

## CHAPTER XIV.

## TRADE.

## § 1. Introductory.

**Constitutional Powers of the Commonwealth in regard to Commerce.**—The powers vested in the Commonwealth Parliament by the Commonwealth Constitution with respect to oversea trade and commerce will be found in Sub-section 51 (i) and Sections 86 to 95 (see pp. 14 and 20 *ante*).

## § 2. Commonwealth Legislation affecting Oversea Trade.

1. **General.**—In previous issues of the Official Year Book brief particulars of the various Commonwealth Acts and amendments thereof affecting oversea trade are given in chronological order. The Customs Acts represent the administrative or machinery Acts under which the Customs Department operates, while the Customs Tariff provides the statutory authority for imposing the actual rates of duties operative from time to time.

The Acts at present in force are : The Customs Act 1901–1936 ; Customs Tariff, 1933–1939 ; Customs Tariff (Canadian Preference) 1934–1939 ; Customs Tariff (Exchange Adjustment) Act, 1933–1939 ; Customs Tariff (Industries Preservation) Act, 1921–1936 ; Customs Tariff (Newfoundland Preference) 1939 ; Customs Tariff (New Zealand Preference) Agreement Act, 1933 ; Customs Tariff (New Zealand Preference) 1933–1934 ; Customs Tariff (Papua and New Guinea Preference) 1936 ; Customs Tariff (Southern Rhodesian Preference) 1941 ; Customs Tariff (Primage Duties), 1934 ; Trading with Enemy Act, 1939–1940. A statement of the Acts passed in 1941 and 1942 appears in par. 16 on page 393.

2. **Customs Tariffs.**—The Customs Tariff 1921–1930 provided a British Preferential Tariff, an Intermediate Tariff and a General Tariff. The Customs Tariff 1933 made no provision for an Intermediate Tariff but this feature was restored by the Customs Tariff 1936.

“British Preferential Tariff” rates of duty apply to goods the produce or manufacture of the United Kingdom provided such goods comply with the laws and statutory regulations for the time being in force affecting the grant of British preference, and that the goods have been shipped in the United Kingdom to Australia and have not been transhipped, or, if transhipped, it is proved to the satisfaction of the Collector of Customs that the intended destination of the goods, when originally shipped from the United Kingdom, was Australia. The benefits of the British Preferential Tariff may be extended wholly or in part to any British non-self-governing colony, British protectorate or to certain territories governed under British mandate. The benefits of the British Preferential Tariff have been extended by separate Trade Agreements to certain goods the produce of the Dominions of Canada and New Zealand and to certain goods the produce of British non-self-governing colonies.

In submitting tariff schedules to Parliament on 20th March, 1936, the Minister for Trade and Customs said : “Another new feature of the schedules is the Intermediate Tariff. It has been re-introduced to provide a convenient avenue for expressing the level of duties which the Government propose should form the basis for trade treaties. The rates proposed under the protective items of the Intermediate Tariff express, in every case, a protective level for Australian industry as well as preserving the margins required under the Ottawa Agreement.” The Customs Tariff 1933–1939 provides that the Governor-General may from time to time by proclamation declare that the Intermediate Tariff shall apply from a date and time specified to goods specified in the proclamation which are the produce or manufacture of the British or foreign country specified in the proclamation. The Intermediate Tariff was brought into operation on 1st January, 1937, by Customs Proclamations Nos. 338, 342, 343 and 369, which granted intermediate rates of duty to specified goods the produce of “Proclaimed Countries.” The countries proclaimed include the United Kingdom, the Dominions and Colonies in respect of goods which do not comply with the conditions prescribed for the application of a lower tariff

and most foreign countries under the terms entitling them to most-favoured-nation treatment. The United States of America was an important exception, but Customs Proclamation No. 571 of 17th February, 1943, included it in the list of "Proclaimed Countries".

The "General Tariff" applies to all importations excepting:—

- (a) Goods the produce or manufacture of the United Kingdom, shipped in the United Kingdom;
- (b) Goods the produce or manufacture of the following countries when admissible under the British Preferential Tariff or at a special rate of duty: Canada, New Zealand, Norfolk Island, Papua and New Guinea, and British non-self-governing Colonies, British Protectorates and certain Territories governed under British mandate.
- (c) Goods admitted under the provisions of the Intermediate Tariff.

The Customs Tariff 1933-1939 provides for duties on certain goods to be deferred. Where a deferred duty on any goods is provided in the Schedule, the Minister shall refer to the Tariff Board for inquiry and report the question whether the deferred duty should or should not operate on and after the date to which it has been deferred. The Board shall report whether the goods in respect of which the deferred duty is provided are being made or produced in Australia or will be so made or produced on, or immediately after, the date to which the duty has been deferred—(a) in reasonable quantities; (b) of satisfactory quality; and (c) at a reasonable price having regard, among other things, to the probable economic effect of the imposition of the deferred duty upon other industries concerned, and upon the community in general. Upon receipt of a report from the Tariff Board, the Minister may defer the duty further by notice published in the *Gazette*.

In pursuance of the trade diversion policy of the Commonwealth Government (see par. 5 of this section), an amendment of the Customs (Prohibited Imports) Regulations of 22nd May, 1936—Item 21—prohibited the import into Australia, except under special licence, of 84 classified groups of goods produced or manufactured in foreign countries. A list of the principal items affected is published in Official Year Book No. 30. Important modifications of the licensing system as applied to the 84 groups of goods referred to were announced on 7th December, 1937, by the Minister for Trade and Customs, who stated that in respect of goods not competitive with Australian industry, licences for importation would be granted irrespective of the country of origin. In respect of goods competitive, with Australian industry the licensing system then in force would operate until duties adequate to the protection of the industries concerned had been determined. Tariff Schedules amending duties to give adequate protection to Australian industries established or extended during the currency of the licensing system were embodied in Customs and Excise Resolutions submitted to Parliament on 4th May, 1938, and the licensing restrictions ceased to have force from that date. The Acting Minister for Trade and Customs explained that the Schedules should be regarded as of a temporary nature until the industries could be inquired into and reported on by the Tariff Board.

Under Item 22 the import is prohibited, except under special licence, of motor vehicle chassis produced or manufactured in any country except the United Kingdom. Imports of chassis from the principal suppliers other than the United Kingdom are restricted to the same level of imports as for the twelve months ended 30th April, 1936.

From the same date, 22nd May, 1936, customs duties were increased on imports of certain items of cotton, artificial silk and silk piece goods and on motor chassis. The duties imposed on cotton and artificial silk piece goods were reduced as from 1st January, 1937.

3. *Preferential Tariff.*—(i) *British Preference.* The Commonwealth Tariff 1908 provided Preferential Tariff rates in favour of specified goods produced or manufactured in the United Kingdom. Subsequent legislation has extended the list of articles to which these rates apply. For the purpose of preferential treatment the following goods are deemed by Section 151A of the Customs Act 1901-1936 to be the produce or manufacture of the United Kingdom provided the final process of their production or manufacture was performed in that country.

- (a) Goods which are wholly produced or wholly manufactured in the United Kingdom from materials in one or more of the following classes—
- (i) Materials wholly produced or wholly manufactured in the United Kingdom or in Australia ;
  - (ii) Imported unmanufactured raw materials ;
  - (iii) Imported manufactured raw materials as determined by the Minister.
- (b) Goods of the factory or works cost of which not less than seventy-five per cent. is represented—
- (i) by labour or material of the United Kingdom ; or
  - (ii) by labour or material of the United Kingdom and labour or material of Australia.
- (c) Goods of a class or kind not commercially produced or manufactured in Australia and of the factory or works cost of which not less than 25 per cent. or 50 per cent. if the Minister so determines is represented—
- (i) by labour or material of the United Kingdom ; or
  - (ii) by labour or material of the United Kingdom and labour or material of Australia.

The benefits of the British Preferential Tariff have also been extended by separate Trade Agreements to certain goods the produce of the Dominions of Canada and New Zealand and by separate Tariff legislation to Newfoundland, Southern Rhodesia and to the Territories of Papua and New Guinea.

At the Imperial Economic Conference held at Ottawa, Canada, during July and August, 1932, a trade agreement providing increased preference was made between the Government of the United Kingdom and the Government of the Commonwealth of Australia. The Tariff proposals embodying the terms of the trade agreement came into operation on 14th October, 1932. An Act entitled the United Kingdom and Australia Trade Agreement Act 1932 approved the provisions of the trade agreement arising out of the Conference at Ottawa. Briefly stated the Commonwealth Government agrees (a) to invite Parliament to pass legislation making the tariff changes necessary to give effect to the preference formula set forth in the agreement ; (b) that protection by tariffs shall be afforded only to those industries which are reasonably assured of sound opportunities for success ; (c) that during the currency of the agreement the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economic and efficient production, provided that in the application of such principle special consideration may be given to the case of industries not fully established ; (d) that the Australian Tariff Board review existing protective duties in accordance with the foregoing principles, and after the receipt of the report of the Board the Parliament shall be invited to vary, wherever necessary, the tariff on goods of United Kingdom origin in such manner as to give effect to such principles ; (e) that no new protective duty shall be imposed and no existing duty shall be increased on United Kingdom goods to an amount in excess of the recommendation of the Tariff tribunal ; (f) that United Kingdom producers shall be entitled to full rights of audience before the Tariff Board when it has under consideration the above-mentioned matters ; (g) that, in so far as concerns goods the produce or manufacture of the United Kingdom, the Commonwealth Government undertake to (i) repeal the proclamation prohibiting the importation of certain goods ; (ii) remove as soon as practicable the surcharges imposed by resolution introduced into the Parliament of Australia on 24th May, 1932 ; and (iii) to reduce or remove primage duty as soon as the finances of Australia will allow. The agreement shall remain in force for a period of five years and come into effect on 20th August, 1932 (subject to the necessary legislative or other action being taken).

The prohibitions and surcharges referred to in this agreement were subsequently abolished and primage duty on a large number of items removed or reduced. The concessions granted by the Government of the United Kingdom under the terms of the

Ottawa trade agreement on goods of Australian origin are set out briefly in par. 13 of this section. Further reference to this trade agreement appears in the Appendix to Official Year Book No. 26, 1933.

The five years currency of the agreement terminated on 19th August, 1937, but in view of the negotiations then in progress between the Governments of United Kingdom and United States of America for a trade agreement, a review of the terms of the Ottawa Agreement became a matter of urgency. The United Kingdom Government at the time sought the concurrence of the Dominions in the modification of certain preferences granted under the Ottawa Agreements in order to facilitate the satisfactory conclusion of the agreement. As a consequence thereof a conference of United Kingdom and Australian Ministers was held in London early in 1938. A joint statement setting out the result of the conference was issued by the two Governments in the form of a Memorandum of Conclusions which was published by the United Kingdom Government on 20th July, 1938.

The Memorandum stresses the interdependence of the two countries in the matters of trade and defence. The United Kingdom is recognized as a great force for the maintenance of peace, and Australia is regarded as an important field for United Kingdom investment.

Both the United Kingdom and Australia have certain problems and requirements existing which each not only admits but is prepared to treat as the basis for trade relationships between the two countries. It is regarded as essential in the interests of both countries that Australia should increase its population and this can best be done by the progressive development of her secondary industries. This policy however, conflicts with the position of the United Kingdom as a great oversea trader and exporter of manufactured goods to Empire and foreign countries and any diminution in the exports of United Kingdom will affect the capacity of that country to absorb foodstuffs and raw materials from countries like Australia.

While strongly adhering to the principle of preferential trade within the Empire the representatives of both countries realized that it was desirable that each country should from time to time enter into Trade agreements with foreign countries in order to make an effective contribution to the expansion of International Trade. The Ministers agreed to co-operate in every practical way.

Difficulties immediately arise when an attempt is made to reconcile the expansion of the secondary industries of Australia with that of the United Kingdom to maintain her existing trade in Australian markets. In the Ottawa Agreement, Articles 9 to 13 were framed to meet this difficulty but the results were not entirely satisfactory. It was found impracticable to revise the Articles to satisfy the requirements of both countries, and their substitution by a schedule of maximum rates of duty was suggested. This principle of making trade treaties on the basis of fixing rates of duty is common in most international arrangements but it was thought that special difficulties might arise in applying it to a young and developing country like Australia which also has a system of wage-fixing tribunals and fluctuations of industrial costs. The Australian Ministers agreed to investigate the possibility of adopting such a system after determining the possible course of development of secondary industries in Australia during the next few years.

In making the inquiry the Commonwealth Government propose to have regard to *inter alia* such important factors as—

- (a) the necessity for increased Australian population ;
- (b) the economics and future growth of primary production in Australia ;
- (c) the necessity on national and economic grounds for a continued development of Australian secondary industries ;
- (d) the defence needs of Australia ;
- (e) the maintenance of United Kingdom—Australian trade by effective preference to United Kingdom in Australia and to Australia in the United Kingdom ; and
- (f) the need for new markets for Australian exports and for foreign trade arrangements.

The present agreement will continue in force pending the decision of the Australian Government on this matter, and in the meantime the United Kingdom Ministers will not press their objection to interpretations now placed by the Australian Tariff Board upon Article 10, while the Australian Ministers have undertaken to make every effort to ensure that the Tariff Board's recommendations under Article 11 are made effective.

In conclusion the memorandum refers to considerable discussions between Ministers with regard to the marketing of primary produce in the United Kingdom. It was recognized that United Kingdom agriculture was entitled to first consideration in the home market, but that Empire products should be granted second consideration. It was felt that, in the present state of trade, the interests of all parties could best be served by means of orderly marketing secured by collective action on the part of Empire producers' organizations in co-operation with corresponding bodies in other countries in respect of particular commodities. A similar method has already been adopted in regard to beef by the creation of the Empire Beef Council and the International Beef Conference, and in the opinion of the Ministers great benefit to both home and Dominion producers can be secured by co-operation of this character in relation to other commodities.

On the basis of the imports during 1913 the preferential provisions of the Tariff of 1908-1911 covered 65 per cent. of the imports of merchandise of United Kingdom origin, the margin of preference being equal to 5 per cent. of the value of the goods. On the basis of the imports during 1939-40 the Customs Tariff 1933-1939 extended the application of the Preferential Tariff rates to 86.0 per cent. of the imports from the United Kingdom, and at the same time increased the margin of preference to 19.0 per cent. ad valorem. These percentages relate to all imports on which preference was granted, whether dutiable or free under the preferential provisions. With regard to imports on which preference was granted and which were dutiable under both the Preferential and General Tariffs, the average equivalent ad valorem rate of duty paid in 1939-40 under the Customs Tariff 1933-1939 on goods of United Kingdom origin was about 15.3 per cent., whereas the same goods under the General Tariff rates would have been called upon to pay an average rate of about 39.5 per cent.

An application of the Customs Tariff 1933-1939 to the total imports of £A56,858,624 (including outside packages) from the United Kingdom entered for home consumption during 1939-40 shows that the value of the goods of United Kingdom origin which participated in the preferential provisions of the Tariff was £A47,668,186, upon which duty to the amount of £A4,217,357 was collected. Under the General Tariff the same goods would have paid £A13,406,659 duty or £A9,189,302 more than was paid at preferential rates, representing an additional duty of 19.3 per cent. on the value of the goods. The principal classes which benefited under the Preferential Tariff and the additional duty that would have been collected under the General Tariff during 1939-40 were textiles, £4,475,435; metals and metal manufactures, £2,737,267; machines and machinery, £1,552,703; spirituous and alcoholic liquors, £1,325,867; drugs, chemicals, etc., £592,337; earthenware, glass, etc., £515,963; apparel, £329,393; paper, £291,919; manufactured fibres, £258,389; stationery and paper manufactures, £166,449; jewellery and fancy goods, £147,924; and optical, surgical and scientific instruments, £145,430.

If a preferential tariff had not been in operation in 1939-40 £A9,189,302 additional customs duty would have been collected under the general tariff on United Kingdom goods imported at preferential rates. It would be improper, however, to speak of this sum as the "value" of preference to the United Kingdom as some of the preferential goods would have come from the United Kingdom without preference.

The margin of preference granted by the preferential tariff has been increased to some extent by the operation of the Customs Tariff (Exchange Adjustment) Act 1933-1939. The total amount deducted cannot be stated owing to the fact that since the end of 1934 "net" rates of duty (after making allowance for exchange adjustment) recommended by the Tariff Board have been applicable.

The value of goods from countries other than the United Kingdom which were adversely affected by the preferential provisions of the Tariff amounted to £A23,091,366 and the duty collected thereon was £A6,427,163 or £A3,925,027 more than would have been paid under the British Preferential Tariff Rates.

The following table shows the effect of the Preferential provisions of the Customs Tariff on imports of goods affected favourably or adversely by the British Preferential Tariff during the years 1937-38 to 1939-40 :—

**EFFECT OF THE PREFERENTIAL PROVISIONS OF THE CUSTOMS TARIFF.**  
IMPORTS OF GOODS AFFECTED FAVOURABLY OR ADVERSELY BY THE BRITISH  
PREFERENTIAL TARIFF.

Particulars.	United Kingdom.			Other Countries.(a)		
	1937-38.	1938-39.	1939-40.	1937-38.	1938-39.	1939-40.
<b>GOODS OF A KIND WHICH WERE "FREE", IF FROM UNITED KINGDOM.</b>						
Value of goods cleared for consumption ..	£A. 25,040,517	19,095,649	20,157,570	12,983,535	10,530,878	9,810,413
Amount of Duty collected thereon ..	£A. ..	..	..	1,600,664	1,415,247	1,265,533
Average ad valorem rate of Duty collected ..	% ..	..	..	12.3	13.4	12.9
Duty which would have been collected under General Tariff rates ..	£A. 3,213,203	2,474,807	2,550,415	..	..	..
Average ad valorem rate of Duty which would have been collected under General Tariff rates ..	% 12.8	13.0	12.7	..	..	..
<b>GOODS OF A KIND WHICH WERE "DUTIABLE", IF FROM UNITED KINGDOM.</b>						
Value of goods cleared for consumption ..	£A. 28,058,500	24,586,678	27,510,616	14,253,772	12,305,081	13,280,953
Amount of Duty collected thereon ..	£A. 4,312,158b	3,916,726b	4,217,357b	5,753,250	4,988,493	5,161,630
Average ad valorem rate of Duty collected ..	% 15.4	15.9	15.3	40.4	40.5	38.9
Duty which would have been collected on United Kingdom goods under General Tariff rates ..	£A. 11,195,361	10,012,544	10,356,244	..	..	..
Average ad valorem rate of Duty which would have been collected under General Tariff rates ..	% 39.9	40.7	39.5	..	..	..
Duty which would have been collected on goods of Other Countries under British Preferential Tariff ..	£A. ..	..	..	2,358,432b	2,086,998b	2,502,136b
Average ad valorem rate of Duty which would have been collected under British Preferential Tariff ..	% ..	..	..	16.6	17.0	18.8
Amount of Rebate on United Kingdom goods as against General Tariff rates ..	£A. 6,883,203b	6,095,818b	6,638,887b	..	..	..
Average ad valorem rate of Rebate on United Kingdom goods ..	% 24.5	24.8	24.1	..	..	..
Amount of Surcharge on goods from Other Countries as against British Preferential Tariff rates ..	£A. ..	..	..	3,394,818b	2,901,495b	2,659,494b
Average ad valorem rate of Surcharge on goods of Other Countries ..	% ..	..	..	23.8	23.6	20.0

(a) Goods cleared under "General Tariff." (b) In computing this amount, account has been taken of the effect of the Exchange Adjustment Act on the margin of British Preference.

EFFECT OF THE PREFERENTIAL PROVISIONS OF THE CUSTOMS  
TARIFF—*continued.*

Particulars.	United Kingdom.			Other Countries.(a).		
	1937-38.	1938-39.	1939-40.	1937-38.	1938-39.	1939-40.

TOTAL GOODS—"FREE" AND "DUTIABLE", AFFECTED BY THE BRITISH PREFERENTIAL  
TARIFF.

Value of goods cleared for consumption ..	£A.	53,099,017	43,682,327	47,668,186	27,237,307	22,835,959	23,091,366
Amount of Duty collected thereon ..	£A.	4,312,158 <sup>b</sup>	3,916,726 <sup>b</sup>	4,217,357 <sup>b</sup>	7,353,914	6,403,740	6,427,163
Average ad valorem rate of Duty collected ..	%	8.1	9.0	8.9	27.0	28.0	27.8
Duty which would have been collected on United Kingdom goods under General Tariff rates ..	£A.	14,408,564	12,487,351	13,406,659	..	..	..
Average ad valorem rate of Duty which would have been collected under General Tariff rates ..	%	27.1	28.6	28.1	..	..	..
Duty which would have been collected on goods of Other Countries under British Preferential Tariff ..	£A.	..	..	..	2,358,432 <sup>b</sup>	2,086,998 <sup>b</sup>	2,502,136 <sup>b</sup>
Average ad valorem rate of Duty which would have been collected under British Preferential Tariff ..	%	..	..	..	8.7	9.1	10.8
Amount of Rebate on United Kingdom goods as against General Tariff rates ..	£A.	10,096,406 <sup>b</sup>	8,570,625 <sup>b</sup>	9,189,302 <sup>b</sup>	..	..	..
Average ad valorem rate of Rebate on United Kingdom goods ..	%	19.0	19.6	19.3	..	..	..
Amount of Surcharge on goods from other Countries as against British Preferential rates ..	£A.	..	..	..	4,995,482 <sup>b</sup>	4,316,742 <sup>b</sup>	3,925,027 <sup>b</sup>
Average ad valorem rate of Surcharge on goods of Other Countries ..	%	..	..	..	18.3	18.9	17.0

(a) Goods cleared under "General Tariff." (b) In computing this amount, account has been taken of the effect of the Exchange Adjustment Act on the margin of British Preference.

(ii) *Intermediate Tariff Preference.* The Intermediate Tariff came into operation on 1st January, 1937, and during the year ended 30th June, 1940, was applicable wholly or in part to about 140 tariff items. In the period mentioned goods from "Proclaimed Countries" (i.e. foreign countries entitled to most-favoured-nation treatment) cleared at intermediate rates of duty were valued at £A7,349,895 on which £A2,128,775 duty was collected. Under the General Tariff the same goods would have paid £A3,806,054 duty or £A1,677,279 more than was paid at intermediate rates, representing an additional duty of 22.8 per cent. on the value of the goods. At British preferential rates of duty the same goods would have paid £A831,807, or £A1,296,968 less than was paid at intermediate rates, a reduction equivalent to an ad valorem duty of 17.7 per cent.

(iii) *Exchange Adjustment.* The Customs Tariff (Exchange Adjustment) Act 1933-1939 provides for adjustments in Duties of Customs, consequent upon depreciation in the value of Australian currency in relation to the currencies of countries, on goods to which the British Preferential Tariff applies. This Act came into operation on 5th October, 1933, but subsequent amendments have extended the list of items affected. The application of Section 5 of the Act is explained hereunder:—

The deduction to be made from duty in respect of protected goods (covered by items) specified in the schedule to the Act and admissible under the British Preferential Tariff

on account of the depreciation of Australian currency in relation to the currency of the British country exporting the protected goods to Australia will depend on:—

- (a) Whether the extent of depreciation is not less than 16 $\frac{2}{3}$  per cent.; or
- (b) Whether the extent of depreciation is not less than 11 1-9 per cent., and less than 16 $\frac{2}{3}$  per cent.

If (a) applies, the deduction from the amount of duty will be—(i) one-fourth of the amount of duty; or (ii) 12 $\frac{1}{2}$  per cent. ( $\frac{1}{8}$ ) of the value for duty, whichever is the less:

If (b) applies, the deduction will be (i) one-eighth of the amount of duty; or (ii) 6 $\frac{1}{2}$  per cent. of the value for duty, whichever is the less. The telegraphic transfer (buying) rate shall determine the extent of depreciation of Australian currency.

Prior to 1933-34 the Tariff Board had recommended rates of duty as though exchange was at par, but early in the year mentioned the Board decided to change the basis of its recommendations and has since shown its findings under the following headings:—

- (a) The rates which would prove reasonable and adequate under existing conditions of exchange.
- (b) An estimate as closely as can be made of the rates which would be reasonable and adequate if exchange suddenly reverted to par.
- (c) The scale of adjustment necessary to meet conditions of exchange between parity and the present adverse rate of 25 per cent.

In tariff proposals introduced on 6th December, 1934, and later, the new basis has been adopted in fixing rates of duty on certain items in accordance with the Board's recommendations as set out in (a) with provision for the adjustment of rates of duty as set out in (c). With respect to such items the deductions under the provisions of the Exchange Adjustment Act will cease to apply.

(iv) *Papua and New Guinea Preference.* The Customs Tariff (Papua and New Guinea Preference) Act 1936 which repealed the Act of 1934 provides for Customs Preference on goods the produce of Papua and on goods the produce of the Territory of New Guinea. Imports into Australia direct from the Territory of Papua or the Territory of New Guinea, of such of the goods specified in the schedule to the Act as were produced in the Territory from which they were imported, shall, notwithstanding anything contained in the Customs Tariff 1933-1939 be free of duty. The goods specified in the schedule to the Customs Tariff (Papua and New Guinea Preference) 1936 are coffee, dried lychee fruit, various native fresh fruits, edible fungi, green and dry ginger, coco-nuts, Rangoon beans, kapok and sesame seeds, areca nuts, cocoa beans, massoi oil, nuts (edible), sago, tapioca, spices, vanilla beans and gums. Total imports from Papua during 1939-40 amounted to £A577,442, including gold, £A109,551, imports of goods entitled to preference to £A73,086, and duties remitted to £A50,134. Total imports from the Territory of New Guinea during 1939-40 amounted to £A3,088,699, including gold £A2,848,582, imports of goods entitled to preference to £A105,206, and the duties remitted to £A54,770.

4. *Reciprocal Tariffs.*—(i) *General.* The Customs Tariff of 1921 provided a new feature in Australian Tariffs in the form of an intermediate tariff. No provision was made in the Customs Tariff 1933 for an intermediate tariff but in the Customs Tariff 1936 this feature was restored. The purpose of the intermediate tariff is referred to in par. 2 above.

The trade agreement signed at the Imperial Economic Conference, 1932, held at Ottawa, Canada, on behalf of the Government of the United Kingdom and of the Government of the Commonwealth of Australia materially altered the existing conditions of preference. The agreement provides special preferential trade conditions between the Commonwealth of Australia and the United Kingdom and certain of its dependencies. Customs Tariff 1933 embodied the main provisions of the Ottawa Agreement, and imposed duties of customs under two headings—British Preferential Tariff and General Tariff. No provision was made for an Intermediate Tariff in the abovementioned Act. The terms of the agreement conceded by the Commonwealth Government are briefly stated in par. 3 above and the concessions granted by the Government of the United Kingdom on goods of Australian origin are set out in par. 13 below of this chapter. A review of the trade agreement appears in the Appendix to Official Year Book No. 26.

(ii) *Dominion of Canada.* A reciprocal trade agreement between Canada and Australia which came into force on 1st October, 1925, was superseded by the Customs Tariff (Canadian Preference) Acts of 1931 and 1934-1939, which reaffirmed the principle of granting of preferences for the mutual advantage of the two countries and extended preferential conditions. The commodities on which Canada grants preferential rates of duty to Australia are: Butter, brandy, champagne, cheese, currants, eggs, eucalyptus oil, fresh apricots, pears, quinces, nectarines, grapes, oranges and passion fruit, dried prunes, apricots, nectarines, pears and peaches, fruit pulp, fruits in cans, gelatine, hops, rice (uncleaned), meat (fresh and canned), peanuts, raisins, sugar, tallow, veneers and wine. Australia's preferential duties apply to the following Canadian imports:—Carbide of calcium, cash registers, corsets, fish, gloves, goloshes and rubber sand boots, etc., iron and steel tubes or pipes, printing machinery, barbed wire, paper (printing, typewriting and writing), timber, typewriters, vacuum cleaners and vehicles—motor chassis (unassembled and assembled)—and vehicle parts but not including bodies, gears, rubber tyres and tubes, storage batteries, shock absorbers, bumper bars, sparking plugs and springs.

During 1939-40 the imports from Canada amounted in Australian currency to £A11,393,568 and imports of Canadian origin entitled to preference were valued at £A9,984,914, the principal items being printing paper, £A1,946,849; motor chassis and parts, £A1,878,301; timber, £A986,221; fish, £A531,590; and piece goods, £A429,786. The duty on the total imports of Canadian origin entitled to preference would have been £A3,197,086 under the General Tariff, but by the preferential provisions this was reduced by £A1,913,696, or by 19.2 per cent. on the value of the imports concerned.

Australian exports to Canada subject to preference amounted to approximately £A1,967,411, the principal items being fruits, dried, £A571,259; sugar, £A1,229,687; fruits, preserved, £A104,980; and tallow, £A61,485.

(iii) *Dominion of New Zealand.* The Customs Tariff (New Zealand Preference) Act 1933, which came into force on 1st December, 1933, repealed earlier Acts and provides that duties on all goods specified in the schedule to the Act shall be at the rates indicated therein, and that all goods other than those provided for in the schedule shall be subject to the rates in force under the British Preferential Tariff. An amendment to this Act in 1934 provides that, where the rate of duty upon any class of goods under the New Zealand British Preferential Tariff is less than that operating in Australia under the British Preferential rate, upon request by the New Zealand Government such goods may, after proclamation, be admitted at the lower rate. The rates of duty on goods re-exported from New Zealand (not being goods the produce or manufacture of New Zealand) and which are imported into Australia, and upon which if they had been imported into Australia direct from the country of origin would have been subject to the rates of duty under the British Preferential Tariff, shall be the rates of duty in force under that tariff.

The Act provides also that films produced in New Zealand by or for the Government of New Zealand for publicity purposes shall be admitted free of duty, also that cocoa beans the produce of Western Samoa shall not be subject to any higher duties than those paid on cocoa beans the produce of any British non-self-governing Colony or Protectorate or any Territory under British mandate. Nothing in the Act shall apply to goods being the produce of Cook Islands.

Goods the produce or manufacture of the Dominion of New Zealand are exempt from primage duty.

The conditions of preference in the Act provide that goods shall be deemed to be the produce or manufacture of New Zealand if they conform to the laws and regulations in force in Australia which apply to such goods when imported under the British Preferential Tariff (*vide* section 151A of Customs Act 1901-1936) except that goods not wholly produced or manufactured in New Zealand need not contain more than 50 per cent. of New Zealand labour and/or material in their factory or works cost, instead of 75 per cent. under the conditions of the United Kingdom preference.

