

has been deemed of sufficient importance to call for special consideration.

As in the pre-war period the receipts from Australian capital invested abroad were not of a high order, although it was evident that the amount is steadily on the increase. On the basis of the excess of the receipts from overseas over the expenditure overseas by life assurance and other companies, rates of dividends in tin, rubber, and other concerns, and other related data, the computation shown in the interest column under 'credits' in the final table was made. It is, admittedly, not much more than conjecture.

The completed balance of international indebtedness is of more than ordinary interest. Notwithstanding the disjointed nature of the period, and despite the adjustments made necessary by the return to gold, the situation revealed by the table is precisely what orthodox theory would lead us to expect. The mechanism of adjustment varies in no important respect from that indicated by the pre-war balance of indebtedness. Setting the two main facts of this last phase of the investigation side by side, the following comparison is obtained for the whole period 1920-28:

TOTAL OF OVERSEAS LOANS.		DIFFERENCE BETWEEN INTERNATIONAL DEBITS AND CREDITS.	
	£ m.		£ m.
Government	210	Total debits	1635
Municipal	16	Total credits	1360
Business	26		
Private	14		
Capital imported	<u>266</u>	Excess of debits	<u>275</u>

The discrepancy of approximately £9 millions can be partly reconciled. The calculation is taken to 30 June 1928; and the first half of this year was a period of relatively heavy loan issues. At the end of the half-year London banks held about £3.5 millions of unexpended loan balances in connexion with loans floated by the Commonwealth for the States, and this amount, of course, would not show in the total of imports. The surprising feature of the whole balance of transactions is once again the rapidity and accuracy with which loans become translated into imports of all kinds, both services and commodities.