



**Australian Government**

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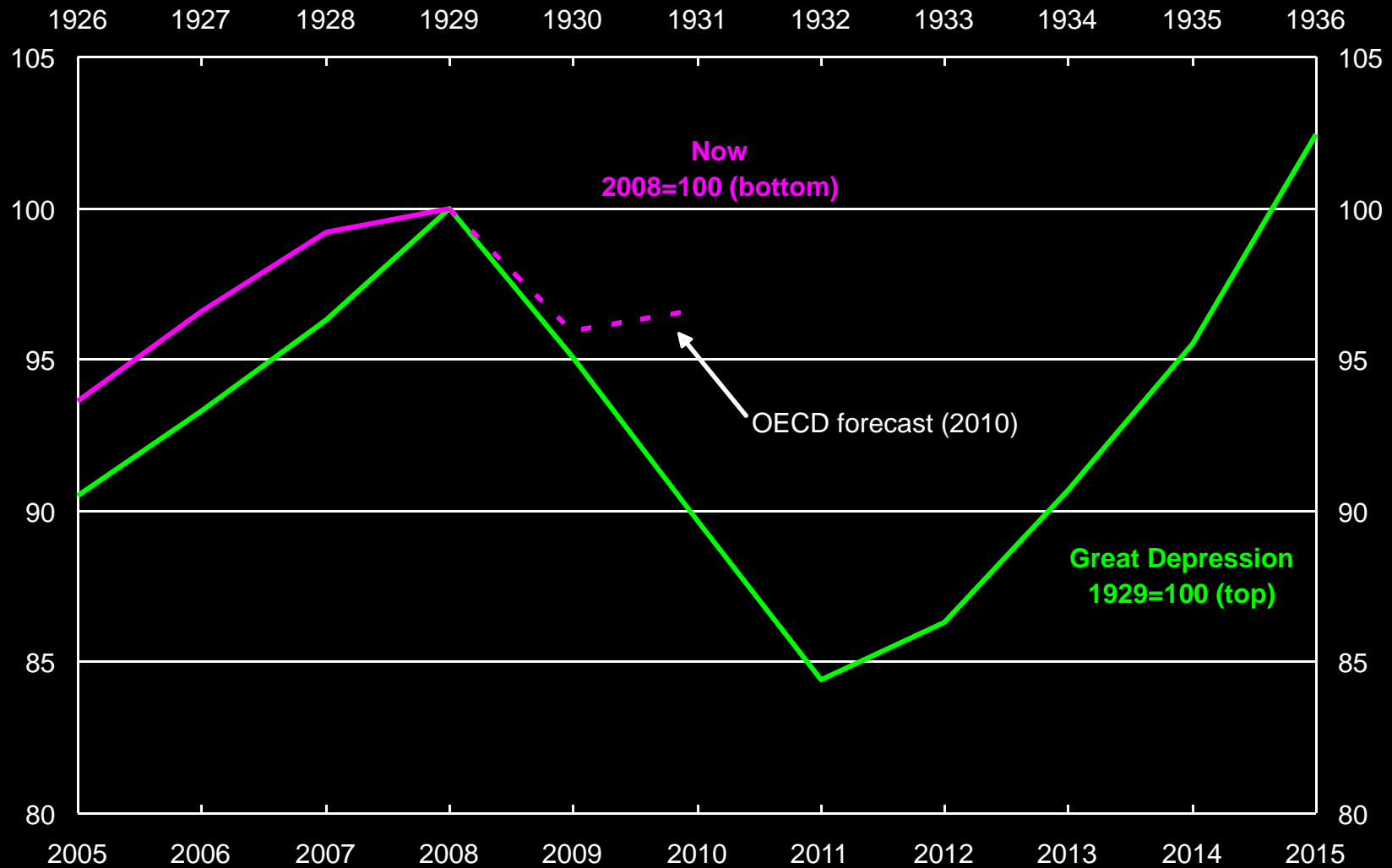
**The Treasury**

# What have we learnt? The Great Depression in Australia from the perspective of today.

The 19<sup>th</sup> Annual  
Colin Clark Memorial Lecture

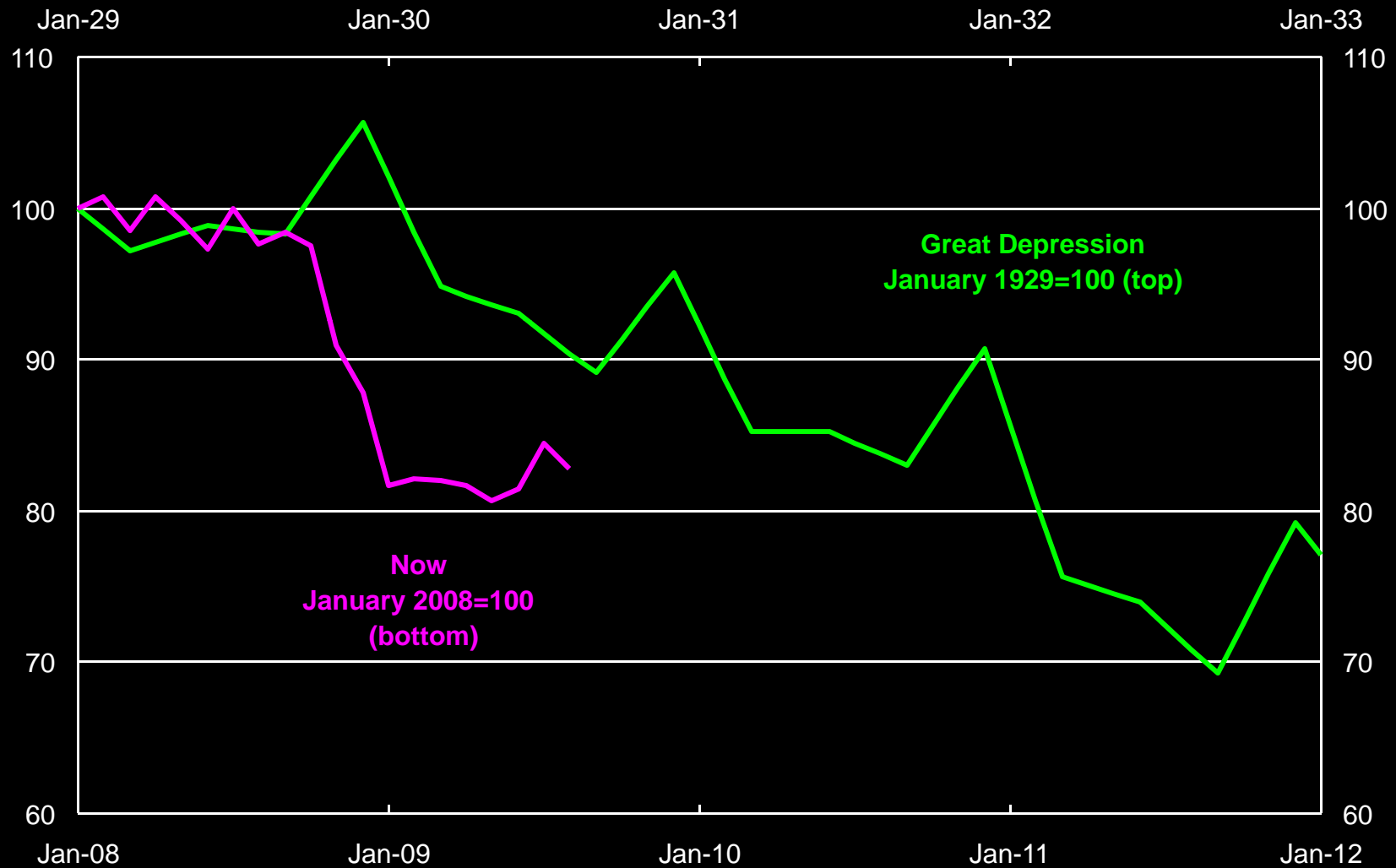
David Gruen  
Wednesday 11 November 2009