Of the total imports of £A1,823,336 from New Zealand during 1939-40 it is estimated that goods otherwise dutiable amounting in value to £A465,450 were admitted free under the provisions of the Preferential Tariff and the duty thus remitted was £A169,368.

In addition, goods valued at £A49,217 were admitted under the preferential rates of duty, the duty remitted on such goods being £A10,291. The total of the duties remitted on the import of New Zealand goods was thus £A179,659, representing a margin of preference of 34.9 per cent. on the value of the goods entitled to preference. The principal items which benefited under the preferential provisions were fish, valued at £A115,482, and undressed timber, £A170,463, the amounts of duty remitted being £A22,782 and £A117,601 respectively.

(iv) *Newfoundland.* The Customs Tariff (Newfoundland) Preference Act 1939 which came into operation on 12th December, 1939, provided for imports of newsprinting paper, the produce or manufacture of Newfoundland to be accorded the benefits of the British Preferential Tariff and in return the Government of Newfoundland accorded exclusive Tariff preference to Australian butter and canned fruits imported into that country.

(v) *Southern Rhodesia.* The Customs Tariff (Southern Rhodesian Preference) Act 1941 came into operation on 9th April, 1941, provided for the imports of tobacco, unmanufactured, the produce of Southern Rhodesia, to be accorded the British Preferential Tariff rates less ninepence per pound.

(vi) *Union of South Africa.* A new trade agreement took effect from 1st July, 1935. This agreement provides that the products of the Union of South Africa or the mandated territory of South-West Africa entering Australia and the products of Australia entering the Union of South Africa or the mandated territory of South-West Africa shall be subject to customs duties not higher than those imposed by the importing country on like products from the most favoured foreign nation. A reciprocal tariff arrangement under which products of Mozambique are admitted duty free to the Union of South Africa is exempt from the agreement.

5. *Australian Trade Diversion.*—On 22nd May, 1936, the Minister directing negotiations for Trade Treaties announced in the House of Representatives the decision of the Government to divert portion of Australia's import trade, with the object of increasing exports of primary produce, expanding secondary industry, and bringing about an increase of rural and industrial employment.

Briefly summarized the Minister's statement indicated that certain imports would be restricted with a view to their manufacture in Australia, including motor chassis, which, it was hoped, would be made in Australia on a large scale within a few years. In the case of certain other imports it was intended to divert them from their present sources of supply to other countries which were great customers of Australia and which it was expected would become greater customers if Australia increased her purchases from them. The Government would proceed in two ways, firstly, by the adoption of a special licensing system over a limited range of imports and, secondly, by the imposition of higher duties where this course appeared more desirable. With the exception of motor chassis all goods of British origin would be exempt from the licensing system. In the case of motor chassis imports of United Kingdom origin only would be exempt from restriction. Upon application licences would be freely granted to countries with which Australia had a favourable balance of trade and to all other countries in regard to which, although the balance might be adverse to the Commonwealth, the Government was satisfied with the position.

The special licensing system was introduced on 23rd May, 1936, in the form of an amendment to the Customs (Prohibited Imports) Regulations which prohibited the import, except under special licence, of 84 classified groups of goods from foreign countries. On 7th December, 1937, the Minister for Trade and Customs announced important modifications of the licensing system and the intention to substitute adequate duties to protect Australian industries established or extended under the licensing system. These duties were imposed by Customs and Excise Resolutions of 4th May, 1938, and all licensing restrictions on the 84 groups of goods were removed from that date. Other references to this subject and to restrictions imposed on the import of motor chassis will be found in par. 2 above.

6. **Trade Agreements.**—(i) *General.* Trade agreements between the Commonwealth of Australia and the Governments of Belgium, Czechoslovakia, France, Japan and Switzerland were in operation prior to the outbreak of war in September, 1939, but now are inoperative owing to the provisions of the Trading with the Enemy Act 1939-1940. The full text of these agreements are shown in previous issues of the Official Year Book.

(ii) *Brazil.* A trade agreement concluded between the Governments of Brazil and the Commonwealth of Australia came into operation on 1st January, 1940. Briefly, the agreement provided:—

- (1) Imports from Brazil would receive treatment not less favorable than that accorded to articles the produce or manufacture of any other foreign country.
- (2) Imports from Australia would receive similar treatment.

Exceptions were made in regard to preferences or privileges granted for special reasons to particular countries.

7. **Australian-United States of America Trade Relations.**—The trade diversion policy of the Commonwealth Government as expressed by the prohibition, except under special licence, of specified imports as from 23rd May, 1936, adversely affected a wide range of goods from the United States of America, which for a number of years had enjoyed an extremely favourable trade balance with Australia. In reply to this action the United States Government withdrew as from 1st August, 1936, the most-favoured-nation treatment hitherto accorded to Australian goods including certain trade benefits extended to Australia equally with a number of countries with which the United States had concluded trade agreements. A further step bearing on the trade relations between the two countries was the extension by the Commonwealth Government to "Proclaimed Countries" as from 1st January, 1937, of intermediate customs tariff rates and certain primage duty concessions. The list of "Proclaimed Countries" includes the United Kingdom, the Dominions and Colonies, and the principal foreign countries. The principal exception was the United States of America which, however, was included by proclamations of 17th February, 1943.

The alteration in the system of import licensing restrictions, which had been in operation since 23rd May, 1936, and the substitution of increased rates of duty where such were considered necessary to provide adequate protection for Australian industries, resulted in the restoration, from 1st February, 1938, by the United States Government, of the accord to Australian goods of most-favoured-nation treatment.

As a result of the passing of the Lend-Lease Act in the United States of America the Australian Government took action to obtain from the United States of America, under the provisions of this Act, essential goods which were not available in sufficient quantities in this country or from the United Kingdom. (See § 3 Lend-Lease and Mutual Aid.)

On the outbreak of war with Japan, large quantities of war materials, raw products for the manufacture of munitions and other goods in short supply were made available to Australia under this Act. In recognition of the great material assistance received from the United States of America, the Australian Government, of its own volition, decided to accord to the United States of America the benefits of most-favoured-foreign-nation treatment. To implement this decision proclamations were made on 17th February, 1943, to include the United States of America in the list of "Proclaimed Countries" and to accord to that country intermediate Customs Tariff rates and primage duty concessions.

8. **Primage Duty.**—From 10th July, 1930, a primage duty of 2½ per cent. ad valorem was imposed on all goods whether dutiable or not dutiable, in addition to the duties collected in accordance with the Customs Tariff 1921-1930, excepting bullion, specie, radium and certain special governmental and other imports. The rate of primage duty was subsequently increased to 4 per cent. as from 6th November, 1930.

A proclamation of 14th May, 1931, exempted certain aids to primary production, and on 11th July, 1931, a further amendment, in addition to extending the list of these goods and also exempting some minor imports from primage duty,

provided for a rate of 4 per cent. ad valorem on a few other items, mainly aids to production, and increased the ad valorem rate of primage duty to 10 per cent. on all other articles imported. Amendments promulgated since 11th July, 1931, have greatly increased the list of goods exempt from primage duty.

The Customs Tariff (Primage Duties) Act 1934 imposed primage duty at rates of 4, 5, and 10 per cent. and provided for preferential treatment of certain goods admitted under the British Preferential Tariff. A proclamation of 12th December, 1934, exempted from primage duty goods the produce or manufacture of Fiji and a proclamation of 25th September, 1935, exempted from primage duty goods the produce or manufacture of the Territories of New Guinea and Papua. Under the Customs Tariff (New Zealand Preference) Act goods the produce or manufacture of New Zealand are exempt from primage duty. Similarly under the Norfolk Island Act 1913 goods the produce or manufacture of Norfolk Island are exempt from primage duty.

Customs proclamations, which came into force on 1st January, 1937, and later dates, provide in respect of specified tariff items exemptions from, and reduced rates of 4 and 5 per cent. primage duty on imports the produce or manufacture of "Proclaimed Countries". All countries whose goods are admissible to Australia under the intermediate customs tariff rank as proclaimed countries and include the United Kingdom, the Dominions and Colonies and most foreign countries. The United States of America was included by proclamation from 18th February, 1943. Japan is a proclaimed country for eleven items only.

In 1939-40 the value of goods from the United Kingdom admitted under British Preferential Tariff rates was, in Australian currency, £A47,668,186 and the primage duty paid, £A1,267,431. This amount is £A1,358,275 less than the amount which would have been paid if certain goods had not been subject to preferential rates of primage duty.

9. Customs (Import Licensing) Regulations.—The Customs (Import Licensing) Regulations, which were promulgated on 1st December, 1939, were originally applied only to imports from countries outside the sterling area. The primary object was to eliminate non-essential items from Australia's import trade with non-sterling countries in order to conserve foreign exchange.

Some items were placed on the totally prohibited list while others were limited to a percentage of either the value or quantity of imports in the pre-war year 1938-39. Certain classes of goods, such as machinery, which could not be conveniently rationed on a quota basis, were placed "under administrative control", each application being dealt with on its merits without reference to past importations.

The restrictions applied to the importation of non-essential goods have been progressively tightened since the regulations were first introduced and many more classes of goods have been added to the lists of items subject to "total prohibition" and "administrative control".

Since December, 1941, and consequent upon changes in the general war situation and the intensification of the Australian war effort, an increasing range of goods imported from the United Kingdom and other sterling countries has been brought within the scope of the licensing regulations. The extension of the restrictions to sterling goods is a necessary corollary to the measures adopted in Australia and throughout the British Commonwealth to divert man-power, machinery and raw materials to war production. Conservation of shipping space is also an important consideration.

The greater part of Australia's essential war-time requirements from the United States is now being supplied under lend-lease and licences authorizing commercial imports from that country are issued only in instances where the order is too small to be brought within the scope of lend-lease procedure or where other special circumstances exist. (See § 3 Lend-Lease and Mutual Aid.) The Customs (Import Licensing) Regulations are administered by the Division of Import Procurement, Department of Trade and Customs.

10. Export Control.—Apart from the normal measures for the control or supervision of exports, a number of special war-time control measures have been adopted following the outbreak of war with Germany in September, 1939.

Section 112 (1) of the Customs Act provides powers for the prohibition of the exportation of arms, explosives or military or naval stores, and of any goods—

- (a) the exportation of which would be harmful to the Commonwealth ;
- (b) the prohibition of the exportation of which is necessary for the preservation of the flora or fauna of Australia ;
- (c) in order to preserve the standard and quality of Australian goods for export ;
- (d) the prohibition of the exportation of which is necessary for the protection of the revenue or the prevention of fraud or deception.

Action has been taken under these powers to prohibit the exportation of a large range of goods and these prohibitions apply at all times. They may be general or restricted and absolute or conditional.

As regards the war-time control measures, regulations known as the Customs (Oversea Exchange) Regulations were promulgated under the Customs Act in September, 1939, primarily to control the exportation of capital in the form of goods. These regulations are complementary to action taken under the National Security Act to restrict, for the duration of the war, the movement out of Australia of capital in the form of securities, gold and currency, as such restriction would of course be ineffective if uncontrolled exports of goods were permitted.

The general aims of the regulations are to ensure—

- (a) that the oversea proceeds of exports from Australia are conserved for national purposes through the Australian banking system and the Commonwealth Bank of Australia ; and
- (b) that payment for goods exported to certain foreign countries is made by one of the methods approved by the Commonwealth Bank.

Under the regulations the exportation of any goods is prohibited unless—

- (a) a licence issued by the Department of Trade and Customs to export the goods is in force, and the conditions of the licence are complied with ; or
- (b) the goods are excepted from the application of the regulations.

A normal condition of a licence is that the relative shipping documents and bills of lading shall be drawn to the order of and delivered to the Commonwealth Bank of Australia or to an agent of that Bank. It is the responsibility of the licensee to observe this requirement which is known as the " banking condition " of the licence.

Other measures for war-time export control are designed to—

- (a) conserve supplies of goods for Australian requirements ;
- (b) implement price determinations ;
- (c) control exports of goods which have been disposed of under Empire marketing agreements ; or
- (d) augment the control of the movement of capital in the form of goods instituted under the Customs (Oversea Exchange) Regulations.

The powers for these control measures are taken under Section 112 (1A) of the Customs Act by the promulgation of proclamations prohibiting the exportation of the goods concerned except with the consent of the Minister for Trade and Customs. These prohibitions also may be general or restricted and absolute or conditional. Some 900 kinds or classes of goods have been proclaimed as prohibited exports under these powers.

In cases where consent to exportation is given an export permit known as a restricted goods permit is issued. Consent is freely given for the exportation of restricted goods to British and Allied countries if they are available for export. In the case of exports to neutral countries special precautions, apart from any other control measures, are taken to ensure that the goods do not become contraband by re-exportation to enemy territory, and to prevent any possible trading with the enemy. These special precautions include consignee control and guarantees against re-export.

11. **Special War Duty.**—This duty was imposed from 3rd May, 1940, as a war taxation measure. It comprises a tax of 10 per cent. on the Amount of Duties of Customs (which include Primage) on all goods (other than goods covered by Item 229 (c) in the Schedule to the Customs Tariff 1933-1939) entered for home consumption on and after

the date mentioned. The tax is not regarded as having any relationship to the Duties of Customs in the ordinary acceptance of the term, but the amounts collected appear under the heading "Customs Collections" in Chapter XVII. "Public Finance".

**12. Industries Preservation.**—The Customs Tariff (Industries Preservation) Act 1921-1936 provides that after inquiry and report by the Tariff Board, special duties shall be collected in the following cases when the importation of the goods referred to might be detrimental to an Australian industry :—In the case of goods sold for export to Australia at a price less than the fair market price for home consumption or at a price which is less than a reasonable price, a special dumping duty shall be collected equal to the difference between the price at which the goods were sold and a fair market price. Similar provision is made for goods consigned to Australia for sale. With regard to goods exported to Australia at rates of freight less than the normal rate of freight the dumping freight duty shall be—on goods carried free—the amount payable as freight at the normal rate; and in the case of any other goods—an amount equal to the difference between the freight paid and the freight which would have been payable at the normal rate. Special duties are also imposed in the case of goods imported from countries whose currency is depreciated. Provision is also made for the protection of the trade of the United Kingdom in the Australian market from depreciated foreign currency.

The Act provides that the Minister for Trade and Customs, after inquiry and report by the Tariff Board, may publish a notice in the *Commonwealth Government Gazette* specifying the goods upon which special rates of duty under this Act shall be charged and collected. Several amendments of the Act were recommended by the Tariff Board and put into effect by the Customs Tariff (Industries Preservation) Act 1922. The Customs Tariff (Industries Preservation) Act 1933 repeals section 8 of Act 1921-1922 and provides new clauses relating to Exchange Special Duty.

**13. Preferential Tariff of the United Kingdom.**—(i) *General.* The Tariff of the United Kingdom provides Preferential Customs rates on certain goods where it is shown to the satisfaction of the Commissioners of Customs and Excise that such goods have been consigned from and grown, produced, or manufactured in the British Empire. Manufactured articles generally are not entitled to the preferential rates unless a specified percentage of their value is the result of labour within the British Empire. In the Budget submitted to the House of Commons during June, 1925, clauses dealing with increased Imperial preference on Empire-grown tobacco, preserved and dried fruits, jams and jellies, spirits, wine, sugar and hops were proposed and adopted. The new rates of duty took effect on 1st July, 1925, excepting that relating to hops, which came into operation on 16th August, 1925.

(ii) *Australian Preference.* The principal items of interest to Australia which are accorded preferential treatment under the Preferential Tariff of the United Kingdom are—Fruits, dried and preserved; jam; fruit pulp; preserved milk; wine and brandy. Conditions of preference to goods of Australian origin imported into the United Kingdom were revised in the trade agreement signed at the Ottawa Imperial Economic Conference. Increased preference was granted and the list of commodities entitled to preference was extended. This agreement provides that for eggs, poultry, butter, cheese and other milk products free entry for produce of Australia will be continued for three years certain. Article 2 of the agreement provides that the British Government will invite Parliament to pass the legislation necessary to impose on foreign goods specified in Schedule B, the duties of customs specified therein in place of the duties (if any) now leviable. The goods and duties in Schedule B are as follows :—Wheat in grain, 2s. per quarter; (this duty was abolished as a result of the United Kingdom-United States of America trade agreement of 17th November, 1938. See sub-par. (iv) below); butter, 15s. per cwt.; cheese, 15 per cent. ad valorem; apples, raw, 4s. 6d. per cwt.; pears, raw, 4s. 6d. per cwt.; apples, canned, 3s. 6d. per cwt., in addition to duty in respect of sugar content; other canned fruits, 15 per cent. ad valorem, in addition to duty in respect of sugar content; dried fruits, now dutiable at 7s., 10s. 6d. per cwt.; eggs in shell, (a) not exceeding 14 lb. per 120, 1s. per 120; (b) over 14 lb. but not exceeding 17 lb., 1s. 6d. per 120; (c) over 17 lb., 1s. 9d. per 120; condensed milk, whole, sweetened, 5s. per cwt., in addition to duty in respect of sugar content; condensed milk, whole, not

sweetened, 6s. per cwt. ; milk powder and other preserved milk, not sweetened, 6s. per cwt. ; honey, 5s. per cwt. ; copper, unwrought, whether refined or not, in ingots, bars, etc., 2d. per lb. ; oranges, raw, 3s. 6d. per cwt. from 1st April, to 30th November ; grape fruit, raw, 5s. per cwt., from 1st April to 30th November, and grapes (other than hothouse) 1½d. per lb. from 1st February to 30th June. Schedule C provides that the margin of preference on wine not exceeding 27 degrees of proof spirit shall be 2s. per gallon.

The British Government undertake that the general ad valorem duty of 10 per cent. imposed by Section 1 of the Import Duties Act 1932 on the following foreign goods shall not be reduced except with the consent of the Commonwealth Government :—Leather, tallow, canned meat, zinc, lead, barley, wheaten flour, macaroni, dried peas, dressed poultry, casein, eucalyptus oil, meat extracts and essences, copra, sugar of milk, sausage casings, wattle bark, asbestos and dried fruits other than currants.

The duties provided on foreign wheat in grain, copper, lead and zinc are conditional on Empire producers continuing to offer these commodities on first sale in the United Kingdom at prices not exceeding the world price.

During the calendar year 1939 merchandise of Australian origin imported into United Kingdom amounted to £61,984,000. Of this total approximately £32,031,426 represented goods which received preferential tariff treatment over similar goods from foreign countries. If these goods had been subject to the duties imposed on foreign goods it is estimated that they would have paid approximately £5,503,227 more in duty. This represents a rebate of approximately 17.2 per cent. on the value of imports receiving preferential treatment. The main items receiving preference and the amount of the rebates were—Beef, frozen, £3,199,164 (rebate, £573,032) ; other meats, £1,569,246 (rebate, £172,126) ; sugar, £4,449,788 (rebate, £1,327,862) ; wine, £605,562 (rebate, £538,012) ; rice, £200,036 (rebate, £69,809) ; butter, £11,090,254 (rebate, £1,480,090) ; cheese, £958,333 (rebate, £63,889) ; apples, £1,645,285 (rebate, £300,105) ; raisins, £736,129 (rebate, £108,517) ; fruits, tinned, or bottled, £1,184,455 (rebate £296,114) ; lead, unwrought, £2,741,429 (rebate, £65,027) ; leather, £426,894 (rebate, £128,068). The above figures for imports have been obtained from the *Annual Statement of the Trade of the United Kingdom 1939*, and the rebate granted has been estimated from rates of duty shown in the Import Duties Act 1932, Ottawa Agreements Act 1932 and the other enactments mentioned above.

The declaration by the British Government (Schedule H of the agreement) provides for the regulation of imports of foreign meat into the United Kingdom and undertakes that no restriction will be placed upon the importation of any meat from Australia during the period (January 1933 to June 1934) named in the "agreed programme" which is set out in Schedule H.

The views of the Government of the United Kingdom on the imports of meat into the United Kingdom were the subject of a paper presented to the House of Representatives in April, 1935. In a memorandum on "The Live Stock Situation" issued as a White Paper in July, 1934, the United Kingdom Government called attention to the very serious decline which had taken place in 1932, 1933 and the first half of 1934, in the prices of fat and store cattle on the United Kingdom market. The decline was attributed in the main to the disproportionate fall of agricultural prices as the result of the world depression and the effect on the meat industry of the expansion of oversea production which in some cases was stimulated by the payment of subsidies. The United Kingdom Government added that it was clearly impossible for that Government to acquiesce in a situation which threatened ruin to the United Kingdom live stock industry and explained that the choice lay between :—

- (a) a drastic reduction of imports to the point necessary to sustain prices of United Kingdom live stock at a remunerative figure ; or
- (b) the introduction in agreement with oversea countries of a levy upon imports the proceeds of which would be available for the assistance of the home industry.

In the latter case, it was explained, the quantity of imports might either be left entirely free or subjected to such moderate regulation as might be thought necessary to prevent the market from breaking altogether. It was further pointed out that, without

the consent of the countries concerned, no duty could be imposed on Dominion meat before August, 1937, or on Argentine meat before November, 1936. Failing agreement on the payment of a levy on meat imports the United Kingdom Government would have no alternative but to take steps to regulate, during the currency of existing agreements, the quantity of imports to whatever extent was necessary to restore live stock prices to a remunerative level. In summing up the position the United Kingdom Government stated that it was the firm intention of His Majesty's Government in the United Kingdom to safeguard the position of the United Kingdom live stock industry.

The arrangements with the United Kingdom provide for importations of Australian meat to be regulated in accordance with the absorptive capacity of the United Kingdom market. Australian meat importations into the United Kingdom during 1935 to 1939 as compared with the Ottawa agreement year (1931-32) have been as follows:—

Year.	Chilled Beef.	Frozen Beef and Veal.	Frozen Mutton and Lamb.	Pork.
	Cwt.	Cwt.	Cwt.	Cwt.
1931-32 .. .. .	Nil	1,124,000	1,488,000	Nil
1935 .. .. .	228,000	1,468,000	1,784,000	147,000
1936 .. .. .	296,000	1,524,000	1,496,000	233,000
1937 .. .. .	452,000	1,948,000	1,883,000	234,000
1938 .. .. .	528,000	1,924,000	1,898,000	284,000
1939 .. .. .	430,000	2,029,000	1,629,000	311,000

Imports of mutton and lamb into the United Kingdom for the twelve-monthly period from 1st October, 1938, to 30th September, 1939, were reduced by 3 per cent. below the level of the preceding twelve months, this action having been taken by the United Kingdom Government in order to safeguard the stability of the market. This reduction applies to imports from New Zealand, while foreign supplies were reduced by 10 per cent. compared with the preceding year.

Exports of mutton and lamb from Australia for arrival in the United Kingdom during the six months ended June, 1939, totalled 1,318,177 cwt., and total exports for the twelve months from October, 1938, to September, 1939, were estimated at 1,713,000 cwt. As this figure is within the limits imposed, the reduction of imports did not involve any actual restriction on exports of mutton and lamb from Australia.

From 1st October, 1939, the United Kingdom Government agreed to purchase from Australia beef, mutton, lamb, veal, pork, and offals. Particulars of the contracts appear in Chapter XXVII. "Miscellaneous".

(iii) *United Kingdom-Argentina Trade Agreement.* In connexion with the supply of meat to the Mother Country it will be of interest to compare the terms of the United Kingdom-Argentina Trade Agreement which took effect from 20th November, 1936. This agreement provides for "minimum annual quantities" of Argentine meat to be imported into the United Kingdom as follows:—Chilled beef for year 1937 not less than the quantity imported in 1935 reduced by 138,700 cwt. For each of the years 1938 and 1939 not less than the quantity permitted in the preceding year reduced by 138,700 cwt. provided that the 1939 quantity shall be not less than 6,590,000 cwt. Frozen beef 124,600 cwt., pork 186,800 cwt., and canned beef 605,600 cwt. annually. Mutton and lamb for year 1937, 886,000 cwt. and for 1938, 797,400 cwt. In addition, customs duty has been imposed as follows:—Chilled beef  $\frac{1}{4}$ d. per lb.; frozen beef  $\frac{3}{4}$ d. per lb.; canned beef (excluding tongues) 20 per cent., and tongues 30 per cent. ad valorem; pork, mutton and lamb, free. If in any period Argentina is unable to supply the minimum quantities specified the United Kingdom Government may re-allocate the shortage among other countries. The agreement was to remain in force until 31st December, 1939, and thereafter until terminated by six months' notice.

(iv) *United Kingdom-United States of America Trade Agreement.* The trade agreement between the United Kingdom and the United States of America, signed on 17th November, 1938, was of much interest to Australia as a country dependent on

reasonable access to oversea markets for the disposal of its large surplus of agricultural products. In particular, the Commonwealth derived an interest in the United Kingdom-United States Agreement from the fact that the concurrence of the Dominions and India was sought in the modification of certain preferences, accorded by the United Kingdom under the Ottawa Agreements of 1932, in order to facilitate the satisfactory conclusion of the negotiations. The extent of the alterations in preferences to which the Commonwealth agreed was limited to :—

- (a) the abolition of the duty on foreign wheat imported into the United Kingdom,
- (b) a reduction in the duty on fresh apples during the period 15th August to 15th April and on fresh pears during the period August to January; the full duty to be maintained during the remaining months when the Australian supplies are principally marketed; and
- (c) reductions in the duties on honey and on the following fruits preserved in syrup, namely, apples, grape fruit, fruit salad, pineapples and loganberries.

In co-operating with the United Kingdom to the extent indicated the Commonwealth Government was actuated by the belief that the promotion of greater freedom in world trade as a result of the agreement between the United States and the United Kingdom would have an indirect but beneficial effect on the marketing of Australian export commodities.

14. **Tariff Board.**—The Tariff Board Act 1921-1934 provides for the appointment of a Tariff Board consisting of four members, one of whom shall be an administrative officer of the Department of Trade and Customs. This member may be appointed Chairman of the Board. Members of the Board are appointed for a term of not less than one year nor more than three years, and two members may be appointed as a Committee for making special inquiries. The purpose of the Tariff Board is to assist the Minister in the administration of matters relating to trade and customs. The more important matters which the Minister shall refer to the Board for inquiry and report include disputes arising out of the interpretation of any Customs or Excise Tariff; the necessity for new, increased or reduced duties; the necessity for granting bonuses; any proposal for the application of the British Preferential Tariff to any part of the British Dominions or any foreign country; and any complaint that a manufacturer is taking undue advantage of the protection afforded him by the tariff by charging unnecessarily high prices for his goods or acting in restraint of trade. The Minister may refer to the Board for inquiry and report the following matters :—the classification of goods under items of the Tariff that provide for admission under By-laws; the determination of the value of goods for duty; the general effect of the working of the Customs Tariff and the Excise Tariff; the fiscal and industrial effects of the Customs laws of the Commonwealth; the incidence between the rates of duty on raw materials and on finished or partly finished products; and any other matter affecting the encouragement of primary and secondary industries in relation to the Tariff.

Inquiries conducted by the Board relating to any revision of the Tariff, any proposal for a bounty, or any complaints that a manufacturer is taking undue advantage of the protection afforded him by the Tariff shall be held in public, and evidence in such inquiries shall be taken in public on oath, unless any witness objects to giving any evidence in public which the Board is satisfied is of a confidential nature, when the Board may take such evidence in private. Evidence taken by the Board in connexion with any inquiry under the Customs Tariff (Industries Preservation) Act 1921-1936 shall be taken in public on oath.

The Annual Report of the Tariff Board reviews the work of the Board during the year ended 30th June, 1942. The Board furnished 34 reports to the Minister for Trade and Customs, and of these reports 3 related to matters on which public inquiries had been held, 3 on the question of bringing into operation deferred rates of duty, 24 following investigations made on behalf of the Department of War Organization of Industry and 4 on applications by various companies under the National Security (Capital Issues) Regulations.

With the exception of one reference under the Tariff Board Act 1921-1934 covering questions regarding the distillation of brandy in Australia, the work in hand on 1st July, 1942, related wholly to references received under Regulation 3A of the National Security (Inquiries) Regulations. Four such references were held, one of a confidential nature in respect of which work is proceeding; two of a general nature on which inquiry and reports had been completed for the time being; and, one dated 19th May, 1942, in respect of which the Board is at present conducting inquiries. In the last-mentioned reference the Minister for Trade and Customs called for investigation, report and recommendations from the Board in the following terms:—

On "all aspects of the general problem of the re-establishment of secondary industries as part of the Commonwealth post-war reconstruction plan. In particular it is desired that the Board investigate and make interim and final reports and recommendations on—

- (a) The extent to which it will be technically possible to adapt for civilian industry, plant, equipment, materials and man-power (male and female employees) employed in defence production, and to what extent (so far as can be foreseen) such adaptation is likely to be economically desirable.
- (b) The disposition of surplus plant, equipment and stores of materials from the defence and other industries after the war.
- (c) Any measures which may be required to facilitate the re-establishment after the war of industries or concerns contracted or closed down during the war.
- (d) To what degree will any proposals made solve the problem of the absorption into civil avocations of members of the Forces.
- (e) Changes in the organization and structure of Australian secondary industries since 1939 tending to increase industrial concentration, and any action arising therefrom that may be desirable in the interests of consumers.
- (f) The possible effects of developments in Australia and oversea on the Australian system of encouragement and protection to industry by Tariff and Bounty.
- (g) Other matters relating to the establishment, diversification, development and location of Australian secondary industries after the war."

The Annual Report of the Tariff Board shows that during the year 1942-43, fifteen reports had been furnished to the Minister; three of these related to matters which had been the subject of Public Inquiry; nine on post-war reconstruction of secondary industry; two on the question of bringing into operation deferred rates of duty and one on a matter of a confidential nature referred under regulation 3A of the National Security (Inquiries) Regulations. The only public hearings held by the Board during the year related to brandy distillation, the question of what differences should exist in rates of duty between hand and machine-made cigars in order to protect the hand-made cigar industry, and the manner in which the amount appropriated by the Dairy Industry Assistance Act 1942, should be allocated.

The remaining work of the Board arose from the reference made by the Minister of Trade and Customs under regulation 3A of the National Security (Inquiries) Regulations in connexion with the reconstruction of secondary industries as part of the Commonwealth plan for Post-war Reconstruction.

