

**Abstract:**

New technologies and changing consumer preferences provided opportunities for established firms and new entrants in Australia between the wars. These two decades were characterised by the emergence and rapid growth of new industries that favoured large scale and capital intensive means of production. Unable to rely on retained earnings, firms increasingly sought external finance using the domestic stock exchanges. This paper utilises reports on new issues published in the financial press to build a new data set. The paper concludes that local firms were able to augment internally generated funds with substantial injections of equity finance. That they were able to do so suggests a significant increase in the capacity of local stock exchanges and the resolution of governance issues to increase the willingness of persons to hold ordinary shares in their portfolios.