# Real GDP in OECD countries



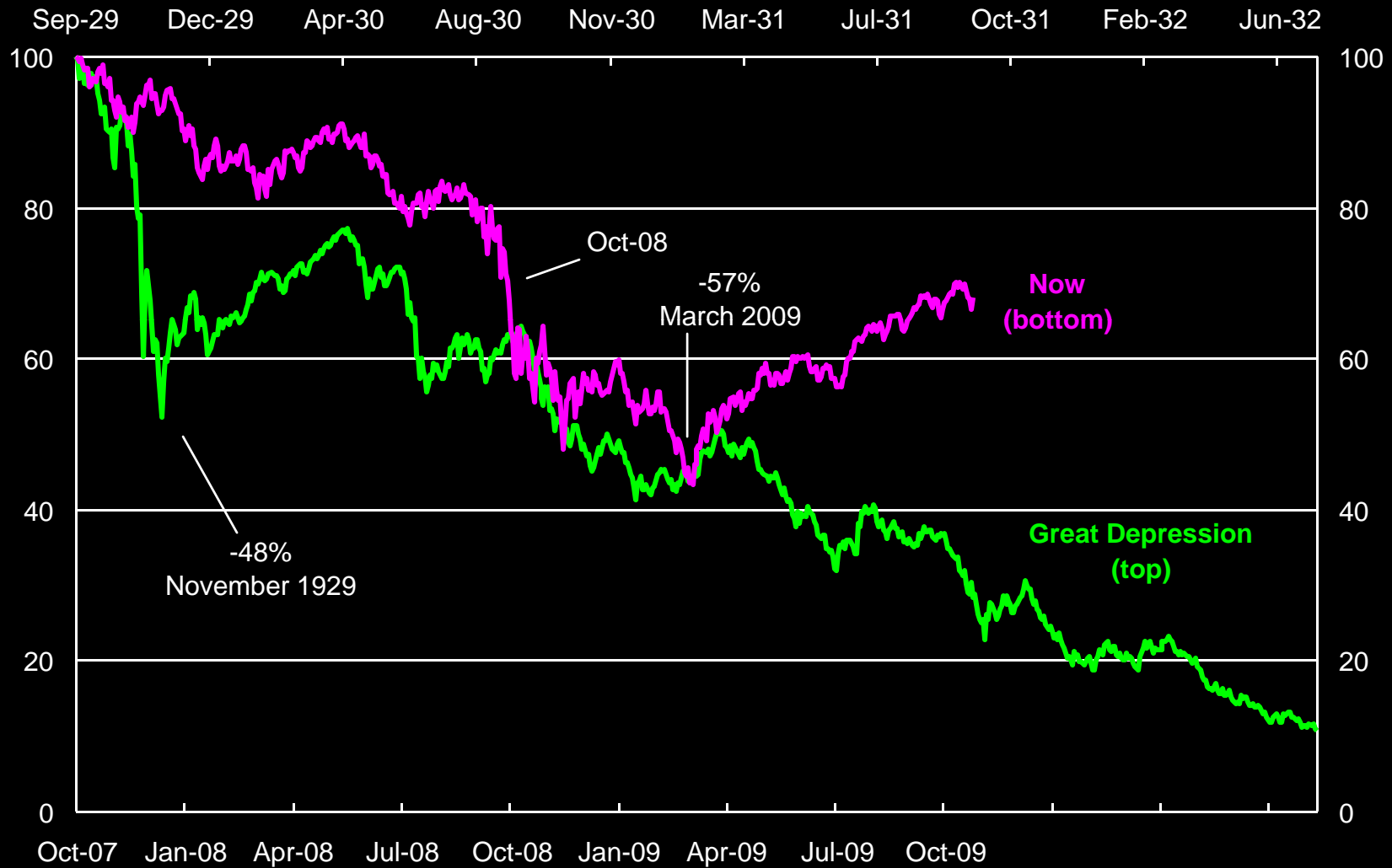
Source: GGDC-Maddison International Historical Database <http://www.ggdc.net/Maddison/> and OECD Economic Outlook, No 85, June 2009.

# Volume of world trade



Source: CPB (2009 and League of Nations (1939) compiled in PC (2009).