Under this reference no public inquiries have so far been held but have been conducted by means of interviews and discussions between the Board and representatives of industry. During the year 1946 such interviews were held.

The work in hand on 1st July, 1943, related wholly to references received under regulation 3A of the National Security (Inquiries) Regulations.

The Minister for Trade and Customs on 14th December, 1932, referred to the Tariff Board for public inquiry and report the question as to the practicability of evolving some method of varying duties imposed under protective items of the Customs Tariff to meet the operation of exchange and primage. The recommendation of the Board regarding exchange adjustment was embodied in Customs Tariff (Exchange Adjustment) Act 1933. In regard to primage duty, the Board reaffirmed its recommendation to the Minister, dated 5th August, 1932, that primage duty should be removed from protective items in the Tariff Schedule, and suggested the adoption of such recommendation so soon as the Government considered that revenue considerations permitted.

15. *Trade Descriptions.*—The Commerce (Trade Descriptions) Act 1905 as amended by the Acts of 1926, 1930 and 1933 gives power to compel the placing of a proper description on certain prescribed goods, or on packages containing the same, being imports or exports of the Commonwealth. The goods to which a trade description must be applied are :—*(a)* Articles used for food or drink by man, or used in the manufacture or preparation of articles used for food or drink by man; *(b)* medicines or medicinal preparations for internal or external use; *(c)* manures; *(d)* apparel (including boots and shoes), and the materials from which apparel is manufactured; *(e)* jewellery; *(f)* seeds and plants; and *(g)* brushware.

16. *Acts passed in 1941 and 1942.*—The following Commonwealth Acts relating to Australian production and trade were assented to during the years 1941 and 1942 :—

ACTS PASSED IN 1941.

- Raw Cotton Bounty Act, No. 9 of 1941. An Act to amend the Raw Cotton Bounty Act 1940.
- Trade Agreement (Southern Rhodesia) Act, No. 10 of 1941. An Act to approve an Agreement between the Government of the Commonwealth of Australia and the Government of Southern Rhodesia.
- Customs Tariff (Southern Rhodesian Preference) Act, No. 13 of 1941. An Act relating to Duties of Customs.
- Customs Tariff Validation Act, No. 17 of 1941. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.
- Customs Tariff (Exchange Adjustment) Validation Act, No. 18 of 1941. An Act to provide for the Validation of Adjustments in Duties of Customs under Customs Tariff (Exchange Adjustment) Proposals.
- Customs Tariff (Special War Duty) Validation Act, No. 19 of 1941. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Special War Duty) Proposals.
- Customs Tariff (Canadian Preference) Validation Act, No. 20 of 1941. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Canadian Preference) Proposals.
- Customs Tariff (New Zealand Preference) Validation Act, No. 21 of 1941. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (New Zealand Preference) Proposals.
- Raw Cotton Bounty (No. 2) Act, No. 28 of 1941. An Act to amend the Raw Cotton Bounty Act 1940-41.
- Cable and Wire Bounty Act, No. 29 of 1941. An Act to provide for the Payment of Bounty on the Production of Rubber-insulated Cable and Rubber-insulated Wire.
- Customs Tariff Validation (No. 2) Act, No. 42 of 1941. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.
- Customs Tariff (Exchange Adjustment) Validation (No. 2) Act, No. 43 of 1941. An Act to provide for the Validation of Adjustments in Duties of Customs under Customs Tariff (Exchange Adjustment) Proposals.

- Customs Tariff (Special War Duty) Validation (No. 2) Act, No. 44 of 1941.  
An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Special War Duty) Proposals.
- Customs Tariff (Canadian Preference) Validation (No. 2) Act, No. 45 of 1941.  
An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Canadian Preference) Proposals.
- Customs Tariff (New Zealand Preference) Validation (No. 2) Act, No. 46 of 1941. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (New Zealand Preference) Proposals.
- Excise Tariff Validation Act, No. 47 of 1941. An Act to provide for the Validation of Collections of Duties of Excise under Excise Tariff Proposals.
- Superphosphate Bounty Act, No. 65 of 1941. An Act to provide for the Payment of a Bounty on Production of Superphosphate, and for other purposes.

ACTS PASSED IN 1942.

- Excise Act, No. 16 of 1942. An Act to amend the Excise Act 1931-1934.
- Dairy Produce Export Control Act, No. 24 of 1942. An Act to amend the Dairy Produce Export Control Act 1924-1938.
- Rabbit Skins Export Charges Act, No. 25 of 1942. An Act to amend the Rabbit Skins Export Charges Act 1940.
- Customs Tariff Validation Act, No. 36 of 1942. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.
- Customs Tariff (Exchange Adjustment) Validation Act, No. 37 of 1942. An Act to provide for the Validation of Adjustments in Duties of Customs under Customs Tariff (Exchange Adjustment) Proposals.
- Customs Tariff (Special War Duty) Validation Act, No. 38 of 1942. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Special War Duty) Proposals.
- Customs Tariff (New Zealand Preference) Validation Act, No. 39 of 1942. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (New Zealand Preference) Proposals.
- Customs Tariff (Canadian Preference) Validation Act, No. 40 of 1942. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Canadian Preference) Proposals.
- Dairying Industry Assistance Act, No. 58 of 1942. An Act to provide for the granting of Assistance to the Dairying Industry with the object of aiding the Prosecution of the War, and for other purposes.

### § 3. Lend-Lease and Mutual Aid between Australia and The United States.

1. **Lend-Lease.**—(i) *The Pre Lend-Lease Period.*—As a result of the disturbance of customary sources of supply following the outbreak of war Australia sought more and more of her essential import requirements from the United States. Apart from military equipment the growth in the local war production programme made it necessary to import large quantities of machine tools, raw materials, and components which were unprocurable locally. Many former sources of these essential requirements had fallen into enemy hands. Although still the largest supplier of essential goods to Australia, the United Kingdom now had become unable to export many of the goods which she formerly supplied. Thus, prior to the passage of the United States Lend-Lease Act, Australia was already buying on an unprecedented scale in the United States.

(ii) *Background to the Passage of the United States Lend-Lease Act.*—The United States Lend-Lease Act arose out of the exhaustion of the dollar reserves of the British Commonwealth. Towards the end of 1940 it was apparent that dollar exchange could no longer be provided to cover the contracts for munitions and other war materials necessary to enable the British Commonwealth to prosecute the war against the Axis powers. Practically all the important units of the Empire had already taken steps to eliminate the importation of commodities required for non-essential purposes and the scope for further economies was strictly limited. The extent of the commitments already entered into with the United States manufacturers was so great that not only were existing dollar and gold reserves used up, but future dollar earnings were heavily mortgaged. To meet this situation the United States Administration evolved the principles embodied in the Lend-Lease Act.

(iii) *The Basic Principle of the Lend-Lease Act.*—The United States Lend-Lease Act which became effective on 11th March, 1941, empowers the United States Government to assist Foreign Governments, whose defence the President deems vital to the defence of the United States, by supplying them with the goods and services which they require for war purposes. The aid which may be made available under the terms of the Act includes not only finished munitions such as planes, tanks, guns, ammunition and other military equipment, but also raw materials, foodstuffs and other articles required for the war effort of the recipient countries. The Act provides that the terms and conditions upon which any Foreign Government receives Lend-Lease aid shall be those which the President deems satisfactory and “ the benefit to the United States may be payment or repayment in kind or property or any other direct or indirect benefit ”.

(iv) *The Duration of the Lend-Lease Act.*—The original Lend-Lease Act provided that the powers given to the United States Government to grant lend-lease aid to other countries should terminate on 30th June, 1943. Later Acts of Congress have extended the operation of the Lend-Lease Act to 30th June, 1945.

2. *The Mutual Aid Agreement.*—A Mutual Aid Agreement between the United States and the United Kingdom was signed on 23rd February, 1942, and this was applied to Australia on 3rd September, 1942. The text of the Agreement is as follows :—

“ Whereas the Governments of the United Kingdom of Great Britain and Northern Ireland and the United States declare that they are engaged in a co-operative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations ;

And whereas, the President of the United States has determined, pursuant to the Act of Congress of the 11th March, 1941, that the defence of the United Kingdom against aggression is vital to the defence of the United States ;

And whereas the United States has extended and is continuing to extend to the United Kingdom aid in resisting aggression ;

And whereas it is expedient that the final determination of the terms and conditions upon which the Government of the United Kingdom receives such aid and of the benefits to be received by the United States in return therefor should be deferred until the extent of the defence aid is known and until the progress of events makes clearer the final terms and conditions and benefits which will be in the mutual interests of the United States and the United Kingdom and will promote the establishment and maintenance of world peace ;

And whereas the Governments of the United States and the United Kingdom are mutually desirous of concluding now a preliminary agreement in regard to the provision of defence aid and in regard to certain considerations which shall be taken into account in determining such terms and conditions, and the making of such an agreement has been in all respects duly authorized, and all acts, conditions and formalities which it may have been necessary to perform, fulfil or execute prior

to the making of such an agreement in conformity with the laws either of the United States or of the United Kingdom have been performed, fulfilled or executed as required ;

The undersigned (Mr. Sumner Welles and Lord Halifax) being duly authorized by their respective Governments for that purpose, have agreed as follows :—

Article I. The Government of the United States will continue to supply the Government of the United Kingdom with such defence articles, defence services, and defence information as the President shall authorize to be transferred or provided.

Article II. The Government of the United Kingdom will continue to contribute to the defence of the United States and the strengthening thereof and will provide such articles, services, facilities or information as it may be in a position to supply.

Article III. The Government of the United Kingdom will not without the consent of the President of the United States transfer title to, or possession of, any defence article or defence information transferred to it under the Act or permit the use thereof by any one not an officer, employee or agent of the Government of the United Kingdom.

Article IV. If, as a result of the transfer to the Government of the United Kingdom of any defence article or defence information, it becomes necessary for that Government to take any action or make any payment in order fully to protect any of the rights of a citizen of the United States who has patent rights in and to any such defence article or information, the Government of the United Kingdom will take such action or make such payment when requested to do so by the President of the United States.

Article V. The Government of the United Kingdom will return to the United States at the end of the present emergency, as determined by the President, such defence articles transferred under this agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defence of the United States or of the Western Hemisphere or to be otherwise of use to the United States.

Article VI. In the final determination of the benefits to be provided to the United States by the Government of the United Kingdom full cognizance shall be taken of all property, services, information, facilities, or other benefits or considerations provided by the Government of the United Kingdom subsequent to 11th March, 1941, and accepted or acknowledged by the President on behalf of the United States.

Article VII. In the final determination of the benefits to be provided to the United States by the Government of the United Kingdom in return for aid furnished under the Act of Congress of the 11th March, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end they shall include provision for agreed action by the United States and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples ; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers ; and, in general, to the attainment of all the economic objectives set forth in the joint declaration made on the 12th August, 1941, by the President of the United States and the Prime Minister of the United Kingdom.

At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded Governments.

Article VIII. This agreement shall take effect as from the date of signature (23rd February, 1942). It shall continue in force until a date to be agreed upon by the two Governments."

3. **Australia-United States Reciprocal Aid Agreement.**—An agreement was concluded at Washington on 3rd September, 1942, between the United States and Commonwealth Governments defining the undertaking of each Government to make available to the other, on lend-lease terms, material aid for the prosecution of the war. The agreement is in the form of an exchange of notes between the Australian Minister at Washington (Sir Owen Dixon) and the United States Secretary of State (Mr. Cordell Hull).

The agreement affirms the general principle that the war production and war resources of both nations should be used by the armed forces of each in the ways which most effectively utilize available materials, man-power, production facilities and shipping space. It states specifically that the United States Government will continue to provide such aid to Australia on lend-lease terms in accordance with the Lend-Lease Act of the 11th March, 1941. Reciprocally, it defines the principles on which Australian aid is in turn to be made available to the United States.

As regards the reciprocal undertaking by Australia, the immediate occasion for the agreement arose from the arrival of United States armed forces in Australia soon after the entry of Japan into the war. As early as February, 1942, the Commonwealth Government had made known in Washington its readiness to discuss with the United States Government the provision on lend-lease terms of supplies and equipment, which had already been, and would in future be, made available out of Australian resources to the United States forces in Australia.

The agreement provides that as large a portion as possible of the articles and services which each Government may authorize to be provided to the other shall be in the form of reciprocal aid, that is on lend-lease terms, so that the need of each Government for the currency of the other may be reduced to a minimum.

Thus the Commonwealth will, in accordance with its potentialities and responsibilities, authorize the provision on lend-lease terms of the following types of assistance to the armed forces of the United States in Australia or its Territories and in such other cases as may be determined by common agreement :—

Military and naval stores, equipment and munitions. Other supplies, material, facilities and services of United States forces, except for pay and allowances and administrative expenses of such forces. Supplies, materials and services needed in the construction of military works.

In addition, the note addressed by the Australian Minister to the Secretary of State declares, on behalf of the Commonwealth Government, that Australia accepts the principles contained in the Mutual Aid Agreement concluded between the United States and the United Kingdom Governments on the 23rd February, 1942, as governing also the provision of mutual aid between the United States and Australia. In this way Australia is formally included in the framework of the arrangements made by the United States Government in accordance with the Lend-Lease Act 1941 with others of the United Nations which are in receipt of United States Lend-Lease assistance.

4. **Procedure by which Australia receives Lend-Lease Aid.**—(i) *General.* Two organizations have been set up by the Commonwealth Government to handle the procurement of lend-lease supplies from the United States. The first, operating in

Australia, is the Division of Import Procurement, which was set up within the Department of Trade and Customs in September, 1941. The second, which functions in Washington, is the Australian War Supplies Procurement Office established in December, 1941.

(ii) *Procedure in Australia.* The advent of lend-lease made it necessary to set up a Government organization to act as the Central Clearing House for co-ordinating orders in order that bulk requisitions covering all Australian requirements of the commodity in question might be submitted to the United States Government for consideration. It was also necessary to establish an organization to handle the receipt and distribution of lend-lease goods supplied to the Commonwealth Government by the United States Government. These functions are carried out by the Division of Import Procurement which also maintains the central records of all lend-lease transactions including those relating to requisitions for military equipment and production materials placed through the Service Departments and the Departments of Munitions and Aircraft Production.

All Australian lend-lease requisitions are presented to the United States Lend-Lease Mission in Australia and to the Commander-in-Chief, South-West Pacific Area, for their approval before they are dispatched to Washington for submission to the United States Administration.

(iii) *Procedure in the United States.* Prior to the passage of the Lend-Lease Act an Australian Division of the British Purchasing Commission had been established in New York to handle Australian Government purchases in the United States. This organization handled the negotiation of contracts with American manufacturers and the technical details of procurement. The accounting and financial side of the transactions was dealt with by the Australian Government Trade Commissioner's Office in New York.

This procedure carried over into the initial lend-lease period, but as lend-lease transactions are inter-governmental transactions of a character quite different from ordinary commercial contracts, the Government decided in December, 1941, to bring all sections of Lend-Lease and Supply work into a single organization under unified control, with head-quarters in Washington. The new organization was designated "Commonwealth of Australia—War Supplies Procurement" and Mr. L. R. Macgregor, formerly Australian Government Trade Commissioner in North America, was placed in charge with the title of Director-General.

The Australian War Supplies Procurement organization receives Australian requisitions after they have been approved by the United States Lend-Lease Mission in Australia and the Commander-in-Chief, South-West Pacific Area, and lodges them with the United States Office of Foreign Economic Administration in Washington through the British Supply Council which acts as the central channel for the submission of all British Empire requisitions.

The United States Office of Foreign Economic Administration, when it approves a requisition, passes it out to one of the five United States Government Departments charged with the actual work of procurement. These five Departments are the War Department, the Navy, the Maritime Commission, the Department of Agriculture and the Procurement Division of the United States Treasury. These Procurement Departments arrange the necessary contracts with the United States manufacturers and when the goods are ready for delivery, hand them over to the British Ministry of War Transport which supervises their shipment to Australia in collaboration with the Australian representatives in the United States.

A different procedure is followed for finished munitions which are subject to assignment by the Combined Munitions Assignment Board. The Branch of the Board which functions in Washington assigns the finished munitions coming off the production lines in the United States to the various theatres of war in accordance with the overall strategic requirements of the war situation.

With the setting up of the Combined Munitions Assignment Board it became necessary to strengthen Australian Service representation in the United States and an Australian Military Mission and an Australian Air Mission have now been established in Washington. Broadly speaking, the function of the Service Missions is to ensure

that Australian requirements of Army and Air Force equipment are adequately presented to the Combined Munitions Assignment Board and to follow up all such requirements as far as the assignment stage. Once assignment has been made Australian War Supplies Procurement assists the Service Missions in the recording, accounting and shipping side of the work.

(iv) *Distribution of Lend-Lease Goods.* In its general policy regarding the distribution of lend-lease goods received, the Commonwealth Government is guided by the principles laid down in the United Kingdom Memorandum of 10th September, 1941, on export policy and the distribution of lend-lease goods. The basic principle embodied in this Memorandum is that all goods obtained under the Lend-lease Act will be used for the prosecution of the war effort and that they will not in any case be diverted to the furtherance of private interests. Where distributors are employed an undertaking is given that whatever the method of distribution, the remuneration received by the distributors will be no more than a fair return for the services rendered. Any opportunity for speculative profit by private interests in dealing with lend-lease goods is rigorously excluded.

Tentative figures which have been compiled by the United States Office of Foreign Economic Administration showed that the total value of goods and services supplied to Australia under lend-lease up to the end of December, 1943, was \$741,000,000. Australian Departmental records of the goods received under lend-lease show that the percentages of the various categories of material were as follows :—

	Per cent.
Direct War Materials .. .. .	45.6
Petroleum Products .. .. .	12.5
Transportation Equipment .. .. .	11.8
Machinery and Tools .. .. .	8.0
Metals .. .. .	6.7
Textiles and Textile Raw Materials .. .. .	4.9
Other Items .. .. .	10.5
	100.0

5. *Procedure by which Reciprocal Lend-Lease Aid is given by Australia.*—In order that no delay shall occur in providing the goods and services required by the United States Forces, which are eligible for Reciprocal Lend-Lease treatment, the Department of the Treasury made arrangements for the United States Demanding Authority directly to approach the appropriate Australian Government Departments. A reasonably wide and general authority has been given to these Departments to provide supply or service demanded by the United States Forces. This policy has enabled United States requirements to be met from available resources with a minimum of time in making official decisions on supply and provision of funds.

Eligibility for any supply or service as Reciprocal Lend-Lease has been interpreted liberally and on point of availability, United States forces have enjoyed an equal priority with Australian Forces and in some instances have received preference.

6. *Scope of Reciprocal Lend-Lease Aid given by Australia.*—In pursuance of the exchange of notes referred to in paragraph 3 between the Australian Government and the Government of the United States, extensive assistance has been provided to the United States Forces as Reciprocal Aid.

The following items indicate the extent of this assistance but the list is to be taken as illustrative of scope rather than inclusive of every type of supply or service :—

*Rations, Camp Stores, &c.* During 1942 and for the early part of 1943 the Australian Army Supply and Transport Service provided and distributed a full ration scale for all the American Forces. Subsequently, the United States Army made its own ration supply arrangements and it now procures its food supplies in bulk through the Department of Commerce and Agriculture.

The estimated quantities of the main items of foodstuffs supplied to 30th April, 1944, were:—

Meat .. .. .	71,700 long tons.
Bread, Biscuits and Cereals (including flour)	99,500 „ „
Potatoes .. .. .	33,000 „ „
Vegetables and Fruit .. .. .	95,100 „ „
Sugar .. .. .	22,000 „ „
Butter .. .. .	11,000 „ „
Milk (condensed and evaporated) .. .. .	17,700 „ „
Milk .. .. .	39,000,000 pints.
Eggs .. .. .	38,800,000 dozen.

*General Supplies.* The Contracts Board, Department of Supply and Shipping, has dealt with a very wide variety of items for direct supply to the United States Forces. Items supplied include uniforms and clothing, boots, machinery, motor vehicles and an extensive range of general stores and equipment.

Statistical details of the major items of clothing made available to the United States Forces up to 30th April, 1944, are as follows:—

Item	Number Ordered.	Number Delivered.	Number Outstanding.
Caps and Hats .. .. .	289,946	207,346	82,600
Gloves .. .. .	537,000 pairs	400,000 pairs	137,000 pairs
Helmets, Tropical .. .. .	34,000	34,000	..
Headnets, Mosquito .. .. .	757,600	242,600	515,000
Jackets .. .. .	327,000	315,156	11,844
Shirts .. .. .	652,383	488,597	163,786
Socks .. .. .	9,600,302 pairs	8,563,896 pairs	1,036,406 pairs
Sweaters .. .. .	211,000	211,000	..
Underwear (Male) .. .. .	461,000	461,000	..
Ties .. .. .	1,235,000	1,235,000	..
Blankets .. .. .	1,795,760	1,661,300	134,460
Boots and Shoes .. .. .	1,416,000	918,000	488,000
Trousers and Shorts .. .. .	287,458	265,396	22,062
Boot and Shoe Repair materials pieces .. .. .	8,621,200	3,520,670	5,100,530

*Ships.* A large number of harbour craft and coastal vessels have been either purchased or chartered for the United States Army. In addition, an extensive programme of construction of small craft of the tug, barge, and lighter type is in hand by the Australian Shipbuilding Board.

*Repairs of Aircraft, Vehicles and Ships.* Provision has been made for essential repairs to United States ships which have suffered damage, and for the servicing of United States aircraft engines and airframes (including the provision of such spares as are locally available). Costs under this heading are already heavy and are likely to increase substantially.

*Stevedoring and Port Services.* Arrangements have been concluded whereby all United States vessels carrying cargo for their Forces or the Australian Government are provided with free port service, stevedoring, etc.

*Rail, Air and Sea Transportation.* The United States Authorities have been placed in the position where they can demand rail, air and sea transportation for service goods and personnel, the accounts being paid by the appropriate Australian Department on certification of service by the United States Authorities.

*Communications.* The Postmaster-General's Department provides telephone, telegraph and teleprinter services in Australia, and in addition, external cable and wireless charges.

*Accommodation.* Apart from construction of camps, aerodromes, stores, etc., there has been hired for the United States Forces a large number of buildings in various localities for use as office, store, hospital, etc., accommodation.

*Operation of United States Transport Aircraft by Civil Airline Companies.*—Approval has been given whereby certain United States transport aircraft are operated by civil airline companies and the cost charged to Reciprocal Lend-Lease. In addition, Australian civil airline planes have been provided to the United States Forces under charter arrangements.

*General Services.* All Departments provide a wide range of stores and service on United States account. The Department of Air, e.g., supplies general and maintenance stores, including spare parts for aircraft. The Department of the Army supplies include artillery and ammunition as well as general stores and equipment and medical stores. The Department of the Navy have supplied considerable quantities of general pattern stores and provided a wide range of service for ships of the United States Navy.

*Capital Works.* The Works programme covers construction of aerodromes with ancillary buildings and services, aircraft assembly and repair depots, storage depots, camp and hospital accommodation, wharf facilities with the usual engineering services in the way of roads, railway connexions, water supply sewerage, electric light, etc. Some of the programme represents works which are for joint Australian-United States use and the apportionment of this has not yet been made.

The total recorded Reciprocal Lend-Lease expenditure by Australia to the 30th June, 1944, was £169.4 millions, made up as follows:—

	£		
Financial year 1941-42	..	..	.. 6.5 million.
Financial year 1942-43	..	..	.. 59.0 million.
Financial year 1943-44	..	..	.. 103.9 million.
Total	..	..	.. 169.4 million.

7. *Procedure Adopted by Australia in Assessing Reciprocal Lend-Lease Aid.*—Costing of Reciprocal Lend-Lease is not precise and there are many services of a general character which do not lend themselves to valuation or which could only be valued as a result of a very complicated sub-division of the time of departmental personnel and of various maintenance and capital expenditures. The departmental accounting systems are not geared to readily provide such an apportionment and to obtain precision in Reciprocal Lend-Lease accounting would involve a great deal of labour for doubtful compensating advantages.

The object of the Treasury has been to avoid loading our administration with a mass of detailed accounting work in connexion with Reciprocal Aid. The main purpose has been to provide a system which will permit quick decision on procurement. Direct expenditure is charged as incurred but other costs involving apportionment will need to be assessed on very broad lines, and, in many cases, are not recorded in values at all. The apportionment of expenditure on capital works, which are for the joint use of both United States and Australian Forces in particular represents a different problem which can only be approached on the basis of a broad, probably arbitrary, assessment.

#### § 4. Method of Recording Imports and Exports.

1. *Value of Imports.*—The recorded value of goods imported from countries beyond Australia as shown in the following tables represents the amount on which duty is payable or would be payable if the duty were charged ad valorem. The value of goods is taken to be 10 per cent. in advance of their fair market value in the principal markets of the country whence the goods were exported. Acting upon a recommendation of the Tariff Board the section of the Customs Act relating to the valuation of imports was amended, and section 154 (1) of the Customs Act 1901-1936 now provides that "when any duty is imposed according to value, the value for duty shall be the sum of the following:—

- (a) (i) the actual money price paid or to be paid for the goods by the Australian importer plus any special deduction, or
- (ii) the current domestic value of the goods, whichever is the higher;
- (b) all charges payable or ordinarily payable for placing the goods free on board at the port of export; and

(c) ten per centum of the amounts specified under paragraphs (a) and (b) of this sub-section.

“Current domestic value” is defined as “the amount for which the seller of the goods to the purchaser in Australia is selling or would be prepared to sell for cash, at the date of exportation of those goods, the same quantity of identically similar goods to any and every purchaser in the country of export for consumption in that country”.

Imports are recorded in British currency values, and Section 157 of the Customs Act provides that when the invoice value of imported goods is shown in any currency other than British currency, the equivalent value in British currency shall be ascertained according to a fair rate of exchange to be declared in case of doubt by the Minister. Under this section it was the practice of the Department of Trade and Customs, until 8th December, 1920, to convert on the basis of the mint par of exchange. Since the date mentioned, in consequence of a ruling of the High Court, all conversions have been based on the commercial rates of exchange.

The term “British currency values” is not exactly synonymous with “English sterling”, since imports already expressed in terms of £ s. d. are regarded for duty purposes as being expressed in British currency values. This exception to the general rule is chiefly important in the case of imports from Fiji, New Zealand, and the Union of South Africa when their currencies are not at par with English currency. In all the tables in this volume no correction has been made on this account, even when for the sake of brevity the term “sterling” has been used as a contraction for “British currency values”.

2. Value of Exports.—Prior to 1st July, 1929, the recorded value of all goods exported was taken as representing the value in the principal markets of Australia in the ordinary commercial acceptance of the term. Owing to the inflated values arbitrarily allotted in recent years to commodities which are subject to governmental control or subsidy, some change in the practice of valuation of exports of such commodities became desirable. Accordingly a new basis was adopted as from 1st July, 1929, for the statistical valuation of exports of sugar, butter and goods on which bounty or rebate was paid which would show for (a) *Sugar*—the value f.o.b. at which sold to oversea buyers, or a f.o.b. value equal to the London market price if shipped on consignment; (b) *Goods on which bounty or rebate was paid on export*—the value in the principal markets of Australia in the ordinary commercial acceptance of the term, less the value of any bounty or rebate. Until 31st March, 1934, the basis adopted for the value of exports of butter was the current market value, less the amount paid as export bonus. From 31st March, 1934, to 30th June, 1937, the basis was (a) sold in Australia for export—the f.o.b. equivalent of the price at which the butter was sold and (b) shipped on consignment—the f.o.b. equivalent of the ruling price overseas.

From 1st July, 1930, to 30th June, 1937, the basis adopted for the value of *wool* exported was (a) sold in Australia for export—the actual price paid plus the cost of services incurred in placing the wool on board ship, and (b) shipped on consignment—the f.o.b. equivalent of ruling Australian prices.

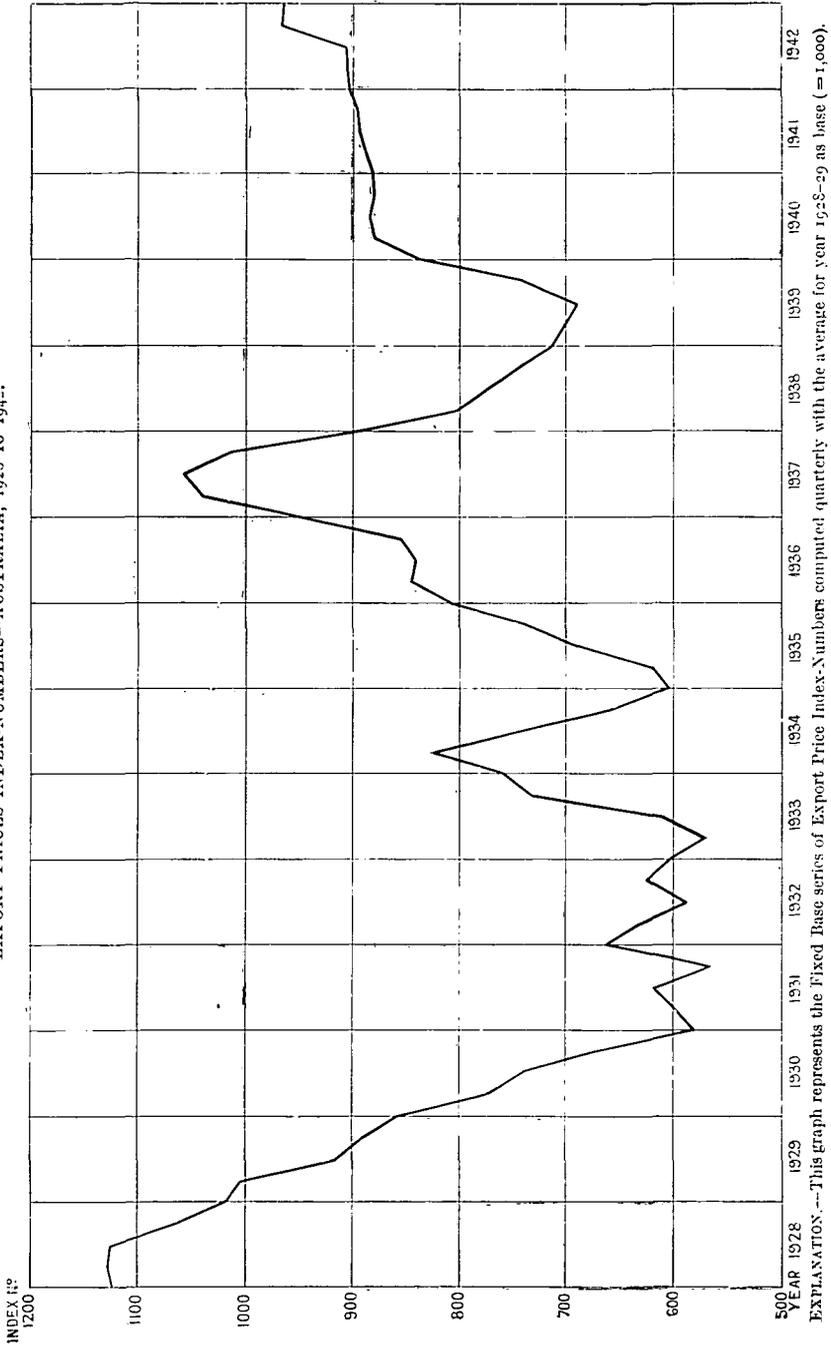
From 1st July, 1932, to 30th June, 1937, the basis adopted for the value of *wheat* exported was (a) sold in Australia for export—the f.o.b. equivalent of the price at which the wheat was sold, and (b) shipped on consignment—the f.o.b. equivalent of the current selling price overseas.

