

## CHAPTER X.

### TRADE.

#### § 1. Introductory.

**Constitutional Powers.**—By the Commonwealth of Australia Constitution Act, section 51 (i.), the power to make laws with respect to trade and commerce with other countries was conferred on the Commonwealth Parliament. Under section 86 of the Constitution the collection and control of duties of customs and excise passed to the Executive Government of the Commonwealth on 1st January, 1901. Other references to trade and commerce are contained in sections 87 to 95 of the Constitution (*see* pp. 18-19).

#### § 2. Commonwealth Legislation affecting Oversea Trade.

1. **General.**—The principal Acts affecting overseas trade at present in force are: The Customs Act 1901-1954; Customs Tariff 1933-1956; Customs Tariff (Canadian Preference) 1931 and Customs Tariff (Canadian Preference) 1934-1956; Customs Tariff (Industries Preservation) Act 1921-1956; Customs Tariff (New Zealand Preference) 1933-1954; Customs Tariff (Papua and New Guinea Preference) 1936-1956; Customs Tariff (Federation of Rhodesia and Nyasaland Preference) 1956; Customs Tariff (Primage Duties) 1934-1950; Trading with the Enemy Act 1939-1952.

The Customs Act represents the administrative Act under which the Department of Customs and Excise operates, while the Customs Tariffs provide the statutory authority for imposing the actual rates of duties operative from time to time.

2. **The Customs Tariff.**—(i) *General.* The first Commonwealth Customs Tariff was introduced by Resolution on 8th October, 1901, from which date uniform duties came into effect throughout Australia. The tariff has since been extensively amended. The Act at present in operation is the Customs Tariff 1933-1956.

The Australian Customs Tariff has been developed in conformity with the policy of protecting economic and efficient Australian industries and of granting preferential treatment to imports from certain countries of the British Commonwealth. Duties are also imposed on some goods, generally of a luxury nature, for revenue purposes. Customs collections are a major source of revenue, but in its protective character the tariff has an important influence on the Australian economy.

Australia has three classes of tariff—the British Preferential Tariff, the Intermediate Tariff and the General Tariff.

(ii) *British Preference.* British Preferential Tariff rates of duty apply to goods the produce or manufacture of the United Kingdom, provided that such goods comply with the laws and statutory regulations for the time being in force affecting the grant of 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. For the purpose of the preferential tariff the following goods are deemed by section 151A of the Customs Act 1901–1954 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 twenty-five per cent. (or fifty 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.

With the exception of a relatively small number of commodities which carry special rates of duty, the British Preferential Tariff has also been extended, as a result of separate trade agreements, to Canada and New Zealand and by tariff legislation to the Territory of Papua and New Guinea, and the abovementioned preference conditions apply *mutatis mutandis* to each of those countries except that in respect of New Zealand the percentage content of goods under clause (b) of the said conditions is 50 per cent. of New Zealand and Australian labour and materials or 75 per cent. of New Zealand and United Kingdom or of New Zealand, Australian or United Kingdom labour and materials. In relation to specified goods, the British Preferential Tariff also applies to Ceylon and most of the British non-self-governing colonies, protectorates and trust territories.

(iii) *Intermediate Tariff.* The Intermediate Tariff has been a feature of the Australian Tariff for a considerable number of years, although its effective application dates only from 1st January, 1937, consequent upon the conclusion of trade agreements with Belgium, Czechoslovakia and France in 1936. The countries to which the Intermediate Tariff applies include those countries with which Australia has concluded trade agreements (including tariff negotiations pursuant to the General Agreement on Tariffs and Trade) and countries which accord Australia reciprocal most-favoured-nation tariff treatment by reason of agreements between those countries and the United Kingdom. The Intermediate Tariff has also been extended to some countries to which Australia has no formal obligation to accord most-favoured-nation treatment. The countries and the particular tariff items to which the Intermediate Tariff applies are specified by Customs Proclamation.

(iv) *General Tariff.* The General Tariff applies to goods other than those to which the British Preferential Tariff or Intermediate Tariff or special rates under trade agreements apply.

3. **Primage Duties.**—In addition to the duties imposed by the Customs Tariff, *ad valorem* primage duties at rates of 4 per cent., 5 per cent. or 10 per cent. are charged on some goods according to the type of goods and origin thereof under the Customs Tariff (Primage Duties) 1934–1950. Other goods are exempt from primage duty. Goods the produce or manufacture of New Zealand, Norfolk Island, Fiji and the Territory of Papua and New Guinea are exempt from primage duty.

4. **Tariff Board.**—The Tariff Board Act 1921–1953 provides for the appointment of a Tariff Board consisting of seven members, two of whom shall be administrative officers of the Department of Trade. Members of the Board are appointed for terms of not less than one year nor more than five years. 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 bounties ; any proposal for the application of the British Preferential Tariff to any part of the British Commonwealth 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 complaint 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 1921–1956 shall be taken in public on oath.

5. **Industries Preservation.**—The Customs Tariff (Industries Preservation) Act 1921–1956 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 value 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 the fair market value, or the difference between the price at which the goods were sold and a reasonable 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.

The Act, by recent amendment, also provides for the collection of an emergency duty on goods which enter Australia under conditions which cause or threaten serious injury to Australian industries or to industries in a third country whose exports enter Australia under preferential tariff.

The amount of emergency duty payable is the equivalent of the difference between the landed duty-paid cost of the goods and a reasonably competitive landed duty-paid cost.

The Act provides that the Minister for Customs and Excise may publish a notice in the *Commonwealth Gazette* specifying the goods upon which the special emergency duties under this Act shall thereupon be charged and collected.

6. **Trade Descriptions.**—The Commerce (Trade Descriptions) Act 1905–1950 gives power to require the application of a proper trade description on certain prescribed goods imported into or exported from the Commonwealth. Goods which must bear a prescribed trade description upon importation into Australia are specified in the Commerce (Imports) Regulations. As regards exports from Australia, marking requirements are prescribed in regulations issued under the Act and relating to specified export commodities.

7. **Import Controls.**—(i) *Customs (Import Licensing) Regulations.* The Customs (Import Licensing) Regulations were first promulgated in December, 1939, and were made pursuant to the Customs Act 1901–1954, sections 52 (g) and 56. These regulations provide, *inter alia*, that the importation into the Commonwealth of any goods shall be prohibited, unless :—

- (a) a licence to import the goods is in force and the terms and conditions (if any) to which the licence is subject are complied with ; or
- (b) the goods are excepted from the application of the regulations.

The regulations were at first applied only to imports from non-sterling sources, with the object of conserving non-sterling exchange and enabling priority in shipping space to be given to essential imports. However, with a subsequent decline in Australia's sterling balances in London and changes in the general war situation the restrictions were extended in December, 1941 to cover a wide range of imports from sterling countries. The position remained basically the same during the remainder of the war and in the immediate post-war period.

As Australia's external financial position improved, the restrictions were progressively relaxed until, by November, 1950, imports from most countries had been exempted from the application of the regulations and, with minor exceptions, the restrictions applied only to imports from the dollar area and Japan. This position obtained until March, 1952.

During the financial year 1951–52, following a fall in the price of wool and a large increase in the volume of imports (the product, in turn, of the wool boom of 1950–51), Australia incurred a substantial deficit on current account. Oversea reserves fell rapidly in the latter part of 1951 and early 1952, endangering Australia's external financial position to such a degree that it became necessary on 8th March, 1952 to apply the Customs (Import Licensing) Regulations to imports from all sources, with the exception of goods originating in Papua, New Guinea and Norfolk Island.

During 1953 and the first half of 1954, Australia's balance of payments showed sufficient improvement to justify a gradual general relaxation of the import controls applying to goods from sources other than the dollar area and Japan. By April, 1954, a wide range of commodities was licensed virtually without restriction.

Towards the latter half of 1954 Australia's balance of payments prospects for 1954–55 were such that the Government was forced to review import licensing policy and a general tightening of the controls was announced on 1st October, 1954. Further reductions in overall import expenditure operated from 1st April, 1955 and 1st October, 1955.

On 1st July, 1956, the Government reviewed the likely results of the Australian balance of payments in 1955–56 and prospects for 1956–57. As a result of this review, a further restraint was imposed upon the flow of imports and the basis of import licensing was recast.

Goods of Japanese origin have been subject to import licensing control since the resumption of private trading with Japan early in 1948. With the introduction of licensing controls on all imports as from March, 1952, the restrictions on Japanese goods were intensified and the issue of licences was restricted within given values to essential goods not available from other non-dollar sources. A gradual relaxation occurred in line with the controls operating on non-dollar, non-Japanese goods but all applications for Japanese goods continued to be dealt with on an individual basis. In November, 1954, effect was given to a policy of assimilating Japan with other non-dollar countries for import licensing purposes. The net result of this assimilation is that import controls are now administered in relation to two currency areas only, namely, the dollar area and all other countries.

Restrictions on imports from the dollar area have been maintained in varying degrees since their imposition in December, 1939 and, in general, the issue of licences for the importation of goods from the dollar area is restricted to goods of a high degree of essentiality, unavailable in adequate quantities from other countries. The goods imported from the dollar area are mainly capital goods, raw materials, semi-manufactures and other producer goods. All applications for licences are treated on the merits of each individual case.

(ii) *Customs (Prohibited Imports) Regulations.* In addition to the Import Licensing Regulations which are imposed for balance of payments reasons, section 52 of the Customs Act provides for the prohibition of the importation of specified types of commodities and also provides for the making of regulations prohibiting the importation of other types of commodities.

Prohibition by regulation may be exercised by—(a) prohibiting the importation of goods completely; (b) prohibiting the importation of goods except with the consent of the Minister; (c) prohibiting the importation of goods except subject to conditions. Lists of products subject to prohibition are set out in the Customs (Prohibited Imports) Regulations. Commodities the importation of which has been prohibited under the regulations include dangerous drugs, firearms, undesirable publications and articles deleterious to public health.

8. **Export Control.**—(i) *Commodity Control.* Section 112 of the Customs Act provides that the Governor-General may by regulation prohibit the exportation of goods from Australia and that this power may be exercised by—(a) prohibiting the exportation of goods absolutely; (b) prohibiting the exportation of goods to a specified place; and (c) prohibiting the exportation of goods unless prescribed conditions or restrictions are complied with. Goods subject to this export control are listed in the Customs (Prohibited Exports) Regulations.

(ii) *Monetary Control—Banking Act 1945–1953.* As an integral part of the framework of exchange control, a control over goods exported from Australia is maintained under the provisions of Part III. of the Banking (Foreign Exchange) Regulations to ensure that the full proceeds of such goods are received into the Australian banking system and that these proceeds are received in the currency and in the manner prescribed by the Commonwealth Bank of Australia. This action is complementary to that taken under other parts of the Banking (Foreign Exchange) Regulations to control the movement out of Australia of capital in the form of securities, gold and currency.