# US stock market (Index)



Note: Current data are S&P 500. Data for Great Depression are Dow Jones Industrial Average.  
Source: Standard and Poors 2009.

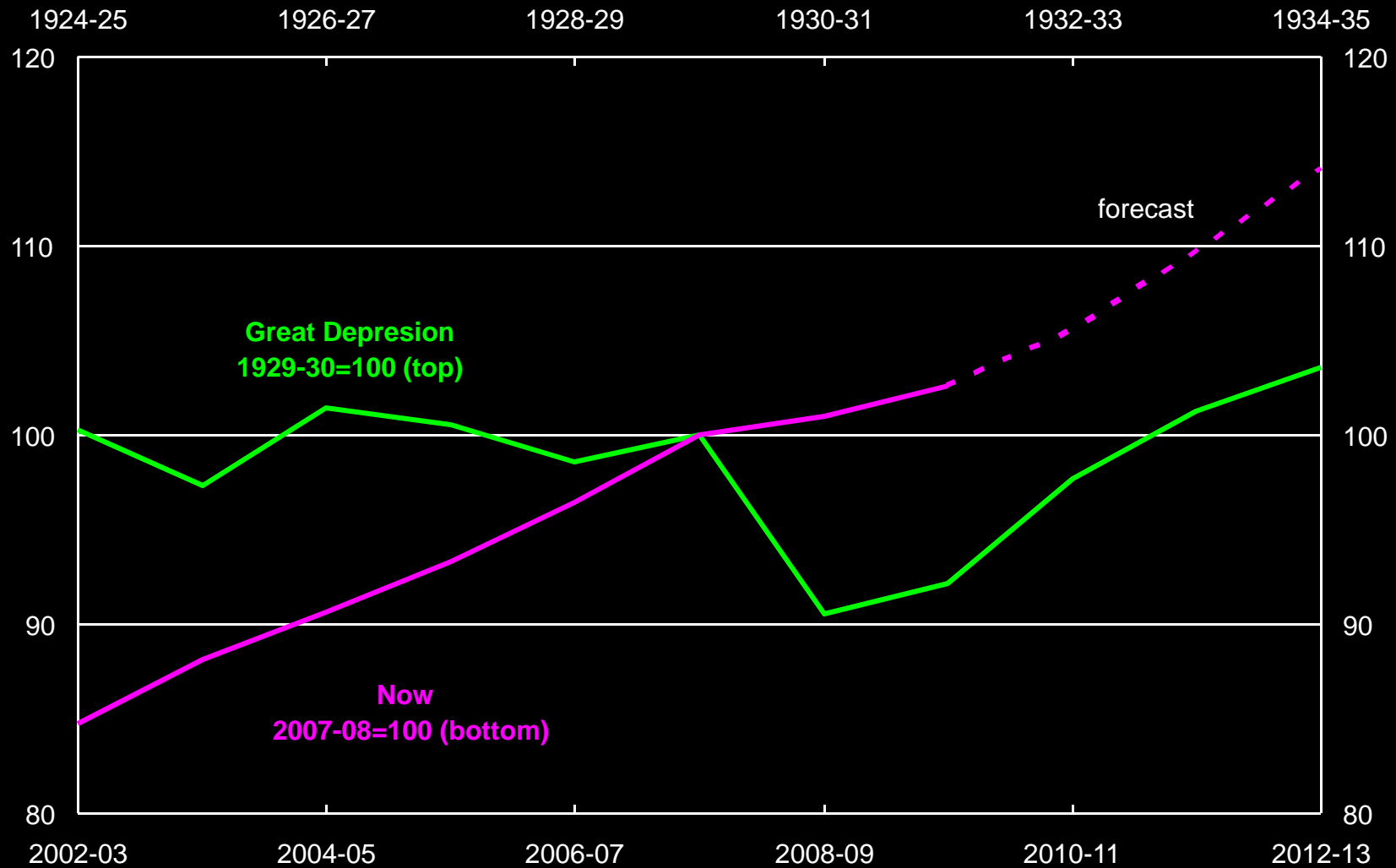
# Australia's stock market

(All Ordinaries)



Note : Current data are monthly (period end) while Great Depression data are monthly average.  
Source: Thomson Reuters and Wren Research (<http://www.wrenresearch.com.au/downloads/>).

