (Page 453.)		Average Assets. (Page 454.)	
	£		£
Notes in circulation ..	169,865	Coin and Bullion ..	2,621,746
Bills in circulation ..	2,850,214	Australian Notes and Cash with Commonwealth Bank ..	50,617,095
Balances due to other Banks	32,726,031	Government and Municipal securities ..	100,295,282
Deposits—		Landed and House property Balances due from other Banks ..	9,188,380
Not bearing interest ..	113,913,816	Notes and Bills of other Banks ..	4,211,097
Bearing interest ..	227,926,234	Discounts, Overdrafts, and all other Assets ..	1,797,418
			274,181,945
Total Liabilities (a) ..	377,586,160	Total Assets (a) ..	442,912,963

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

§ 2. Savings Banks, p. 460.

SAVINGS BANK DEPOSITS (page 463).

State or Territory.	31st July, 1934.	31st August, 1934.	30th Septem- ber, 1934.	31st October, 1934.	30th Novem- ber, 1934.	31st Decem- ber, 1934.
	£ '000.	£ '000.	£ '000.	£ '000.	£ '000.	£ '000.
New South Wales	75,826	76,091	76,119	76,456	76,287	76,167
Victoria ..	69,888	70,195	70,355	70,587	70,510	70,375
Queensland ..	25,000	25,172	25,455	25,787	25,878	25,809
South Australia ..	23,419	23,540	23,589	23,631	23,583	23,556
Western Australia	10,398	10,532	10,563	10,600	10,629	10,539
Tasmania ..	6,086	6,183	6,196	6,216	6,225	6,198
Federal Capital Territory ..	234	237	234	238	234	228
Northern Terri- tory ..	44	44	45	49	49	50
Total ..	210,895	211,994	212,556	213,564	213,395	212,922

CHAPTER XVII.

MINERAL INDUSTRY.

§ 1. The Mineral Wealth of Australia.

3. Value of Production, p. 485.—The following table gives the value of Australian mineral production for the year 1933 :—

MINERAL PRODUCTION.—VALUE, 1933.

Mineral.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	Total.
	£	£	£	£	£	£	£	£
Gold ..	226,068	448,228	710,168	49,619	4,915,958	51,579	5,058	6,406,678
Silver and Lead	1,783,207	198	708,804	..	6,860	70,795	411	2,570,275
Copper ..	26,775	..	105,031	2,928	1,132	395,286	1	531,153
Iron ..	1,641	..	8,691	829,363	..	1,498	..	841,193
Tin ..	218,244	1,350	123,620	..	4,557	190,041	2,519	540,331
Zinc ..	283,845	..	..	..	..	..	..	283,845
Coal (Black)	4,306,799	328,704	693,383	..	289,806	85,848	..	5,704,540
Other ..	118,455	281,957	73,619	194,524	50,889	50,621	10,161	780,226
Total ..	6,965,034	1,060,437	2,423,316	1,076,434	5,269,202	845,668	18,150	17,658,241

§ 12. Oil Shale and Mineral Oil, p. 514.

1. *Shale Oil*.—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. The Committee recommended that a company be formed for the purpose of carrying out large scale operations at Newnes with an annual production of about 6 million gallons of petrol and 20,000 tons of crude oil. The capital of the company was stated at £600,000 of which £300,000 was to be provided conjointly by the Commonwealth Government and the Government of New South Wales. It is the opinion of both Governments, however, that success can only be achieved by the application of technical and engineering knowledge and general business ability of a very high order. Without these qualifications it would be futile to countenance the formation of a company. The matter is being further investigated.