Provision is made in the regulations for the grant of export licences subject to such terms and conditions as are imposed. On the receipt in Australia by the Commonwealth Bank, or by a bank acting as agent for that Bank, of advice that the foreign currency has been paid to the Commonwealth Bank or to an agent of the Bank in payment for goods exported in accordance with a licence granted under the regulations, the Bank, or an agent of the Bank, pays the licensee, or such other person as is entitled to receive it, an amount in Australian currency equivalent to the foreign currency received. In addition to commercial transactions, exports by private individuals are controlled. Persons leaving Australia for overseas are required to obtain licences to cover their bona fide baggage, personal effects and household effects in any individual case where the gold content thereof exceeds £A50, or where jewellery and other articles of high intrinsic worth either exceed £A1,000 in value or have not been the personal property of the passenger for at least twelve months.

9. **Trade Agreements.**—(i) *The United Kingdom.* The United Kingdom and Australia Trade Agreement (Ottawa Agreement) was signed on and had effect from 20th August, 1932, although the Australian tariff changes which were necessary in order to implement the preference formula in the agreement did not operate until 14th October, 1932. Broadly speaking, Australia secured preferences in the United Kingdom market for a wide range of Australian export commodities and in return Australia incurred obligations in respect of tariff levels and the grant of preference to United Kingdom goods.

(ii) *Canada.* The existing trade agreement between Canada and Australia came into force on 3rd August, 1931. The basis of the agreement is, generally, the mutual accord of British Preferential Tariff treatment. Exceptions to this general rule are specified in the schedules to the agreement.

The Customs Tariff (Canadian Preference) 1931 and the Customs Tariff (Canadian Preference) 1934–1956 give effect to the agreement so far as Australia is concerned.

(iii) *New Zealand.* The existing trade agreement between Australia and New Zealand came into force on 1st December, 1933. The basis of the agreement is, generally, the mutual accord of British Preferential Tariff treatment. The exceptions to this general rule are listed in the schedules to the agreement.

The Customs Tariff (New Zealand Preference) 1933–1954 gives legislative effect to the provisions of the agreement.

(iv) *Federation of Rhodesia and Nyasaland.* During June, 1955, a trade agreement was negotiated with the Federation. Australia's principal undertaking was to grant an exclusive tariff preference to the Federation on unmanufactured tobacco, a concession formerly accorded to Southern Rhodesia only under a trade agreement now terminated. The Federation accorded preferential tariff treatment on a wide range of Australian export products, including wheat and powdered and condensed milk.

(v) *Other Countries.* Australia has entered into bilateral trade agreements with the Union of South Africa, Belgium, Brazil, Czechoslovakia, France, Greece and Switzerland. Summaries of the texts of these agreements were given in earlier issues of the Official Year Book. In 1951, Australia entered into a trade agreement with Israel under which each country undertook to accord most-favoured-nation tariff treatment to imports from the other. A similar agreement with Iceland was concluded in 1952.

(vi) *The General Agreement on Tariffs and Trade (G.A.T.T.).* The General Agreement on Tariffs and Trade is an international trade agreement which has been in operation since 1st January, 1948. Australia was an original signatory of the Protocol of Provisional Application, by which Parts I. and III. of the Agreement are being provisionally applied. Part II. is being applied to the fullest extent not inconsistent with existing legislation at the date of signature of the Protocol.

In May, 1957 there were 35 contracting parties to the Agreement, comprising most of the world's larger trading nations.

Many of the Articles in Part II. of the General Agreement are similar to articles which were included in the Havana Charter for an International Trade Organization. Had the Charter come into force, Part II. of the General Agreement, containing general commercial policy provisions to prevent the circumvention of tariff concessions by other measures, would have been suspended.

Four series of tariff negotiations have been conducted under the provisions of the General Agreement. As a result of these negotiations, Australia has obtained tariff concessions on almost all the principal products of which she is an actual or potential exporter to the individual countries concerned. These concessions were a result both of direct negotiation by Australia and of negotiation by other countries—in the latter case, the benefits occur through the operation under the Agreement of the most-favoured-nation principle.

The contracting parties periodically hold plenary sessions to deal with questions arising out of the administration of the agreement. The eleventh session was held at Geneva in October, 1956.

### § 3. Imperial Preference in the United Kingdom.

1. *Preferential Tariff of the United Kingdom.*—Prior to 1919 the United Kingdom levied duties on a limited number of items for revenue purposes and did not extend preferential treatment to any of the Empire countries. The majority of imported goods entered the United Kingdom free of duty and, in fact, there was no scope for preferential treatment. In 1919, however, the range of revenue duties was extended and preference rates of duty were established on certain items, those so affected of interest to Australia at that time being currants, dried and preserved fruit, sugar, molasses and wine.

The extension of preferential treatment was conditional on the goods being consigned from, and grown, produced or manufactured in, the British Empire. In the case of manufactured articles, preference applied only where a prescribed proportion of their value was the result of labour within the British Empire. The conditions have been embodied in all subsequent preference arrangements in substantially the same form.

During the period from 1919 to 1932 it became increasingly obvious that the United Kingdom, for economic reasons, was being forced to depart from the free trade principles which had conditioned trade during the years preceding the 1914-18 War. Every time a new duty was introduced, provision was made for further preferential treatment to Empire products, although, in a great many cases, the preferences were of little or no significance to Australia, because the new duties were on products which were neither grown nor manufactured in Australia. The Safeguarding of Industries Act 1921 provided for the imposition of duties on imports of key industry goods from foreign countries with free

entry or preferential rates on similar goods from Empire countries. The purpose of these duties was to provide protection to vital United Kingdom industries in order to encourage their growth without fear of foreign competition. Similarly, the Dyestuff Import Regulations of the previous year allowed the unrestricted import of dyestuffs of Empire origin, whereas imports of foreign dyestuffs were subjected to licensing restrictions. In 1925, preferences were accorded or increased on sugar (for ten years), tobacco, dried fruit, wine and several other items. In succeeding years Key Industries Duties were imposed on a further range of industrial goods and in 1927 screening quotas for British films and in 1928 further sugar concessions were introduced.

By 1931, therefore, the United Kingdom imposed duties on a fairly wide range of goods, provision being made in all cases for preferential treatment to Empire goods. The important preferences for Australia which emerged from these enactments were those on sugar, dried fruit, wine and jams and jellies. Even at this time, however, the United Kingdom adhered to the principles of free trade and by far the greater part of imports was free of duty.

In order to counteract the flood of dumping which followed the collapse of world trade in 1929-30, the United Kingdom introduced emergency tariff legislation in 1931. *Ad valorem* duties were imposed on almost all goods imported into the United Kingdom with the exception of certain raw materials, goods from Empire countries being exempt from these duties. These temporary measures were embodied in the Import Duties Act of March, 1932, by the enactment of which the United Kingdom finally abandoned free trade as a policy. This Act provided for the free entry for Empire goods pending the conclusion of some permanent agreement. The Ottawa Agreements Act of November, 1932 emerged from the Imperial Economic Conference held in Ottawa and embodied agreements concluded between the United Kingdom and the Dominions, Newfoundland and Southern Rhodesia. For the purpose of considering the present preferences enjoyed by Australia in the United Kingdom, it is expedient to regard the Import Duties Act and the Ottawa Agreements Act as complementary.

The Import Duties Act provided for the imposition of a general *ad valorem* duty of 10 per cent. on all imports with certain exceptions (i.e., those on the Free List and those already dutiable under previous enactments). Additional duties could be imposed and items on the Free List subjected to duty, and in fact the range of items subject to duties under this Act has been extended from time to time since its enactment.

The freedom of Empire goods from these duties was guaranteed under the Ottawa Agreements Act, which also provided for the imposition of new duties on imports from foreign, but not Empire, countries of a number of products of special interest to the Empire countries concerned. Whilst free entry was guaranteed to Empire producers on a wide range of products, the margins of preference thereby applicable were not bound, and the duties could be varied up or down by the United Kingdom Government without the consent of Empire countries. On a selected range of items, however, which are specified in the schedules to the Ottawa Agreements Act, the duties may not be varied by the United Kingdom without the consent of the other party to the respective agreement.

Since 30th October, 1947, Canada and the United Kingdom have, by an exchange of letters, recognized the rights of their respective Governments to reduce or eliminate the preferences they accord one another without prior consultation or consent.

2. The Australia-United Kingdom Trade Agreement.—This Agreement is a unit of the Ottawa Agreements and through it preferences in the United Kingdom were established on a number of export items of considerable importance to Australia. The preferences accorded are summarized as follows, the rates being shown in sterling currency:—

- (a) Continued free entry was guaranteed for three years for Australian eggs, poultry, butter, cheese and other milk products. (This freedom of entry still continues.) Similar foreign goods were subjected to duty, thus giving Australia a preference of 1s. to 1s. 9d. per 120 eggs; 10 per cent. *ad val.* on poultry; 15s. per cwt. on butter; 15 per cent. *ad val.* on cheese; 5s. per cwt. on sweetened whole condensed milk; and 6s. per cwt. on unsweetened whole condensed milk and milk powder and other unsweetened preserved milk.

- (b) Preferences were created on the following products by imposing a duty on like foreign articles whilst guaranteeing free entry to Australian produce; wheat (2s. per quarter); apples and pears (4s. 6d. per cwt.); canned apples (3s. 6d. per cwt.); other canned fruit (15 per cent. *ad val.*); certain dried fruit, raisins, etc. (10s. 6d. per cwt.); honey (7s. per cwt.); oranges (3s. 6d. per cwt. in season); raw grapefruit (5s. per cwt. in season); and grapes 1½d. per lb. in season).
- (c) The preferential margins on the commodities mentioned in (a) and (b) above were not to be reduced without the consent of the Australian Government and this provision also applied to the 10 per cent. preference on leather, tallow, canned meats, barley, wheat flour, macaroni, dried peas, casein, eucalyptus oil, meat extracts and essences, copra, sugar of milk, sausage casings, wattle bark, asbestos and certain dried fruits.
- (d) The Agreement also provided for a preference of 2d. per lb. on unwrought copper, but this was never implemented as Empire producers could not demonstrate their ability to continue offering their copper on first sale to the United Kingdom at prices not exceeding the world price, which was a condition of the preference. A similar condition applied to wheat, zinc and lead. In the case of zinc and lead the duty was changed at an early stage in the life of the Agreement from an *ad valorem* rate of 10 per cent. to a specific rate.
- (e) Australia, although not securing in the Agreement with the United Kingdom a commitment on the amount and duration of the preference margin applying to a number of commodities of some importance to Australia (e.g., rice), had its interests safeguarded by the fact that such items were usually covered by the United Kingdom's agreement with another Empire country. Such benefits were generalized to Australia.
- (f) The United Kingdom agreed to regulate meat imports and stated that its policy was to give the Dominions an expanding share of United Kingdom meat imports.
- (g) Preferential tariff advantages were also obtained in the British non-self-governing colonies and protectorates.

The preferences operating before, and not increased by, the Ottawa Agreement were continued. Thus the preferential margins on heavy wines, sugar, the sugar content of goods containing added sweetening matter, currants, etc., remained in operation.