From 1st July, 1934, to 30th June, 1937, the basis adopted for the value of *flour* exported was (a) sold in Australia for export—the f.o.b. equivalent of the price at which the flour was sold, and (b) shipped on consignment—the f.o.b. equivalent of ruling Australian prices.

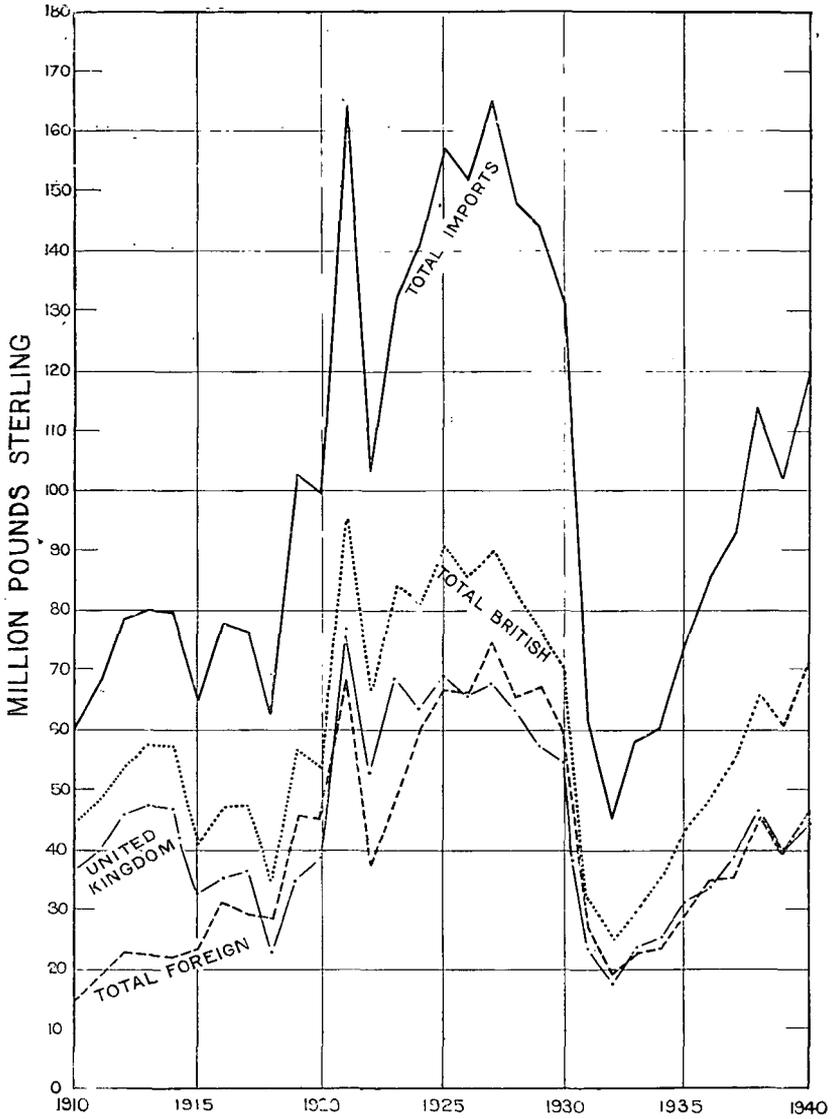
Since 1st July, 1937, the following revised definitions of f.o.b. values have been adopted for exports generally :—

- (1) Goods sold to oversea buyers before export—the f.o.b. equivalent of the price at which the goods were sold (e.g. as regards wool, the actual price paid by the oversea buyer plus the cost of all services incurred by him in placing the wool on board ship).

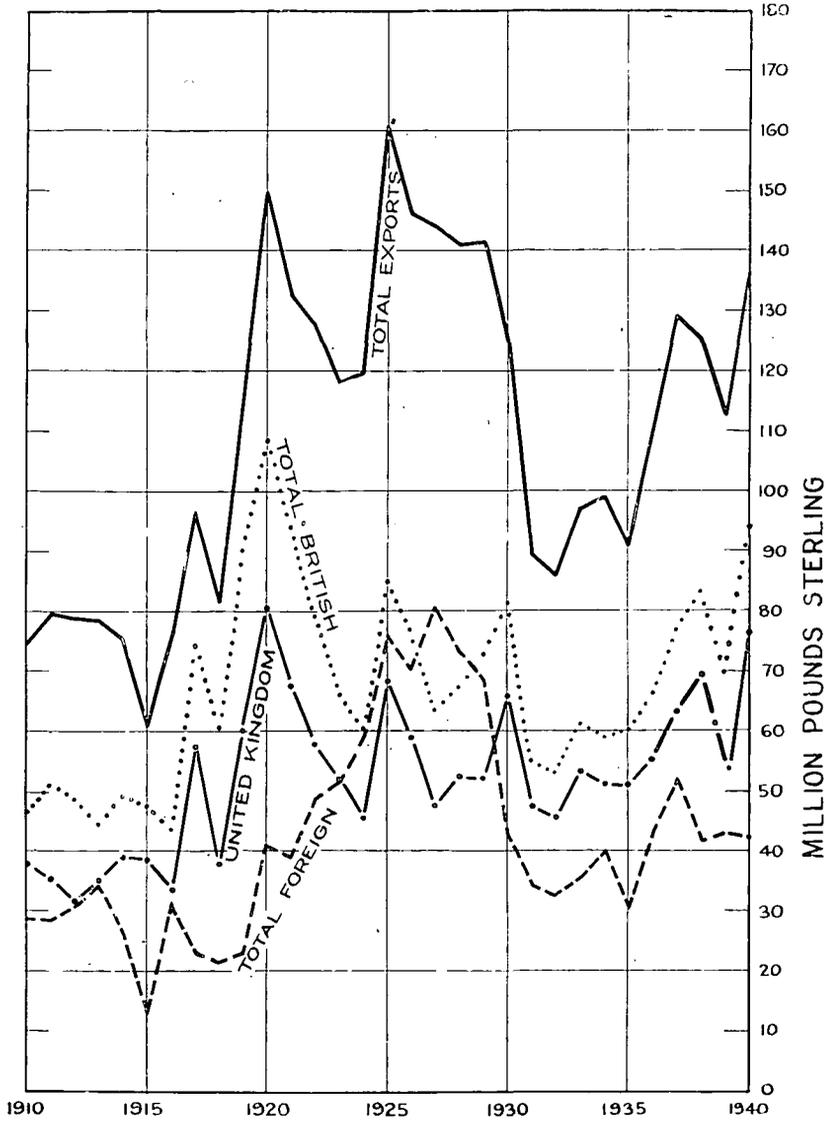
## EXPORT PRICES INDEX-NUMBERS--AUSTRALIA, 1928 TO 1942.



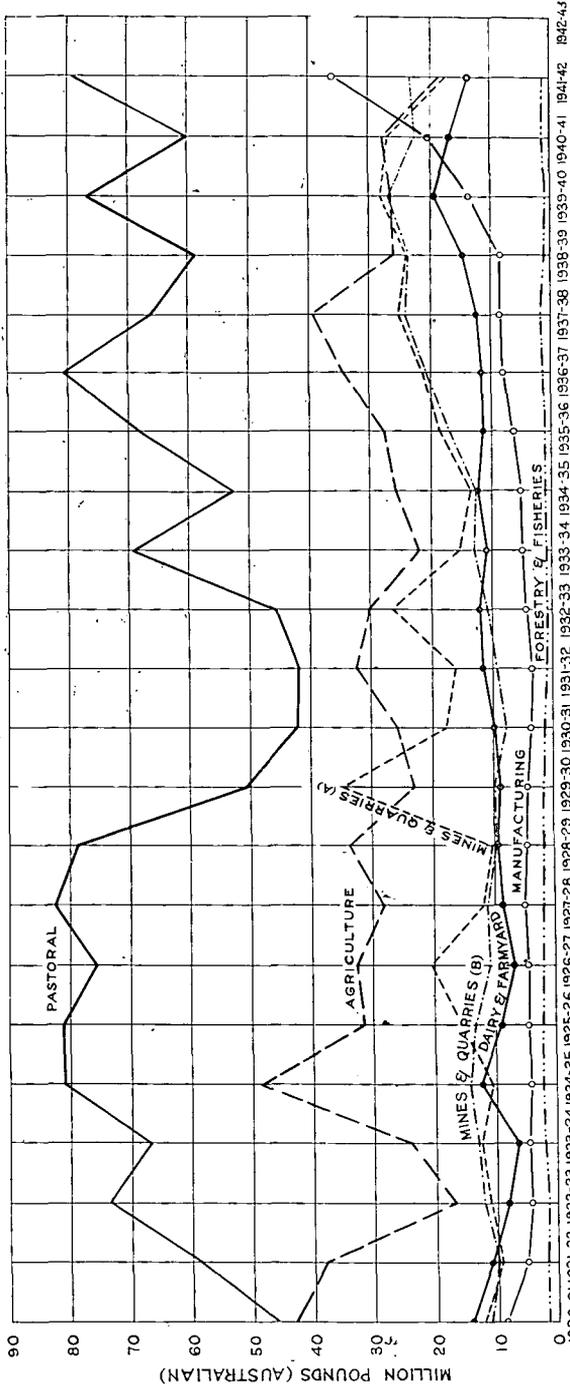
IMPORTS INTO AUSTRALIA, 1910 TO 1940.



EXPORTS FROM AUSTRALIA, 1910 TO 1940.



EXPORTS OF AUSTRALIAN PRODUCTS ACCORDING TO INDUSTRIES, 1920-21 TO 1941-42.



EXPLANATION—Mines and Quarries (M) represents the total exports of the produce of this industry, including bullion and specie.  
 Mines and Quarries (B) represents the export of products other than gold, to which is added the value of gold produced in the respective years.

- (2) Goods shipped on consignment—the Australian f.o.b. equivalent of the current price offering for similar goods of Australian origin in the principal markets of the country to which the goods were dispatched for sale (as regards wool, the f.o.b. equivalent of current price ruling in Australia will normally provide a sufficient approximation to the f.o.b. equivalent of the price ultimately received).

All values to be shown in terms of Australian currency, and to include cost of containers.

3. **Customs Area.**—The Customs Area, to which all oversea trade statistics issued by this Bureau apply, is the whole area of the Commonwealth of Australia, comprising the States of New South Wales (including Australian Capital Territory), Victoria, Queensland, South Australia, Western Australia and Tasmania, and the Northern Territory. Non-contiguous territories and mandated areas are treated as outside countries, and trade transactions between Australia and these non-contiguous territories are part of the oversea trade of Australia. Such transactions are shown separately, i.e., the trade of Australia with each particular country is separately recorded and tabulated.

4. **Statistical Classification of Imports and Exports.**—Statistics of oversea imports and exports from which the summary tables in this issue of the Official Year Book have been extracted were compiled according to a classification which came into operation on 1st July, 1922. In order to meet the demand for more detailed information relating to imports and exports the number of items has been materially increased. The revised classification was divided into 21 classes, and at 30th June, 1941, comprised approximately 2,000 separate import items and 700 export items.

5. **The Trade Year.**—From 1st July, 1914, the statistics relating to Oversea Trade have been shown according to the fiscal year (July to June). Prior to that date the figures related to the calendar year. A table is given in § 16 showing the total value of imports and exports of merchandise in the calendar years 1939 to 1942 inclusive.

6. **Records of Past Years.**—In the years preceding Federation, each State independently recorded its trade, and in so doing did not distinguish other Australian States from foreign countries. As the aggregation of the records of the several States is necessarily the only available means of ascertaining the trade of Australia for comparison with later years, it is unfortunate that past records of values and the direction of imports and exports were not on uniform lines. The figures in the following table for years prior to Federation have been carefully compiled and may be taken as representative of the oversea trade of Australia as a whole. On the introduction of the Customs Act 1901, the methods of recording values were made uniform throughout the States, but it was not until September, 1903, that a fundamental defect in the system of recording transhipped goods was remedied. Prior to 1905 the value of ships imported or exported was not included in the returns of trade.

7. **Ships' Stores.**—Prior to 1906 goods shipped in Australian ports on board oversea vessels as ships' stores were included in the general exports. From 1906, ships' stores have been specially recorded as such, and omitted from the return of exports. A table showing the value of these stores shipped each year since 1932-33 is given in § 10, page 428.

## § 5. Oversea Trade.

1. **Total Oversea Trade.**—(i) *Including Gold.* The following table shows the total trade (including gold) of Australia with oversea countries from the earliest date for which records are available. To save space, the period 1826 to 1934-35 has been mainly divided into quinquennia, and the figures shown represent the annual averages for the periods specified. The figures for individual years were published in earlier issues of the Official Year Book. (See note to following table.)

## TOTAL OVERSEA TRADE : AUSTRALIA.

(INCLUDING GOLD.)

Period.(a)	Recorded Value.(b)			Value per Inhabitant.			Percentage of Exports on Imports.
	Imports.	Exports.	Total.	Imports.	Exports.	Total.	
	£'ooo.	£'ooo.	£'ooo.	£ s. d.	£ s. d.	£ s. d.	%
1826 to 30	638	153	791	10 12 5	2 10 11	13 3 4	23.9
1831 „ 35	1,144	613	1,757	11 19 10	6 8 6	18 8 4	53.6
1836 „ 40	2,283	1,112	3,395	14 15 9	7 4 1	21 19 10	48.7
1841 „ 45	1,906	1,378	3,284	9 0 5	6 10 5	15 10 10	72.3
1846 „ 50	2,379	2,264	4,643	6 18 10	6 12 2	13 11 0	95.2
1851 „ 55	11,931	11,414	23,345	19 12 5	18 15 4	38 7 9	95.7
1856 „ 60	18,816	16,019	34,835	18 6 1	15 11 8	33 17 9	85.1
1861 „ 65	20,132	18,699	38,831	15 17 1	14 14 9	30 11 10	93.0
1866 „ 70	18,691	19,417	38,108	12 7 4	12 16 11	25 4 3	103.9
1871 „ 75	21,982	24,247	46,229	12 7 2	13 13 6	26 0 8	110.3
1876 „ 80	24,622	23,772	48,394	11 19 7	11 10 9	23 10 4	96.6
1881 „ 85	34,895	28,055	62,950	14 4 3	11 9 5	25 13 8	80.4
1886 „ 90	34,675	26,579	61,254	11 16 11	9 1 0	20 17 11	76.6
1891 „ 95	27,335	33,683	61,018	8 5 2	10 2 5	18 7 7	123.2
1896 „ 1900	33,763	41,094	74,857	9 5 4	11 5 6	20 10 10	121.7
1901 „ 05	39,258	51,237	90,495	10 1 10	13 2 9	23 4 7	130.5
1906 „ 10	51,508	(c)69,336	120,844	12 4 8	16 9 11	28 14 7	134.6
1911 „ 15-16	73,411	74,504	147,915	15 7 4	15 12 10	31 0 2	101.5
1916-17 to 1920-21	100,735	115,066	215,801	19 7 9	22 2 10	41 10 7	114.2
1921-22 to 1925-26	136,844	134,545	271,389	23 15 6	23 7 7	47 3 1	98.3
1926-27 to 1929-30	146,848	137,976	284,824	23 7 0	21 18 10	45 5 10	94.0
1930-31 to 1934-35(d)	59,704	114,565	..	9 0 10	17 7 1	..	..
(e)	59,704	92,365	152,069	9 0 10	13 19 10	23 0 8	154.7
1935-36(d)	85,253	136,964	..	12 12 7	20 5 10	..	..
(e)	85,253	109,372	194,625	12 12 7	16 4 1	28 16 8	128.3
1936-37(d)	92,641	162,377	..	13 12 4	23 17 3	..	..
(e)	92,641	129,664	222,305	13 12 4	19 1 1	32 13 5	140.0
1937-38(d)	113,975	157,580	..	16 12 1	22 19 2	..	..
(e)	113,975	125,838	239,813	16 12 1	18 6 8	34 18 9	110.4
1938-39(d)	102,156	140,496	..	14 15 0	20 5 8	..	..
(e)	102,156	112,202	214,358	14 15 0	16 3 11	30 18 11	109.8
1939-40(d)(f)	115,676	148,750	..	16 10 8	21 5 3	..	..
(e)(f)	115,676	118,762	234,438	16 10 8	16 19 6	33 10 2	102.7
1940-41(d)(f)	108,650	134,738	..	15 7 5	19 1 3	..	..
(e)(f)	108,650	107,575	216,225	15 7 5	15 4 5	30 11 10	99.0
1941-42(d)(f)	149,356g	159,328h	..	20 18 6	22 6 6	..	..
(e)(f)	149,356g	127,208h	276,564	20 18 6	17 16 6	38 15 0	85.2

(a) The figures given for the years 1826 to 1934-35 represent the annual averages for the periods shown. The trade of the individual years will be found in Official Year Book No. 34 and earlier issues. From 1914-15 onwards the particulars relate to fiscal years. (b) For actual values for recent years, showing merchandise and bullion and specie separately, see § 9, pars. 5 and 6. (c) Prior to 1906, ships' stores were included in the general exports. For value of goods shipped on oversea vessels each year since 1932-33 see later table, § 10. (d) Recorded values. Imports, British currency; Exports, Australian currency. (e) British currency values. (f) Merchandise only. (g) Complete, includes Governmental imports valued at £Stg.16,094,000, for which Customs entries were not passed. (h) Complete, includes £A12,645,000 exported on Governmental account for which Customs entries were not passed.

In previous issues of the Official Year Book fluctuations in the value of the oversea trade of Australia have been treated in some detail for earlier years. The enhanced prices ruling for commodities and the peculiar conditions affecting Australian trade were responsible for the high value of imports in the years following the War of 1914-19 and these factors should be taken into consideration in making comparisons with earlier years.

In 1924-25 the total value of oversea trade was £318,454,000 represented by imports £157,143,000, and exports £161,311,000. So far as total trade and exports are concerned these figures are the highest recorded, but the figure for imports was exceeded in 1920-21, and again in 1926-27. Imports in 1924-25, however, included an exceptionally large quantity of bullion and specie valued at £10,543,000. In the three years ended 1928-29 imports fell but exports were well maintained and in 1929-30 both imports and exports declined substantially. The full effects of the economic depression and of certain restrictions imposed by the Government are reflected in the greatly diminished trade figures for 1930-31 onwards. The lowest level was recorded in 1931-32 when the total trade amounted to £130,556,000. Most of the Government restrictions were removed in 1932. Following a gradual improvement in 1933-34 and 1934-35 recovery was more rapid in the three years ended 1937-38 owing generally to higher prices for exports of primary products and the rising flow of imports. In 1937-38, however, export prices fell sharply and declining still further in 1938-39 the value of exports in the latter year declined by nearly £14 million and total trade by more than £25 million. In 1939-40 the value of merchandise trade rose by £38,092,000, exports increasing by £21,730,000 and imports by £16,362,000. In 1940-41 however the merchandise trade declined by over £18 million, imports decreasing by £7 million and exports by £11 million, mainly due to import restrictions and scarcity of shipping. In 1941-42 the merchandise trade increased by over £60 million, imports by £41 million and exports by £19 million largely as the result of the outbreak of war in the Pacific.

(ii) *Excluding Gold.* In recent years there have been large gold movements of an exceptional nature, which have been included in the previous table. The fluctuations in merchandise trade (including silver as merchandise) are shown more clearly in the following table, from which *all* gold movements have been excluded :—

## OVERSEA TRADE : AUSTRALIA.

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

*British Currency Values.*

Year.	Imports excluding Gold.	Exports excluding Gold.	Total Trade excluding Gold.	Value per Inhabitant.			Percentage of Exports on Imports.
				Imports.	Exports.	Total Trade.	
	£'000. Stg.	£'000. Stg.	£'000. Stg.	£ s. d. Stg.	£ s. d. Stg.	£ s. d. Stg.	£ s. d. Stg.
1937-38	111,782	113,108	224,890	16 5 8	16 9 7	32 15 3	101.2
1938-39	99,384	97,839	197,223	14 6 11	14 2 6	28 9 5	98.4
1939-40a	115,676	118,514	234,190	16 10 8	16 18 10	33 9 6	102.5
1940-41a	108,650	107,478	216,128	15 7 5	15 4 1	30 11 6	98.9
1941-42a	149,356	127,123	276,479	20 18 6	17 16 3	38 14 9	85.1

(a) Merchandise only. See footnote (g) and (h) on previous table.

2. *Balance of Trade.*—The table on page 408 shows the percentage of exports on imports (including gold) for quinquennial periods from 1826 to 1934-35 and for each year from 1935-36 to 1941-42 (owing to censorship provisions the figures since 1939-40 exclude bullion and specie), while the table above shows the percentage of exports on imports (excluding gold) for each year 1937-38 to 1941-42. Reference to the first-mentioned table shows that prior to the quinquennial period 1891-95 the balance of trade, with two exceptions, due to temporary dislocations, had been on the side of

imports, while from that period to 1920-21 the position was reversed. During the subsequent quinquennial period ended 1925-26, there was an excess of imports, as was the case in each of the years 1926-27 to 1929-30. From 1930-31 to 1938-39 exports greatly exceeded imports. In 1939-40 merchandise exports exceeded imports by £3,086,000, but merchandise imports exceeded exports by £1,075,000 in 1940-41 and by £22,148,000 in 1941-42.

In recent years imports and exports of gold for monetary purposes have made the interpretation of the foregoing tables more difficult. In the following table, the balance of commodity trade, including the value of gold currently produced in Australia, has been separated from the monetary movement of gold:—

COMMODITY BALANCE OF TRADE AND MONETARY MOVEMENT OF GOLD.

*British Currency Values.*

Year.	A.	B.	C.	D.	E.	F.	G.
	Total Imports other than Gold. (Specie, Bullion and in Matte.)	Total Exports, other than Gold. (Specie, Bullion and in Matte.)	Gold produced in Australia.	Total of Merchandise Exports and Gold Production.	Commodity Balance of Trade.	Net Exports of Gold (Specie, Bullion and in Matte) in excess of Production.	Total Balance.
				B + C	D - A	F	E + F
	£'000,000	£'000,000	£'000,000	£'000,000	£'000,000	£'000,000	£'000,000
1910 ..	59.0	69.8	11.6	31.4	22.4	- 7.9	14.5
1911 ..	65.4	67.5	10.5	78.0	12.6	- 0.1	12.5
1912 ..	76.8	66.8	9.9	76.7	- 0.1	- 1.1	1.0
1913 ..	78.4	75.1	9.4	84.5	6.1	- 7.3	- 1.2
1914 (a) ..	39.0	20.5	4.4	40.9	1.9	- 3.7	- 1.8
1914-15 ..	64.0	58.0	8.5	66.5	2.5	- 6.3	- 3.8
1915-16 ..	77.2	64.2	7.7	71.9	- 5.3	2.3	- 3.0
1916-17 ..	76.0	86.3	6.6	92.9	16.9	4.8	21.7
1917-18 ..	60.8	75.0	5.8	80.8	20.0	- 0.9	19.1
1918-19 ..	95.0	106.8	5.4	112.2	17.2	- 5.6	11.6
1919-20 ..	98.9	144.3	5.4	149.7	50.8	0.1	50.9
1920-21 ..	163.8	126.8	4.7	131.5	-32.3	0.6	-31.7
1921-22 ..	103.0	124.3	3.8	128.1	25.1	- 0.3	24.8
1922-23 ..	131.7	115.6	3.3	118.9	-12.8	- 1.1	-13.9
1923-24 ..	140.6	116.7	3.2	119.9	-20.7	- 0.4	-21.1
1924-25 ..	146.7	160.4	2.8	163.2	16.5	-12.3	4.2
1925-26 ..	151.3	141.0	2.3	144.2	- 7.1	1.7	- 5.4
1926-27 ..	164.1	132.7	2.2	134.9	-29.2	8.6	-20.6
1927-28 ..	146.9	138.4	2.1	140.5	- 6.4	- 0.3	- 6.7
1928-29 ..	143.3	138.6	1.9	140.5	- 2.8	0.8	- 2.0
1929-30 ..	130.8	98.1	1.9	100.0	-30.8	24.7	- 6.1
1930-31 ..	60.6	77.2	2.2	79.4	18.8	9.7	28.5
1931-32 ..	44.1	76.3	3.6	79.9	35.8	5.3	41.1
1932-33 ..	56.9	78.8	4.6	83.4	26.5	12.3	38.8
1933-34 ..	59.5	91.1	5.7	96.8	37.3	1.0	38.3
1934-35 ..	72.5	82.6	5.9	88.5	16.0	0.5	16.5
1935-36 ..	83.6	99.1	7.4	106.5	22.9	1.3	24.2
1936-37 ..	90.6	118.3	9.0	127.3	36.7	0.3	37.0
1937-38 ..	111.8	112.7	10.2	122.9	11.1	0.7	11.8
1938-39 ..	99.4	97.5	11.7	109.2	9.8	0.3	10.1
1939-40 ..	115.7	119.2	14.1	133.3	17.6	(b)	(b)
1940-41 ..	108.7	107.7	13.1	120.8	12.1	(b)	(b)
1941-42(c) ..	149.4	127.5	11.8	139.3	-10.1	(b)	(b)

NOTE.—Since 1939-40, the export figures relate only to merchandise actually shipped. Under contracts with the British Government, Australia receives payment for some exportable commodities (e.g., wool) irrespective of when the goods are shipped. Payments for exportable goods will be somewhat larger than the recorded value of exports and payments relating to the balance of trade will be more favorable than is indicated by the figures above for the two years mentioned.

(a) First six months only. (b) Not available for publication. (c) See footnotes (g) and (h) to table on page 408.

3. Balance of Payments.—The balance of visible trade, including the net movement of precious metals, does not present a complete picture of Australia's international transactions during each year. Allowance must also be made for unrecorded imports and exports, for services rendered and received, and for international capital and interest transactions. The values of some of these items are known, and some of those remaining

can be estimated with a sufficient measure of accuracy, but for many items it is difficult to make even a rough guess. A continuous investigation is being made into the values of these "invisible" items in the balance of payments.

§ 6. Direction of Oversea Trade.

1. Imports according to Country of Origin.—The following table shows the value (in British currency) of the imports into Australia during the years 1934-35 to 1938-39 of commodities stated to be the produce or manufacture of the undermentioned countries. The figures, however, do not indicate with any degree of precision the competitive forces of different countries in the Australian import trade. To measure the success or otherwise of these forces requires some analysis which will show the relative amounts of different classes of goods supplied by different countries. The results of such an analysis, confined to the major classes of manufactured goods imported, are shown in § 15 of this Chapter.

Particulars for subsequent years are not available for publication.

AUSTRALIAN IMPORTS : COUNTRIES OF ORIGIN.  
(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

British Currency Values.

Country of Origin.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
United Kingdom .. ..	30,788,269	33,838,843	38,560,293	46,226,985	40,420,289
<b>British Possessions—</b>					
Canada .. ..	4,091,796	5,375,851	6,071,813	8,045,130	7,724,269
Ceylon .. ..	795,307	960,724	1,010,374	890,286	839,717
India .. ..	2,341,377	2,732,145	2,975,892	3,077,616	2,870,297
Malaya (British) .. ..	561,845	488,254	852,282	1,022,899	902,419
New Zealand .. ..	1,294,181	1,552,413	1,322,875	1,708,649	1,770,324
<b>Pacific Islands—</b>					
Nauru .. ..	292,431	361,986	383,641	551,920	650,113
Papua .. ..	116,716	128,078	191,742	165,245	208,377
Territory of New Guinea .. ..	87,523	117,419	195,935	186,884	165,503
Other Islands .. ..	346,240	435,941	598,537	438,989	374,756
Union of South Africa .. ..	177,063	284,846	250,539	290,843	244,308
Other British Possessions .. ..	512,224	720,930	712,069	1,066,616	1,665,309
<b>Total, British Possessions</b>	<b>10,816,703</b>	<b>13,158,587</b>	<b>14,565,699</b>	<b>17,445,077</b>	<b>17,412,392</b>
<b>Total, British Countries</b>	<b>41,604,972</b>	<b>46,997,430</b>	<b>53,125,992</b>	<b>63,672,062</b>	<b>57,832,681</b>
<b>Foreign Countries—</b>					
Belgium .. ..	477,864	568,083	783,393	1,140,974	982,107
China .. ..	364,127	657,178	683,742	601,870	461,559
France .. ..	862,147	790,108	865,919	964,554	1,028,133
Germany .. ..	2,145,315	2,963,049	3,596,584	4,170,624	4,131,212
Italy .. ..	444,141	410,002	410,002	844,983	685,453
Japan .. ..	357,438	444,141	410,002	844,983	685,453
Netherlands .. ..	4,624,740	4,969,571	4,004,465	5,349,082	4,093,191
Netherlands East Indies .. ..	504,573	564,236	670,102	656,161	700,709
Norway .. ..	4,300,327	4,928,025	6,176,385	7,530,509	7,110,785
Pacific Islands .. ..	382,671	415,252	440,817	495,560	378,808
Philippine Islands .. ..	18,446	33,023	69,937	44,020	46,024
Sweden .. ..	79,885	92,619	110,231	120,774	120,774
Switzerland .. ..	828,283	972,006	1,048,635	1,551,333	946,718
United States of America .. ..	462,023	602,145	600,025	871,629	939,463
Other Foreign Countries .. ..	11,041,365	13,901,705	12,959,149	17,758,684	14,647,305
<b>Total, Foreign Countries</b>	<b>28,977,431</b>	<b>34,557,243</b>	<b>35,410,728</b>	<b>45,555,875</b>	<b>39,241,342</b>
<b>Total</b> .. ..	<b>70,582,403</b>	<b>81,554,673</b>	<b>88,536,720</b>	<b>109,227,937</b>	<b>97,074,023</b>
	(a)	(a)	(a)	(a)	(a)

(a) Excludes Outside Packages, 1934-35, £1,857,507; 1935-36, £2,062,275; 1936-37, £2,105,362; 1937-38, £2,554,084; 1938-39, £2,310,204.