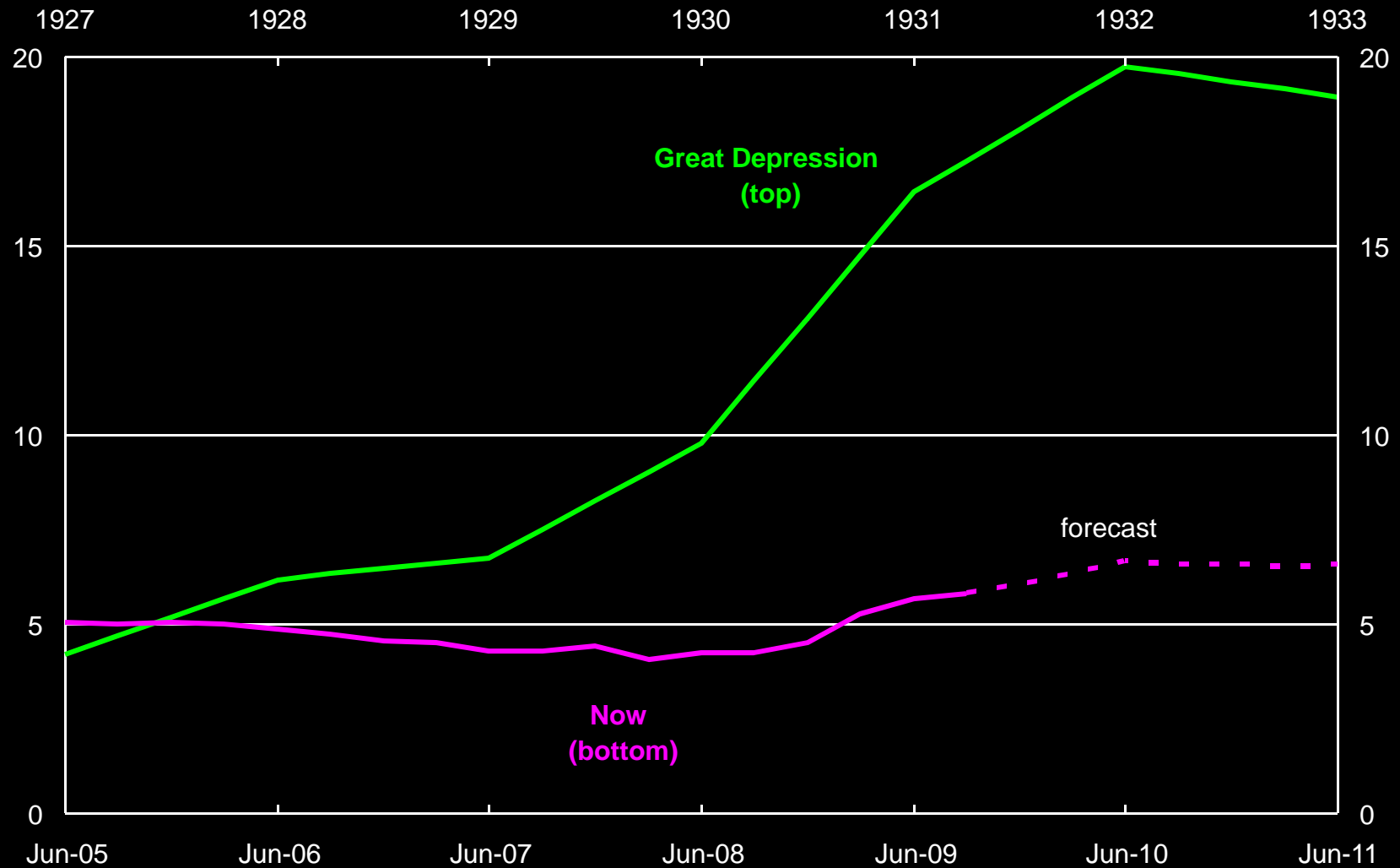
# Australian real GDP



Source: RBA Statistics, Preliminary Annual Database, ABS Catalogue Number 5206.0 and Treasury.

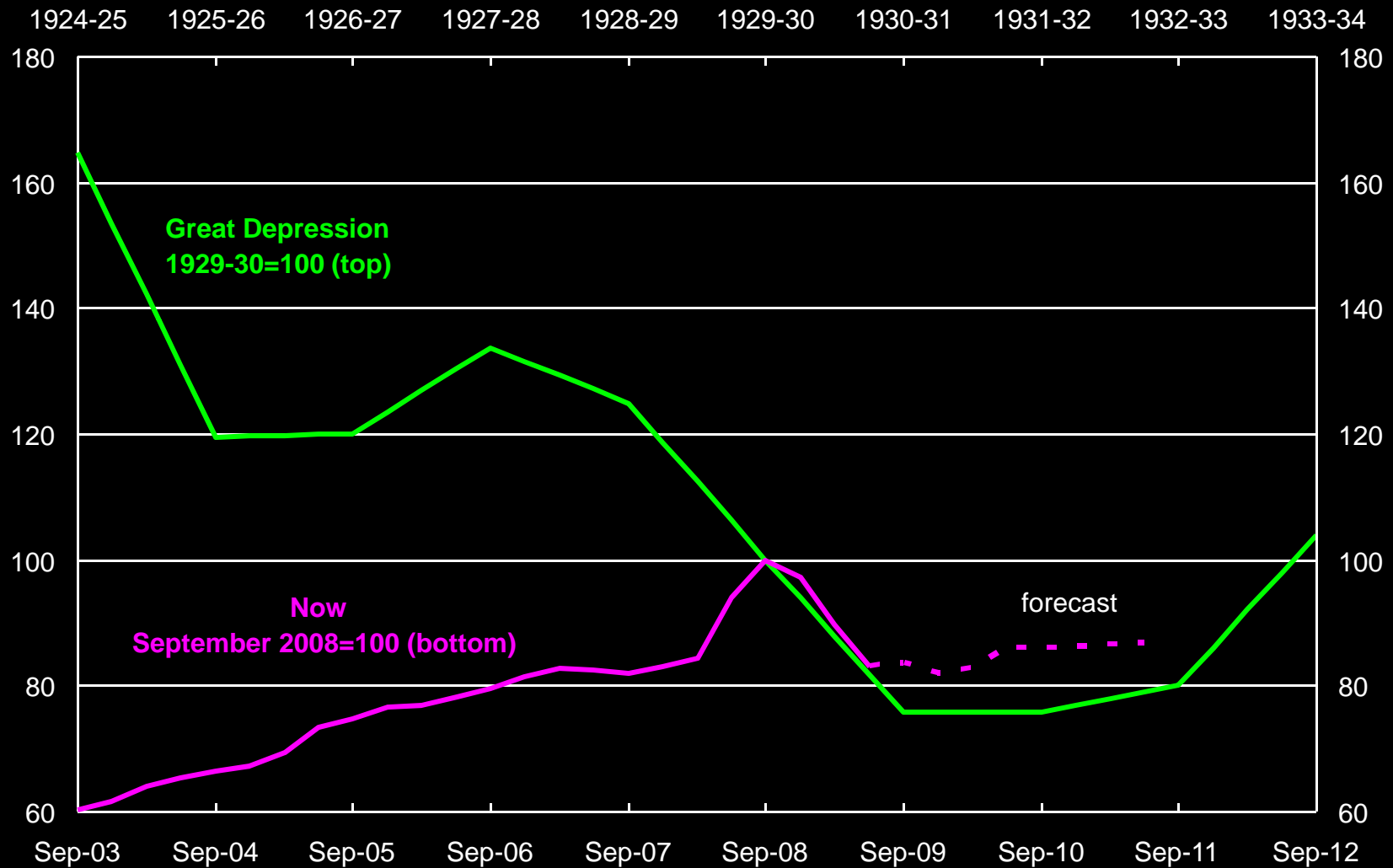
# Unemployment rate in Australia

(per cent)