3. **Developments since the Ottawa Agreement.**—The Australia-United Kingdom Agreement operated with virtually no alteration until the beginning of 1939. Since then the following have been the major factors responsible for altering its terms or significance:—

- (a) *The United Kingdom-United States of America Trade Agreement, 1938.* This Agreement became effective from 1st January, 1939, and, to enable the United Kingdom to secure concessions from the United States of America, Australia agreed to the following reductions in the preferences which her products were enjoying in the United Kingdom:—

Wheat (preference eliminated); apples and pears (1s. 6d. per cwt. in Northern Hemisphere season); honey (2s. per cwt.); canned apples (1s. 3d. per cwt.); canned grapefruit (preference eliminated). The *ad valorem* duty of 15 per cent. was replaced by specific duties of 5s. 6d. per cwt. on canned fruit salad, 5s. per cwt. on canned pineapples and 4s. per cwt. on canned loganberries.

- (b) *Long-term Contracts with the United Kingdom.* During the war and in the post-war period, Australia negotiated contracts with the United Kingdom under which the Ministry of Food undertook to purchase the whole or a substantial part of the exportable surplus of several important Australian products normally entitled to preferential treatment. The commodities concerned were meat, sugar, flour, dried fruit, apples, canned fruit, butter, cheese, eggs, tallow and copra.

While bulk purchasing was in operation the preferential system was by-passed in respect of the commodities affected, but as the United Kingdom has returned the marketing of foodstuffs to private traders, United Kingdom importers of these goods from foreign sources are again obliged to pay duties.

The only Australian commodity still purchased by the United Kingdom Government under bulk contract is copra. In the case of sugar, the British Commonwealth Sugar Agreement sets an upper limit to the quantity of Australian sugar that may be sold in any year but the Agreement provides for sales at prices above world price levels. Exports of meat to the United Kingdom are protected by the Australia - United Kingdom 15 Year Meat Agreement, which sets minimum prices for Australian meat sold in the United Kingdom.

- (c) *The General Agreement on Tariffs and Trade.* Australia has participated in the four rounds of tariff negotiations under this agreement held at Geneva, 1947, Annecy, 1949, Torquay, 1950-51 and Geneva, 1955-56. In order to reach agreement with the various countries participating in these tariff negotiations, Australia consented to a number of reductions in preference margins guaranteed to her under the Ottawa Agreements, in return for more favourable tariff treatment in some twenty-seven countries with which agreements have been made. The reductions are summarized below:—

Apples (margin eliminated during Northern Hemisphere season); raisins (2s. per cwt.); canned peaches, pears and apricots (3 per cent. *ad val.*); non-tropical canned fruit salad (margin eliminated); dried apricots (2s. 6d. per cwt.); dried prunes, apples, peaches and nectarines (margin eliminated); honey (nil to 1s. 6d. per cwt. according to value for duty). The preference margin was also modified on a number of items in which Australia was interested but on which her consent to reduction was not required under the Ottawa Agreement. Examples are fruit pulp, pig iron, rice, hard soap, glue, gelatine and size.

The preference on heavy wine was increased from 4s. per gallon to 10s. per gallon.

- (d) *Increases in Commodity Prices.* The effective value of margins of preference accorded Australia under the Australia-United Kingdom Agreement, which are expressed in terms of British currency ("specific margins"), has been reduced, particularly in the post-war period, by rises in the prices of commodities on which they were accorded. The commodities affected are butter, eggs, processed milk, honey, fresh apples, pears, oranges, grapefruit, grapes, canned apples, loganberries, pineapples, tropical fruit salad, raisins, dried apricots, sugar, sugar of milk and wines.

The following table shows, for selected items, how the *ad valorem* incidence of specific preference margins has been reduced by increases in the average value of the commodities on which they are granted.

## IMPERIAL PREFERENCE: CHANGES IN VALUE OF PREFERENCES.

*Ad Valorem Incidence of Specific Preferences Received by Australia in the United Kingdom.*

Commodity.	Preference Margin.	<i>Ad Valorem Incidence. (a)</i> (Per cent.)			
		1938.	1947.	1953.	1954.
Sugar, raw .. ..	£3 14s. 8d. per ton	35.8	12.2	9.5	9.4
Butter .. ..	15s. per cwt. ..	13.3	7.6	4.5	4.3
Beef (frozen) .. ..	3d. per lb. ..	17.3	10.3	4.6	4.3
Canned pineapple .. ..	5s. per cwt. ..	21.4	5.5	3.3	2.9
Currants .. ..	2s. per cwt. ..	7.2	2.8	2.4	2.4
Raisins .. ..	10s. 6d. per cwt. to 1947; 8s. 6d. per cwt. from 1948	31.2	13.1	9.6	9.7
Honey .. ..	7s. per cwt. to 1938; 5s. per cwt. from 1939	19.0	6.8	5.1	5.4
Milk, condensed, sweetened	5s. per cwt. ..	13.1	4.8	3.9	3.9
Milk, dried whole .. ..	6s. per cwt. ..	8.7	4.7	2.9	2.9
Milk, dried skim .. ..	6s. per cwt. ..	20.1	7.4	5.8	7.0
Apples .. ..	4s. 6d. per cwt. ..	26.4	9.9	5.6	5.9
Pears .. ..	4s. 6d. per cwt. ..	19.5	6.7	5.5	5.3

(a) The *ad valorem* incidence of a preference is calculated by expressing the specific margin of preference (in £ sterling per cwt., per ton, etc.) on a particular commodity as a percentage of the average unit value (in £ sterling per cwt., per ton, etc.) of United Kingdom imports of that commodity from all sources in the year concerned.

(e) *Review of the Ottawa Agreement.* In July, 1956, discussions began in London between representatives of Australia and the United Kingdom about the trade problems of the two countries, with the intention of arriving at a new agreement.

## § 4. Trade Commissioner Service.

In the interest of building and maintaining a high level of trade, Governments nowadays generally appoint commercial representatives in their main export markets, their duties including the collection of information about trade conditions, assisting exporters in their difficulties and promotion of trade generally.

Prior to 1929, Australian representation abroad was limited to the High Commissioner's Office in London, with a subsidiary agent in Paris, and the Office of the Commissioner-General for Australia in New York. Apart from the facilities afforded by those offices, the only form of oversea trade representation available to Australia was that of the United Kingdom Department of Overseas Trade, whose activities were naturally concerned with the development of United Kingdom rather than Dominion trade.

The growing importance of Australia's trade with Canada led to the appointment in 1929 of an Australian Trade Commissioner in that country. The part played by that official in the subsequent negotiations of the Trade Agreement with Canada, in the cultivation of close and cordial relations with the Canadian authorities, and in general in focussing interest on Australia and Australian products, amply demonstrated the value of such appointments to both the Commonwealth Government and the Australian trading community.

The Trade Commissioners Act 1933 provided for the establishment of an Australian Government Trade Commissioner Service and by the beginning of the 1939-45 War posts had been established at Wellington, Batavia (now Djakarta), Shanghai, Tokyo, Cairo, Bombay, New York and Calcutta. The Trade Commissioner Service was further expanded in 1946 and in February, 1957 there were 25 Trade Commissioner posts in 19 countries.

The general advantages to be derived from the appointment of Trade Commissioners may be briefly stated as follows:—(a) fostering of goodwill, (b) correction and avoidance of misunderstandings, and (c) dissemination of knowledge concerning the respective countries. Particular facilities which they are able to afford to the trading community are (a) information as to present and prospective demand for goods, (b) information as to foreign and local competition, (c) advice as to best selling methods, (d) reports as to the standing of foreign buyers, (e) specification of articles in demand, (f) dealing with trade inquiries, (g) advice and assistance to commercial visitors regarding trade matters, (h) settlement of difficulties between exporters in Australia and buyers abroad, and (i) furnishing of information as to foreign import requirements, customs duties, trade regulations, etc.

In addition to the foregoing trade functions, it is the duty of a Trade Commissioner to watch and advise the Government of any developments in his territory (which may include several countries) likely to affect trade and commerce with Australia, and other matters of economic interest to the home Government. He may be called upon to represent his Government at oversea conferences, and in certain countries where there is no diplomatic or consular mission (e.g., British West Indies, Hong Kong and the Federation of Rhodesia and Nyasaland), he is called upon to act as the Australian representative on official occasions.

Trade Commissioners usually enter the Service from either the commercial world or the Public Service, and applications for entry into the Service are called for periodically by public advertisement. In the more important posts it is the practice for the Trade Commissioner to share his duties with an Assistant Trade Commissioner, who is selected to be trained in the Service and qualify at a later stage for appointment as a Trade Commissioner. These staffing arrangements are designed to enable the Government to draw upon experienced and able executives in both private enterprise and the Public Service, and at the same time to build up a body of competent personnel to carry out a policy of vigorous expansion in the field of oversea trade.

The Trade Commissioner Service is administered by the Commonwealth Department of Trade (as distinct from the diplomatic and consular services, administered by the Department of External Affairs), but in countries where there is an Australian diplomatic or consular mission it is the practice for Trade Commissioners to be attached to the mission and to hold an appropriate diplomatic or consular rank (Commercial Counsellor, Commercial Secretary or Commercial Attaché).

The oversea trade representation is shown in Chapter XXX.—Miscellaneous.

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

1. **Source of Statistics.**—Oversea trade statistics are compiled from documents obtained under the Customs Act and supplied to this Bureau by the Department of Customs and Excise.

2. **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. Non-contiguous territories 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.

3. **The Trade System.**—There are two generally accepted systems of recording oversea trade statistics, namely, (a) special trade and (b) general trade, and statistics of both are published by the Bureau, although greater emphasis is placed on general trade. The United Nations Statistical Office defines the two systems as follows:—

(a) *Special Trade.* Special imports are the combined total of imports directly for domestic consumption and withdrawals from bonded warehouses or free zones for domestic consumption, transformation or repair. Special exports comprise exports of national merchandise, namely, goods wholly or partly produced or manufactured in the country, together with exports of nationalized goods. (Nationalized goods are goods which, having been included in special imports, are then exported.)

- (b) *General Trade.* General imports are the combined total of imports directly for domestic consumption and imports into bonded warehouse or free zone. Direct transit trade and trans-shipment under bond are excluded. General exports are the combined total of national exports and re-exports of imported merchandise including withdrawals from bonded warehouse or free zone for re-export.

The tables which follow refer to general trade, except for those appearing in § 16, para. 2, which refer to imports cleared for home consumption.

4. **Statistical Classification of Imports and Exports.**—Statistics of overseas imports and exports from which the summary tables in this issue of the Official Year Book have been extracted were compiled according to the revised classification which came into operation on 1st July, 1945. This classification is designed to allow for the inclusion of items which become significant with varying trade conditions, and in 1955–56 provided for 2,201 separate import items and 1,056 export items.

5. **The Trade Year.**—From 1st July, 1914, the statistics relating to overseas trade have been shown according to the financial year (July to June). Prior to that date the figures related to the calendar year. A table is included in § 17 showing the total value of imports and exports in the calendar years 1952 to 1956 inclusive.