2. *Production of Oil from Coal by the Hydrogenation Process*.—Negotiations were entered into by the Commonwealth Government with Imperial Chemical Industries Ltd., England, with a view to ascertaining the terms and conditions under which that company would be prepared to erect and operate a plant in Australia for the production of oil from coal by the hydrogenation process with a capacity of 1,000 tons of coal per day. The company expressed its willingness to co-operate but suggested that before any definite proposals be formulated it was desirable to wait until it had six months' experience of running its own first plant in England, which was expected to commence operations in January, 1935. Pending these results, matters relating to site, costs, etc., were submitted to a Committee consisting of nominees of the Commonwealth and State Governments (excepting Western Australia, who did not desire representation) and of the Imperial Chemical Industries who was nominated by the Synthetic Coal Oil Products Pty. Ltd. The Committee submitted its report in September 1934, but the replies to the specific terms of reference were inconclusive by reason of the fact sufficient detailed information

was not available covering all items in the terms of reference. Until such times as it became available the Committee considered it would be unwise to make any recommendation which might involve capital expenditure of millions of pounds. The Committee remains in existence and will meet again when it is in possession of additional information based upon the experience of the large scale plant in England and it becomes apparent that decisive answers can be given to the questions submitted to it.

CHAPTER XIX.

AGRICULTURAL PRODUCTION.

§ 4. Wheat.

7. *Voluntary Wheat Pools, p. 568.*—(i) *General.* Voluntary wheat pools operated in the States of New South Wales, Victoria, South Australia, and Western Australia during the season 1933-34. 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 Wheat Growers' Pooling and Marketing 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 four elected representatives and the Deputy Director of Marketing who represents the Queensland Government. The tenure is from year to year.

(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, 1933-34.

Particulars.	Unit.	New South Wales.	Victoria.	Queensland. (b)	South Australia.	Western Australia.
Wheat received	Bushel	109,874	6,637,290	3,950,129	5,541,752	12,433,152
Percentage on Total Marketable Wheat	%	0.2	15.6	90.6	18.0	33.1
Estimated average cost of rail freight to sea- board, per bushel	d.	5.58	4.6	4.75	3.27	4.50
Estimated average cost per bushel of Adminis- tration and other ex- penses	d.	2.86	(a)	(c) 4.5	(c) 3.5	2.75

(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, 1934.

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	} 2 9½	{ 1 6 0 7½ 0 2½	} 1 10 0 2½ 0 1½	} 2 5
2nd Payment				
3rd Payment				
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 1933-34 amounted to 4,361,614 bushels, of which 3,950,129 bushels, or 90.6 per cent., was delivered into the pool. Advances were made on No. 1 quality wheat at the rate of 2s. per bushel; other grades bearing the dockages assessed at the time of delivery according to quality. The dockages being a deduction from the first advance, subsequent advances are uniform on all grades. A second advance of 6d. per bushel has been made and a third at the same rate is contemplated.

CHAPTER XXV. LABOUR, WAGES, AND PRICES. A.—PRICES.

§ 2. Retail Prices and House Rents, p. 697.

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.	1929.				1930.				1931.				1932.				1933.			
	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	1,916	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	1,436	1,436	1,448	1,434
Newcastle	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	1,316	1,321	1,341	1,342
Broken Hill	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	1,385	1,322	1,290	1,296	1,288	1,295
Goulburn	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	1,388	1,390	1,390	1,380
Bathurst	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	1,252	1,264	1,289	1,282
Weighted Average— New South Wales	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	1,420	1,421	1,433	1,421
VICTORIA.																				
Melbourne	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	1,294	1,307	1,332	1,343
Ballarat	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	1,256	1,268	1,291	1,292
Bendigo	1,629	1,621	1,655	1,659	1,577	1,576	1,525	1,428	1,380	1,350	1,297	1,294	1,286	1,274	1,259	1,226	1,196	1,200	1,225	1,224
Geelong	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	1,312	1,323	1,348	1,342
Warrnambool	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	1,334	1,346	1,374	1,399
Weighted Average— Victoria	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	1,290	1,303	1,327	1,337
QUEENSLAND.																				
Brisbane	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	1,199	1,215	1,214	1,228
Toowoomba	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	1,210	1,195	1,188	1,199	1,202
Rockhampton	1,579	1,545	1,551	1,559	1,536	1,484	1,455	1,397	1,392	1,350	1,310	1,327	1,318	1,290	1,263	1,244	1,204	1,210	1,207	1,195
Charters Towers	1,580	1,547	1,565	1,539	1,485	1,465	1,362	1,321	1,318	1,277	1,265	1,276	1,265	1,257	1,230	1,213	1,164	1,148	1,128	1,130
Warwick	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	1,175	1,186	1,184	1,187
Weighted Average— Queensland	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	1,197	1,210	1,209	1,219

