in the table above tell the tale quite plainly. It is a matter for regret, nevertheless, that the recorded figures upon this aspect of the problem are not more satisfactory. It will be noted that there is an amount of £10,000,000 not accounted for over the whole period. While mathematical exactness is impossible of attainment, the disparity is too large to be ignored; but a possible explanation would lie in the relatively large amounts of gold that were hoarded during the disturbed years following the collapse, and of which no record could be made.

All the circumstances passed in review up to this point constitute a coherent and causally connected series such as that which Viner has outlined in the parallel Canadian episode.[1] Expansion of settlement, rising loans and deposits, the depression of reserves in proportion to deposits, a rate of exchange favourable to the borrower in the years previous to crisis, and a steady expansion of gold stocks, accomplished in Canada by gold imports and in Australia by a retarded export of the metal, mark the period. At this point, and at first glance, the Australian instance is apparently less satisfactory in its accordance with the previsions of theory. In direct contrast to the period chosen for Canada during which, after 1900, world prices were rising, the period under review for Australia was marked by a long down-swing in the price-level. But the discrepancy is only superficial, and tends but to reinforce the main thesis.

In Canada, after 1900, prices rose, and rose on the whole faster than did world prices owing to the heavy and continued import of capital. In Australia after 1880 prices *fell more slowly* than did world prices and for the same reason. The tendency in a period of falling prices would be for the level to fall more rapidly in the lending than in the borrowing country; and this is precisely what took place. Wholesale prices in Britain between 1880 and 1890 fell from 1,100 to 900; while in Australia this world movement was not only resisted but reversed, and prices actually rose from 1,112 to 1,174. This bulk movement of prices, however, tends to hide certain important facts concerning the movement of price-levels for particular commodities. The argument for the rise of both general and sectional price-levels is given at some length by Viner for the Canadian instance. The first result of the influx of capital is an increase

[1] Viner, *op. cit.*