6. **Valuation.**—(i) *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*. By Act No. 54 of 1947, which operated from 15th November, 1947, the Customs Act was amended to provide that the value for duty of goods imported into Australia should be the f.o.b. value in Australian currency instead of the British currency f.o.b. value plus 10 per cent.

Section 154 (1) of the Customs Act 1901–1954 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 ; and
- (b) all charges payable or ordinarily payable for placing the goods free on board at the port of export.”

“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.” All import values shown throughout this and other chapters of this issue of the Official Year Book are therefore uniform f.o.b. values at port of shipment in Australian currency.

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

- (a) Goods sold to overseas buyers before export—the f.o.b. port of shipment equivalent of the price at which the goods were sold (e.g., as regards wool, the actual price paid by the overseas buyer plus the cost of all services incurred by him in placing the wool on board ship).
- (b) Goods shipped on consignment—the Australian f.o.b. port of shipment 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. port of shipment equivalent of the current price ruling in Australia will normally provide a sufficient approximation to the f.o.b. port of shipment equivalent of the price ultimately received).

Exporters are required to show all values in terms of Australian currency, and to include the cost of containers.

An account of the bases of valuation in operation prior to 1st July, 1937 was given on page 469 of Official Year Book No. 39.

7. *Inclusions and Exclusions.*—(i) *Ships' Stores.* Prior to 1906, goods shipped in Australian ports on oversea vessels as ships' stores were included as exports. From 1906, ships' stores have been specially recorded as such, and omitted from the tabulation of exports. A table showing the value of these stores (including bunker coal and oil) shipped each year since 1951–52 is shown on page 352.

(ii) *Outside Packages.* Outside packages (containers, crates, etc.) have always been included as a separate item in the tabulation of imports, but except for those received from the United Kingdom a classification according to country of origin has been available only since 1950–51. For exports, however, the value recorded for each item includes the value of the outside package.

(iii) *Trade on Government Account.* Imports and exports on Government account are treated as normal transactions and are an integral part of oversea trade transactions.

(iv) *Currency.* Notes and coins of base metal are included in the oversea trade statistics at their commodity value only.

(v) *Gold Content of Ores and Concentrates.* The value of ores and concentrates imported and exported includes the value of the gold content. The latter is not recorded separately for purposes of inclusion in imports and exports of gold.

(vi) *Personal Effects.* Migrants' effects are included in imports and exports.

8. *Countries to which Trade is Credited.*—(i) *Imports.* From 1st January, 1905, in addition to the record of the countries whence goods arrived directly in Australia, a record of the countries of their origin was kept, as it was considered that classification of imports according to country of origin was of greater interest and value than classification according to country of shipment. Up to and including the year 1920–21, imports continued to be classified both according to country of shipment and according to country of origin, but the former tabulation was discontinued as from the year 1921–22.

(ii) *Exports.* In the export sections of tables in this chapter, "country" refers to country of consignment.

9. *Pre-Federation Records.*—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. Imports and exports for years prior to Federation may be found in issues of the Official Year Book prior to No. 41. On the introduction of the Customs Act 1901 the methods of recording values were made uniform throughout the States.

## § 6. Total Oversea Trade.

1. *Including Gold.*—The following table shows the total trade (including gold) of Australia with oversea countries from 1901 to 1955–56. To save space, the period 1901 to 1950–51 has been divided into five-year periods, and the figures shown represent the annual averages for the periods specified. Figures for individual years were published in earlier issues of the Official Year Book, but it should be borne in mind that the figures for imports in issues prior to No. 37 were in British currency.

In this chapter the values in all tables of imports and exports are shown in Australian currency f.o.b. at port of shipment.

**OVERSEA TRADE : AUSTRALIA.**  
(INCLUDING GOLD.)

Period.(a)	Value.(£'000.)			Excess of Exports (+) or Imports (-). (£'000.)	Value per Head of Population.(£)			
	Imports.	Exports.	Total.		Imports.	Exports.	Total.	
1901 to 1905 ..	35,689	51,237	86,926	+	15,548	9.1	13.1	22.2
1906 to 1910 ..	46,825	(b) 69,336	116,161	+	22,511	11.0	16.3	27.3
1911 to 1915-16 ..	66,737	74,504	141,241	+	7,767	13.8	15.4	29.2
1916-17 to 1920-21	91,577	115,066	206,643	+	23,489	17.4	21.9	39.3
1921-22 to 1925-26	124,404	134,545	258,949	+	10,141	21.1	22.9	44.0
1926-27 to 1930-31	119,337	131,382	250,719	+	12,045	18.6	20.5	39.1
1931-32 to 1935-36	73,798	120,958	194,756	+	47,160	11.1	18.1	29.2
1936-37 to 1940-41	123,553	157,610	281,163	+	34,057	17.8	22.7	40.5
1941-42 to 1945-46	211,514	163,955	375,469	-	47,559	29.1	22.4	51.5
1946-47 to 1950-51	449,273	571,430	1,020,703	+	122,157	57.2	72.7	129.9
1951-52.. ..	1,053,423	675,008	1,728,431	-	378,415	123.5	79.1	202.6
1952-53.. ..	514,109	871,272	1,385,381	+	357,163	58.9	99.7	158.6
1953-54.. ..	681,609	828,332	1,509,941	+	146,723	76.6	93.0	169.6
1954-55.. ..	843,742	774,164	1,617,906	-	69,578	92.8	85.2	178.0
1955-56.. ..	821,088	781,864	1,602,952	-	39,224	88.1	83.9	172.0

(a) The figures shown for the years 1901 to 1950-51 represent the annual averages for the periods covered. The trade for the individual years will be found in Official Year Book No. 40 and earlier issues, but it should be noted that in issues prior to No. 37 imports were shown in British currency. From 1914-15 onwards the particulars relate to financial years. (b) Prior to 1906, ships' stores were included in exports. For the value of such goods shipped on oversea vessels during each of the years 1951-52 to 1955-56 see table on p. 352.

In issues of the Official Year Book prior to No. 23, fluctuations in the value of the oversea trade of Australia for earlier years were treated in some detail. 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 1914-18 War, and these factors should be taken into consideration in making comparisons with earlier years. In the three years ended 1928-29 imports fell while exports were well maintained, but in 1929-30 both imports and exports declined substantially. The full effects of the economic depression are reflected in the greatly diminished trade figures for the period 1931-32 to 1935-36 and some years thereafter. The lowest level was recorded in 1931-32 when the total trade amounted to £137,538,000.

The outbreak of war in the Pacific in 1941 resulted in a substantial increase in the value of imports during the years 1941-42 to 1945-46. Since the end of the war the annual values of imports and exports have increased considerably, largely because of higher prices.

A graph showing the oversea trade of Australia from 1930-31 to 1955-56 will be found on p. 341.

**2. Excluding Gold.**—The fluctuations in recent years 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.)

Year.	Value. (£'000.)			Value per Head of Population.(£)		
	Imports.	Exports.	Total Trade.	Imports.	Exports.	Total Trade.
1951-52 .. ..	1,050,164	668,019	1,718,183	123.1	78.4	201.5
1952-53 .. ..	510,513	850,874	1,361,387	58.4	97.5	155.9
1953-54 .. ..	678,650	814,563	1,493,213	76.3	91.5	167.8
1954-55 .. ..	841,018	760,446	1,601,464	92.5	83.7	176.2
1955-56 .. ..	818,343	773,540	1,591,883	87.9	83.0	170.9

**§ 7. Direction of Oversea Trade.**

1. According to Countries.—(i) *Values.* The following table shows the value of Australian imports and exports during each of the years 1953-54 to 1955-56, according to country of origin or consignment respectively.

**COUNTRIES OF ORIGIN OR CONSIGNMENT OF AUSTRALIAN IMPORTS AND EXPORTS : VALUES.**

(EXCLUDING GOLD.)

(£'000.)

Country.	Imports.			Exports.		
	1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
<i>Commonwealth Countries—</i>						
United Kingdom .. ..	331,697	378,669	355,912	295,960	285,476	257,333
Australian Territories .. ..	4,723	5,792	6,860	12,180	12,910	15,102
Canada .. ..	18,742	23,840	23,306	11,037	10,503	10,911
Ceylon .. ..	13,490	19,516	8,632	11,847	8,723	8,687
India .. ..	18,475	26,057	23,469	14,293	19,428	12,159
Malaya, Federation of .. ..	8,721	12,797	16,230	9,143	8,410	9,337
New Zealand .. ..	6,387	7,602	8,254	33,459	37,787	40,920
Singapore .. ..	8,599	2,492	1,453	11,288	11,600	12,100
Other British Countries .. ..	31,827	46,741	32,342	32,233	32,124	30,660
<i>Total, Commonwealth Countries</i>	<i>442,661</i>	<i>523,506</i>	<i>476,458</i>	<i>431,440</i>	<i>426,961</i>	<i>397,209</i>
<i>Foreign Countries—</i>						
Arabian States .. ..	27,925	27,851	28,606	1,737	2,011	2,039
Belgium-Luxemburg .. ..	7,063	12,234	11,578	32,663	31,252	26,173
France .. ..	11,793	14,689	15,626	71,038	64,056	67,314
Germany, Federal Republic .. ..	21,365	30,838	34,998	27,096	31,823	36,431
Indonesia .. ..	21,972	22,529	22,401	6,585	3,702	6,705
Italy .. ..	11,182	11,740	11,821	51,326	35,915	34,621
Japan .. ..	6,545	18,422	22,592	55,689	58,573	86,490
Netherlands .. ..	9,618	13,081	13,233	5,578	6,857	6,192
Sweden .. ..	10,230	13,516	12,048	3,601	3,241	3,483
United States of America .. ..	73,254	102,157	98,790	55,505	52,415	54,998
Other Foreign Countries .. ..	34,412	49,410	69,115	72,305	43,637	51,873
<i>Total, Foreign Countries</i>	<i>235,359</i>	<i>316,467</i>	<i>340,808</i>	<i>383,123</i>	<i>333,482</i>	<i>376,379</i>
<i>Country unknown .. ..</i>	<i>630</i>	<i>1,045</i>	<i>1,077</i>	<i>..</i>	<i>3</i>	<i>12</i>
<b>Total .. ..</b>	<b>678,650</b>	<b>841,018</b>	<b>818,343</b>	<b>814,563</b>	<b>760,446</b>	<b>773,540</b>

(ii) *Proportions.* In view of the fluctuations in the total values of imports and exports, it is somewhat difficult to ascertain from the preceding table the relative importance of the various countries in the trade of Australia. A better idea of the proportions of imports supplied by the various countries and of their relative importance as markets for Australian exports during the years 1953-54 to 1955-56 may be obtained from the following table.

**COUNTRIES OF ORIGIN OR CONSIGNMENT OF AUSTRALIAN IMPORTS AND EXPORTS : PROPORTIONS.**

(EXCLUDING GOLD.)

(Per Cent. of Total.)