RETAIL PRICE INDEX NUMBERS—FOOD, GROCERIES AND RENT—ALL HOUSES—*continued.**Weighted Average—Six Capitals in 1911 = 1,000.*

Town.	1929.				1930.				1931.				1932.				1933.			
	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	1,766	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	1,210	1,234	1,249	1,245
Kadina, &c. ..	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	1,086	1,096	1,094	1,105
Port Pirie	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	1,171	1,178	1,179	1,172
Mount Gambier ..	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	1,153	1,152	1,154	1,154
Peterborough ..	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	1,254	1,260	1,267	1,270
Weighted Average— South Australia ..	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	1,203	1,225	1,239	1,235
WESTERN AUSTRALIA.																				
Perth, &c.	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	1,250	1,293	1,273	1,268
Kalgoorlie, &c. ..	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	1,412	1,431	1,437	1,436
Northam	1,664	1,697	1,672	1,633	1,599	1,609	1,557	1,446	1,401	1,369	1,328	1,319	1,317	1,343	1,319	1,274	1,246	1,278	1,263	1,268
Bunbury	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	1,192	1,229	1,232	1,223
Geraldton	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	1,250	1,271	1,278	1,277
Weighted Average— Western Australia ..	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	1,265	1,305	1,289	1,284
TASMANIA.																				
Hobart	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	1,367	1,381	1,411	1,395
Launceston	1,618	1,611	1,628	1,668	1,602	1,599	1,558	1,495	1,465	1,428	1,391	1,378	1,387	1,377	1,352	1,334	1,307	1,319	1,332	1,317
Burnie	1,640	1,623	1,663	1,699	1,589	1,606	1,563	1,466	1,389	1,365	1,337	1,340	1,370	1,347	1,320	1,297	1,259	1,265	1,255	1,242
Devonport	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	1,294	1,302	1,295	1,298
Queenstown	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	1,291	1,307	1,303	1,300
Weighted Average— Tasmania	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	1,340	1,352	1,374	1,359
Weighted Average— Thirty Towns	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	1,321	1,332	1,345	1,344
Weighted Average— Six Capital Cities ..	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	1,330	1,342	1,355	1,354

Retail Price Index-Numbers—Capital Cities—Annual Figures—1901 to 1933.—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 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.	1918.	1919.	1920.	1921.	1922.	1923.	1924.	1925.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.
Sydney	917	936	989	1,156	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	1,430
Melbourne	965	925	935	1,091	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	1,273
Brisbane	965	947	1,018	1,078	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	1,250
Adelaide	1,028	951	1,020	1,215	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	1,308
Perth	1,184	1,197	1,346	1,302	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	1,352
Hobart	1,011	1,010	1,058	1,212	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	1,354
Weighted Average— Six Capitals	972	955	1,000	1,144	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	1,342

HOUSING—ALL HOUSES.

Sydney	858	911	1,090	1,279	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	1,457
Melbourne	733	804	970	1,126	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	1,394
Brisbane	488	575	767	882	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	1,170
Adelaide	629	812	1,112	1,040	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	1,137
Perth	801	684	810	914	885	916	996	1,055	1,092	1,124	1,134	1,154	1,316	1,331	1,382	1,395	1,407	1,304	1,177	1,166
Hobart	667	708	805	914	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	1,447
Weighted Average— Six Capitals	751	816	1,000	1,135	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	1,356

FOOD, GROCERIES AND HOUSING—ALL HOUSES—COMBINED.

Sydney	893	926	1,031	1,206	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	1,439
Melbourne	870	875	950	1,105	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	1,319
Brisbane	769	794	915	997	1,252	1,442	1,645	1,511	1,442	1,510	1,506	1,533	1,653	1,598	1,595	1,620	1,441	1,315	1,258	1,214
Adelaide	864	894	1,058	1,143	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	1,235
Perth	1,027	986	1,126	1,143	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	1,271
Hobart	869	886	954	1,090	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	1,389
Weighted Average— Six Capitals	880	897	1,000	1,140	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	1,345