(5) Heavy importations due largely to the supplying of orders long overdue.
(6) The drop in metal prices.
(7) The difficulties of regulating industrial costs to the changing price-level.
(8) The decrease in production towards which the poor season of 1919–20 largely contributed.
(9) The psychological reaction from the boom period.

The analysis of previous Australian crises has prepared us to detect the connexion, mainly of a very direct nature, with the great underlying cause of capital shortage. For reasons which need not be examined here the creation of fresh capital supplies receives a check; and Britain, as the great market for international loans, immediately sets the marvellously sensitive organization of the money market to the task of rationing the available supplies. Upon Australia, accustomed for the greater part to receive her applications for capital without question, such a stoppage of supplies has an immediate and peculiar significance which is reflected in the deflation, changing price-levels, and restriction of domestic credit lying behind the causes of the crisis outlined by Copland.

Further analysis of the relation between borrowing and business is deferred to the succeeding chapters; but before passing on to an examination of the balance of indebtedness and the effects of the return to gold some further facts in the domestic situation call for notice. During the years now under discussion the great amount of foreign capital invested in Australia, taken together with the normal increase from community savings, resulted in a much greater relative increase in the total stock of capital than in the supply of either labour or land for the purposes of production. The population of Australia between 1913 and 1928 increased from 4·8 to 6·3 millions, a total increase over the period of 31 per cent. According to the estimates here collected the stock of capital as measured by the estimated increases from various sources grew from £380 to £660 millions in the same period. Even for the very conservative allowances we have made for capital imported, this represents an increase of 73 per cent.; or, if we adopt the standard of the 1913 wholesale price-level, a rise of 45 per cent. These figures for capital increase can be checked from another