Country.	Imports.			Exports.		
	1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
<i>Commonwealth Countries—</i>						
United Kingdom .. ..	48.88	45.03	43.49	36.33	37.54	33.27
Australian Territories ..	0.70	0.69	0.84	1.50	1.70	1.95
Canada .. .. .	2.76	2.83	2.85	1.36	1.38	1.41
Ceylon .. .. .	1.99	2.32	1.05	1.45	1.15	1.12
India .. .. .	2.72	3.10	2.87	1.75	2.55	1.57
Malaya, Federation of ..	1.29	1.52	1.98	1.12	1.11	1.21
New Zealand .. ..	0.94	0.90	1.01	4.11	4.97	5.29
Singapore .. .. .	1.26	0.30	0.18	1.39	1.53	1.57
Other British Countries ..	4.69	5.56	3.95	3.96	4.22	3.96
<i>Total, Commonwealth Countries</i>	<i>65.23</i>	<i>62.25</i>	<i>58.22</i>	<i>52.97</i>	<i>56.15</i>	<i>51.35</i>
<i>Foreign Countries—</i>						
Arabian States .. ..	4.11	3.31	3.50	0.21	0.26	0.26
Belgium-Luxemburg .. ..	1.04	1.45	1.42	4.01	4.11	3.38
France .. .. .	1.74	1.75	1.91	8.72	8.42	8.70
Germany, Federal Republic ..	3.15	3.67	4.28	3.33	4.19	4.71
Indonesia .. .. .	3.24	2.68	2.74	0.81	0.49	0.87
Italy .. .. .	1.65	1.40	1.44	6.30	4.72	4.48
Japan .. .. .	0.96	2.19	2.76	6.84	7.70	11.18
Netherlands .. .. .	1.42	1.55	1.62	0.68	0.90	0.80
Sweden .. .. .	1.51	1.60	1.47	0.44	0.43	0.45
United States of America ..	10.79	12.15	12.07	6.81	6.89	7.11
Other Foreign Countries ..	5.07	5.88	8.44	8.88	5.74	6.71
<i>Total, Foreign Countries</i>	<i>34.68</i>	<i>37.63</i>	<i>41.65</i>	<i>47.03</i>	<i>43.85</i>	<i>48.65</i>
<i>Country unknown</i> .. ..	<i>0.09</i>	<i>0.12</i>	<i>0.13</i>	<i>..</i>	<i>..</i>	<i>..</i>
<b>Total</b> .. .. .	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

2. *According to Currency Areas.*—The following table shows the trade of Australia according to currency areas during the years 1954-55 and 1955-56.

The sterling area includes the United Kingdom, its colonies and dependencies, all other countries of the British Commonwealth (except Canada and the New Hebrides Condominium) and certain non-British countries of which the most important are Burma, Bahrein Islands, other Arabian States (excluding Saudi Arabia and Yemen) and Iceland.

The dollar area is comprised of the United States of America and dependencies, Canada, Mexico, other Central American countries, Bolivia, Colombia, Ecuador, Venezuela, the Philippines and Liberia.

The O.E.E.C. area consists of non-sterling members of the Organization for European Economic Co-operation, namely, Belgium, France, Italy, Norway, the Netherlands and Portugal together with their associated States and dependencies, Austria, Denmark, the Federal Republic of Germany, Greece, Luxemburg, Sweden, Switzerland, Trieste, Turkey and the New Hebrides Condominium.

Of the remaining countries grouped under "other non-sterling", the more important as regards trade with Australia are Czechoslovakia, Finland, Poland, Spain, the Union of Soviet Socialist Republics, Egypt, Iran, Saudi Arabia, Japan, Indonesia, Thailand, Brazil and Chile.

**OVERSEA TRADE OF AUSTRALIA ACCORDING TO CURRENCY AREAS.**  
(INCLUDING GOLD.)  
(£'000.)

Currency Area.	1954-55.	1955-56.
<b>STERLING.</b>		
Imports—		
From—United Kingdom .. .. .	378,669	355,912
Other Sterling Area Countries .. .. .	144,319	123,990
Total .. .. .	522,988	479,902
Exports—		
To—United Kingdom .. .. .	285,506	257,414
Other Sterling Area Countries .. .. .	144,467	141,478
Total .. .. .	429,973	398,892
Excess of Exports (+) or Imports (—)	-93,015	-81,010
<b>DOLLAR.</b>		
Imports—		
From—United States of America .. .. .	102,157	98,790
Canada .. .. .	23,840	23,305
Other Dollar Area Countries .. .. .	1,194	4,432
Total .. .. .	127,191	126,527
Exports—		
To—United States of America .. .. .	52,440	55,004
Canada .. .. .	10,503	10,911
Other Dollar Area Countries .. .. .	6,682	7,481
Total .. .. .	69,625	73,396
Excess of Exports (+) or Imports (—)	-57,566	-53,131
<b>OTHER NON-STERLING.</b>		
Imports—		
From—Countries of the O.E.E.C., including dependencies .. .. .	122,290	125,823
Other Countries .. .. .	71,273	88,836
Total .. .. .	193,563	214,659
Exports—		
To—Countries of the O.E.E.C., including dependencies .. .. .	187,534	187,461
Other Countries .. .. .	87,032	122,115
Total .. .. .	274,566	309,576
Excess of Exports (+) or Imports (—)	+81,003	+94,917
<b>ALL CURRENCY AREAS.</b>		
Total Imports .. .. .	843,742	821,088
Total Exports .. .. .	774,164	781,864
Excess of Exports (+) or Imports (—)	-69,578	-39,224

A graph showing the overseas trade of Australia according to currency areas for the years 1950-51 to 1955-56 will be found on page 342.

### § 8. Trade with the United Kingdom.

1. Statistical Classes.—The following table shows, according to statistical classes, the value of imports into Australia of United Kingdom origin and of exports from Australia to the United Kingdom during each of the years 1953-54 to 1955-56.

**TRADE WITH THE UNITED KINGDOM : CLASSES.**  
(£'000.)

Class.	Imports.			Exports.		
	1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
I. Animal foodstuffs, etc. . .	1,256	1,599	1,408	71,109	80,362	80,161
II. Vegetable foodstuffs; non-alcoholic beverages, etc. . .	967	1,085	1,031	69,619	64,808	57,396
III. Alcoholic liquors, etc. . .	1,118	1,688	1,742	460	417	432
IV. Tobacco, etc. . .	4,386	2,219	875	..	4	22
V. Live animals . . .	167	154	224	14	9	2
VI. Animal substances, etc. . .	446	321	395	120,546	110,910	86,039
VII. Vegetable substances, etc. . .	757	710	814	168	462	851
VIII. Apparel, textiles, etc. . .	66,681	66,061	51,672	168	253	194
IX. Oils, fats and waxes . . .	6,153	6,009	883	1,799	633	2,218
X. Pigments, paints and varnishes . . .	2,407	2,783	3,145	3	17	27
XI. Rocks, minerals, etc. . .	332	483	485	3,466	3,704	4,633
XII. Metals, metal manufactures and machinery . . .	171,677	205,282	203,334	22,175	19,474	19,809
XIII. Rubber and leather, etc. . .	2,935	4,041	3,540	1,655	1,402	1,654
XIV. Wood and wicker, etc. . .	361	378	368	541	395	534
XV. Earthenware, etc. . .	8,613	10,115	8,495	4	5	15
XVI. Paper and stationery . . .	19,102	21,643	22,644	199	285	282
XVII. Jewellery, etc. . .	2,506	3,179	2,914	36	45	60
XVIII. Optical, surgical and scientific instruments . . .	4,916	5,705	5,607	257	137	79
XIX. Chemicals, drugs, fertilizers . . .	9,816	14,485	14,597	514	380	504
XX. Miscellaneous . . .	(a)27,084	(a)30,729	(a)31,739	1,029	1,612	2,269
XXI. Gold and silver; bronze specie . . .	21	..	..	7,003	192	233
<b>Total . . .</b>	<b>331,701</b>	<b>378,669</b>	<b>355,912</b>	<b>300,765</b>	<b>285,506</b>	<b>257,414</b>

(a) Includes outside packages.

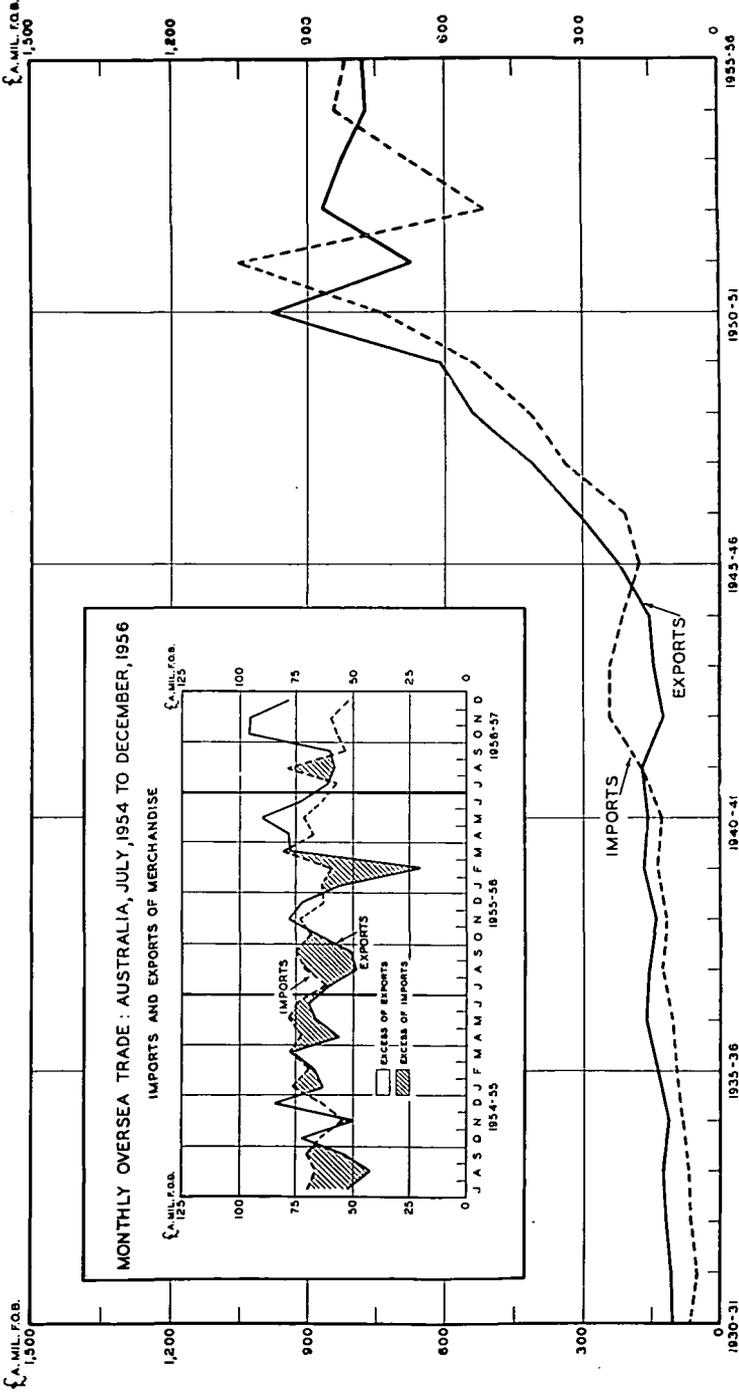
2. Imports of Principal Articles.—The following table shows the value of the principal articles imported into Australia from the United Kingdom during each of the years 1953-54 to 1955-56.