2. **Percentage of Imports from Various Countries.**—In view of the fluctuations in the total values of imports, it is somewhat difficult to ascertain from the preceding table the relative importance of the various countries in the import trade of Australia in successive years. A better idea of the proportions of imports supplied by the various countries may be obtained from the following table of percentages.

Particulars for subsequent years are not available for publication.

**AUSTRALIAN IMPORTS : PERCENTAGES FROM COUNTRIES OF ORIGIN.**

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

Country of Origin.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	Per cent.				
United Kingdom .. ..	43.62	41.50	43.55	42.32	41.64
<b>British Possessions—</b>					
Canada .. ..	5.80	6.60	6.85	7.37	7.96
Ceylon .. ..	1.13	1.18	1.14	0.81	0.87
India .. ..	3.60	3.35	3.36	2.82	2.96
Malaya (British) .. ..	0.80	0.60	0.96	0.94	0.93
New Zealand .. ..	1.83	1.90	1.50	1.56	1.82
<b>Pacific Islands—</b>					
Nauru .. ..	0.41	0.44	0.43	0.50	0.66
Papua .. ..	0.17	0.16	0.22	0.15	0.22
Territory of New Guinea .. ..	0.12	0.14	0.22	0.17	0.17
Other Islands .. ..	0.49	0.53	0.68	0.40	0.38
Union of South Africa .. ..	0.25	0.35	0.28	0.27	0.25
Other British Possessions .. ..	0.72	0.88	0.81	0.98	1.72
<b>Total, British Possessions ..</b>	<b>15.32</b>	<b>16.13</b>	<b>16.45</b>	<b>15.97</b>	<b>17.94</b>
<b>Total, British Countries ..</b>	<b>58.94</b>	<b>57.63</b>	<b>60.00</b>	<b>58.29</b>	<b>59.58</b>
<b>Foreign Countries—</b>					
Belgium .. ..	0.68	0.70	0.89	1.05	1.01
China .. ..	0.52	0.81	0.77	0.55	0.48
France .. ..	1.22	0.97	0.98	0.88	1.06
Germany .. ..	3.04	3.63	4.06	3.82	4.25
Italy .. ..	0.79	0.54	0.46	0.77	0.71
Japan .. ..	6.55	6.09	4.52	4.90	4.22
Netherlands .. ..	0.72	0.69	0.77	0.60	0.72
Netherlands East Indies .. ..	6.22	6.04	6.98	6.90	7.33
Norway .. ..	0.54	0.51	0.50	0.45	0.39
Pacific Islands .. ..	0.03	0.04	0.08	0.04	0.05
Philippine Islands .. ..	0.11	0.12	0.12	0.11	0.12
Sweden .. ..	1.17	1.19	1.18	1.42	0.97
Switzerland .. ..	0.66	0.74	0.68	0.80	0.97
United States of America .. ..	15.64	17.05	14.64	16.26	15.09
Other Foreign Countries .. ..	3.17	3.25	3.37	3.16	3.05
<b>Total, Foreign Countries ..</b>	<b>41.06</b>	<b>42.37</b>	<b>40.00</b>	<b>41.71</b>	<b>40.42</b>
<b>Total .. ..</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

The relative positions of the various countries supplying goods to Australia have not varied much during the period covered by the table. The proportion from the United Kingdom has declined as has that from India, while Canada has consistently increased its percentage. Of the foreign countries Netherlands East Indies, Germany and Belgium increased their proportions, while that from Japan declined each year except 1937-38. The percentage of imports from the United States of America fluctuated without showing any particular trend.

3. Direction of Exports.—The following table shows the value in Australian currency of commodity exports to the principal countries during the five years 1934-35 to 1938-39 inclusive.

Particulars for subsequent years are not available for publication.

### EXPORTS FROM AUSTRALIA TO VARIOUS COUNTRIES.

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

*Australian Currency Values.*

Country of Destination.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£ A.				
United Kingdom .. .. .	54,163,538	61,644,049	73,492,399	78,659,611	66,724,807
<b>British Possessions—</b>					
Canada .. .. .	1,578,259	1,348,104	2,385,620	2,250,023	1,993,522
Ceylon .. .. .	648,187	970,961	928,151	871,221	1,326,568
Fiji .. .. .	361,132	483,998	592,325	713,192	622,916
Hong Kong .. .. .	715,994	624,663	803,010	1,048,833	475,263
India .. .. .	785,815	973,171	1,086,754	1,104,692	1,965,229
Malaya (British) .. .. .	1,315,822	1,263,526	1,727,956	2,063,740	1,911,207
Mauritius .. .. .	98,790	96,000	115,976	138,013	108,763
New Zealand .. .. .	3,617,339	4,396,840	5,686,229	7,110,430	6,681,975
Papua .. .. .	151,865	165,613	232,027	319,228	299,376
Union of South Africa .. .. .	316,381	449,056	406,091	713,326	813,326
Other British Possessions .. .. .	1,592,071	2,562,225	3,310,793	2,311,422	2,191,450
<b>Total, British Possessions .. .. .</b>	<b>11,181,655</b>	<b>13,334,157</b>	<b>17,274,932</b>	<b>18,644,120</b>	<b>18,389,595</b>
<b>Total, British Countries .. .. .</b>	<b>65,345,193</b>	<b>74,978,206</b>	<b>90,767,331</b>	<b>97,303,731</b>	<b>85,114,402</b>
<b>Foreign Countries—</b>					
Belgium .. .. .	6,080,381	7,260,967	9,423,821	5,685,579	5,546,514
Chile and Peru .. .. .	2,029	2,931	3,438	60,988	2,542
China .. .. .	2,472,262	1,212,821	842,963	616,520	3,022,571
<i>Manchuria, including Kwantung</i>					
<i>Peninsula .. .. .</i>	<i>1,613,775</i>	<i>839,815</i>	<i>142,427</i>	<i>190,747</i>	<i>63,450</i>
Egypt .. .. .	639,654	524,066	562,135	640,727	601,019
France .. .. .	4,731,952	6,131,143	7,907,051	10,322,346	9,378,782
Germany .. .. .	1,738,481	2,368,453	4,239,026	4,410,098	2,652,420
Italy .. .. .	995,827	689,225	5,331,528	2,644,058	1,211,326
Japan .. .. .	12,095,514	17,661,232	9,705,738	5,900,098	4,865,459
Netherlands .. .. .	927,723	1,200,638	1,983,223	779,515	1,038,627
Netherlands East Indies .. .. .	1,182,329	1,274,195	1,395,183	1,459,922	1,373,197
Norway .. .. .	7,439	10,052	62,735	56,573	25,263
Pacific Islands (Foreign) .. .. .	346,377	374,878	442,348	461,181	385,800
Philippine Islands .. .. .	324,053	553,311	666,733	619,504	498,893
Spain .. .. .	559,912	182,952	175,801	133,448	954
Sweden .. .. .	240,751	264,918	344,687	472,657	637,038
United States of America .. .. .	2,754,228	5,615,372	10,935,103	3,386,567	3,614,038
U.S.S.R. (Russia) .. .. .	84,180	10,700	20,721	1,121,262	278,460
Other Foreign Countries .. .. .	1,564,676	3,280,145	3,537,599	5,402,256	2,232,255
<b>Total, Foreign Countries .. .. .</b>	<b>38,361,543</b>	<b>49,457,814</b>	<b>57,722,263</b>	<b>44,364,046</b>	<b>37,428,618</b>
<b>Total .. .. .</b>	<b>103,706,736</b>	<b>124,436,020</b>	<b>148,489,594</b>	<b>141,667,777</b>	<b>122,543,020</b>

4. **Percentage of Exports to Various Countries.**—In consequence of the fluctuations in the total values of exports, the relative importance of various countries as markets for Australian produce is shown more clearly by the following table of percentages.

Particulars for subsequent years are not available for publication.

**EXPORTS FROM AUSTRALIA : PERCENTAGES TO VARIOUS COUNTRIES.**

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

Country of Destination.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	Per cent.				
United Kingdom .. ..	52.23	49.54	49.50	55.52	54.45
<b>British Possessions—</b>					
Canada .. ..	1.52	1.08	1.61	1.59	1.63
Ceylon .. ..	0.63	0.78	0.62	0.61	1.08
Fiji .. ..	0.35	0.39	0.40	0.50	0.51
Hong Kong .. ..	0.69	0.50	0.54	0.74	0.39
India .. ..	0.76	0.78	0.73	0.78	1.60
Malaya (British) .. ..	1.27	1.02	1.16	1.46	1.56
Mauritius .. ..	0.10	0.07	0.08	0.10	0.09
New Zealand .. ..	3.49	3.53	3.83	5.02	5.45
Papua .. ..	0.14	0.14	0.16	0.23	0.25
Union of South Africa .. ..	0.30	0.36	0.27	0.50	0.66
Other British Possessions .. ..	1.53	2.06	2.23	1.63	1.79
<b>Total, British Possessions .. ..</b>	<b>10.78</b>	<b>10.71</b>	<b>11.63</b>	<b>13.16</b>	<b>15.01</b>
<b>Total, British Countries .. ..</b>	<b>63.01</b>	<b>60.25</b>	<b>61.13</b>	<b>68.68</b>	<b>69.46</b>
<b>Foreign Countries—</b>					
Belgium .. ..	5.86	5.84	6.35	4.01	4.53
Chile and Peru .. ..	0.00	0.00	0.00	0.04	0.00
China .. ..	2.38	0.98	0.57	0.44	2.46
Manchuria, including Kwantung Peninsula .. ..	1.56	0.67	0.10	0.14	0.05
Egypt .. ..	0.62	0.42	0.38	0.45	0.49
France .. ..	4.56	4.93	5.32	7.29	7.65
Germany .. ..	1.68	1.90	2.85	3.11	2.17
Italy .. ..	0.96	0.56	3.59	1.87	0.99
Japan .. ..	11.66	14.19	6.54	4.16	3.97
Netherlands .. ..	0.90	0.96	1.34	0.55	0.85
Netherlands East Indies .. ..	1.14	1.02	0.94	1.03	1.12
Norway .. ..	0.01	0.01	0.04	0.04	0.02
Pacific Islands (Foreign) .. ..	0.33	0.30	0.30	0.33	0.31
Philippine Islands .. ..	0.31	0.45	0.45	0.44	0.41
Spain .. ..	0.54	0.15	0.12	0.09	0.00
Sweden .. ..	0.23	0.21	0.23	0.33	0.52
United States of America .. ..	2.66	4.51	7.36	2.39	2.95
U.S.S.R. (Russia) .. ..	0.08	0.01	0.01	0.79	0.23
Other Foreign Countries .. ..	1.51	2.64	2.38	3.82	1.82
<b>Total, Foreign Countries .. ..</b>	<b>36.99</b>	<b>39.75</b>	<b>38.87</b>	<b>31.32</b>	<b>30.54</b>
<b>Total .. ..</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

5. Balance of Trade with Principal Countries.—In the following table a comparison is made in British currency values of the total Australian trade in merchandise (excluding bullion and specie) with principal countries during the years 1937-38 and 1938-39.

Particulars for subsequent years are not available for publication.

### BALANCE OF AUSTRALIAN TRADE WITH PRINCIPAL COUNTRIES.

(EXCLUDING BULLION AND SPECIE.)

*British Currency Values.*

Country.	Imports from— (a)		Exports to—		Excess of Exports.	
	1937-38.	1938-39.	1937-38.	1938-39.	1937-38.	1938-39.
	£Stg.'000.	£Stg.'000.	£Stg.'000.	£Stg.'000.	£Stg.'000.	£Stg.'000.
United Kingdom .. ..	46,226	40,420	58,309	53,252	12,083	12,832
Canada .. ..	8,045	7,724	1,796	1,592	— 6,249	— 6,132
India .. ..	3,078	2,870	745	1,550	— 2,333	— 1,320
New Zealand .. ..	1,707	1,769	5,671	5,330	3,964	3,561
Other British Countries ..	4,567	4,979	6,215	5,440	1,648	461
<b>Total, British Countries ..</b>	<b>63,623</b>	<b>57,762</b>	<b>72,736</b>	<b>67,164</b>	<b>9,113</b>	<b>9,402</b>
Belgium .. ..	1,141	982	4,560	4,428	3,419	3,446
China .. ..	602	462	492	2,413	— 110	1,951
France .. ..	965	1,028	7,725	7,488	6,760	6,460
Germany .. ..	4,171	4,131	3,500	2,112	— 671	— 2,019
Italy .. ..	845	685	1,502	967	657	282
Japan .. ..	5,349	4,093	4,711	3,885	— 638	— 208
Netherlands East Indies ..	7,531	7,120	1,169	1,096	— 6,362	— 6,024
United States of America ..	17,759	14,647	2,695	2,877	— 15,064	— 11,770
Other Foreign Countries ..	7,193	6,093	13,192	4,603	5,999	— 1,490
<b>Total, Foreign Countries ..</b>	<b>45,556</b>	<b>39,241</b>	<b>39,546</b>	<b>29,869</b>	<b>— 6,010</b>	<b>— 9,372</b>

(a) Excludes outside packages.

The balance of trade with single countries is of little significance, since in the first place, there is still a fair proportion of Australian produce distributed through the United Kingdom either immediately, by transshipment or re-sale, or ultimately, by incorporation in manufactures. Further, in very many cases international balances are equated directly by services or indirectly by exchange of goods between several countries.

6. Principal Imports and Exports, Countries.—The total value of imports from and exports to each of the more important British and foreign countries during 1938-39, together with brief particulars of the principal commodities interchanged with such countries will be found in the Official Year Book, No. 33, pp. 776-781.

### § 7. Classified Summary of Australian Oversea Trade with The United Kingdom.

1. Imports.—The following table shows the value of imports into Australia of United Kingdom origin during each of the last five years, arranged in accordance with the statistical classification which came into operation on 1st July, 1922 :—

#### IMPORTS INTO AUSTRALIA OF UNITED KINGDOM ORIGIN: CLASSES.

*British Currency Values.*

Classes.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
	£ Stg.				
I. Animal foodstuffs, etc. . . . .	286,568	300,283	199,623	57,598	12,073
II. Vegetable foodstuffs; non-alcoholic beverages, etc. . . . .	153,452	187,949	170,620	115,818	38,169
III. Alcoholic liquors, etc. . . . .	625,955	613,874	914,706	574,803	333,252
IV. Tobacco, etc. . . . .	20,445	19,231	21,906	11,667	25,072
V. Live animals . . . . .	86,667	47,914	28,233	29,355	4,469
VI. Animal substances, etc. . . . .	27,882	36,266	39,059	25,340	20,462
VII. Vegetable substances, etc. . . . .	237,162	211,174	298,345	265,855	276,109
VIII. Apparel, textiles, etc. . . . .	12,288,251	10,033,422	13,300,109	15,458,140	18,666,582
IX. Oils, fats and waxes . . . . .	127,530	134,837	(a)	(a)	(a)
X. Paints and varnishes . . . . .	372,298	383,043	411,711	467,650	456,442
XI. Stones and minerals, etc. . . . .	226,023	278,568	246,235	208,514	276,671
XII. Metals, metal manufactures, and machinery . . . . .	21,174,615	18,246,658	18,167,415	21,503,259	23,439,897
XIII. Rubber and leather, etc. . . . .	253,378	247,671	275,551	201,477	385,072
XIV. Wood and wicker, etc. . . . .	86,080	85,129	69,100	62,163	58,576
XV. Earthenware, etc. . . . .	998,637	946,220	1,148,066	1,452,534	1,788,158
XVI. Paper and stationery . . . . .	3,367,801	2,945,640	3,181,266	3,265,814	2,430,143
XVII. Jewellery, etc. . . . .	275,796	275,301	313,450	374,603	494,214
XVIII. Optical, surgical, and scientific instruments . . . . .	509,818	523,381	629,607	810,757	885,745
XIX. Drugs, chemicals, etc. . . . .	2,056,472	2,288,387	2,551,449	2,491,715	2,850,552
XX. Miscellaneous . . . . .	3,057,652	2,614,335	1,972,794	1,970,810	4,047,249
XXI. Gold and silver; and bronze specie . . . . .	2,502	14,307	(b)	(b)	(b)
Total . . . . .	46,228,674	40,433,590	43,933,245	49,388,881	65,646,907

(a) Total for Class IX. is included with Class XX.

(b) Not available for publication.

(c) Merchandise only.

2. Exports.—In the following table the exports from Australia to the United Kingdom are shown in classes according to the same classification as for imports.

#### EXPORTS FROM AUSTRALIA TO THE UNITED KINGDOM: CLASSES.

*Australian Currency Values.*

Classes.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
	£ A.				
I. Animal foodstuffs, etc. . . . .	22,709,012	24,483,853	30,163,321	25,098,413	17,042,066
II. Vegetable foodstuffs; non-alcoholic beverages, etc. . . . .	24,344,460	14,369,098	14,295,198	10,331,017	4,813,498
III. Alcoholic liquors, etc. . . . .	863,064	906,358	843,523	167,370	64,151
IV. Tobacco, etc. . . . .	518	1,196	600	635	252
V. Live animals . . . . .	2,217	1,754	500	..	..
VI. Animal substances, etc. . . . .	2,026,809	19,475,233	39,779,664	14,553,042	15,760,733
VII. Vegetable substances, etc. . . . .	127,576	109,770	145,557	138,410	128,880
VIII. Apparel, textiles, etc. . . . .	49,522	40,909	35,225	13,305	1,990
IX. Oils, fats and waxes . . . . .	229,858	179,408	314,392	435,719	231,127
X. Paints and varnishes . . . . .	17,913	3,412	1,087	613	..
XI. Stones and minerals, etc. . . . .	1,398,300	846,994	591,467	593,424	440,956
XII. Metals, metal manufactures, and machinery . . . . .	5,400,389	5,291,304	7,401,169	4,504,659	3,829,280
XIII. Rubber and leather, etc. . . . .	443,601	422,548	1,002,195	370,335	369,834
XIV. Wood and wicker, etc. . . . .	293,938	206,537	258,751	258,122	26,769
XV. Earthenware, etc. . . . .	3,189	3,679	297	1	402
XVI. Paper and stationery . . . . .	44,187	32,464	18,513	4,669	3,500
XVII. Jewellery, etc. . . . .	45,101	31,626	15,410	3,728	28,925
XVIII. Optical, surgical, and scientific instruments . . . . .	12,822	16,096	7,135	5,386	450
XIX. Drugs, chemicals, etc. . . . .	137,363	108,562	177,435	149,234	143,261
XX. Miscellaneous . . . . .	133,147	166,862	340,683	654,097	365,232
XXI. Gold and silver; and bronze specie . . . . .	8,076,814	2,018,368	(b)	(b)	(b)
Total (a) . . . . .	86,359,800	68,716,031	95,395,122	57,282,179	43,251,306

(a) Estimated British currency value, 1937-38, £ Stg. 68,962,236; 1938-39, £ Stg. 54,866,278; 1939-40, £ Stg. 76,163,770; 1940-41, £ Stg. 45,734,274; 1941-42, £ Stg. 34,531,981. (b) Not available for publication. (c) Merchandise only.

3. Imports of Principal Articles.—The following table shows the quantity, where available, and the value of the principal articles imported into Australia from the United Kingdom during the last five years. The articles are shown in the order in which they appear in the detailed classification.

## PRINCIPAL COMMODITIES IMPORTED OF UNITED KINGDOM ORIGIN: AUSTRALIA.

British Currency Values.

Article.		1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
Whisky .. .. .	gal.	532,547	521,931	774,581	452,727	200,465
	£	565,984	552,521	848,286	521,068	295,818
Fibres .. .. .	£	43,089	38,569	48,205	47,372	62,073
Hides and skins .. .. .	£	6,999	21,214	7,864	2,403	4,392
Seeds .. .. .	£	15,593	22,949	14,787	23,372	1,622
Socks and stockings .. .. .	£	37,364	34,724	28,579	16,113	34,918
Gloves .. .. .	£	54,615	42,551	56,043	160,438	469,271
Hats and caps .. .. .	£	79,361	74,057	71,515	43,809	59,118
Trimmings and ornaments .. .. .	£	105,828	101,668	122,274	168,731	257,179
Other apparel and attire .. .. .	£	463,669	446,409	379,618	460,702	457,496
Carpets and carpeting .. .. .	£	1,137,878	934,428	1,249,819	963,833	960,770
Floorcloths and linoleums .. .. .	£	505,394	472,638	531,268	491,870	588,398
Piece Goods—						
Canvas and duck .. .. .	£	567,485	418,387	497,777	514,111	530,942
Cotton and linen .. .. .	£	4,399,844	3,661,106	5,039,781	5,821,388	5,067,802
Silk and artificial silk .. .. .	£	1,188,007	849,312	1,482,009	1,759,704	3,797,959
Woolen or containing wool .. .. .	£	251,324	220,904	198,757	206,348	774,182
All other piece goods .. .. .	£	933,347	796,862	1,049,054	1,380,587	1,159,863
Sewing silks, cottons, etc. .. .. .	£	458,152	469,556	494,663	731,183	684,632
Bags and sacks .. .. .	£	3,764	5,251	7,532	11,933	6,270
Yarns—						
Artificial silk .. .. .	£	448,374	203,337	579,682	1,026,082	1,335,698
Cotton .. .. .	£	566,288	366,072	448,274	659,825	557,304
Woolen .. .. .	£	57,650	47,044	38,246	33,743	51,087
Other .. .. .	£	26,230	42,628	38,041	34,022	42,075
Electrical machinery and appliances .. .. .	£	2,417,874	2,630,965	1,990,913	1,772,391	1,815,806
Electrical cable and wire, covered .. .. .	cwt.	238,182	233,723	(b)	(b)	(b)
Agricultural machinery .. .. .	£	1,276,550	1,113,605	1,318,457	1,065,637	838,056
Metal-working machinery .. .. .	£	70,422	39,950	24,817	23,159	18,001
Motive-power machinery .. .. .	£	550,142	754,904	(b)	(b)	(b)
Iron and Steel—						
Pipes and tubes .. .. .	£	1,021,095	899,085	924,083	822,065	1,374,406
Plate and sheet .. .. .	£	569,068	415,349	(b)	(b)	(b)
Cutlery and platedware .. .. .	£	3,580,174	2,127,177	(b)	(b)	(b)
Tools of trade .. .. .	£	491,047	455,311	491,667	608,595	613,462
Motor cars, chassis, bodies, and parts .. .. .	£	525,010	390,664	417,144	484,291	487,438
Rubber and rubber manufactures .. .. .	£	3,036,579	2,795,593	2,369,501	690,256	190,411
Crockery .. .. .	£	187,016	175,707	212,734	184,048	272,015
Glass and glassware .. .. .	£	421,229	403,010	464,590	556,003	738,380
Paper, printing .. .. .	£	318,587	290,661	346,170	565,740	659,806
Stationery and paper manufactures .. .. .	£	1,017,189	824,191	759,679	542,608	179,941
Cinematograph films .. .. .	lln. ft.	1,430,058	1,413,252	1,392,260	1,165,916	1,265,856
	£	4,535,827	3,781,934	2,791,471	3,475,467	3,952,697
Drugs, chemicals, and fertilizers .. .. .	£	65,940	56,940	49,483	41,986	44,105
Arms and explosives .. .. .	£	2,056,472	2,288,387	2,551,449	2,491,715	2,850,552
Musical instruments, pianos, etc. .. .. .	£	448,968	953,406	(b)	(b)	(b)
All other articles .. .. .	£	73,871	57,198	64,671	44,439	51,834
	£	14,755,144	12,526,048	(b)	(b)	(b)
Total Imports .. .. .	£	46,228,674	40,433,590	43,933,245	49,388,881	56,468,907
				(c)	(c)	(c)

(a) Excludes undressed timber not measured in super. ft.  
(c) Merchandise only.

(b) Not available for publication.

4. Exports of Principal Articles of Australian Produce.—(i) Quantities. The following table shows the quantities of the principal articles of Australian produce exported to the United Kingdom during the period 1937-38 to 1941-42. The articles are shown in the order in which they appear in the detailed classification.

**PRINCIPAL COMMODITIES EXPORTED TO THE UNITED KINGDOM : QUANTITIES,  
AUSTRALIA.**

Article.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
Butter .. .. . centl.	1,841,698	2,170,515	2,441,918	1,740,092	1,049,717
Cheese .. .. . "	261,460	347,991	406,823	226,321	154,498
Eggs in shell .. .. . doz.	11,215,950	10,069,570	10,192,470	17,224,870	6,158,850
Beef .. .. . centl.	2,722,367	2,477,128	2,471,197	1,429,819	759,797
Lamb .. .. . "	1,569,262	1,557,485	1,984,365	2,169,101	1,612,612
Mutton .. .. . "	397,959	253,074	433,286	147,634	53,361
Pork .. .. . "	333,098	301,204	509,545	727,056	317,170
Meats, preserved in tins .. .. . "	92,823	116,553	176,234	147,046	242,279
Milk and cream .. .. . "	21,746	28,868	31,222	49,032	23,965
Fruits, dried .. .. . "	1,028,336	1,173,664	651,250	934,747	849,543
fresh .. .. . "	1,899,370	2,023,970	837,632	32,190	..
Barley .. .. . "	1,984,998	1,027,052	259,425	95,903	..
Wheat .. .. . "	36,913,371	19,340,770	17,447,312	14,462,218	4,139,927
Flour .. .. . "	3,758,858	2,379,151	3,788,735	1,608,356	209,601
Sugar (cane) .. .. . cwt.	7,163,600	7,829,940	7,171,800	3,697,700	1,528,320
Wine .. .. . gal.	3,710,970	3,507,410	3,369,144	670,364	212,585
Wool (in terms of greasy wool) .. centl.	3,614,628	4,125,677	5,397,298	1,463,313	1,987,649
Pearl-shell .. .. . cwt.	24,455	20,877	4,567	340	240
Tallow (unrefined) .. .. . cwt.	178,602	167,695	166,565	299,130	198,730
Timber, undressed, including Logs (a) .. .. . sup. ft.	18,633,147	13,188,491	14,634,068	10,766,731	1,605,288
Soap .. .. . centl.	12,084	9,746	13,774	5,478	..

(a) Excludes undressed timber not measured in super. ft.

(ii) *Values.* The values of the principal articles of Australian produce exported to the United Kingdom during the period 1937-38 to 1941-42 are given in the table hereunder :—

**PRINCIPAL COMMODITIES EXPORTED TO THE UNITED KINGDOM : VALUES,  
AUSTRALIA.**

*Australian Currency Values.*

Article.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
	£A.	£A.	£A.	£A.	£A.
Butter .. .. . "	9,970,954	12,127,260	14,715,766	10,516,649	6,379,686
Cheese .. .. . "	792,905	1,019,681	1,324,676	982,581	525,324
Eggs in shell .. .. . "	680,654	631,976	591,220	1,082,838	391,294
Meats .. .. . "	11,163,378	10,581,318	13,304,464	12,252,923	8,026,119
Milk and cream .. .. . "	67,850	88,116	84,703	109,384	85,616
Fruits dried .. .. . "	1,978,228	2,045,646	1,181,594	1,597,751	1,480,921
fresh .. .. . "	1,436,584	1,400,613	769,008	33,103	..
preserved in liquid .. .. . "	1,064,795	1,041,385	1,113,425	38,930	..
Barley .. .. . "	657,906	278,026	65,548	21,786	..
Wheat .. .. . "	13,600,504	4,443,613	4,467,481	4,531,309	1,398,607
Flour .. .. . "	1,742,708	705,518	1,539,547	697,747	82,556
Sugar (cane) .. .. . "	3,325,643	3,685,761	4,231,310	2,372,277	992,134
Wine .. .. . "	862,164	896,659	836,161	163,246	63,172
Hides and skins .. .. . "	1,570,879	813,201	975,796	998,236	339,706
Wool .. .. . "	20,247,336	18,513,175	38,703,482	13,527,483	15,399,458
Pearl-shell .. .. . "	146,657	90,777	12,068	1,775	2,220
Tallow (unrefined) .. .. . "	192,338	137,464	165,507	294,321	184,162
Leather .. .. . "	441,785	320,322	984,800	358,341	368,372
Timber, undressed, including logs (a)	232,284	152,394	160,866	110,100	19,521
Soap .. .. . "	26,893	21,480	30,199	12,054	..
Gold .. .. . "	7,624,457	1,990,948	(c)	(c)	(c)
Silver .. .. . "	370,157	21,794	(c)	(c)	(c)
All other articles .. .. . "	7,808,638	7,386,780	9,949,730	7,473,340	6,855,377
<b>Total Exports (Australian Pro- duce) (b) .. .. . "</b>	<b>86,005,697</b>	<b>68,393,916</b>	<b>95,217,369</b> (d)	<b>57,176,174</b> (d)	<b>43,194,245</b> (d)

(a) Excludes undressed timber not measured in super. ft. (b) Estimated British currency value—1937-38, £ Stg. 68,679,398; 1938-39, £ Stg. 54,609,099; 1939-40, £ Stg. 76,021,851; 1940-41, £ Stg. 45,649,640; 1941-42, £ Stg. 34,486,423. (c) Not available for publication. (d) Merchandise only.

