

the final disaster became inevitable, as the community became less and less able to face overseas liabilities.

TABLE I
Imports and Exports of New South Wales
(Including Port Phillip)

Year.	IMPORTS		EXPORTS		Percentage of Exports to Imports.
	Total.	Per head.	Total.	Per head.	
	(£1,000's)	£	(£1,000's)	£	
1833	713.9	11.7	394.8	6.5	55
1834	991.9	15.0	587.6	8.88	59
1835	1114.8	15.1	682.2	9.55	61
1836	1237.4	16.05	748.6	9.7	60
1837	1297.5	15.2	760.0	8.9	59
1838	1579.3	16.13	802.7	8.2	51
1839	2236.4	19.55	948.7	8.3	42
1840	3014.2	23.3	1399.7	10.8	46
1841	2527.9	16.6	1023.4	6.8	40
1842	1455.1	9.1	1067.4	6.7	73
1843	1550.5	9.38	1172.3	7.1	75

A careful scrutiny of the figures in this table will provide the key for both the crisis of 1843 and the minor crisis of 1836. The amazing excess of imports continued year after year for such a time could, of course, only be due to the private importation of capital, i.e. *borrowing* in the broad sense, although the capital was forced on the colony by the eagerness of British investors. It will be noticed how closely all the features of this early period of *private* borrowing correspond with those later periods of great *public* loans.

Anything like an accurate estimate of the effects of this relatively great influx of capital upon the position of the banks, and, in particular, upon the movement of gold, becomes a matter of the utmost difficulty on account of the paucity and of the unreliable character of the statistics of the day. Still less possible is it to trace the effects upon prices and wages, the two chief indexes of prosperity. An approximate estimate of the extent to which credit had been inflated is, however, to be obtained by a comparison of the figures for bank and treasury reserves and population. This shows very clearly the progressive diminution of reserves that took place because of the speculative tendencies and buoyant confidence of the period. In this