

greater part of the period ; and that the interval since the return to gold has been too short for statistical analysis of a satisfactory kind.

Nevertheless the statistics of international trade, despite the gaps in our knowledge of the situation, afford a profoundly interesting study for the decade and a half following 1914. For the first two years of war the recent excess of imports was maintained. But, after 1916, a great change takes place and an excess of exports develops and attains phenomenal dimensions, rising to a climax of £50 millions in the fiscal year 1919-20. Then, once again, an abrupt change-over occurs ; and, with the exception of the year of crisis, 1921-2, and the year of partial recovery, 1924-5, imports once more dominate the position. Nothing but an analysis of the terms of trade will serve to reveal the true inwardness of the situation, or show how closely all these events, underneath their apparently chaotic surface currents, reveal the effects of the main stream of capital imports. Thus, once more, the normality of the trade situation is exposed ; and it becomes possible to range the experiences of this latest borrowing cycle in line with those of previous similar episodes. By reason of the explanations already given in the foregoing pages, no extensive comment on the table which now follows will be necessary. The co-operation of factors unusually favourable to Australia in the matter of trade, combined with the orthodox effects of the borrowing cycle, are seen to have given Australia an increased advantage until 1921. But, afterwards, the normal transition from the first to the second phase of the cycle, together with the extraordinary recession in world business, rapidly dissipated this advantage ; and the history of the years, until at least the end of 1929, is one of growing adversity in trade.