This will be my final talk for some weeks, I will be on the air again as soon as Parliament meets early in August.

Recent evidence makes it possible to give this final talk on a note of optimism. There are several things that give encouragement for the future.

The first of these may well be the recovery in Australian overseas balances throughout the second half of this financial year. From July to December of last year Australia had a deficit of £20 million, before the end of May this year this deficit of £20 million had been turned into a surplus of £6 million.

The recovery in wool prices would have made some contribution to this, but even so we must remember that early this year, in January and February, wool prices reached their lowest levels for several years. Despite this Australia's general trading position is a reasonably satisfactory one.

Secondly, the grounds for confidence in the future are increased by the overseas position. At this time last year several overseas countries, including the United States and countries in Europe, were coming to grips with a noticeable recession; the United States in particular had a considerable degree of unemployment. Throughout the course of this year there have been marked signs of recovery in overseas countries and this, no doubt, is one of the principal reasons also why we saw a lift in wool prices in the weeks since Easter.

Many people in Australia have not felt the effects of this overseas recession. Many Australians have been quite unaware that it was taking place and very few Australians have been affected by it in their personal dealings and transactions.

There is one notable exception to this; the wool-growers have taken pretty well the full brunt of the overseas recession in its effect on Australia. This has led, in many cases, to reduced activity and reduced demands in many rural areas.

Thirdly, there are further grounds for confidence in Australia's future, because many overseas investors are looking to this country as a place where they can send their capital with
safety and with assurance. It has been suggested that the amount of overseas capital coming to this country is a dangerous thing for Australia. In this regard the position certainly wants watching, but while that capital is employed in establishing new factories and in helping projects like the Snowy Mountain scheme or, in general terms, adding to our productivity I don't believe there are reasons for concern. If Australia is living dangerously in this regard then Canada is living several times more dangerously because being right next door to America she has, for several years, attracted several times the capital inflow than we have seen in Australia. Canada has not yet been embarrassed by this capital inflow, and the position there seems entirely satisfactory. If we learn from her experience there should be little cause for worry in Australia.

Fourthly, the Arbitration Court has just given its judgment on the basic wage. It has authorised a 15/- per week increase, which shows the Arbitration Court's confidence in the future. There is an interesting sidelight which has come out of this recent judgment. Even though the Court refused to restore quarterly cost of living adjustments, the Federal award is now 7/- per week more than the State award in N.S.W. where cost of living adjustments were restored by arbitrary action, the Court claimed that the annual review of the basic wage was more satisfactory and that the annual review gave employers a sounder basis on which they could regulate their costs.

It is worth emphasising that the benefit from this wage increase, which will add £50 million to the annual wage bill, can only be maintained if productivity remains at an increasingly high level. If this increase in the basic wage does nothing more than add to the price level throughout the community then the benefit to the wage earner will be lost.
Different affiliated bodies will be applying to the Court to have this basic wage increase incorporated in their own Award, and as this is done so will all those under Federal Awards be given the benefit of the increase.

Finally, before I conclude, I want to say that I have been travelling fairly extensively about Wannon, advertising where I will be so that electors who have personal problems which come into province could approach me about them; before Parliament resumes in August I hope to have covered pretty well the whole electorate.