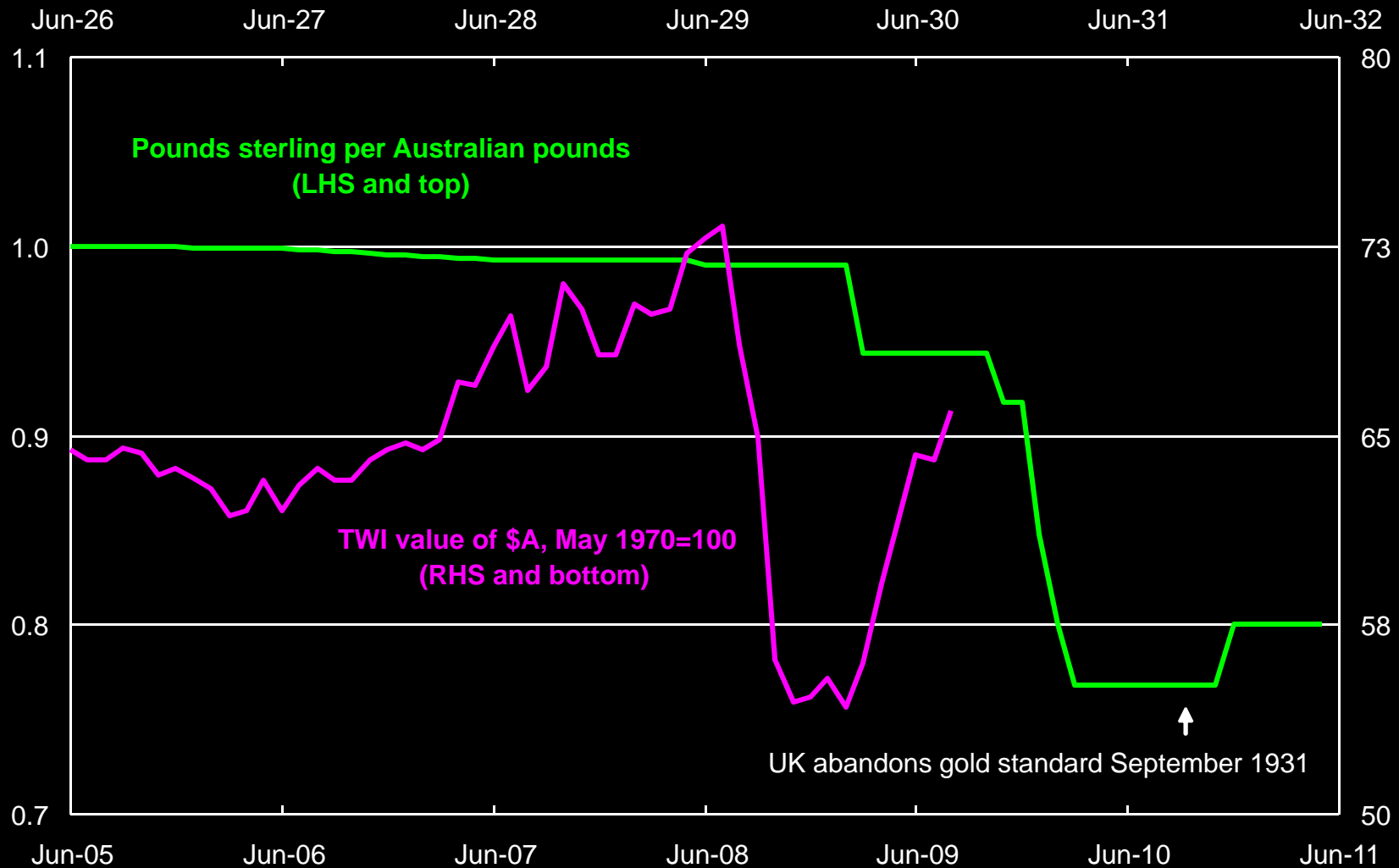
Source: RBA Statistics, Preliminary Annual Database, ABS Catalogue Number 6202.0 and Treasury.

# Australia's terms of trade



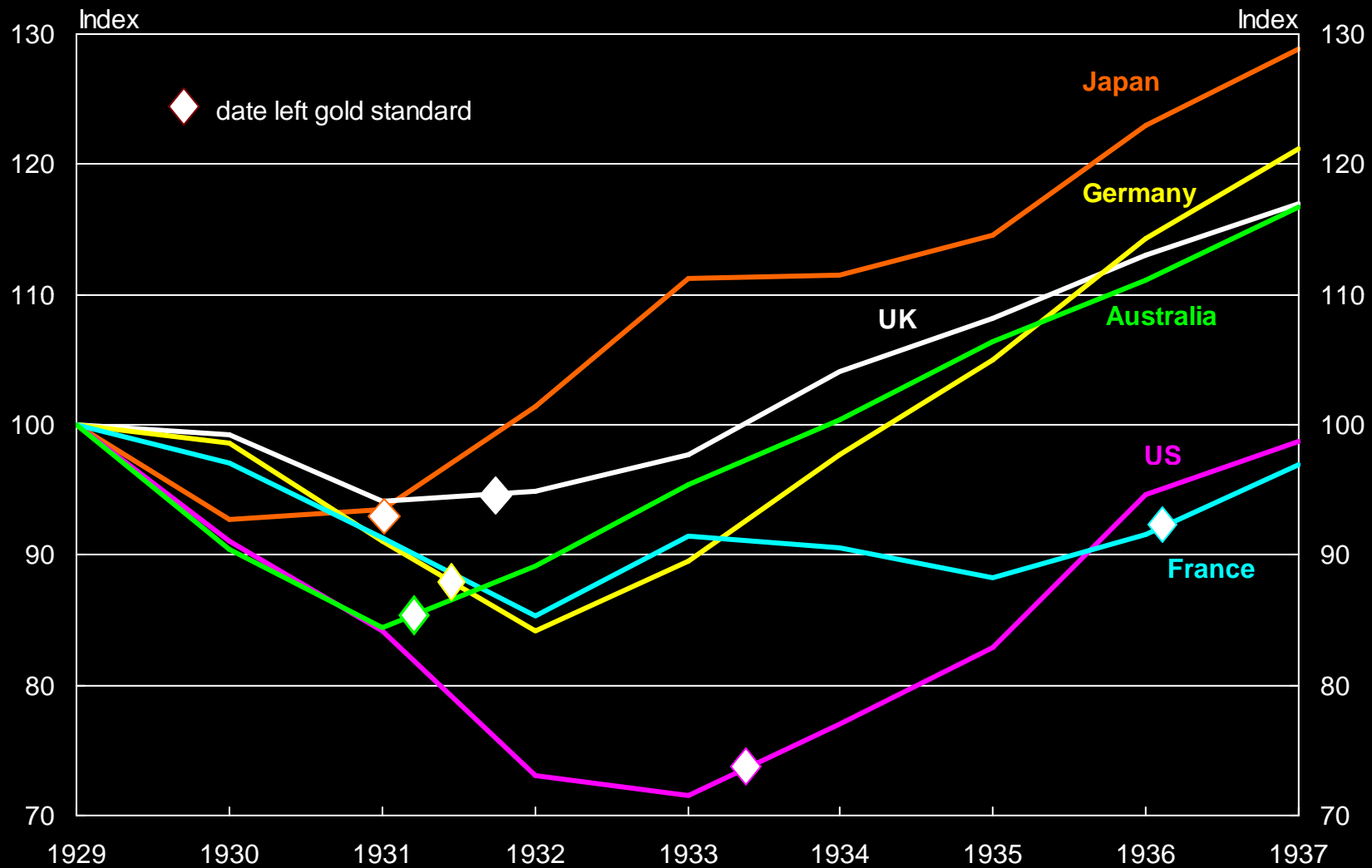
Source: RBA Statistics, Preliminary Annual Database, ABS Catalogue Number 5206.0 and Treasury.