## § 8. Trade with Eastern Countries.

1. **Principal Articles Exported.**—The following table shows the value of exports of Australian and other produce from Australia to Eastern countries during the years 1934-35 to 1938-39. The countries concerned in this trade are Borneo (British), Burma, Ceylon, China, French Indo-China, Hong Kong, India, Japan, Korea, Kwantung Peninsula, Malaya (British), Manchuria, Netherlands East Indies, Philippine Islands, Siam, Timor (Portuguese), and French and Portuguese Possessions in India. After declining sharply in 1933-34 the export trade with Eastern countries rose substantially in the next two years with increased shipments of wool, wheat, flour and minerals; the exports in 1935-36 were valued at £25,532,518, which was the highest figure recorded since 1928-29. In 1936-37 the value of exports to Eastern countries decreased by more than £8 million largely as the result of the heavy reduction in the purchases of wool by Japan; wheat shipments to Japan and China also declined in value by nearly £2 million during the year. The value of exports decreased still further in 1937-38 and again a decline in the purchase of wool by Japan coupled with the recession in wool values was the principal contributing factor. Mainly owing to heavier shipments of wheat the exports increased by more than £1 million in 1938-39.

Particulars for subsequent years are not available for publication.

## TOTAL EXPORTS FROM AUSTRALIA TO EASTERN COUNTRIES.

*Australian Currency Values.*

Article.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£ A.				
Biscuits .. .. .	39,767	35,682	41,114	34,001	37,353
Butter .. .. .	544,215	657,264	640,544	622,195	588,393
Cheese .. .. .	22,012	25,538	39,647	39,014	43,555
Coal .. .. .	74,978	81,907	94,821	149,964	125,740
Fruits—					
Fresh .. .. .	122,628	124,550	155,093	170,947	166,076
Dried and preserved .. .. .	42,081	40,073	45,116	46,421	42,981
Grain and pulse—					
Wheat .. .. .	4,395,925	2,919,229	1,105,648	935,842	2,402,855
Flour .. .. .	3,304,000	2,789,659	2,582,600	3,090,681	3,036,957
Other (prepared and unprepared) .. .. .	60,306	71,798	129,050	101,585	70,288
Hay, chaff, and compressed fodder .. .. .	16,014	16,187	25,111	13,553	16,156
Horses .. .. .	102,586	105,995	126,518	97,525	85,895
Infants' and invalids' food .. .. .	216,571	211,287	145,306	171,427	193,909
Iron ore .. .. .	140,535	158,064	103,974	48,614	51,477
Iron and steel (scrap) .. .. .	137,934	115,665	217,112	214,463	283,302
Jams and jellies .. .. .	42,328	42,688	49,178	46,143	44,651
Lard and refined animal fats .. .. .	28,432	35,046	40,738	34,432	26,248
Lead, pig .. .. .	51,084	38,614	138,237	80,206	13,350
Leather .. .. .	141,907	107,944	173,761	181,723	134,319
Meats—					
Bacon and hams .. .. .	84,420	91,423	92,952	95,437	94,040
Other meats .. .. .	214,182	244,439	253,450	322,298	274,015
Milk and cream .. .. .	456,198	455,420	611,021	662,234	436,472
Pearl-shell and trochus-shell .. .. .	46,737	53,066	59,696	37,878	42,425
Sandalwood .. .. .	108,600	66,845	106,448	36,676	42,330
Skins, hoofs, horns, bones, and sinews .. .. .	135,836	162,214	185,803	339,223	176,055
Tallow (unrefined) .. .. .	296,937	237,484	174,981	218,591	156,105
Timber (undressed) .. .. .	180,984	85,191	148,753	143,690	62,893
Wool .. .. .	8,785,163	14,767,219	7,860,278	4,367,877	4,180,914
Zinc—					
Bars, blocks, ingots, etc. .. .. .	303,282	528,032	937,474	390,939	597,366
Concentrates .. .. .					14,895
Other merchandise .. .. .	695,050	614,038	654,608	898,231	1,393,170
Total merchandise .. .. .	20,790,602	24,882,561	16,939,032	13,591,810	14,834,785
Specie. and gold and silver bullion .. .. .	475,864	649,957	546,473	610,518	933,965
Total Exports .. .. .	21,266,466	25,532,518	17,485,505	14,202,328	15,768,750

(a) Estimated British currency value—1934-35, £ Stg. 16,979,978; 1935-36, £ Stg. 20,386,200; 1936-37, £ Stg. 13,960,483; 1937-38, £ Stg. 11,339,184; 1938-39, £ Stg. 12,571,315.

2. **Destination of Exports of Merchandise.**—The next table shows the destination of merchandise exported to Eastern countries during the five years ended 1938-39:—

Particulars for subsequent years are not available for publication.

### EXPORTS OF MERCHANDISE FROM AUSTRALIA TO EASTERN COUNTRIES.

*Australian Currency Values.*

Country of Destination.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£ A.				
China .. .. .	2,472,262	1,212,821	842,963	616,520	3,022,571
Hong Kong .. .. .	715,994	624,663	803,010	1,048,833	475,263
India, Burma and Ceylon .. .. .	961,832	1,301,206	1,468,432	1,467,340	2,423,663
Japan .. .. .	12,095,514	17,661,232	9,705,738	5,900,098	4,865,469
Malaya (British) .. .. .	1,315,822	1,263,526	1,727,956	2,063,740	1,911,007
Manchuria, including Kwantung Peninsula .. .. .	1,613,775	839,815	142,427	190,747	63,450
Netherlands East Indies .. .. .	1,182,329	1,274,195	1,395,183	1,464,379	1,373,197
Philippine Islands .. .. .	324,053	553,311	666,733	619,504	498,893
Thailand (Siam) .. .. .	58,660	100,959	118,291	117,382	119,494
Other Eastern Countries .. .. .	50,361	50,833	68,299	103,267	81,778
<b>Total .. .. .</b>	<b>420,790,602</b>	<b>424,882,561</b>	<b>416,939,032</b>	<b>413,591,810</b>	<b>414,834,785</b>

(a) Estimated British currency value, 1934-35, £ Stg. 16,639,285; 1935-36, £ Stg. 19,866,316; 1936-37, £ Stg. 13,524,177; 1937-38, £ Stg. 10,851,748; 1938-39, £ Stg. 11,844,143.

3. **Imports of Merchandise from Eastern Countries.**—The values of imports into Australia from Eastern countries during the years 1934-35 to 1938-39 are shown in the following table. The principal commodities imported in 1938-39, according to the countries of origin, were:—Ceylon—Tea, £703,610; India—Bags, Sacks and Hessians, £1,876,322; Japan—Silk Piece goods, £1,160,761; Cotton and Linen Piece goods, £726,050; Netherlands East Indies—Tea, £1,622,624; Petroleum Spirit, £3,431,054; Petroleum, crude, £198,453; Kerosene, £431,823; Residual Oil, £636,288.

Particulars for subsequent years are not available for publication.

### IMPORTS OF MERCHANDISE INTO AUSTRALIA FROM EASTERN COUNTRIES.

*British Currency Values.*

Country of Origin.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£ Stg.				
China .. .. .	364,127	657,178	683,742	601,870	461,559
Hong Kong .. .. .	22,677	26,713	40,143	37,022	35,567
India, Burma and Ceylon .. .. .	3,336,684	3,692,869	3,986,266	3,988,581	3,736,288
Japan .. .. .	4,624,740	4,969,571	4,004,465	5,349,086	4,093,191
Malaya (British) .. .. .	561,845	488,254	852,282	1,022,899	902,419
Manchuria, including Kwantung Peninsula .. .. .	3,906	8,156	20,853	16,106	14,887
Netherlands East Indies .. .. .	4,390,327	4,928,025	6,176,385	7,530,509	7,119,785
Philippine Islands .. .. .	79,885	92,619	110,231	123,466	120,774
Thailand (Siam) .. .. .	1,879	6,403	2,609	6,870	3,010
Other Eastern Countries .. .. .	74,423	83,993	42,939	143,047	190,109
<b>Total .. .. .</b>	<b>13,460,493</b>	<b>14,953,781</b>	<b>15,919,015</b>	<b>18,819,456</b>	<b>16,677,589</b>

By comparison with footnote (a) of the previous table, the balance of trade with Eastern countries can be ascertained and shows an excess of exports from Australia during the first two years and an excess of imports for the remaining years.

### § 9. Classified Summary of Australian Oversea Trade.

1. Imports.—The following table shows the value of imports into Australia during each of the last five years, arranged in accordance with the statistical classification which came into operation on 1st July, 1922:—

#### IMPORTS INTO AUSTRALIA: CLASSES.

*British Currency Values.*

Classes.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
	£ Stg.				
I. Animal foodstuffs, etc. . .	1,565,765	1,599,827	1,572,288	1,070,792	804,512
II. Vegetable foodstuffs; non-alcoholic beverages, etc. . .	3,768,619	3,957,780	4,584,361	4,611,796	5,377,590
III. Alcoholic liquors, etc. . .	727,220	719,967	1,016,624	601,908	345,403
IV. Tobacco, etc. . .	2,011,004	1,863,887	1,926,516	495,351	827,658
V. Live animals . . .	193,500	182,809	132,137	44,616	32,011
VI. Animal substances, etc. . .	2,260,898	1,942,284	1,787,711	1,335,941	764,212
VII. Vegetable substances, etc. . .	3,194,512	2,596,939	3,685,891	4,092,327	5,208,743
VIII. Apparel, textiles, etc. . .	21,016,945	17,756,098	24,586,791	24,217,002	28,711,895
IX. Oils, fats and waxes . . .	9,429,257	8,697,751	(a)	(a)	(a)
X. Paints and varnishes . . .	590,454	580,745	728,169	692,083	688,895
XI. Stones and minerals, etc. . .	806,815	900,904	1,112,895	1,123,680	1,240,710
XII. Metals, metal manufactures, and machinery . . .	37,280,008	31,274,421	33,026,388	37,050,255	62,997,629
XIII. Rubber and leather, etc. . .	1,915,442	1,689,598	2,332,311	2,703,219	2,773,486
XIV. Wood and wicker, etc. . .	2,759,081	2,079,981	1,993,019	1,059,762	735,669
XV. Earthenware, etc. . .	2,047,362	1,864,984	1,915,298	1,630,334	1,913,493
XVI. Paper and stationery . . .	6,609,609	6,185,576	7,242,402	5,796,741	3,804,193
XVII. Jewellery, etc. . .	1,581,455	1,431,605	1,482,193	829,646	756,926
XVIII. Optical, surgical, and scientific instruments . . .	1,558,483	1,600,583	1,743,706	1,704,363	1,898,957
XIX. Drugs, chemicals, etc. . .	5,304,092	5,598,553	6,005,343	5,593,565	6,101,337
XX. Miscellaneous . . .	7,112,733	6,788,858	118,801,462	113,996,687	124,372,478
XXI. Gold and silver; and bronze specie . . .	2,241,806	2,843,202	(b)	(b)	(b)
Total . . .	113,975,060	102,156,352	115,675,505	110,650,056	149,355,797
			(c)	(d)	(d)

(a) Total for Class IX. is included with Class XX.

(b) Not available for publication.

(c) Merchandise only. (d) Complete includes Governmental imports valued at £ stg. 16,094,000 for which Customs entries were not passed.

2. Exports.—In the following table the exports from Australia are shown in classes according to the same classification as for imports, distinguishing (A) Australian produce; (B) Other produce (re-exports); and (C) Total exports.

#### EXPORTS FROM AUSTRALIA: CLASSES.

*Australian Currency Values.*

Classes.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
<b>A. AUSTRALIAN PRODUCE.</b>					
	£ A.				
I. Animal foodstuffs, etc. . .	25,576,036	27,222,912	34,323,280	32,346,713	27,952,144
II. Vegetable foodstuffs; non-alcoholic beverages, etc. . .	39,098,847	25,532,970	25,967,007	28,533,133	19,632,959
III. Alcoholic liquors, etc. . .	1,152,619	1,158,424	1,214,638	2,246,613	2,524,263
IV. Tobacco, etc. . .	206,528	237,948	153,084	476,533	761,851
V. Live animals . . .	217,373	197,081	186,118	234,019	97,842
VI. Animal substances, etc. . .	53,741,716	47,192,519	61,562,131	44,180,292	64,508,037
VII. Vegetable substances, etc. . .	328,675	297,864	388,311	438,966	489,436
VIII. Apparel, textiles, etc. . .	582,009	446,932	718,362	1,090,335	795,118
IX. Oils, fats and waxes . . .	784,601	611,633	1,192,522	927,836	1,288,888
X. Paints and varnishes . . .	187,043	173,399	166,828	189,897	205,017
XI. Stones and minerals, etc. . .	3,305,551	2,667,077	2,406,965	1,952,254	1,739,451
XII. Metals, metal manufactures, and machinery . . .	8,974,585	9,510,802	13,240,820	11,731,433	17,024,596
XIII. Rubber and leather, etc. . .	834,847	745,190	1,468,213	1,392,262	1,641,627
XIV. Wood and wicker, etc. . .	1,363,766	1,066,288	995,950	1,056,959	901,468
XV. Earthenware, etc. . .	191,816	209,637	163,805	224,426	340,942
XVI. Paper and stationery . . .	300,098	364,928	320,677	373,042	403,763
XVII. Jewellery, etc. . .	133,625	105,803	112,310	91,113	107,383
XVIII. Optical, surgical, and scientific instruments . . .	151,834	150,709	175,564	226,214	213,246
XIX. Drugs, chemicals, etc. . .	760,777	717,667	1,015,074	1,282,114	1,467,745
XX. Miscellaneous . . .	800,749	915,711	1,152,657	3,489,682	8,205,719
XXI. Gold and silver; and bronze specie . . .	14,930,762	15,951,167	(b)	(b)	(b)
Total (a) . . .	153,623,857	135,475,761	146,894,316	132,783,856	157,457,475
			(c)	(c)	(c)

(a) Estimated British currency value, 1937-38, £ Stg. 122,675,990; 1938-39, £ Stg. 108,188,167; 1939-40, £ Stg. 117,280,891; 1940-41, £ Stg. 106,015,055; 1941-42, £ Stg. 125,714,550. (b) Not available for publication. (c) Merchandise only.

## EXPORTS FROM AUSTRALIA: CLASSES—continued.

Classes.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
<b>B. OTHER PRODUCE: RE-EXPORTS.</b>					
<i>Australian Currency Values.</i>					
	£ A.	£ A.	£ A.	£ A.	£ A.
I. Animal foodstuffs, etc. ..	20,756	28,537	51,979	27,461	28,660
II. Vegetable foodstuffs; non-alcoholic beverages, etc. ..	75,378	66,886	73,818	88,779	200,351
III. Alcoholic liquors, etc. ..	31,927	42,820	51,446	74,359	121,746
IV. Tobacco, etc. ..	74,399	112,997	137,437	71,376	79,417
V. Live animals ..	31,040	19,687	20,912	3,381	16,330
VI. Animal substances, etc. ..	32,453	136,279	73,188	15,458	15,074
VII. Vegetable substances, etc. ..	11,292	9,092	9,745	10,584	22,048
VIII. Apparel, textiles, etc. ..	203,104	222,819	139,084	220,461	352,591
IX. Oils, fats and waxes ..	164,253	101,711	197,809	165,860	378,416
X. Paints and varnishes ..	4,844	4,853	8,203	5,676	4,120
XI. Stones and minerals, etc. ..	3,938	2,443	2,198	2,976	825
XII. Metals, metal manufactures, and machinery ..	547,326	547,549	477,052	565,018	306,468
XIII. Rubber and leather, etc. ..	7,695	10,873	14,535	6,132	3,118
XIV. Wood and wicker, etc. ..	47,343	42,987	50,830	46,885	18,453
XV. Earthenware, etc. ..	9,502	9,428	4,546	7,915	11,523
XVI. Paper and stationery ..	75,548	128,388	100,443	42,545	40,937
XVII. Jewellery, etc. ..	81,360	74,188	20,584	14,410	38,268
XVIII. Optical, surgical, and scientific instruments ..	231,123	234,004	214,866	173,749	93,545
XIX. Drugs, chemicals, etc. ..	47,397	48,518	46,413	53,829	46,921
XX. Miscellaneous ..	238,822	164,647	154,154	356,858	92,212
XXI. Gold and silver; and bronze specie ..	2,016,558	3,011,845	(b)	(b)	(b)
Total (a) ..	3,956,263	5,020,551	(c)1,855,242	(c)1,953	(c)1,871,023

(a) Estimated British currency value, 1937-38, £ Stg. 3,161,889; 1938-39, £ Stg. 4,013,206; 1939-40, £ Stg. 1,481,231; 1940-41, £ Stg. 1,559,857; 1941-42, £ Stg. 1,493,831. (b) Not available for publication. (c) Merchandise only.

## C. TOTAL EXPORTS: AUSTRALIAN PRODUCE AND RE-EXPORTS.

<i>Australian Currency Values.</i>					
	£ A.				
I. Animal foodstuffs, etc. ..	25,596,792	27,251,449	34,375,259	32,374,174	27,980,804
II. Vegetable foodstuffs; non-alcoholic beverages, etc. ..	39,174,225	25,599,856	26,040,825	28,621,912	19,833,310
III. Alcoholic liquors, etc. ..	1,184,546	1,201,244	1,266,084	2,320,972	2,646,009
IV. Tobacco, etc. ..	280,927	350,945	290,521	547,909	841,248
V. Live animals ..	248,413	216,768	207,030	237,400	114,172
VI. Animal substances, etc. ..	53,774,174	47,328,798	61,635,319	44,195,750	64,523,111
VII. Vegetable substances, etc. ..	339,967	306,956	398,056	449,570	511,484
VIII. Apparel, textiles, etc. ..	785,113	668,851	857,446	1,910,796	8,303,709
IX. Oils, fats and waxes ..	948,854	713,344	1,390,331	1,093,705	1,667,304
X. Paints and varnishes ..	191,887	178,252	175,031	195,573	209,137
XI. Stones and minerals, etc. ..	3,309,489	2,669,520	2,409,163	1,655,230	1,740,276
XII. Metals, metal manufactures, and machinery ..	9,521,911	10,058,351	13,717,872	12,296,451	17,331,064
XIII. Rubber and leather, etc. ..	842,542	756,063	1,482,748	1,398,394	1,644,745
XIV. Wood and wicker, etc. ..	1,411,309	1,109,275	1,016,780	1,103,844	919,921
XV. Earthenware, etc. ..	201,318	219,065	168,351	232,341	352,465
XVI. Paper and stationery ..	375,646	493,316	421,120	415,587	444,700
XVII. Jewellery, etc. ..	214,985	179,991	138,894	105,523	145,651
XVIII. Optical, surgical, and scientific instruments ..	382,957	384,713	390,430	399,963	306,791
XIX. Drugs, chemicals, etc. ..	808,174	766,185	1,061,487	1,335,943	1,514,666
XX. Miscellaneous ..	1,039,571	1,080,358	1,306,811	3,846,540	8,297,931
XXI. Gold and silver; and bronze specie ..	16,947,320	18,963,012	(b)	(b)	(b)
Total (a) ..	157,580,120	140,496,312	148,749,558	134,737,577	159,328,498

(a) Estimated British currency value, 1937-38, £ Stg. 125,837,879; 1938-39, £ Stg. 112,201,372; 1939-40, £ Stg. 118,762,122; 1940-41, £ Stg. 107,574,912; 1941-42, £ Stg. 127,208,381. (b) Not available for publication. (c) Merchandise only. (d) Complete, includes £ A. 12,645,000 exported on Governmental account for which Customs entries were not passed.

3. Imports of Principal Articles.—The next table shows the quantity, where available for publication and the value of the principal articles imported into Australia during the last five years. The articles are shown in the order in which they appear in the detailed classification:—

PRINCIPAL COMMODITIES IMPORTED : AUSTRALIA.

British Currency Values.

Article.		1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
Fish, preserved in tins	lb	28,323,075	28,902,983	25,275,936	16,986,371	4,558,049
	£	879,631	946,276	878,481	619,950	225,514
Tea	lb	45,307,019	49,530,911	50,347,831	49,499,281	44,681,479
	£	2,394,335	2,488,883	2,894,264	2,884,731	3,919,448
Whisky	gal	533,689	523,347	778,783	453,104	205,126
	£	566,759	553,537	851,462	521,294	299,780
Tobacco and preparations thereof	£	2,911,004	1,863,887	1,926,516	495,351	827,668
Copra	cwt.	387,880	484,181	54,195	37,922	624,282
	£	215,137	175,076	212,585	178,593	225,563
Fibres	£	1,016,969	897,755	1,298,942	1,710,973	2,360,409
Hides and skins	£	828,029	695,673	593,769	237,543	324,318
Pulp for paper-making	ton	64,932	37,704	38,398	37,038	41,422
	£	570,218	321,547	441,770	699,272	852,276
Seeds	£	578,045	515,679	719,450	755,365	818,189
Socks and stockings	£	48,754	43,508	33,610	18,184	35,001
Gloves	£	393,067	368,464	361,537	234,004	475,404
Hats and caps	£	190,137	179,422	174,874	106,858	114,205
Trimmings and ornaments	£	418,018	385,995	432,404	251,939	299,288
Other apparel and attire	£	946,314	887,459	782,409	856,847	1,020,148
Carpets and carpeting	£	1,326,305	1,099,728	1,395,999	1,032,874	1,138,911
Floorcloths and linoleums	£	609,364	562,394	625,445	535,680	662,389
Piece Goods—						
Canvas and duck	£	751,446	569,588	685,839	1,009,084	901,112
Cotton and linen	£	5,719,314	4,826,039	6,841,613	7,772,372	7,923,903
Silk and artificial silk	£	3,373,618	2,624,118	3,737,607	3,055,710	4,111,091
Woolen or containing wool	£	325,101	282,262	325,255	214,086	786,244
All other piece goods	£	1,805,914	1,578,337	2,414,359	2,272,115	2,890,844
Sewing silks, cottons, etc.	£	580,248	502,789	536,101	769,465	693,176
Bags and sacks	£	1,563,251	1,509,618	2,940,623	2,992,145	3,458,512
Yarns—						
Artificial silk	£	818,800	534,328	1,152,592	1,098,108	1,351,188
Cotton	£	596,019	394,328	491,250	720,604	714,825
Woolen	£	61,528	48,414	45,078	34,966	51,090
Other	£	51,982	62,760	54,028	51,060	57,242
Oils, in bulk—						
Kerosene	gal.	61,189,925	54,714,472			
	£	833,892	666,898			
Lubricating (mineral)	gal.	18,752,582	15,519,442			
	£	989,265	780,861	(b)	(b)	(b)
Petroleum	gal.	402,979,165	399,517,906			
	£	6,106,301	5,658,530			
Residual and solar	gal.	114,049,824	130,288,368			
	£	769,768	930,675			
Electrical machinery and appliances	£	3,524,395	3,678,755	2,966,255	2,480,973	2,622,279
Electrical cable and wire, covered	cwt.	276,264	258,064	(b)	(b)	(b)
Agricultural machinery	£	1,437,220	1,234,413	1,420,946	1,222,034	1,029,463
Metal-working machinery	£	219,159	207,479	172,711	66,102	33,425
Motive-power machinery	£	1,056,843	1,322,911	(b)	(b)	(b)
Iron and steel—						
Pipes and tubes	£	634,267	451,144	(b)	(b)	(b)
Plate and sheet	£	4,414,430	2,614,283	(b)	(b)	(b)
Cutlery and platedware	£	571,539	524,487	588,215	615,900	633,958
Tools of trade	£	1,122,218	852,395	903,158	824,051	927,715
Motor cars, chassis, bodies, and parts	£	8,637,341	7,523,854	6,632,259	3,654,100	5,936,625
Rubber and rubber manufactures	£	1,786,441	1,545,366	2,227,188	2,602,661	2,641,164
Timber, undressed, includ- f sup. ft.	406,782,623	348,093,462	(b)	(b)	(b)	
ing logs (a)	£	2,007,553	1,480,987	1,490,428	720,805	479,671
Crockery	£	591,251	559,176	632,405	604,035	740,709
Glass and glassware	£	916,724	800,470	725,376	557,407	741,461
Paper, printing	£	2,468,531	2,710,334	3,122,237	2,195,465	1,077,006
Stationery and paper manufactures	£	1,951,580	1,008,629	1,901,038	1,367,550	1,470,131
Cinematograph films	lin. ft.	77,599,452	73,859,662	77,214,210	71,583,802	85,205,968
	£	599,723	565,455	573,671	509,575	532,653
Drugs, chemicals, and fertilizers	£	5,304,092	5,598,553	6,005,343	5,593,553	6,101,337
Arms and explosives	£	54,018	1,080,108	(b)	(b)	(b)
Musical instruments, pianos, etc.	£	178,033	175,761	117,794	66,713	54,436
All other articles	£	34,068,634	31,883,688	(b)	(b)	(b)
Total Imports	£	113,975,060	102,156,352	115,675,505	108,650,056	140,355,707

(a) Excludes undressed timber not measured in super. ft. (b) Not available for publication.  
(c) Merchandise only.

4. Exports of Principal Articles of Australian Produce.—(i) Quantities. The following table shows the quantities of the principal articles of Australian produce exported during the period 1937-38 to 1941-42. The articles are shown in the order in which they appear in the detailed classification.

## PRINCIPAL COMMODITIES EXPORTED : QUANTITIES, AUSTRALIA.

Article.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
Butter .. .. . centl.	1,973,456	2,295,428	2,523,191	1,957,086	1,303,472
Cheese .. .. . "	272,454	359,236	430,558	339,078	314,574
Eggs in shell .. .. . doz.	11,287,363	10,144,344	10,279,346	17,881,732	6,306,532
Beef .. .. . centl.	2,938,035	2,719,638	2,852,421	1,986,250	1,172,565
Lamb .. .. . "	1,595,562	1,583,327	2,010,394	2,199,545	1,643,010
Mutton .. .. . "	422,462	281,558	476,278	189,709	106,389
Pork .. .. . "	339,594	307,164	522,028	748,896	342,404
Milk and cream .. .. . "	247,103	191,039	322,194	563,150	756,505
Fruits, dried .. .. . "	1,457,598	1,681,270	1,157,083	1,467,391	1,488,938
" fresh .. .. . "	2,556,004	2,752,381	1,222,089	351,626	226,746
Barley .. .. . "	2,398,234	1,309,084	1,945,231	456,350	517,194
Wheat .. .. . "	56,702,254	37,877,414	28,555,561	28,174,460	13,387,573
Flour .. .. . "	12,609,073	14,501,304	13,686,055	15,438,107	8,273,681
Sugar (cane) .. .. . cwt.	8,563,500	8,860,280	10,488,640	7,494,140	3,975,780
Wine .. .. . gal.	3,897,086	3,719,401	3,619,804	1,658,007	1,393,803
Tobacco, manufactured .. .. . centl.	8,060	9,665	9,264	10,511	14,883
Wool (in terms of greasy wool) .. .. .	8,554,117	9,469,604	7,949,042	4,908,801	7,363,450
Pearl-shell .. .. . cwt.	53,289	52,532	48,618	37,038	36,868
Sandalwood .. .. . "	24,813	32,962	29,437	34,885	15,195
Tallow (unrefined) .. .. . "	541,136	562,500	805,733	559,470	674,648
Coal .. .. . ton	392,873	382,085	264,649	330,103	241,004
Concentrates .. .. . cwt.	5,411,613	5,916,685	} (a)	(a)	(a)
Copper .. .. . "	38,121	21,555			
Lead .. .. . "	4,089,895	4,099,919			
Zinc—bar, block, dust .. .. . "	618,858	892,630			
Tin—ingots .. .. . "	14,665	29,431	19,826	24,942	3,487
Timber, undressed, including					
Logs (b) .. .. . sup. ft.	101,033,636	77,833,352	62,676,901	(a)	(a)
Soap .. .. . centl.	49,007	49,871	67,720	82,905	79,002

(a) Not available for publication.

(b) Excludes undressed timber not measured in super. ft.

(ii) *Values.* The values of the principal articles of Australian produce exported during each of the last five years are given in the following table:—

## PRINCIPAL COMMODITIES EXPORTED : VALUES, AUSTRALIA.

## Australian Currency Values.

Article.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
	£A.	£A.	£A.	£A.	£A.
Butter .. .. .	10,781,124	12,891,837	15,894,718	11,973,485	8,124,975
Cheese .. .. .	845,110	1,073,931	1,440,131	1,543,909	1,428,111
Eggs in shell .. .. .	686,713	638,159	597,854	1,122,758	402,795
Meats .. .. .	12,250,041	11,776,637	15,109,128	15,815,920	14,094,013
Milk and cream .. .. .	963,836	791,011	1,126,017	1,528,923	2,059,355
Fruits, dried .. .. .	2,683,856	2,864,676	1,993,666	2,487,608	2,567,621
" fresh .. .. .	2,054,322	2,022,874	1,166,588	393,092	239,040
" preserved in liquid .. .. .	1,287,962	1,267,070	1,349,484	802,254	908,258
Barley .. .. .	805,943	341,935	520,521	141,313	171,690
Wheat .. .. .	20,906,601	8,734,974	7,557,370	9,247,836	4,644,793
Flour .. .. .	6,032,321	4,540,210	5,231,485	7,427,132	4,191,382
Sugar (cane) .. .. .	4,026,576	4,177,584	6,185,797	4,880,289	2,636,403
Wine .. .. .	943,241	981,143	933,767	515,551	497,586
Tobacco, manufactured .. .. .	194,217	225,025	119,156	219,074	382,827
Hides and skins .. .. .	6,180,776	4,094,754	4,157,709	4,098,016	5,981,589
Wool .. .. .	46,982,679	42,629,461	56,848,399	39,645,396	58,040,901
Pearl-shell .. .. .	345,580	244,266	224,460	196,263	252,766
Sandalwood .. .. .	36,831	42,330	52,374	61,683	23,272
Tallow (unrefined) .. .. .	620,869	483,034	847,973	561,660	841,719
Coal .. .. .	354,754	347,034	251,055	331,532	259,093
Concentrates .. .. .	2,289,672	1,846,931	(c)	(c)	(c)
Copper .. .. .	33,639	15,656	(c)	(c)	(c)
Lead .. .. .	4,913,762	4,266,566	(c)	(c)	(c)
Zinc—bar, block, slabs, ingots .. .. .	752,090	887,421	(c)	(c)	(c)
Tin—ingots .. .. .	187,469	370,137	(c)	(c)	(c)
Leather .. .. .	703,503	626,198	1,327,057	868,793	766,861
Timber, undressed, including logs (a) .. .. .	1,202,447	926,504	751,535	712,390	700,014
Soap .. .. .	75,878	74,594	102,482	194,926	247,364
Gold .. .. .	13,010,680	14,958,633	(c)	(c)	(c)
Silver .. .. .	1,018,355	992,486	(c)	(c)	(c)
All other articles .. .. .	9,555,010	10,342,670	23,105,384	28,014,023	47,996,047
Total Exports (Australian Produce)					
(b) .. .. .	153,623,857	135,475,761	146,894,316	132,783,856	157,457,475
			(d)	(d)	(d)

(a) Excludes undressed timber not measured in super. feet. (b) Estimated British currency value—1937-38, £ Stg. 122,675,990; 1938-39, £ Stg. 108,188,167; 1939-40, £ Stg. 117,280,890; 1940-41, £ Stg. 106,015,055; 1941-42, £ Stg. 125,714,550. (c) Not available for publication. (d) Merchandise only.