**IMPORTS OF PRINCIPAL ARTICLES OF UNITED KINGDOM ORIGIN : AUSTRALIA.**  
(£'000.)

Article.	1953-54.	1954-55.	1955-56.	Article.	1953-54.	1954-55.	1955-56.
Arms and ammunition, military, naval and air force stores. . .	3,495	6,707	5,205	Motor vehicles, chassis, bodies and parts . . .	44,931	58,743	56,004
Apparel. . .	6,179	7,114	5,164	Optical, surgical and scientific instruments . . .	3,590	4,012	4,025
Carpets and carpeting . . .	6,823	7,710	5,976	Paper printing . . .	8,017	8,599	8,848
Chemicals, medicinal products, essential oils and fertilizers . . .	9,816	14,485	14,597	Piece-goods—			
Cigarettes . . .	4,296	2,137	802	Cotton and linen . . .	22,465	21,097	14,565
Crockery . . .	3,803	4,500	3,314	Silk and rayon . . .	8,157	7,038	4,544
Cutlery and platedware . . .	2,072	2,160	2,052	All other piece-goods . . .	4,381	5,048	5,000
Electrical cable and wire, covered . . .	1,868	1,826	1,828	Prefabricated houses and buildings . . .	2,067	533	806
Electrical machinery and appliances . . .	18,580	20,824	25,980	Rubber and rubber manufactures . . .	2,507	3,440	2,938
Glass and glassware . . .	2,497	2,928	2,976	Sewing silks, cottons, etc. . .	2,355	2,249	2,095
Iron and steel—				Stationery and paper manufactures . . .	7,459	8,422	9,208
Plate and sheet . . .	9,327	18,134	14,423	Tools of trade . . .	2,335	2,976	2,728
Other . . .	5,744	12,971	10,147	Vehicles and parts, other than motor vehicles . . .	6,958	4,573	4,775
Linoleums . . .	3,615	3,095	2,934	Yarns—			
Machines and machinery (except dynamo electrical)—				Cotton . . .	3,098	3,198	2,446
Agricultural . . .	2,822	3,202	3,487	Rayon . . .	6,034	5,523	5,868
Metal-working . . .	5,940	5,745	5,401	Other . . .	604	492	474
Motive-power . . .	25,911	23,307	25,730	All other articles(a) . . .	67,662	75,096	73,884
Other . . .	26,293	30,785	27,688	<b>Total Imports . . .</b>	<b>331,701</b>	<b>378,669</b>	<b>355,912</b>

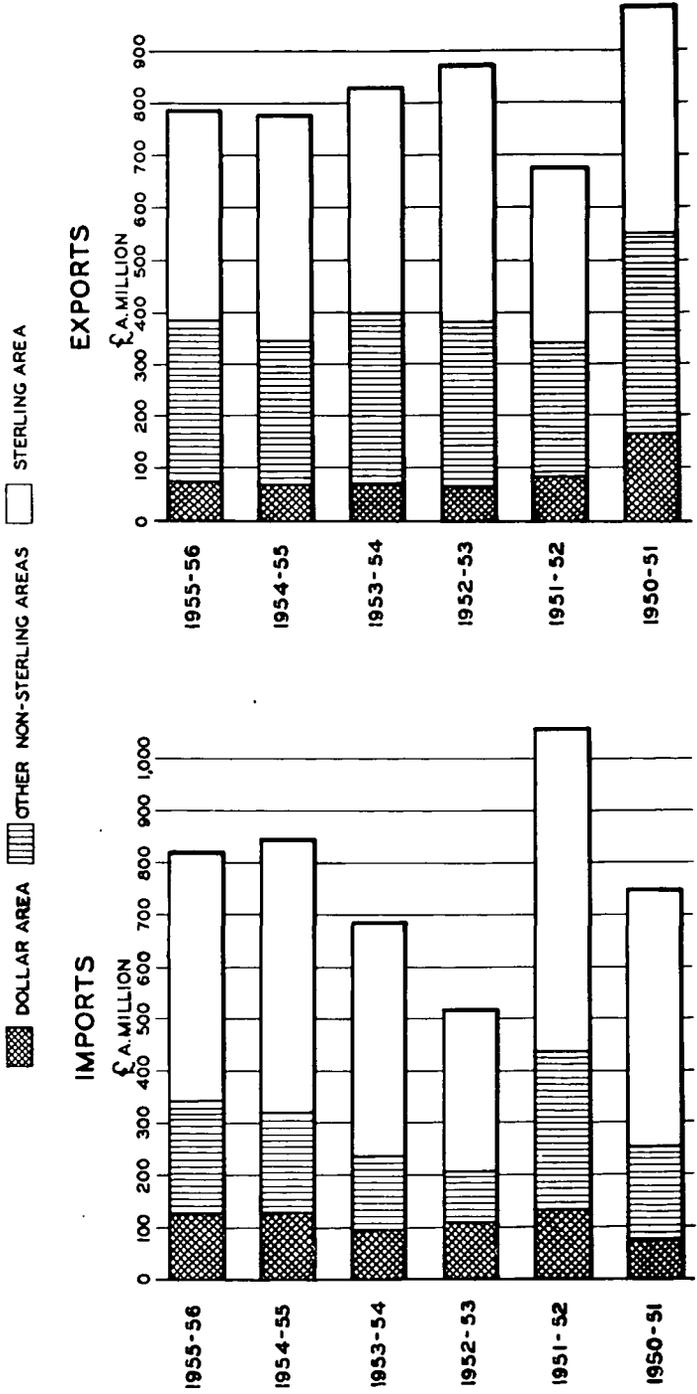
(a) Includes outside packages.

OVERSEA TRADE: AUSTRALIA, 1930-31 TO 1955-56



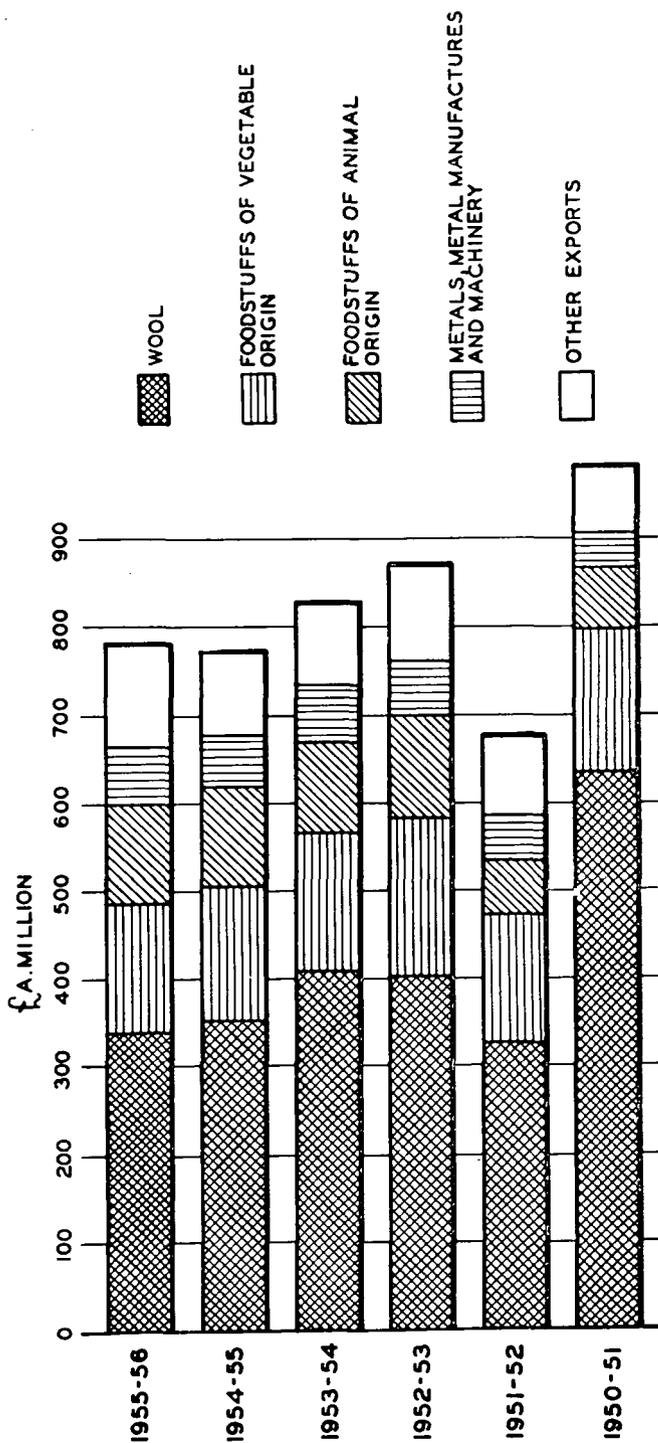
# OVERSEA TRADE ACCORDING TO CURRENCY AREAS