# Australia's exchange rate against benchmark currencies



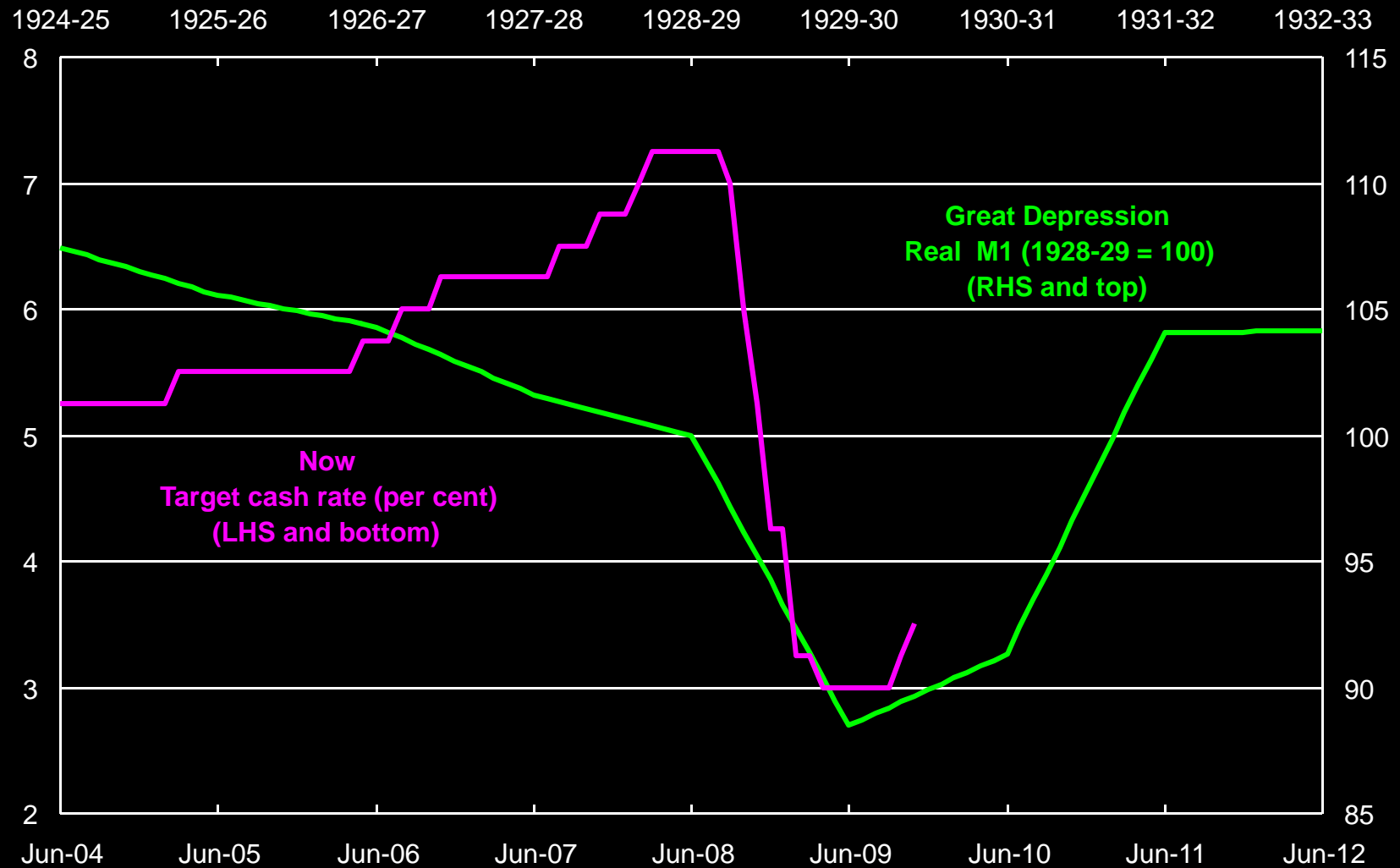
Source: ABS Catalogue Number 5206.0, RBA Statistics, Preliminary Annual Database and Copeland 1934 (quoted in Kindleberger 1986).

# Real GDP and dates of exit from gold standard



Source: GGDC-Maddison International Historical Database (<http://www.ggdc.net/Maddison>) and Bernanke et al 1990.