5. Imports of Merchandise, Specie and Bullion.—The table hereunder gives the value in British currency of imports into Australia during each of the last five years grouped under the heading—Merchandise, and Specie and Bullion. The imports of merchandise are shown under the sub-headings of “free” and “dutiable” goods:—

## IMPORTS OF MERCHANDISE, SPECIE AND BULLION : AUSTRALIA.

*British Currency Values.*

Year.	Merchandise.			Specie and Bullion.	Total Imports.
	Free Goods.	Dutiable Goods.	Total Merchandise.		
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
1937-38 ..	44,211,749	67,521,505	111,733,254	2,241,806	a113,975,060
1938-39 ..	40,665,193	58,647,957	99,313,150	2,843,202	a102,156,352
1939-40 ..	50,294,728	65,380,777	b115,675,505	} (c)	(c)
1940-41 ..	62,600,283	46,049,773	b108,650,056		
1941-42 ..	99,180,381	50,175,416	b149,355,797		

(a) Estimated Australian currency value—1937-38, £A.142,753,763; 1938-39, £A.127,950,831. (b) 1939-40, £A.144,883,570; 1940-41, £A.136,084,197; 1941-42, £A.187,068,136. (c) Not available for publication.

6. Exports of Merchandise, Specie and Bullion.—The next table shows the recorded value of exports from Australia during each of the last five years, grouped under the headings—Merchandise, and Specie and Bullion, giving the exports of Australian Produce and Other Produce separately:—

## EXPORTS OF MERCHANDISE, SPECIE AND BULLION : AUSTRALIA.

Year.	Merchandise.			Specie and Bullion.			Total Exports.
	Australian Produce.	Other Produce.	Total Merchandise.	Australian Produce.	Other Produce.	Total Specie and Bullion.	
	£	£	£	£	£	£	£
1937-38	(a)138,693,095	1,939,705	140,632,800	14,930,762	2,016,558	16,947,320	157,580,120
	(b)110,733,009	1,548,667	112,281,676	11,942,981	1,613,222	13,556,203	125,837,879
1938-39	(a)119,524,594	2,008,706	121,533,300	15,951,167	3,011,845	18,963,012	140,496,312
	(b)95,428,818	1,603,757	97,032,575	12,759,349	2,409,448	15,168,797	112,201,372
1939-40	(a)146,894,316	1,855,242	148,749,558	} (c)	(c)	(c)	(c)
	(b)117,280,891	1,481,231	118,762,122				
1940-41	(a)132,783,856	1,953,721	134,737,577	} (c)	(c)	(c)	(c)
	(b)106,015,055	1,559,857	107,574,912				
1941-42	(a)157,457,475	1,871,023	159,328,498	} (c)	(c)	(c)	(c)
	(b)125,714,550	1,493,831	127,208,381				

(a) Australian currency values. (b) British currency values. (c) Not available for publication.

7. Imports in Tariff Divisions.—In the following table the imports into Australia during the last five years have been classified in accordance with the sixteen divisions of the Customs Tariff.

## IMPORTS IN TARIFF DIVISIONS : AUSTRALIA.

*British Currency Values.*

Tariff Division.	Imports.				
	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
	£ Stg.				
I. Ale, Spirits, and Beverages .. ..	940,419	914,006	1,258,250	750,062	495,378
II. Tobacco and preparations thereof ..	2,011,004	1,863,887	1,926,516	495,351	912,784
III. Sugar .. ..	31,545	40,034	43,961	46,791	74,792
IV. Agricultural Products and Groceries ..	6,438,463	6,331,568	7,522,654	6,816,246	7,359,973
V. Textiles, Felts and Furs, and Manufactures thereof, and Attire .. ..	18,648,002	15,921,221	21,993,120	21,310,113	25,353,237
VI. Metals and Machinery	26,736,437	22,168,275	21,920,137	25,127,592	29,022,093
VII. Oils, Paints, and Varnishes .. ..	10,269,721	9,559,838	13,610,874	9,886,314	13,779,610
VIII. Earthenware, Cement, China, Glass, and Stone .. ..	2,581,309	2,308,556	2,407,329	2,108,312	2,429,076
IX. Drugs and Chemicals	3,821,966	4,035,376	4,406,467	4,221,101	4,570,606
X. Wood, Wicker, and Cane .. ..	2,770,894	2,114,721	2,079,313	1,118,745	753,210
XI. Jewellery and Fancy Goods .. ..	2,203,995	2,045,947	2,120,209	1,513,943	1,546,211
XII. Hides, Leather, and Rubber .. ..	2,142,089	1,875,175	2,756,456	2,912,570	2,944,848
XIII. Paper and Stationery	7,133,843	6,473,254	7,638,922	6,529,865	4,781,139
XIV. Vehicles .. ..	10,415,428	9,263,302	11,273,138	12,058,149	22,800,931
XV. Musical Instruments	178,033	285,638	208,753	66,713	54,436
XVI. Miscellaneous .. ..	10,914,478	10,400,018	10,313,008	10,379,812	29,565,187
— Free Goods not specially mentioned in Tariff .. ..	4,495,628	3,712,334	4,190,398	3,308,377	2,912,286
Total Merchandise ..	111,733,254	99,313,150	115,675,505	108,650,056	149,355,797
Specie and Bullion ..	2,241,806	2,843,202	(a)	(a)	(a)
Grand Total .. ..	113,975,060	102,156,352	(a)	(a)	(a)

(a) Not available for publication.

8. Imports and Net Customs Revenue.—The percentage of net Customs revenue collected on the total value of all merchandise imported in each year was as follows:—1937-38, 20.4 per cent.; 1938-39, 21.9 per cent.; 1939-40, 20.6 per cent.; 1940-41, 18.0 per cent.; and 1941-42, 11.1 per cent. Primage duty was in force during these years, and adding this to net Customs revenue, the percentages were as follows:—1937-38, 23.5 per cent.; 1938-39, 25.0 per cent.; 1939-40, 23.7 per cent.; 1940-41, 20.5 per cent.; and 1941-42, 12.7 per cent. The percentages of net Customs revenue, omitting primage, on the total value of dutiable goods only were—1937-38, 33.7 per cent.; 1938-39, 36.9 per cent.; 1939-40, 36.4 per cent.; 1940-41, 42.5 per cent.; and 1941-42, 32.9 per cent. The calculations are based on uniform currency values and on the assumption that the value of clearances approximated to the value of imports during the same period.

9. Protective and Revenue Customs Duties.—In the following table the value of goods cleared for home consumption classified under protective and revenue duties and the gross duty collected are shown for the United Kingdom and other countries :—

**IMPORTS (CLEARANCES) CLASSIFIED UNDER PROTECTIVE AND REVENUE DUTIES : AUSTRALIA.**

*Australian Currency Values.*

Item.	1937-38.			1938-39.			1939-40.		
	United Kingdom.	Other Countries.	Total.	United Kingdom.	Other Countries.	Total.	United Kingdom.	Other Countries.	Total.
	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.
Dutiable Goods :—									
Protective .. ..	11,940	9,758	21,698	10,981	9,479	20,460	10,866	8,929	19,795
Revenue .. ..	16,141	43,917	60,058	13,623	38,036	51,659	16,674	43,146	59,820
<b>Total Dutiable Goods</b>	<b>28,081</b>	<b>53,675</b>	<b>81,756</b>	<b>24,604</b>	<b>47,515</b>	<b>72,119</b>	<b>27,540</b>	<b>52,075</b>	<b>79,615</b>
Free Goods .. ..	28,151 (a)	26,842 (a)	58,183	22,607 (a)	26,119 (a)	54,536	24,355 (a)	33,447 (a)	68,155
<b>Total All Goods</b>	<b>56,232 (a)</b>	<b>80,517 (a)</b>	<b>139,939</b>	<b>47,211 (a)</b>	<b>73,634 (a)</b>	<b>126,655</b>	<b>51,895 (a)</b>	<b>85,522 (a)</b>	<b>147,770</b>

**PERCENTAGE OF TOTAL GOODS CLEARED FOR HOME CONSUMPTION.**

	%	%	%	%	%	%	%	%	%
Dutiable Goods :—									
Protective .. ..	8.6	6.9	15.5	8.6	7.5	16.1	7.4	6.0	13.4
Revenue .. ..	11.5	31.4	42.9	10.8	30.0	40.8	11.3	29.2	40.5
<b>Total Dutiable Goods ..</b>	<b>20.1</b>	<b>38.3</b>	<b>58.4</b>	<b>19.4</b>	<b>37.5</b>	<b>56.9</b>	<b>18.7</b>	<b>35.2</b>	<b>53.9</b>
Free Goods .. ..	20.1	19.2	41.6	17.9	20.6	43.1	16.5	22.6	46.1
<b>Total All Goods .. ..</b>	<b>40.2</b>	<b>57.5</b>	<b>100.0</b>	<b>37.3</b>	<b>58.1</b>	<b>100.0</b>	<b>35.2</b>	<b>57.8</b>	<b>100.0</b>

**GROSS CUSTOMS DUTY COLLECTED.**

	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.
Dutiable Goods :—									
Protective .. ..	2,335	4,040	6,375	2,139	3,991	6,130	1,999	3,585	5,584
Revenue .. ..	1,984	21,199	23,183	1,783	20,449	22,232	2,228	23,238	25,466
<b>Total Dutiable Goods ..</b>	<b>4,319</b>	<b>25,239</b>	<b>29,558</b>	<b>3,922</b>	<b>24,440</b>	<b>28,362</b>	<b>4,227</b>	<b>26,823</b>	<b>31,050</b>

**AVERAGE AD VALOREM RATE OF DUTY ON GOODS CLEARED FOR HOME CONSUMPTION.**

	%	%	%	%	%	%	%	%	%
Dutiable Goods :—									
Protective .. ..	19.6	41.4	29.4	19.5	42.1	30.0	18.4	40.2	28.2
Revenue .. ..	12.3	48.3	38.6	13.1	53.8	43.0	13.4	53.9	42.6
<b>Total Dutiable Goods ..</b>	<b>15.4</b>	<b>47.0</b>	<b>36.2</b>	<b>15.9</b>	<b>51.4</b>	<b>39.3</b>	<b>15.3</b>	<b>51.5</b>	<b>39.0</b>

(a) Excludes goods admitted free for Commonwealth, Consuls, etc., and free reimported not distributed according to United Kingdom and other origin.

### § 10. Ships' Stores.

Prior to 1906 goods shipped in Australian ports on board oversea vessels as ships' stores were included in the general exports. From 1906, ships' stores have been specially recorded as such, and have been omitted from the export figures. The value of these stores shipped each year during the period 1932-33 to 1941-42, showing fuel oils separately, is given in the following table:—

VALUE OF STORES SHIPPED ON OVERSEA VESSELS—AUSTRALIA.

Period.	Fuel Oils.	All Stores (including Fuel Oils). <sup>(a)</sup>	Period.	Fuel Oils.	All Stores (including Fuel Oils). <sup>(a)</sup>
	£ A.	£ A.		£ A.	£ A.
1932-33 ..	516,653	1,621,640	1937-38 ..	610,080	2,091,249
1933-34 ..	527,683	1,620,907	1938-39 ..	606,515	2,105,619
1934-35 ..	570,920	1,712,547	1939-40 ..	921,144	2,539,848
1935-36 ..	562,927	1,808,291	1940-41 ..	1,674,133	3,528,555
1936-37 ..	493,327	1,740,437	1941-42 ..	3,395,337	5,791,983

(a) Estimated British currency value—1932-33, £ Stg. 1,294,723; 1933-34, £ Stg. 1,294,137; 1934-35, £ Stg. 1,367,303; 1935-36, £ Stg. 1,443,745; 1936-37, £ Stg. 1,389,570; 1937-38, £ Stg. 1,669,660; 1938-39, £ Stg. 1,681,133; 1939-40, £ Stg. 2,027,823; 1940-41, £ Stg. 2,817,210; 1941-42, £ Stg. 4,624,338.

In addition to fuel oils, the principal items of ships' stores supplied to oversea vessels in 1941-42 were—Bunker coal, £A509,069; meats, £A333,157; tobacco and cigarettes, £A118,694; vegetables, £A91,980; ale, beer and porter, £A94,458; butter, £A64,305; and fish, £A58,256.

The net Customs duty collected on ships' stores carried to Australia on oversea vessels and consumed in Australian waters amounted in 1941-42 to £A33,191.

### § 11. Movement of Specie and Bullion.

1. Imports and Exports.—The following tables show the values of gold and silver specie and bullion, and of bronze specie imported into and exported from Australia during the years 1934-35 to 1938-39.

Particulars for subsequent years are not available for publication.

IMPORTS AND EXPORTS, SPECIE AND BULLION: AUSTRALIA.

Items.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
<b>IMPORTS.</b>					
	£ Stg.				
Gold—Specie ..	206	1,093	69	1,070	14,637
Bullion ..	1,679,380	1,634,417	1,998,311	2,191,969	2,757,488
Total ..	1,679,586	1,635,510	1,998,380	2,193,039	2,772,125
Silver—Specie ..	3,057	77,939	34,092	29,576	50,738
Bullion ..	15,704	17,333	16,211	18,866	20,143
Total ..	18,761	95,272	50,303	48,442	70,881
Bronze—Specie ..	142	345	199	325	196
GRAND TOTAL <sup>(a)</sup>	1,698,489	1,731,127	2,048,882	2,241,806	2,843,202

(a) Estimated Australian currency value—1934-35, £A2,127,357; 1935-36, £A2,168,237; 1936-37, £A2,566,225; 1937-38, £A2,807,862; 1938-39, £A3,561,111.

IMPORTS AND EXPORTS, SPECIE AND BULLION : AUSTRALIA—continued.

Items.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
<b>EXPORTS.</b>					
	£A.	£A.	£A.	£A.	£A.
Gold—Specie ..	206,618	994,924	181,785	96,820	110,204
Bullion ..	9,609,980	11,532,943	13,705,405	15,815,523	17,843,088
Total ..	9,816,598	12,527,867	13,887,190	15,912,343	17,953,292
Silver—Specie ..	106,122	151,671	101,947	43,232	42,726
Bullion ..	530,822	874,495	587,974	989,296	966,716
Total ..	636,944	1,026,166	689,921	1,032,528	1,009,442
Bronze—Specie ..	2,899	2,213	3,266	2,449	278
Total—					
Australian Produce	8,694,612	11,700,284	12,495,809	14,930,762	15,951,167
Other Produce ..	1,761,829	1,855,962	2,084,568	2,016,558	3,011,845
GRAND TOTAL(a)	10,456,441	13,556,246	14,580,377	16,947,320	18,963,012

(a) Estimated British currency value—1934-35, £ Stg. 8,365,212; 1935-36, £ Stg. 10,843,354; 1936-37, £ Stg. 11,663,195; 1937-38, £ Stg. 13,556,203; 1938-39, £ Stg. 15,168,797.

2. Imports and Exports by Countries.—The next table shows the imports and exports of specie and bullion from and to various countries during the year 1938-39:— Particulars for subsequent years are not available for publication.

IMPORTS AND EXPORTS OF SPECIE AND BULLION BY COUNTRIES : AUSTRALIA, 1938-39.

Country.	Imports.			Exports.		
	Specie.	Bullion.	Total.	Specie.	Bullion.	Total.
	£ Stg.	£ Stg.	£ Stg.	£A.	£A.	£A.
Australia (a) ..	50,918	..	50,918	..	..	..
United Kingdom ..	13,331	976	14,307	109,240	1,909,128	2,018,368
Ceylon ..	..	..	..	..	903,829	903,829
India ..	..	..	..	..	23,533	23,533
Malaya (British) ..	..	..	..	200	..	200
New Zealand ..	..	379,144	379,144	5,446	459	5,905
Pacific Islands—						
Fiji ..	..	699,824	699,824	..	..	..
Gilbert and Ellice Islands Colony ..	..	..	..	140	..	140
Nauru ..	..	..	..	500	..	500
Papua ..	..	85,461	85,461	615	..	615
Solomon Islands ..	..	582	582	75	..	75
Territory of New Guinea ..	..	1,600,691	1,600,691	30,581	..	30,581
Union of South Africa ..	..	10,044	10,044	..	..	..
Total, British Countries ..	64,249	2,776,722	2,840,971	146,797	2,836,949	2,983,746
France ..	..	..	..	..	7,327	7,327
Germany ..	..	..	..	..	7,745	7,745
Netherlands East Indies ..	..	..	..	6,403	..	6,403
Switzerland ..	..	869	869	..	..	..
United States of America ..	1,322	40	1,362	8	15,957,783	15,957,791
Total, Foreign Countries ..	1,322	909	2,231	6,411	15,972,855	15,979,266
GRAND TOTAL ..	65,571	2,777,631	2,843,202 (b)	153,208	18,809,804	18,963,012 (c)

(a) Australian produce reimported. (b) Estimated Australian currency value—£A3,561,111. (c) Estimated British currency value—£ Stg. 15,168,797.

### § 12. Exports according to Industries.

1. *Classification.*—The following table gives an analysis of the exports of Australian produce according to the main classes of industry in which the goods were produced for the years 1940-41 and 1941-42 in comparison with those for the year 1913. The index-number based on the year 1913 shows the variations in the total recorded value only of exports in each industrial group, and has not been adjusted either for price-changes or in accordance with the variation of the Australian £ in relation to sterling.

A graph is published on page 406 of this chapter which shows the value of exports of Australian produce according to industrial groups from 1920-21 to 1941-42.

#### EXPORTS OF AUSTRALIAN PRODUCE ACCORDING TO INDUSTRIAL ORIGIN. VALUE OF EXPORTS.

Industrial Group.	1913.(a)		1940-41.		1941-42.	
	£A.	Index No.	£A.	Index No.	£A.	Index No.
Agriculture .. ..	10,677,734	100	28,270,886	265	18,780,646	176
Pastoral .. ..	42,057,346	100	60,132,922	143	79,463,602	189
Dairy and Farmyard .. ..	3,854,734	100	17,005,424	441	13,632,468	354
Mines and Quarries (b) .. ..	21,926,310	100	22,472,392	102	23,455,574	107
Fisheries .. ..	424,849	100	228,109	54	329,718	78
Forestry .. ..	1,106,549	100	1,053,966	95	859,116	78
<b>Total, Primary Produce</b>	<b>80,047,522</b>	<b>100</b>	<b>129,163,699</b>	<b>161</b>	<b>136,521,124</b>	<b>171</b>
<b>Manufacturing .. ..</b>	<b>2,304,693</b>	<b>100</b>	<b>20,352,758</b>	<b>883</b>	<b>36,115,143</b>	<b>1,567</b>
<b>Total .. ..</b>	<b>82,352,215</b>	<b>100</b>	<b>149,516,457</b>	<b>182</b>	<b>172,636,267</b>	<b>210</b>

(a) Base year. (b) Australian production of gold substituted for exports of gold each year. (c) Estimated British currency value, 1940-41, £ Stg. 119,374,416, index-number 145; 1941-42, £ Stg. 137,833,346, index-number 167.

2. *Relative Importance of Industrial Groups.*—In the previous table the value of commodities in each industrial group of exports of Australian produce is that recorded at date of shipment from Australia, with the exception that the value of the production of gold in Australia in each year has been substituted in the Mines and Quarries group for actual shipments of gold in each year. This has been done to eliminate the exports of gold for monetary purposes. In order of importance the pastoral group occupied the highest place and in 1913 the value of commodities included in this group represented 51.1 per cent. of the total exports, as compared with 40.2 per cent. in 1940-41, and 46.0 per cent. in 1941-42.

Exports of agricultural produce rank next in importance and were lower in 1941-42 than in the previous year. From 13.0 per cent. of the total exports in 1913, agricultural produce increased to 18.9 per cent. in 1940-41 but declined again to 10.9 per cent. in 1941-42.

According to value, exports of dairy and farmyard produce increased from 4.7 per cent. in 1913 to 11.4 per cent. in 1940-41, but also declined in 1941-42 to 7.9 per cent. Though the products of mines and quarries declined seriously subsequently to the year 1913, a recovery has been made in more recent years, the figures for 1941-42 representing 13.6 per cent. of the total exports. The manufacturing groups of exports, which represented 2.8 per cent. in 1913, increased to 20.9 per cent. in 1941-42.

Compared with the year 1913, exports of agricultural produce in 1941-42 showed an increase of 76 per cent., pastoral produce 89 per cent., dairy and farmyard produce 254 per cent., mines and quarries 7 per cent., the manufacturing group 1,467 per cent., and total exports 110 per cent. The exports of the products of fisheries and forests were 22 per cent. lower in 1941-42 than in 1913.

3. Australian Production and Exports according to Industry.—The following table shows the total values of Australian production and Australian exports during the period of ten years, 1931–32 to 1940–41, classified according to industries; the proportion of each industrial group to total production and to total exports; and in the last column the percentage exported of the production of each industrial group:—

VALUE OF AUSTRALIAN PRODUCTION AND EXPORTS, ACCORDING TO INDUSTRY: 1931–32 TO 1940–41.

*Australian Currency Values.*

Industrial Group.	Value of Production during Ten Years.	Percentage on Total Production.	Value of Exports during Ten Years.	Percentage on Total Exports.	Percentage Exported of the Production in each Industrial Group.
	£A'000.	%	£A'000.	%	%
Agriculture .. ..	793,007	18.76	294,599	22.29	37.15
Pastoral .. ..	895,238	21.17	619,158	46.84	69.16
Dairy and Farmyard .. ..	506,226	11.97	133,212	10.08	26.31
Mining .. ..	258,860	6.12	181,062	13.70	69.95
Forestry and Fisheries .. ..	121,406	2.87	12,076	0.91	9.95
Total, Primary Produce ..	2,574,737	60.89	1,240,107	93.82	48.16
Manufacturing .. ..	1,653,333	39.11	81,642	6.18	(a)4.94
Total .. ..	4,228,070	100.00	1,321,749	100.00	31.26

(a) See letterpress in the concluding paragraph of this section.

The figures relating to value of production and value of exports are subject to the qualifications mentioned previously. A period of ten years is embraced, and the values of production and of exports therein give a very fair index of the relative importance of the several industrial groups. Of the total production 60.89 per cent. was classified as primary produce and 39.11 per cent. as manufactured articles. The main contributing groups in the primary produce section were pastoral with 21.17 per cent., agriculture with 18.76 per cent., and dairy and farmyard produce with 11.97 per cent. of the total production.

Exports of primary produce represented 93.82 per cent. of the total exports. The primary groups in order of value were pastoral 46.84 per cent., agricultural 22.29 per cent., mining 13.70 per cent., dairy and farmyard 10.08 per cent., and forestry and fisheries 0.91 per cent. The manufacturing group accounted for the other 6.18 per cent.

The figures in the last column of the table are of special interest, as they show the percentage exported of the production of each industrial group. Of the total primary production during the period, 48.16 per cent. was exported. Approximately 37 per cent. of the agricultural production, 69 per cent. of the pastoral production, 26 per cent. of the dairy and farmyard production, 70 per cent. of the mining production, and 10 per cent. of the production of forestry and fisheries combined were sent abroad.

The total exports of gold bullion and specie are not included in the value of exports of the mining industry, the actual production of gold during the period being taken.

On account of the inherent difficulties of classifying production and exports by industries, the figures given for the manufacturing industry should not be interpreted too literally. In the first place, the value of manufacturing "production" stated is not the total value of output, but only the "value added" by manufacturing processes, while the value of manufactured exports represents the total value of the goods, including raw materials, etc. Secondly, some of the exported goods classified as primary produce have been increased in value by manufacturing processes, but have not been changed in form sufficiently to warrant their inclusion as manufactured products, e.g., flour, butter and sugar.

### § 13. Australian Index of Export Prices.

1. **The Old Annual Series.**—With the exception of a few years after 1929–30 an annual index of export prices has been published by this Bureau since its inception. An index was at first obtained by valuing the exports (other than gold) of each successive year at the prices of 1901, and dividing the values so obtained into the export values actually recorded. These computations were carried back to 1901. In 1918 the procedure was changed and brought into harmony with the methods adopted by the Bureau for constructing other price indexes. The average quantities of the principal exports (other than gold) for the nineteen and a half years from 1st January, 1897, to 30th June, 1916, were taken, and valued at the prices of each successive year. Comparisons of the resulting totals for different years were assumed to give the required comparisons of export price-levels for those years. The two methods would, however, give the same results only if the proportion of different exports for each year in question was the same as the average for the nineteen and a half years. The proportion was, in fact, varying appreciably from year to year with the seasons. The old index was, therefore, based on a different system of weighting in each year, so that the results were not comparable for different years. The new method gave comparable and satisfactory results so long as the proportion of different exports was not widely different from the average of 1897 to 1916. After the War of 1914–19, however, the relative importance of different exports changed considerably. By about 1930 it began to appear that the change was great enough to throw some doubt on the accuracy of the index. It was published with increasing reluctance until 1929–30, after which it was withdrawn from publication.

Following that year endeavours were made to design and compile new series of index-numbers which would reflect more accurately the short- and intermediate-period fluctuations in export prices.

2. **The New Monthly Series.**—An attempt was made to overcome some of the difficulties occasioned by variations in the proportions of the different exports by compiling two separate series of monthly index-numbers. The first series was compiled in very much the same way as the old annual index-numbers, although certain important changes have been made in the data utilized. These are described below. For the present it may be noted that the purpose of this index is to provide comparisons, over a limited number of years, of the level of prices of those commodities normally exported from Australia, making no allowance for any benefit or disadvantage accruing from variations during the period in the relative proportions of the different kinds of exports. It is thus an index purely of price changes. The second series was designed for shorter-period comparisons—from one or more months of the current year to the corresponding months of the previous year. The latter is compiled in such a way as to take closer account of the actual quantities of each article exported at current prices; and hence to indicate with rather greater accuracy the extent to which price-movements have affected the actual value of our current exports. It will be clear, therefore, that the two series are designed to measure different things, any differences between the results being explicable on wider grounds than mere differences in formulae.

Reference has already been made to the fact that the data on which the new series are based differ from those utilized in the old series of annual index-numbers. These changes apply to both of the new series.

The most important change was the use of actual (or calculated) export parities, based on actual price quotations, in place of the "unit-values" declared at the Customs. Declared unit values are not satisfactory even in an annual index-number, partly because the returns are not always sufficiently accurate, and partly because there is a constant variation in the proportions of different grades and qualities included in the actual exports of any given period. An obvious example of the latter type of inaccuracy is furnished by the case of wool, the poorer grades of which are shipped during certain months of the off-season. In a monthly series of index-numbers, declared unit-values are even less satisfactory, as the difficulties are greatly magnified over short periods, during which the inaccuracies have little chance of averaging out.

Moreover, the export parities have in all cases been based on prices f.o.b. Australian ports. Where freight and selling charges form an appreciable percentage of the selling price, the use of unadjusted oversea quotations results in some distortion of the amplitude of the percentage fluctuations in prices.

The old index took no account of gold exports. The omission is natural and reasonable for countries which produce little or no gold. For gold-producing countries, although some exports of gold would be irrelevant (e.g., the Australian shipments of gold reserves during the depression), the exports of newly-produced gold should be taken into account. In the new series, therefore, gold is included, but the weight given to it is not the quantity exported but the quantity produced.

Each series of index-numbers takes account of 20 items, which constitute about 85 per cent. of the total value of exports of merchandise and silver and gold production.

3. **Monthly Index (Fixed Weights).**—The original "multipliers" used for the first series of index-numbers were, in round figures, the average annual exports (or production, in the case of gold) during the five years 1928-29 to 1932-33. This period was chosen some time ago as being fairly representative of the mutual relationship of the different export commodities over the period from 1928 to 1933 and, so far as it was possible to judge at the time, over the ensuing few years. As from July, 1936, the "multipliers", were revised to bring them into accord with observed changes in the composition of Australian exports. They are now based on the average annual exports (production in the case of gold) during the three years 1933-34 to 1935-36. The break of continuity has been bridged by the usual method of splicing.

The twenty items, together with the units of quantity and the "multipliers", are given in the following table. It should be noted that (i) the "multiplier" allotted to wheat has been increased to take into account the "wheat equivalent" of flour exported; (ii) that allotted to greasy wool has been increased to take into account the "greasy equivalent" of scoured wool, tops and wool on skins; and (iii) those allotted to metals have been increased to take into account the metallic contents of ores and concentrates exported. This is the only satisfactory method of dealing with these commodities, for which it is not possible to secure satisfactory export price quotations in their own right.

**EXPORT PRICE INDEX : WEIGHTING SYSTEM (FROM 1st JULY, 1936).**

Item.	Unit of Quantity.	Quantity "Multipliers" for New Index-numbers.	Percentage Value Weights if applied to 1942-43.
1. Wheat (and wheat equivalent of flour) ..	Bushel	101,000,000	15.78
2. Sultanas .. .. .	Ton	38,200	1.29
3. Lexias .. .. .	"	3,000	0.11
4. Currants .. .. .	"	13,400	0.36
5. Sugar (cane) .. .. .	"	305,000	3.22
6. Wool (as in the grease) .. .. .	lb.	975,000,000	46.60
7. Tallow .. .. .	Cwt.	600,000	0.67
8. Cattle hides .. .. .	lb.	28,000,000	0.74
9. Calfskins .. .. .	"	1,800,000	0.10
10. Beef (frozen) .. .. .	"	182,000,000	2.60
11. Lamb (frozen) .. .. .	"	138,000,000	3.03
12. Mutton (frozen) .. .. .	"	44,000,000	0.50
13. Pork (frozen) .. .. .	"	16,000,000	0.39
14. Butter .. .. .	Cwt.	2,140,000	11.34
15. Silver .. .. .	Oz.	7,300,000	0.65
	(standard)		
16. Copper .. .. .	Ton	3,600	0.16
17. Tin .. .. .	"	1,300	0.27
18. Zinc .. .. .	"	99,000	1.62
19. Lead .. .. .	"	208,500	3.30
20. Gold (production) .. .. .	Oz. (fine)	937,000	7.27
			100.00

The relative importance of the several items in the whole index is roughly indicated in the last column, which shows in percentage form the "value aggregates" for 1942-43, i.e., the average prices for that year multiplied by the "quantity multipliers."

