



minimum wage that and not jocular, there been no sub-prime c The joke, alas, is c

## Dixon's vi

On at least two occ journalists referre as a visionary. For but which vision?

Was it the Jetsta Branson)? Was it Flyer sell-off visic private equity)? V sell off vision (pri was it the Qantas Airways merger? European airline

So what exactl up? Got it! Swift surcharges then off the company government to s the Los Angeles least, not know international fr

# Hall pulls wrong tale on ABS accounts

Economist Alan Hall's comments on Australia's national accounts, in his opinion "A tale of two economies: how the ABS gets it wrong" (December 5) could give the misleading impression that the national accounts are being allowed to perform very badly. Nothing could be further from the truth. The Australian Bureau of Statistics compiles the national accounts according to international standards and the accounts are recognised as being among the best

in the world. They are widely understood and used by policymakers and analysts in Australia and overseas. The headline measure, following the standards, is the volume of economic production, GDP. This volume measure is calculated by removing the direct impact of price changes. Changes in relative prices of exports and imports, shown in the terms of trade, do not have a direct impact on the volume measure of GDP, but do affect incomes. These

effects are shown in the Australian national accounts in the measures of real gross domestic income (RGDI) and real net national disposable income (RNNDI).

All three measures, GDP, RGDI and RNNDI are published quarterly. Hall might have a hard job making his argument if they weren't!

**Bronwyn Driscoll**  
Macroeconomics division  
Australian Bureau of Statistics  
Canberra ACT

## Ban shorting: perish the thought

Double standards are common in modern life and short selling shares is no exception. If shorting is to be banned so should margined investing. The reason the cry for shorting to be banned is so loud is that margined investors far outnumber the shorters.

When prices fall sharply the metaphoric squeals are deafening in the form of margin calls, but they are nothing compared with those from squeezed shorts for whom the

There was a short squeeze recently in Volkswagen. Porsche has a big holding and rumour has it that it might make a bid. A month ago VW went from €200 to €1000 and back to €600 in a few hours on a bear squeeze. That caused serious losses for shorts (and wonderful profits for longs). Those who call for a shorting ban should examine their thinking and their principles.

**Peter Brun**  
Vaucluse NSW

## SUBMITTING LETTERS

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- Faxes: (02) 9282 3137; email: edletters@afp.com.au (file attachments are not accepted).
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- If referring to an AFR article, please give the date, page and headline.

## Return

When examini economist Cai papers, F.A. F from Menger only one sure victory of a sc by letting eve run a free an The monet J.M. Keynes Friedman ar course. We c catastrophic Frantic ef

**Phil Henty**