burden of oversea debt per worker. This is here presented in graphical form, and it is notable that while productive efficiency between 1916 and 1927 has risen from 982 to 1,014, or by approximately 4 per cent., the felt burden has risen from 1,000 to 1,842, or by 84 per cent.

PRODUCTIVE EFFICIENCY [1] AND INTEREST BURDEN PER WORKER

Year.	Productive Efficiency Index. 1916 = 1,000	Interest on Overseas Debt. £ m.	Interest on Overseas Debt per Worker. £.	Export Price Index.	Felt [2] Burden of Interest per Worker.	Index of Felt Burden per Worker. 1916 = 1,000
	A.	B.	C.	D.	E.	F.
1916	1,000	9·780	11·2	1,591	7·0	1,000
1917	962	10·792	12·2	1,965	6·2	885
1918	935	13·520	15·0	2,084	7·2	1,028
1919	915	14·012	14·9	2,033	7·3	1,043
1920	1,029	17·263	18·2	2,249	8·1	1,157
1921	1,039	18·233	18·7	2,254	8·3	1,185
1922	1,029	20·490	21·0	1,721	12·2	1,742
1923	974	20·792	20·9	2,039	10·2	1,457
1924	1,089	23·205	22·8	2,476	9·2	1,314
1925	1,042	23·748	23·0	2,803	8·2	1,071
1926	1,084	25·551	24·2	2,152	12·2	1,742
1927	1,032	26·827	25·4	2,080	12·9	1,842

The long-period trends of productivity and 'felt' burden of interest per worker are not quite so grave as the relative changes thus stated would appear to indicate; but at least there remains a discrepancy which points to serious ineffectiveness in the application of borrowed capital. Australian labour and oversea capital, co-operating in Australian industries, have failed to enlarge production with sufficient rapidity to cover the rising burden of debt; and whilst each worker has been able to increase his output by 4 per cent., his liabilities even in 1927 represented an increase of over 80 per cent. Further, a sustained decline in export price levels which is far from impossible, or even improbable, in the years immediately ahead, tends to make the felt burden heavier by diminishing the exchange value of the commodities which we are able to apply to the satisfaction of the debt.

It may be of interest to compute here the actual reduction in

[1] Revised estimate of Australian Productive Efficiency as presented in *A.A.A.S. Proceedings*, vol. xviii, 1926, by Mr. C. H. Wickens.

[2] Column $E = C \div D$.