## AUSTRALIA, 1950-51 TO 1955-56



# EXPORTS OF PRINCIPAL COMMODITIES

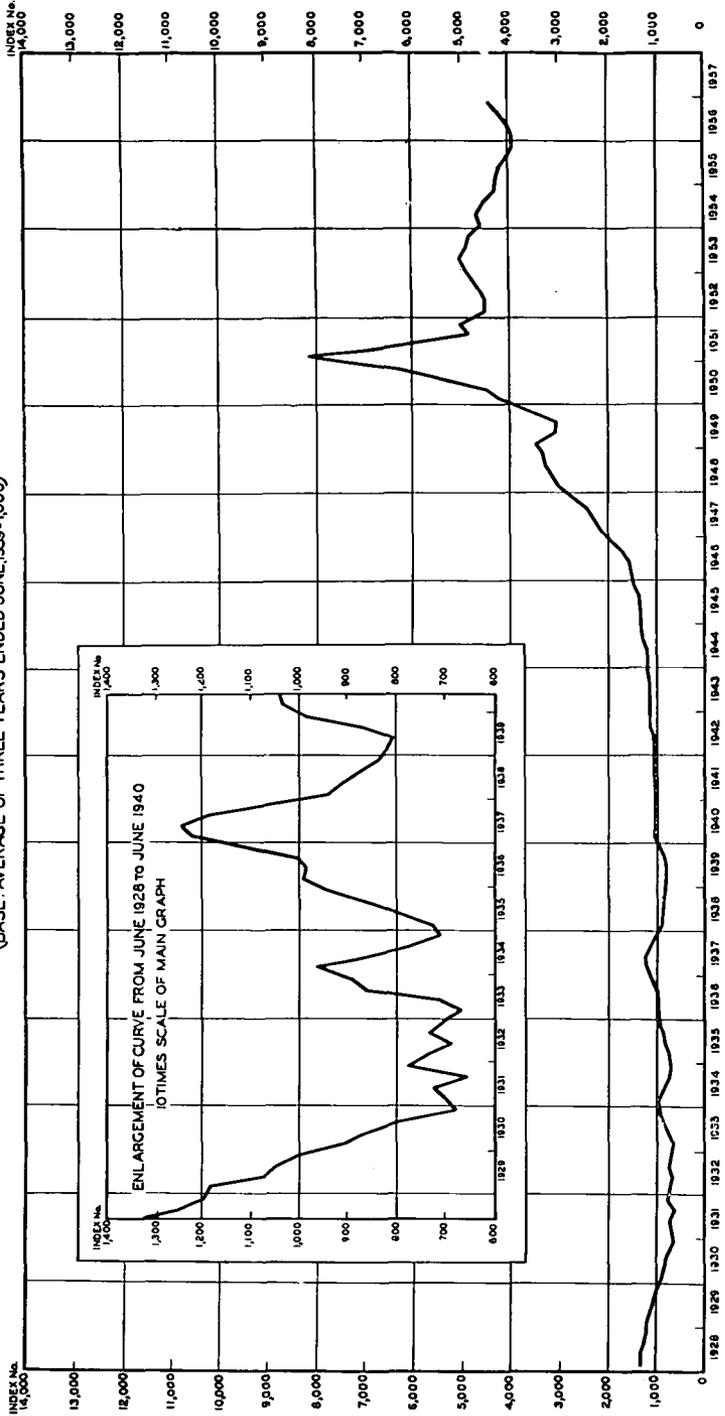
AUSTRALIA, 1950-51 TO 1955-56



# EXPORT PRICE INDEX NUMBERS : AUSTRALIA, 1928 TO 1956

SIMPLE AGGREGATIVE INDEX : FIXED WEIGHTS

(BASE: AVERAGE OF THREE YEARS ENDED JUNE, 1939-1940)



3. Exports of Principal Articles of Australian Produce.—The following table shows the quantities and values of the principal articles of Australian produce exported to the United Kingdom during each of the years 1953-54 to 1955-56.

PRINCIPAL ARTICLES EXPORTED TO THE UNITED KINGDOM : AUSTRALIA.  
(Australian Produce.)

Article.	Unit of Quantity.	Quantity.			Value.(£'000.)		
		1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
Barley .. .. .	ton	176,066	91,349	71,897	3,904	2,322	1,441
Butter .. .. .	"	29,054	54,485	72,420	11,295	20,767	24,464
Cheese .. .. .	"	17,935	18,098	13,630	3,692	3,666	2,231
Eggs in shell .. .. .	'000 doz.	9,907	16,642	12,902	2,075	2,697	2,115
Flour .. .. .	ton(a)	65,659	80,832	67,079	2,442	2,261	1,767
Fruit, dried .. .. .	ton	45,774	45,944	37,549	4,712	5,341	4,763
" fresh .. .. .	'000 bus.	4,308	3,764	3,869	5,791	5,004	5,047
" preserved in airtight containers .. .. .	ton	76,400	84,859	84,542	12,174	13,358	14,100
Gold .. .. .	'000 fine oz.	298	2	5	4,773	30	80
Hides and skins .. .. .	"	..	..	..	2,596	2,803	2,745
Lead bullion .. .. .	ton	34,124	40,818	29,812	4,393	6,133	4,639
" pig .. .. .	"	108,137	77,398	85,089	11,692	9,495	11,368
Leather .. .. .	"	..	..	..	1,605	1,231	1,642
Meats preserved by cold process—							
Beef and veal .. .. .	ton	121,080	98,139	112,347	18,016	16,708	17,247
Lamb .. .. .	"	15,913	39,075	32,683	2,494	9,293	6,967
Mutton .. .. .	"	17,669	8,608	10,757	1,292	927	1,342
Pork .. .. .	"	90	1,890	450	26	446	128
Meats, tinned .. .. .	"	55,859	53,122	49,134	18,948	17,584	15,427
Milk and cream .. .. .	'000 lb.	38,225	9,519	24,550	2,102	396	955
Silver bullion .. .. .	'000 fine oz.	5,772	408	348	2,188	158	141
Sugar (cane) .. .. .	ton	534,749	435,017	327,127	23,751	18,962	13,909
Tallow (unrefined) .. .. .	"	11,638	3,200	11,445	725	263	884
Timber, undressed(b) .. .. .	'000 super ft.	5,424	3,280	1,412	353	190	95
Wheat .. .. .	ton	308,582	512,524	548,030	9,575	13,718	12,783
Wine .. .. .	'000 gal.	936	865	896	453	410	422
Wool .. .. .	'000 lb.	315,507	327,163	300,852	117,715	107,914	83,088
Zinc bars, etc. .. .. .	ton	15,264	9,002	9,896	1,461	951	1,181
All other articles .. .. .	"	..	..	..	28,706	20,451	23,412
<b>Total Exports (Australian Produce) .. .. .</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>298,949</b>	<b>283,479</b>	<b>254,383</b>

a) 2,000 lb. (b) Excludes railway sleepers.

4. Imports from the United Kingdom and Competing Countries.—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 in normal times with the United Kingdom for the trade of Australia under the specified headings. Totals for each of the years 1953-54 to 1955-56 are shown in the following table.

**IMPORTS FROM THE UNITED KINGDOM AND ITS MAIN COMPETITORS.**  
(£'000.)

Nature of Imports.	Year.	United Kingdom.	France.	Federal Republic of Germany.	Japan.	United States of America.	All Countries.
Foodstuffs of animal origin	1953-54	1,257	7	16	358	145	5,702
	1954-55	1,599	7	132	739	81	7,034
	1955-56	1,408	11	201	1,801	82	7,566
Yarns and manufactured fibres, textiles and apparel	1953-54	66,681	3,963	2,882	4,735	669	113,805
	1954-55	66,061	5,073	3,875	9,026	524	126,752
	1955-56	51,672	5,105	4,821	9,097	568	111,320
Metals, metal manufactures and machinery	1953-54	171,677	2,961	9,394	191	37,838	245,494
	1954-55	205,282	5,390	13,300	4,044	56,687	319,169
	1955-56	203,334	6,274	15,995	7,202	54,986	322,068
Rubber and leather and manufactures thereof, and substitutes therefor	1953-54	2,935	94	87	1	564	12,390
	1954-55	4,041	283	171	22	860	17,825
	1955-56	3,540	217	152	25	3,083	22,821
Earthenware, cement, china, glass and stoneware	1953-54	8,613	176	294	234	420	12,150
	1954-55	10,115	345	707	680	528	15,589
	1955-56	8,495	419	889	1,218	475	14,291
Pulp, paper and board; paper manufactures and stationery	1953-54	19,102	77	528	8	1,048	34,097
	1954-55	21,643	221	816	1,464	1,528	46,410
	1955-56	22,644	238	859	242	1,504	44,225
Sporting material, toys, fancy goods, jewellery and timepieces	1953-54	2,507	132	1,345	123	24	7,688
	1954-55	3,179	181	2,392	611	19	10,442
	1955-56	2,914	128	2,245	920	17	10,069
Optical, surgical and scientific instruments, etc.; photographic goods, n.e.i.	1953-54	4,916	107	873	36	1,377	8,467
	1954-55	5,705	148	1,691	139	1,682	10,770
	1955-56	5,607	134	1,686	292	1,864	10,803
Chemicals, medicinal and pharmaceutical products, essential oils and fertilizers	1953-54	9,816	851	2,133	128	1,453	19,606
	1954-55	14,485	1,032	3,333	371	2,250	27,941
	1955-56	14,597	1,095	3,747	253	2,384	29,984
Total, above-mentioned imports	1953-54	287,504	8,368	17,552	5,814	43,538	459,399
	1954-55	332,110	12,680	26,417	17,096	64,159	581,932
	1955-56	314,211	13,621	30,595	21,050	64,963	573,147
Total imports (less bullion and specie) (a)	1953-54	331,680	11,793	21,365	6,544	73,253	678,590
	1954-55	378,669	14,689	30,838	18,422	102,157	840,972
	1955-56	355,912	15,626	34,998	22,592	98,790	818,293

(a) Includes outside packages.

The principal classes of competitive imports are metals, metal manufactures and machinery (value £322,068,000 in 1955-56) and manufactured fibres, textiles and apparel (value £111,320,000 in 1955-56). The value of goods included in these two groups represented 75.6 per cent. of the total value of competitive commodities during 1955-56. In 1955-56 the United Kingdom supplied 54.8 per cent. of the total value of competitive goods.

### § 9. Trade with Eastern Countries.

1. **Merchandise Trade according to Countries.**—The values of imports from and exports to Eastern countries during the years 1953-54 to 1955-56 are shown in the following table. The principal commodities imported in 1955-56 according to countries of origin were :—Borneo (British)—crude petroleum, £7,666,000 ; Ceylon—tea, £7,535,000 ; India—

bags and sacks, £9,997,000, cotton and linen piece-goods, £3,511,000, hessian, £2,614,000 and cotton fibres, £666,000; Malaya—crude rubber, £11,667,000, timber, £1,676,000; Japan—metals and metal manufactures, £7,144,000, cotton and linen piece-goods, £6,604,000, other textiles, £1,969,000, tinned fish, £1,791,000; Indonesia—petroleum spirit, £7,127,000, kerosene, £3,740,000, crude petroleum, £3,473,000, residual and solar oil, £2,037,000, tea, £2,021,000.

MERCHANDISE TRADE WITH EASTERN COUNTRIES : AUSTRALIA.

(£'000.)

Country.	Imports.			Exports.		
	1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
<i>Commonwealth Countries—</i>						
Borneo .. .. .	8,439	15,522	9,801	960	927	1,042
Ceylon .. .. .	13,490	19,516	8,632	11,447	6,552	6,257
Hong Kong .. .. .	1,717	2,369	2,775	4,956	5,535	5,927
India .. .. .	18,475	26,057	23,469	14,293	19,428	12,159
Malaya, Federation of .. .. .	8,721	12,797	16,230	9,143	8,410	9,337
Pakistan .. .. .	3,706	2,253	2,006	3,287	2,947	1,816
Singapore .. .. .	8,599	2,492	1,453	11,288	11,600	12,100
<i>Foreign Countries—</i>						
Bhutan and Nepal .. .. .	..	..	3	1	..	..
Burma .. .. .	18	11	60	1,689	1,788	2,040
China .. .. .	1,983	1,732	2,275	2,192	2,705	2,701
Formosa .. .. .	137	100	83	444	546	828
<i>French Associated States—</i>						
Cambodia .. .. .	..	..	1	..	3	66
Laos .. .. .	..	7	..	598	70	351
Vietnam .. .. .	1	9	1	34	2	15
Indonesia .. .. .	21,972	22,529	22,401	6,585	3,702	6,705
Japan .. .. .	6,545	18,422	22,592	55,689	58,573	86,490
Korea .. .. .	3	4	2	2,586	970	516
Philippines .. .. .	82	115	121	1,039	1,709	2,190
<i>Portuguese Dependencies—</i>						
India (Portuguese) .. .. .	..	..	..	212	69	76
Macao .. .. .	2	..	1	2	..	2
Timor .. .. .	29	58	37	34	39	24
Thailand .. .. .	35	76	167	1,244	1,157	1,353
<b>Total .. .. .</b>	<b>(a) 93,954</b>	<b>(a)124,069</b>	<b>(a)112,110</b>	<b>127,723</b>	<b>126,732</b>	<b>151,995</b>

(a) Includes outside packages.