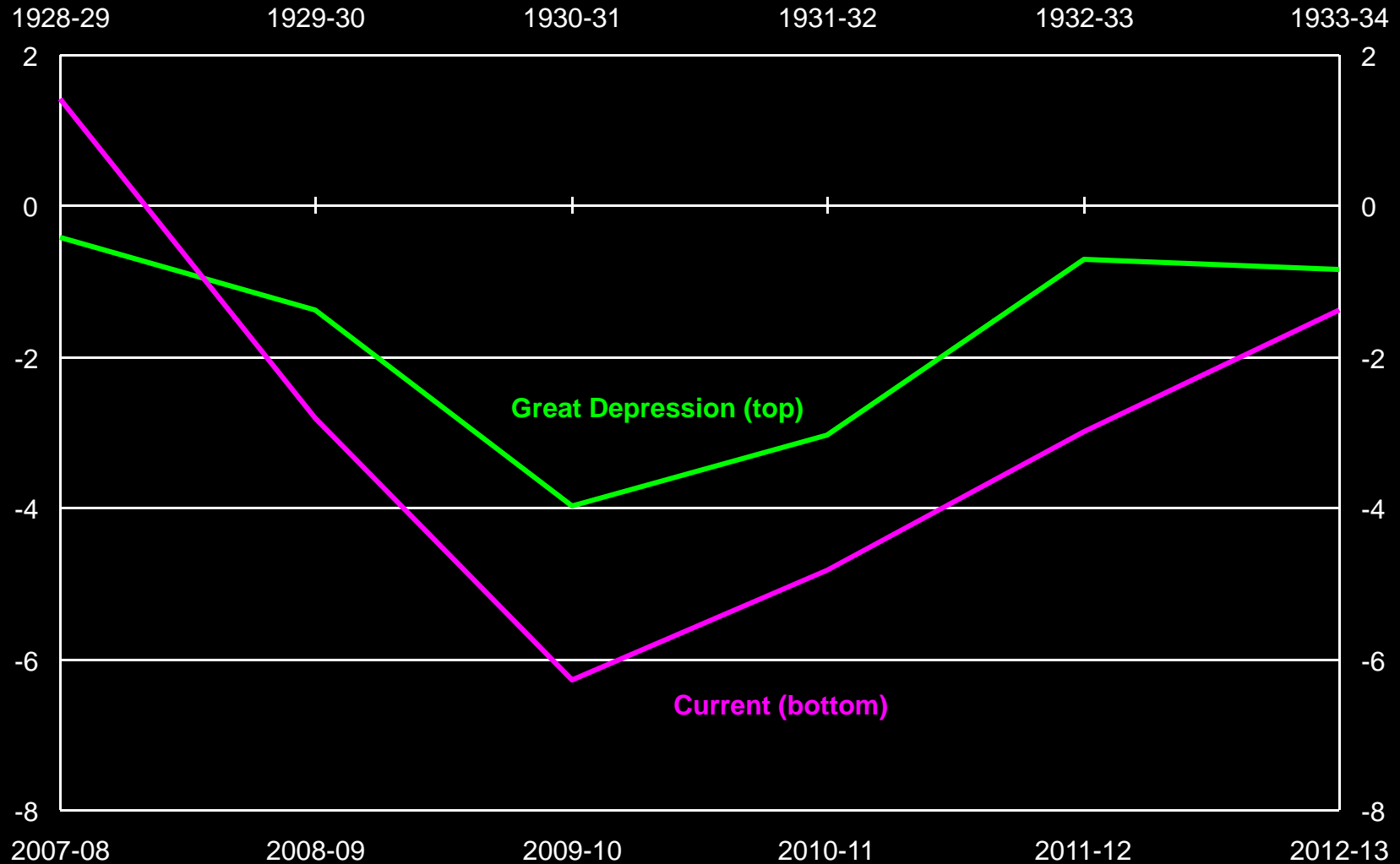
# Monetary policy response



Source: RBA Statistics, Preliminary Annual Database and RBA Bulletin.

# Aggregate Government budget balance

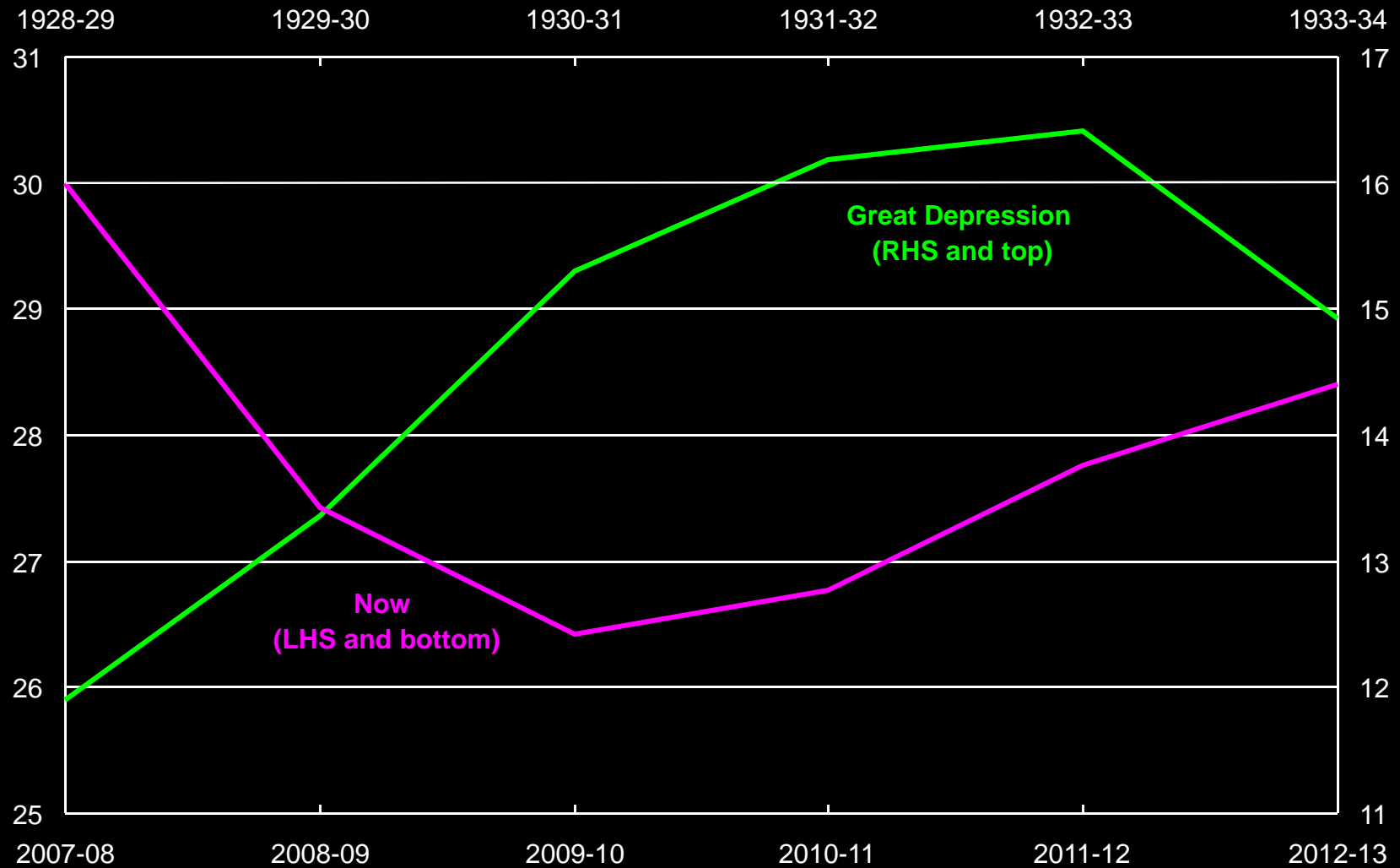
(per cent of GDP)



