

private firms tendered, or rather accepted the price of 21 shillings, but undertook that if actual cost was found to be below this price, the balance would be refunded. Thus the Barrier Munitions Company Proprietary, Limited, with works at Broken Hill, N.S.W., offered to deliver shells **at absolute cost**, and announced that with the exception of the manager and his personal staff, the whole of the advisory and executive board work of this large company would be contributed absolutely free of charge. This company also interested various shipping companies, railways, etc. to the extent that they secured free carriage or at least considerably reduced rates on freights on raw and finished material. In the words of the management, "the Company seeks no profit whatever."

Comparison of Cost of Shells.

It is well known that in Canada the price originally fixed for the machining and assembling of 18-pound high-explosive shells was \$5.70 each and that orders for many thousands of shells were let at this price. This Canadian price did not include the cost of the steel forgings for the shell bodies, which were supplied free to the contractors.

In Australia the price fixed by the Federal Munitions Committee was 21 shillings each (approximately \$5.05 Canadian money), and this included the cost of the steel. Adding the estimated cost of the steel, the Canadian price would amount to between \$6.70 and \$7, as compared with the Australian price of \$5.05.

A Lesson for Canada.

For Canadians the most notable lesson from Australia is in the fact that every available Government machine shop in the whole country was at once used for the manufacture of shells at actual cost. Also the fact that the State Governments (corresponding practically to our Provincial Governments) were asked to co-operate with the Federal authorities and did so. Thus the Government of New South Wales made a lump contract which covered the output of all the machine shops in the State, privately owned as well as those belonging to the Government. In Victoria, the Government has established a special munitions making depart-

ment in the railway shops at Newport, and here experiments were carried out early for the purpose of guiding private manufacturers in their work. Similar action was taken in all the other States, where the Government railway shops are working to capacity.

How thoroughly the Australian Federal Government handled the work of getting the maximum output of shells possible in the Commonwealth is shown by the fact that it was announced that firms confining themselves to private work and refusing to make shells were in danger of having their plants taken over by the Government. The State Governments were required to investigate and report to the Federal Government any firms not manufacturing shells which were capable of doing so. More drastic action was apparently not found necessary.

Other Munitions Manufactured.

The Department of Defence of Australia did not confine itself to the production of shells. When it became known that the Mother Country required munitions of many kinds, immediate action was taken. The Government of New South Wales undertook in its own machine shops the manufacture of machine guns, and three types, two of Australian invention and a third of the Vickers-Maxim type used by the British Army have been manufactured for some time past. Aeroplane engines were also experimented with and are being manufactured at the shops connected with the Federal Aviation School at Point Cook and the results of experiments and the actual building of aeroplane engines have been communicated to private firms which are entering on this important work. An improved anti-gas apparatus invented by scientists at Melbourne University has proved so highly successful that it is now being manufactured by thousands and sent to Europe.

New Zealand, which labors under very much greater natural difficulties than even Australia, has also taken action along lines very similar to Australia and has entered on the production of machine guns as well as shells.

GOVERNMENT FINANCE.

	Month of November, 1914.	Total, 8 Months to 30th Nov., 1914.	Month of November, 1915.	Total, 8 Months to 30th Nov., 1915.
REVENUE:	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Customs.....	4,895,642 44	52,133,819 75	9,101,595 41	60,155,959 28
Excise.....	1,692,833 36	14,362,209 36	2,127,125 10	14,161,880 25
Post Office.....	1,150,000 00	7,825,000 00	1,550,000 00	10,949,779 65
Public Works, including Railways and Canals.....	1,030,353 48	9,531,785 32	2,880,409 30	13,104,300 51
Miscellaneous.....	726,707 02	6,615,188 25	1,413,326 95	6,384,385 56
Total.....	9,495,536 30	90,468,002 68	17,072,456 76	104,756,305 25
EXPENDITURE, Ordinary.....	10,496,923 83	75,708,627 60	8,997,899 07	65,345,503 03
Capital Account.....	4,601,077 68	28,231,933 90	17,461,977 23	91,475,889 36