The monthly index-numbers of export prices for the period January, 1933, to December, 1943, are set out in the following table:—

### MONTHLY EXPORT PRICE INDEX : AUSTRALIA.

(Base : Average three years ended June, 1939 = 1,000.)

Month.	1933.	1934.	1935.	1936.	1937.	1938.	1939.	1940.	1941.	1942.	1943.
January ..	696	998	737	981	1,216	959	830	1,031	1,036	1,063	1,143
February ..	658	965	721	990	1,187	935	827	1,031	1,043	1,062	1,141
March ..	648	939	717	998	1,256	928	807	1,033	1,048	1,062	1,147
April ..	656	923	769	1,004	1,271	918	801	1,034	1,048	1,063	1,147
May ..	713	859	818	1,004	1,249	921	801	1,036	1,047	1,064	1,147
June ..	771	823	829	949	1,202	886	823	1,037	1,048	1,058	1,147
July ..	837	788	834	977	1,212	902	835	1,034	1,049	1,139	1,148
August ..	840	797	844	1,022	1,210	872	830	1,031	1,051	1,138	1,157
September ..	900	738	907	1,004	1,145	840	942	1,033	1,052	1,139	1,152
October ..	859	717	952	1,042	1,118	849	977	1,034	1,056	1,136	1,159
November ..	907	708	942	1,135	1,019	834	980	1,036	1,061	1,138	1,172
December ..	902	699	935	1,169	1,012	822	986	1,034	1,061	1,136	1,175
Average	793	830	834	1,023	1,173	888	872	1,033	1,050	1,100	1,153

4. **Monthly Index (Changing Weights).**—The second series of the new index-numbers is designed merely for comparisons with the corresponding month, or period of months, of the previous year. The same price quotations are used, but the "multipliers" are much more closely in accord with the actual experience of the periods in question.

For any given month, the procedure is to multiply the price of each commodity in that month, and its price in the corresponding month of the previous year, by the quantity exported during the given month. A comparison of the resulting aggregates gives one possible measure of the change in prices over the period; i.e., the change assuming that the proportions of the different kinds of exports whose prices are to be measured were the same as their proportions in the given month. Another possible measure is given by assuming that the proportions of the different kinds of exports in the given month had been the same as their proportions in the corresponding month of the previous year. Accordingly the first step in the procedure is repeated, substituting the quantities exported during the corresponding month of the previous year.

The index-numbers so obtained have been proved over a period of years to lie very close together. As it is convenient for practical reasons to have one single figure rather than two close alternatives the two index-numbers are multiplied together and the square root of the product extracted. This is taken to be the index-number for the month, the prices of the corresponding month of the previous year being taken as base.

The index-numbers for two or more months of one year, as compared with the corresponding period of the previous year, are computed in very much the same way. The process merely involves the cumulative addition of the aggregates computed for the individual months, and extraction of the index-numbers as explained above.

Index numbers computed on this basis are shown in the following table for the years 1941-42 and 1942-43 :-

**MONTHLY EXPORT PRICE INDEX (CHANGING WEIGHTS) : AUSTRALIA.**  
(Base : Weighted Average Price Level in corresponding months of preceding year = 1,000.)

Month.	1941-42.		1942-43.	
	Month stated compared with same month of preceding year.	Period of trade year ending in month stated compared with same period of preceding year.	Month stated compared with same month of preceding year.	Period of trade year ending in month stated compared with same period of preceding year.
July .. .. .	1,021	1,021	1,090	1,090
August .. .. .	1,018	1,019	1,079	1,085
September .. .. .	1,019	1,019	1,080	1,083
October .. .. .	1,015	1,018	1,073	1,081
November .. .. .	1,022	1,019	1,068	1,078
December .. .. .	1,028	1,020	1,049	1,073
January .. .. .	1,022	1,021	1,068	1,072
February .. .. .	1,012	1,020	1,075	1,072
March .. .. .	1,006	1,018	1,105	1,076
April .. .. .	1,016	1,018	1,097	1,079
May .. .. .	1,018	1,018	1,086	1,080
June .. .. .	1,012	1,018	1,110	1,083

Monthly export price index-numbers are issued in regular press notices, and in the *Monthly Review of Business Statistics*.

### § 14. External Trade of Australia and other Countries.

1. **Essentials of Comparisons.**—Direct comparisons of the external trade of any two countries are possible only when the general conditions prevailing therein, and the system of record, are more or less identical. For example, in regard to the mere matter of record, it may be observed that in one country the value of imports may be the value at the port of shipment, while in another the cost of freight, insurance and charges may be added thereto. Again, the values of imports and exports in the one may be declared by merchants, whereas in the other they may be the official prices fixed from time to time by a commission constituted for the purpose. In later years, moreover, a very substantial difference in the value of imports would arise from the different methods of converting the moneys of foreign countries, i.e., from the application of current rates of exchange or of the mint par. Lastly, the figures relating to the external trade of any country are also affected in varying degree by the extent to which they include transit or re-export trade. This class of trade represents a much greater proportion of the trade of Switzerland and Belgium than that of other countries. France and the United Kingdom also re-export largely, whereas in Canada, Australia and New Zealand the same class of trade represents a comparatively small proportion of the total trade.

2. **"Special Trade" of Various Countries.**—Special trade may be defined according to the interpretation of the British Board of Trade, as (a) imports entered for consumption in the country (as distinguished from imports for transshipment or re-export), and (b) exports of domestic products.

In the following table the figures relate as nearly as possible to imports entered for consumption in the various countries specified, and to exports of their domestic products. It is to be noted, however, that these figures do not invariably denote the same thing throughout, since, in the United Kingdom and other manufacturing countries, raw or partly manufactured materials are imported as for home consumption, and, after undergoing some process of manufacture or further modification, are re-exported as domestic production. Nevertheless, a comparison of this character reveals approximately the extent of the external trade which otherwise would not be manifest. The latest figures relating to foreign countries have been extracted from the *Statistical Year Book of the League of Nations*.

**IMPORTS FOR HOME CONSUMPTION, AND EXPORTS OF DOMESTIC PRODUCTS  
(MERCHANDISE ONLY) : VARIOUS COUNTRIES, 1939.**

Country.	Trade.			Trade per Inhabitant.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£'000,000	£'000,000	£'000,000	£ s. d.	£ s. d.	£ s. d.
	Stg.	Stg.	Stg.	Stg.	Stg.	Stg.
Australia (a) ..	115.7	118.8	234.5	16 10 8	16 19 6	33 10 2
United Kingdom	885.5	439.5	1,325.0	18 12 1	9 4 8	27 16 9
Canada ..	165.2	203.5	368.7	14 13 8	18 1 7	32 15 3
India ..	124.0	145.1	269.1	0 6 9	0 7 11	0 14 8
New Zealand ..	39.5	44.8	84.3	25 13 2	29 2 3	54 15 5
Union of South Africa ..	90.4	33.9	124.3	8 18 0	3 6 8	12 4 8
Argentine Republic ..	93.7	110.0	203.7	7 4 7	8 9 8	15 14 3
Belgium ..	135.4	150.1	285.5	16 2 11	17 18 0	34 0 11
China ..	36.0	27.7	63.7	0 1 7	0 1 3	0 2 10
Munchuria ..	100.7	38.1	138.8	2 14 6	1 0 7	3 15 1
Denmark ..	87.1	78.7	165.8	22 19 4	20 15 2	43 14 6
France ..	195.2	143.0	338.2	4 13 0	3 8 2	8 1 2
Germany ..	287.4	298.2	585.6	3 12 7	3 15 4	7 7 11
Italy ..	73.0	71.5	144.5	1 13 7	1 12 11	3 6 6
Japan ..	173.9	213.4	387.3	2 7 10	2 18 8	5 6 6
Netherlands ..	182.0	115.9	297.9	20 17 1	13 5 9	34 2 10
Netherlands East Indies ..	57.0	93.0	150.0	0 16 8	1 7 2	2 3 10
Norway ..	68.1	40.4	108.5	23 6 2	13 16 8	37 2 10
Poland ..	29.6	30.4	60.0	0 16 10	0 17 4	1 14 2
Sweden ..	134.4	101.5	235.9	21 6 0	16 1 7	37 7 7
Switzerland ..	93.6	64.8	158.4	22 4 9	15 4 0	37 8 9
U.S.A. ..	465.5	639.2	1,104.7	3 11 5	4 18 1	8 9 6
U.S.S.R.(Russia)	56.9	53.3	110.2	0 6 8	0 6 3	0 12 11

(a) Year ended 30th June, 1940.

**§ 15. Trade of the United Kingdom with Australia compared with that of Competing Countries.**

Proportion of Trade from United Kingdom and Competing Countries.—The failure of the United Kingdom to maintain the position formerly held in the import trade of Australia has been a matter of more than ordinary interest for some years. Since 1908 permanent resident Commissioners appointed by the British Board of Trade have been located in Australia for the purpose of advising manufacturers and merchants in the United Kingdom with regard to Australian trade affairs. From 8th August, 1907, the Commonwealth Customs Tariffs have provided preferential rates of Customs Duties on certain goods the produce or manufacture of the United Kingdom with the object of assisting the British manufacturer to retain or improve his position in this market, in relation to other countries. The main provisions in these Acts relating to preference are dealt with on previous pages in this Chapter.

In an investigation into the relative position occupied by the United Kingdom in the import trade of Australia, the comparison must, of course, be restricted to those classes of goods which are produced or manufactured in the United Kingdom. The imports into Australia include many commodities, such as tea, rice, raw coffee, unmanufactured tobacco, petroleum products, copra, timber, etc., which the United Kingdom could not supply. These items, in addition to others not available from that country, have, therefore, been omitted from the computation following.

The imports into Australia have been classified under nine headings, and the trade of the United Kingdom therein is compared with that of France, Germany, Japan, and

the United States of America. These countries have been selected as the principal competitors with the United Kingdom for the trade of Australia under the specified headings. Totals for the five years 1913 and 1935-36 to 1938-39 are shown in the following table.

Particulars for subsequent years are not available for publication.

**AUSTRALIAN IMPORTS OF PRODUCTS OF VARIOUS COUNTRIES.**

*British Currency Values.*

Nature of Imports.	Year.	United Kingdom.	France.	Germany.	Japan.	United States.	All Countries.
		£Stg.	£Stg.	£Stg.	£Stg.	£Stg.	£Stg.
Foodstuffs of animal origin	1913 ..	301,025	3,093	12,071	6,988	289,229	1,942,697
	1935-36	247,197	1,269	..	64,668	216,112	1,412,896
	1936-37	281,017	1,208	1,148	61,203	259,934	1,509,813
	1937-38	286,568	1,151	1,771	218,674	251,297	1,565,765
	1938-39	300,283	993	548	175,629	269,761	1,599,827
Spirituos and alcoholic liquors	1913 ..	1,227,561	343,394	143,426	1,689	2,805	1,947,248
	1935-36	602,630	49,706	2,098	..	1,670	696,103
	1936-37	537,672	53,024	2,268	82	286	633,133
	1937-38	625,655	52,800	3,436	82	917	727,220
	1938-39	613,874	58,642	4,320	157	1,180	719,967
Apparel, textiles, and manufactured fibros	1913 ..	12,254,561	961,025	1,712,395	475,973	623,542	19,935,750
	1935-36	9,476,308	258,601	489,483	3,223,969	280,505	17,292,354
	1936-37	11,074,231	248,517	523,529	2,358,656	119,571	18,059,604
	1937-38	12,288,251	336,375	607,471	3,204,718	187,856	21,016,945
	1938-39	10,033,422	411,056	503,713	2,543,081	281,766	17,756,098
Metals, metal manufactures, and machinery	1913 ..	13,905,483	217,148	2,380,152	7,657	3,817,705	21,670,212
	1935-36	13,550,189	30,267	1,043,439	286,280	6,848,650	25,206,625
	1936-37	16,142,408	42,731	1,345,057	248,435	6,061,105	27,277,464
	1937-38	21,174,615	63,465	1,636,328	187,350	9,360,634	37,280,008
	1938-39	18,246,658	53,401	1,449,405	167,570	6,886,329	31,274,421
Paper and stationery	1913 ..	1,789,577	21,930	266,483	10,656	403,679	3,134,750
	1935-36	3,052,273	52,786	208,138	78,785	292,268	5,295,820
	1936-37	3,042,380	57,158	234,769	82,581	318,546	5,933,131
	1937-38	3,367,801	51,847	262,435	142,464	390,223	6,609,609
	1938-39	2,945,640	51,572	316,741	88,448	372,572	6,185,576
Jewellery, time-pieces, and fancy goods	1913 ..	521,290	88,070	263,688	19,307	138,217	1,442,292
	1935-36	232,717	19,545	127,992	195,592	71,047	1,194,566
	1936-37	243,601	26,891	153,485	197,994	83,846	1,256,235
	1937-38	275,796	29,130	178,755	208,609	132,078	1,581,455
	1938-39	275,301	31,330	172,867	175,305	124,981	1,431,605
Earthenware, cements, glass, etc.	1913 ..	650,138	40,245	453,188	21,493	62,887	1,565,727
	1935-36	879,191	8,115	170,663	227,804	127,791	1,690,283
	1936-37	930,126	13,862	167,352	183,558	79,753	1,774,183
	1937-38	998,637	11,101	200,822	228,858	71,928	2,047,362
	1938-39	946,220	16,980	204,527	182,938	89,857	1,861,974
Drugs, chemicals, and fertilizers	1913 ..	1,020,647	245,426	304,179	139,178	210,758	2,721,902
	1935-36	1,902,253	215,782	352,333	175,803	622,350	4,370,127
	1936-37	1,880,665	208,572	490,370	139,362	567,083	4,515,446
	1937-38	2,056,472	203,987	498,487	136,677	786,052	5,304,092
	1938-39	2,288,387	196,220	476,737	47,651	1,003,679	5,598,553
Rubber and leather and manufactures thereof, and substitutes therefor	1913 ..	485,216	68,686	347,045	688	433,827	1,717,035
	1935-36	218,850	5,924	28,082	40,250	98,325	1,185,812
	1936-37	241,252	5,200	35,400	42,193	83,039	1,831,914
	1937-38	253,378	4,674	29,398	50,165	123,323	1,915,442
	1938-39	247,671	4,979	47,374	38,215	114,235	1,689,598
<b>Total, above-mentioned imports</b>	1913 ..	32,155,498	1,989,017	5,882,627	683,629	5,982,659	55,082,613
	1935-36	30,162,108	641,995	2,422,228	4,293,151	8,558,718	58,344,586
	1936-37	34,373,352	657,163	2,953,387	3,305,064	7,564,163	62,790,923
	1937-38	41,327,173	754,530	3,418,903	4,377,597	11,302,308	78,047,898
	1938-39	35,897,456	825,176	3,176,232	3,421,039	9,141,360	68,117,619
<b>Total imports (less bullion and specie)</b>	1913 ..	40,948,803	2,222,631	7,029,325	950,300	10,907,512	78,196,109
	1935-36	33,835,898	790,108	2,963,049	4,969,571	13,901,326	83,518,869
	1936-37	38,559,366	865,919	3,596,584	4,004,465	12,959,149	90,591,580
	1937-38	46,226,172	964,554	4,170,624	5,349,086	17,758,684	111,733,254
	1938-39	40,419,283	1,028,133	4,131,212	4,093,191	14,647,305	99,313,150

Stated as percentages the figures in the preceding table are shown below.  
Particulars for subsequent years are not available for publication.

**AUSTRALIAN IMPORTS OF PRODUCTS OF VARIOUS COUNTRIES : PERCENTAGES.**

Nature of Imports.	Year.	United Kingdom.	France.	Germany.	Japan.	United States.	All Countries.
		%	%	%	%	%	%
Foodstuffs of animal origin	1913 ..	31.77	0.33	1.27	0.74	30.52	100
	1935-36	17.50	0.09	0.00	4.58	15.30	100
	1936-37	18.61	0.08	0.08	4.05	16.62	100
	1937-38	18.30	0.07	0.11	13.97	16.05	100
	1938-39	18.77	0.06	0.03	10.98	16.86	100
Spirituous and alcoholic liquors	1913 ..	63.04	17.64	7.37	0.09	0.14	100
	1935-36	86.57	7.14	0.30	0.00	0.24	100
	1936-37	84.92	8.37	0.36	0.01	0.05	100
	1937-38	86.03	7.26	0.47	0.00	0.13	100
	1938-39	85.26	8.15	0.60	0.02	0.16	100
Apparel, textiles, and manufactured fibres	1913 ..	61.48	4.82	8.59	2.39	3.13	100
	1935-36	54.80	1.50	2.83	18.64	1.62	100
	1936-37	61.32	1.37	2.89	13.06	0.66	100
	1937-38	58.47	1.60	2.89	15.25	0.89	100
	1938-39	56.51	2.32	2.84	14.33	1.59	100
Metals, metal manufactures, and machinery	1913 ..	64.17	1.00	10.98	0.04	17.62	100
	1935-36	53.76	0.12	4.14	1.14	27.17	100
	1936-37	59.17	0.16	4.93	0.91	22.22	100
	1937-38	56.80	0.17	4.39	0.50	25.11	100
	1938-39	52.51	0.15	4.17	0.48	19.82	100
Paper and stationery	1913 ..	57.41	0.70	8.50	0.34	12.88	100
	1935-36	57.64	1.00	3.93	1.49	5.52	100
	1936-37	51.27	0.96	3.95	1.39	5.36	100
	1937-38	50.95	0.78	3.97	2.16	5.90	100
	1938-39	47.62	0.83	5.12	1.43	6.02	100
Jewellery, time-pieces, and fancy goods	1913 ..	36.14	6.11	18.28	1.34	9.58	100
	1935-36	19.48	1.64	10.71	16.37	5.95	100
	1936-37	19.39	2.14	12.21	15.76	6.67	100
	1937-38	17.44	1.84	11.30	13.19	8.35	100
	1938-39	19.23	2.19	12.07	12.25	8.52	100
Earthenware, cements, glass, etc.	1913 ..	41.52	2.57	28.94	1.37	4.02	100
	1935-36	52.01	0.48	10.01	13.48	7.56	100
	1936-37	52.42	0.78	9.43	10.34	4.49	100
	1937-38	48.78	0.54	9.81	11.18	3.51	100
	1938-39	50.82	0.91	10.98	9.83	4.83	100
Drugs, chemicals, and fertilizers	1913 ..	37.49	9.02	11.18	5.11	7.74	100
	1935-36	43.53	4.94	8.06	4.02	14.24	100
	1936-37	41.64	4.61	10.85	2.88	12.55	100
	1937-38	38.77	3.85	9.40	2.58	14.82	100
	1938-39	40.87	3.50	8.52	0.85	17.93	100
Rubber and leather and manufactures thereof, and substitutes therefor	1913 ..	28.26	4.00	20.21	0.04	25.27	100
	1935-36	18.46	0.50	2.37	3.39	8.29	100
	1936-37	13.16	0.28	1.93	2.30	4.53	100
	1937-38	13.23	0.24	1.53	2.62	6.33	100
	1938-39	14.66	0.29	2.80	2.26	6.76	100
Total, above-mentioned articles	1913 ..	58.38	3.61	10.68	1.24	10.86	100
	1935-36	51.70	1.10	4.15	7.36	14.67	100
	1936-37	54.74	1.04	4.70	5.26	12.04	100
	1937-38	52.95	0.97	4.38	5.61	14.48	100
	1938-39	52.70	1.21	4.66	5.02	13.42	100
Total imports (less bullion and specie)	1913 ..	52.37	2.84	8.99	1.22	13.95	100
	1935-36	40.51	0.95	3.55	5.95	16.64	100
	1936-37	42.56	0.95	3.97	4.42	14.30	100
	1937-38	41.37	0.86	3.73	4.79	15.80	100
	1938-39	40.70	1.04	4.16	4.12	14.75	100

The total value of the commodities included in the competitive classes increased from £55,082,613 during 1913 to £122,631,560 during 1926-27, but declined during the economic depression to £29,576,008 in 1931-32. Subsequently the total value rose to £78,047,898 in 1937-38 only to fall away again in 1938-39 to £68,117,619. The principal classes of competitive imports are (a) metals, metal manufactures and machinery (value £31,274,421 in 1938-39) and (b) apparel, textiles and manufactured fibres (value £17,756,098 in 1938-39). The value of goods included in these two groups represented 72 per cent. of the total value of competitive commodities during 1938-39.

In 1938-39 the United Kingdom supplied 52.70 per cent. of the total value of competitive goods. In 1913 the corresponding figure was 58.38 per cent. and in 1937-38 52.95 per cent. In four of the nine competitive groups of imports, the proportion supplied by the United Kingdom declined during 1938-39 as compared with the previous year. In the five groups—foodstuffs of animal origin; jewellery, timepieces and fancy goods; earthenware, cement, glass, etc.; drugs, chemicals and fertilizers; rubber and leather and manufactures thereof, etc.—which showed gains, the share of the total purchases supplied by the United Kingdom, was 18.77 per cent., 19.23 per cent., 50.82 per cent., 40.87 per cent., and 14.66 per cent. respectively.

The share of Japan in the competitive trade increased in proportion to other countries from 1.24 per cent. in 1913 to 8.11 per cent. in 1934-35, but declined appreciably during the next three years to 5.02 per cent. in 1938-39. The most important classes of competitive goods imported from Japan are silk piece goods, cotton and linen piece goods, yarns, crockery, fancy goods and sulphur. The total value of imports from Japan in the competitive groups during 1938-39 was £3,421,039, and of this total silk piece goods valued at £1,160,761 represented 34 per cent., and cotton and linen piece goods valued at £726,050 represented 21 per cent., or together 55 per cent. of the total competitive goods imported from Japan.

The position of the United States of America in the competitive trade improved from 10.86 per cent. in 1913 to 23.52 per cent. in 1928-29; after 1929-30 it declined progressively to 8.17 per cent. in 1932-33, but recovered somewhat in recent years and in 1938-39 represented 13.42 per cent. of the total. Of the total competitive trade from this country approximately 75 per cent. was represented by metals, metal manufactures and machinery.

The position of France declined from 3.61 per cent. in 1913 to 1.21 per cent. in 1938-39. Apparel, textiles, and drugs, chemicals and fertilizers are the most important imports from France.

The proportion of the imports supplied by Germany was 10.68 per cent. in 1913, 0.86 per cent. in 1923-24, and 4.66 per cent. in 1938-39. The principal classes of imports from Germany are manufactured metals and machinery, apparel and textiles, and drugs and chemicals.

### § 16. Oversea Trade in Calendar Years.

For the purpose of comparison with countries which record oversea trade in calendar years the following table has been compiled to show Australian imports and exports, Merchandise only, for each quarter and of the calendar years 1939 to 1942:—

#### OVERSEA TRADE (MERCHANDISE ONLY) IN CALENDAR YEARS: AUSTRALIA.

Year.	Imports £ Stg.'000.	Exports.	
		Australian Currency £A'000.	British Currency £ Stg'000.
QUARTER ENDED MARCH.			
1939 .. .. .	25,097	30,905	24,674
1940 .. .. .	35,009	41,902	33,455
1941 .. .. .	23,520	33,335	26,615
1942(a) .. .. .	27,177	35,632	28,449
QUARTER ENDED JUNE.			
1939 .. .. .	23,521	26,308	21,005
1940 .. .. .	33,378	40,332	32,201
1941 .. .. .	27,554	34,108	27,232
1942(a) .. .. .	37,194	43,259	34,538

(a) Incomplete, excludes Governmental imports and exports referred to in Notes (g) and (h) on page 408.

OVERSEA TRADE (MERCHANDISE ONLY) IN CALENDAR YEARS:  
AUSTRALIA—*continued.*

Year.	Imports £ Stg'ooo.	Exports.	
		Australian Currency £A'ooo.	British Currency £ Stg'ooo.
QUARTER ENDED SEPTEMBER.			
1939 .. .. .	24,884	24,597	19,638
1940 .. .. .	30,294	32,578	26,010
1941(a) .. .. .	35,337	33,603	26,828
1942 .. .. .	46,388	27,943	22,310
QUARTER ENDED DECEMBER.			
1939 .. .. .	22,404	41,919	33,468
1940 .. .. .	27,282	34,717	27,718
1941(a) .. .. .	33,554	34,190	27,297
1942 .. .. .	51,497	29,026	23,174
TOTAL FOR YEAR.			
1939 .. .. .	95,906	123,729	98,785
1940 .. .. .	125,963	149,529	119,384
1941(a) .. .. .	119,965	135,236	107,972
1942(a) .. .. .	162,256	135,860	108,471

(a) Incomplete, excludes Governmental imports and exports referred to in Notes (g) and (h) on page 408.

### § 17. Excise.

Although excise goods have no immediate bearing on overseas trade the rates of excise duty are in some cases related to the import duty on similar goods. Moreover as the Excise Acts are administered by the Department of Trade and Customs it is convenient to publish here the quantities of Australian produce on which excise duty has been paid. Particulars of Customs and Excise Revenue are shown in Chapter XVII. "Public Finance".

#### QUANTITIES OF SPIRITS, BEER, TOBACCO, ETC., ON WHICH EXCISE DUTY WAS PAID : AUSTRALIA.

Article.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
	Proof gal.				
Spirits—					
Brandy .. .. .	193,923	198,583	226,990	222,595	219,391
Gin .. .. .	282,349	269,118	297,409	279,394	278,693
Whisky .. .. .	158,515	157,705	199,157	234,642	264,196
Rum .. .. .	326,249	347,648	418,073	370,738	339,045
Liqueurs .. .. .	5,591	5,705	8,046	13,463	15,872
Spirits, n.e.i. .. .. .	415	170	481	247	203
Spirits for Industrial or Scientific Purposes .. .. .	112,594	114,129	124,707	126,118	149,661
Spirits for Fortifying Wine	786,836	770,997	867,308	1,009,173	1,187,167
Spirits for making Vinegar	15,496	17,965	18,640	19,810	26,234
Amylic Alcohol and Fusel Oil .. .. .	27	23	28	50	27
Methylated Spirit .. .. .	..	..	..	..	2,010,613
<b>Total, Spirits ..</b>	<b>1,881,995</b>	<b>1,882,043</b>	<b>2,160,839</b>	<b>2,276,230</b>	<b>4,491,102</b>

QUANTITIES OF SPIRITS, BEER, TOBACCO, ETC., ON WHICH EXCISE DUTY  
WAS PAID : AUSTRALIA—*continued.*

Article.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
Spirits for the manufacture of Essences, Scents, etc.	liq. gal. (a) 45,541	liq. gal. ..	liq. gal. ..	liq. gal. ..	liq. gal. ..
Spirits for the manufacture of Essences .. ..	proof gal. (b) 17,328	proof gal. 57,376	proof gal. 71,674	proof gal. 72,146	proof gal. 79,641
Spirits for the Manufacture of Scents, etc. .. ..	(b) 13,452	47,778	55,984	60,819	71,504
Beer .. ..	gal. 79,246,025	gal. 83,904,645	gal. 89,973,476	gal. 96,078,168	gal. 98,125,882
Tobacco — Manufactured, n.e.i. .. ..	lb. 15,462,073	lb. 15,734,675	lb. 15,998,628	lb. 15,354,854	lb. 16,815,279
Tobacco—Hand-made .. ..	47,418	41,774	21,206	14,892	7,874
Tobacco—Unmanufactured, etc. .. ..	887,264	5,604,256	4,226,656	4,880,818	5,527,032
Total, Tobacco .. ..	16,396,755	21,380,705	20,246,490	20,250,564	22,350,185
Cigars—Machine-made .. ..	lb. 63,613	lb. 71,051	lb. 57,368	lb. 73,929	lb. 77,454
Cigars—Hand-made .. ..	204,475	187,450	167,362	152,975	181,561
Total, Cigars .. ..	268,088	258,501	224,730	226,904	259,015
Cigarettes—Machine-made .. ..	lb. 6,203,852	lb. 6,891,144	lb. 7,148,051	lb. 6,901,954	lb. 7,886,965
Cigarettes—Hand-made .. ..	272	114	2	..	..
Total, Cigarettes .. ..	6,204,124	6,891,258	7,148,053	6,901,954	7,886,965
Cigarette Tubes and Papers	60 papers or tubes. 90,046,428	60 papers or tubes. 101,977,824	60 papers or tubes. 104,986,390	60 papers or tubes. 107,716,324	60 papers or tubes. 112,019,581
Matches .. ..	gross of boxes. 3,260,806	gross of boxes. 3,278,759	gross of boxes. 3,678,885	gross of boxes. 3,551,598	gross of boxes. 3,201,516
Petrol .. ..	gal. 31,978,588	gal. 27,878,912	gal. 36,556,755	gal. 48,428,451	gal. 36,537,649
Playing Cards .. ..	doz. packs. 109,907	doz. packs. 117,412	doz. packs. 142,776	doz. packs. 134,555	doz. packs. 124,912
Carbonic Acid Gas .. ..	..	..	..	..	lb. 6,481,334
Dry Batteries and Cells .. ..	..	..	..	..	2,665,157

(a) To 31st December, 1937.

(b) From 1st January, 1938.

**§ 18. Interstate Trade.**

Prior to the federation of the Australian Colonies (now States), each Colony published statistics of its trade with the other Colonies. A similar record was continued by the Commonwealth Government under the provisions of the Constitution Act (Section 93). On the expiry of the "book-keeping" period, these records were discontinued as from 13th September, 1910, and the latest published statements were for the year 1909. Later the Governments of Western Australia and Tasmania revived the records, and statistics of the subject are available again for those States.

At the Conference of Statisticians held in January, 1928, it was resolved that efforts should be made in other States to record the interstate movement of certain principal commodities.

The Government Statist for South Australia publishes some figures for that State made up from the records of Western Australia and Tasmania, and from various other sources. Since February, 1940, statistics in some detail have been collected by the Government Statistician of Queensland. The statistics of interstate trade for New South Wales and Victoria are very meagre. The Melbourne Harbour Trust publishes, in its annual report, the quantities of various commodities of interstate trade loaded and discharged in the Port of Melbourne. The trade with individual States is not disclosed.