Source: Barnard 1987 (Table GF 1-7) and Treasury.

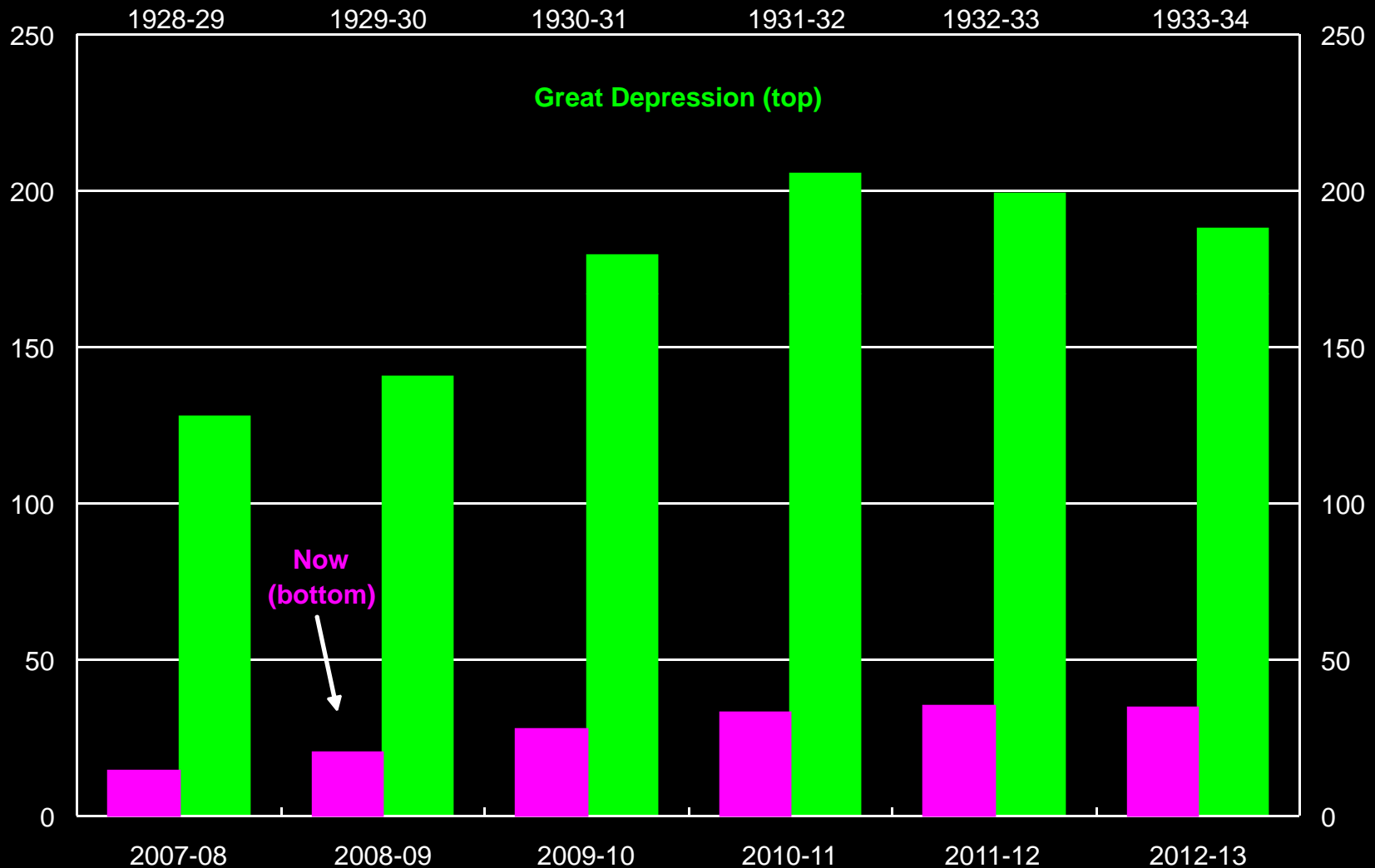
# Aggregate Government tax revenue

(per cent of GDP)



Source: Barnard 1987 (Table GF 1-7) and Treasury.

# Aggregate Government gross debt (per cent of GDP)



Source: Barnard 1987 (Table GF1-7) and Treasury.