The balance of trade with Eastern countries shows an excess of exports from Australia during each of the years 1953-54 to 1955-56.

2. Exports of Principal Articles.—The following table shows the value of exports (including re-exports) from Australia to Eastern countries for each of the years 1953-54 to 1955-56. The countries concerned in this trade are listed in the previous table.

TOTAL EXPORTS FROM AUSTRALIA TO EASTERN COUNTRIES.

(£'000.)

Article.	1953-54.	1954-55.	1955-56.	Article.	1953-54.	1954-55.	1955-56.
Animal (except marine) oils and fats .. .. .	1,209	2,321	1,997	Meats .. .. .	3,443	3,726	3,556
Army stores .. .. .	2,052	1,123	2,472	Metals and metal manufactures except zinc bars, etc. .. .. .	6,597	2,729	3,553
Butter .. .. .	2,354	2,193	2,003	Milk and cream .. .. .	6,215	6,731	6,512
Cheese .. .. .	825	790	711	Sugar (raw) .. .. .	673	5,741	3,343
Fruit, fresh or preserved .. .. .	1,490	1,537	1,396	Wool .. .. .	47,317	51,287	71,704
<i>Grain and cereals—</i>				Zinc bars, blocks, etc. .. .. .	2,242	2,432	2,562
Flour (wheaten), plain white .. .. .	22,707	13,853	14,658	Other merchandise .. .. .	8,410	7,055	13,580
Wheat .. .. .	8,058	15,150	12,629	<b>Total Merchandise .. .. .</b>	<b>127,723</b>	<b>126,732</b>	<b>151,995</b>
Other (prepared and unprepared) .. .. .	9,667	5,091	7,275	Gold and silver; bronze specie .. .. .	5,626	15,825	10,636
Infants' and invalids' foods .. .. .	1,540	1,263	1,381	<b>Total Exports .. .. .</b>	<b>133,349</b>	<b>142,557</b>	<b>162,631</b>
Leather .. .. .	657	791	647				
Machines and machinery .. .. .	2,267	2,919	2,016				

## § 10. Oversea Trade at Principal Ports.

The following table shows the value of overseas imports and exports at the principal ports of Australia during the year 1955-56, together with the totals for each State.

OVERSEA TRADE AT PRINCIPAL PORTS, 1955-56.  
(£'000.)

Port.	Imports.	Exports.	Port.	Imports.	Exports.
NEW SOUTH WALES.			SOUTH AUSTRALIA.		
Sydney, including Botany Bay	322,981	201,215	Port Adelaide, including Adelaide	61,057	66,205
Newcastle, including Port Stephens	10,147	20,696	Port Pirie	722	22,990
Port Kembla	3,848	3,261	Port Lincoln	526	3,790
Other		478	Walleroo	438	1,860
Total	336,976	225,650	Other	9	2,821
VICTORIA.			Total	62,752	97,666
Melbourne	270,799	191,918	WESTERN AUSTRALIA.		
Geelong	28,017	14,492	Fremantle, including Perth and Kwinana	45,911	63,488
Portland	524	2,986	Geraldton		136
Total	299,340	209,396	Bunbury	246	2,840
QUEENSLAND.			Other	189	5,950
Brisbane	55,536	95,078	Total	46,482	76,143
Townsville	2,230	23,372	TASMANIA.		
Cairns	1,743	6,765	Hobart	7,796	12,880
Mackay	973	7,297	Devonport	1,062	609
Rockhampton	568	6,003	Launceston	1,796	3,470
Bowen		5,967	Burnie	1,987	3,346
Gladstone	648	4,021	Total	12,641	20,305
Maryborough	25	3,446	NORTHERN TERRITORY.		
Other	14	196	Darwin	1,155	559
Total	61,738	152,145	AUSTRALIAN CAPITAL TERRITORY.		
			Canberra	4	
			Grand Total	821,088	781,864

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

1. Statistical Classes.—(i) *Imports and Exports.* The following table shows, according to statistical classes, the value of Australian imports and exports during each of the years 1953-54 to 1955-56.

OVERSEA TRADE : CLASSES.  
(£'000.)

Class.	Imports.			Exports.		
	1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
I. Animal foodstuffs, etc.	5,702	7,034	7,566	102,684	112,546	113,366
II. Vegetable foodstuffs; non-alcoholic beverages, etc.	25,702	35,925	22,059	154,938	152,600	148,760
III. Alcoholic liquors, etc.	1,328	2,028	2,101	1,657	1,716	1,460
IV. Tobacco, etc.	17,809	17,316	16,215	281	348	518
V. Live animals	571	693	727	700	1,031	1,188
VI. Animal substances, etc.	4,437	4,108	4,000	431,620	374,690	360,692
VII. Vegetable substances, etc.	18,240	19,461	17,482	1,280	1,831	2,432
VIII. Apparel, textiles, etc.	113,805	126,752	111,320	2,269	2,758	2,220
IX. Oils, fats and waxes	83,491	96,918	99,640	5,689	6,588	14,053
X. Pigments, paints and varnishes	5,272	5,900	5,937	927	922	977
XI. Rocks, minerals, etc.	5,946	8,234	7,293	16,236	17,052	22,677
XII. Metals, metal manufactures and machinery	245,494	319,169	322,068	66,128	59,108	64,494
XIII. Rubber and leather, etc.	12,390	17,825	22,821	3,249	3,196	3,279
XIV. Wood and wicker, etc.	11,875	17,459	17,881	3,283	2,316	2,985
XV. Earthenware, etc.	12,150	15,589	14,291	1,008	1,161	897
XVI. Paper and stationery	34,097	46,410	44,225	2,169	2,560	2,661
XVII. Jewellery, etc.	7,688	10,442	10,069	558	570	547
XVIII. Optical, surgical and scientific instruments	8,467	10,770	10,803	1,592	1,253	1,053
XIX. Chemicals, etc., fertilizers	19,606	27,941	29,984	3,999	4,505	5,417
XX. Miscellaneous	(a) 44,520	(a) 50,998	(a) 51,811	11,599	11,290	21,161
XXI. Gold and silver; bronze specie	3,019	2,770	2,795	16,466	16,123	11,027
Total	681,609	843,742	821,088	828,332	774,164	781,864

(a) Includes outside packages.

(ii) *Exports—Australian Produce and Re-exports.* In the following table the exports from Australia of (a) Australian produce and (b) re-exports are shown according to statistical classes for each of the years 1953-54 to 1955-56.

EXPORTS FROM AUSTRALIA : AUSTRALIAN PRODUCE AND RE-EXPORTS.  
(£'000.)

Class.	Australian Produce.			Re-exports.		
	1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
I. Animal foodstuffs, etc. ..	102,625	112,488	113,307	59	58	59
II. Vegetable foodstuffs; non-alcoholic beverages, etc. ..	154,674	152,078	148,465	264	522	295
III. Alcoholic liquors, etc. ..	1,633	1,697	1,448	24	19	12
IV. Tobacco, etc. ..	269	264	446	12	84	72
V. Live animals ..	661	958	1,097	39	73	91
VI. Animal substances, etc. ..	431,332	374,399	360,370	288	291	322
VII. Vegetable substances, etc. ..	1,241	1,769	2,404	39	62	28
VIII. Apparel, textiles, etc. ..	2,003	2,494	1,974	266	264	246
IX. Oils, fats and waxes ..	5,207	6,029	13,459	482	559	594
X. Pigments, paints and varnishes ..	850	891	939	77	31	38
XI. Rocks, minerals, etc. ..	16,174	16,861	22,440	62	191	237
XII. Metals, metal manufactures and machinery ..	61,889	55,193	60,299	4,239	3,915	4,195
XIII. Rubber and leather, etc. ..	3,198	3,172	3,252	51	24	27
XIV. Wood and wicker, etc. ..	3,199	2,185	2,928	84	131	57
XV. Earthenware, etc. ..	983	1,136	847	25	25	50
XVI. Paper and stationery ..	2,087	2,444	2,546	82	116	115
XVII. Jewellery, etc. ..	439	460	487	119	110	60
XVIII. Optical, surgical and scientific instruments ..	1,101	870	747	491	383	306
XIX. Chemicals, etc., fertilizers ..	3,803	4,309	5,228	196	196	189
XX. Miscellaneous ..	10,267	10,068	14,417	1,332	1,222	6,744
XXI. Gold and silver; bronze specie ..	16,422	16,118	10,990	44	5	37
Total ..	820,057	765,883	768,090	8,275	8,281	13,774

2. *Imports of Principal Articles.*—The next table shows the quantity, where available, and the value of the principal articles imported into Australia during each of the years 1953-54 to 1955-56.

PRINCIPAL ARTICLES IMPORTED : AUSTRALIA.

Article.	Unit of Quantity.	Quantity.			Value. (£'000.)		
		1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
Apparel—							
Blouses, skirts, costumes, etc. ..	..	..	..	..	550	1,178	704
Gloves ..	doz. prs.	396,031	510,301	495,562	1,464	1,627	1,358
Headwear ..	..	..	..	..	973	939	920
Men's and boys' outer clothing ..	..	..	..	..	495	722	637
Socks and stockings ..	..	..	..	..	925	1,143	537
Trimmings and ornaments ..	..	..	..	..	4,933	5,383	4,794
Other apparel and attire ..	..	..	..	..	2,060	2,591	2,519
Arms and explosives, military stores, etc. ..	..	..	..	..	4,694	9,463	6,155
Bags and sacks ..	..	..	..	..	6,086	11,643	10,184
Carpets and carpeting ..	..	..	..	..	7,251	8,606	7,134
Chemicals, drugs, fertilizers ..	..	..	..	..	19,606	27,941	29,984
Crockery, etc. ..	..	..	..	..	4,046	5,171	4,555
Electrical machinery and appliances ..	..	..	..	..	24,027	26,872	33,617
Fibres ..	..	..	..	..	12,365	12,288	10,659
Glass and glassware ..	..	..	..	..	4,781	6,176	5,929
Iron and steel—							
Pipes, tubes and fittings ..	cwt.	493,979	685,129	285,046	2,862	2,603	1,398
Plate and sheet ..	..	2,899,901	6,670,808	4,471,564	13,486	29,583	21,302
Other ..	..	..	..	..	5,148	17,768	24,810
Machines and machinery (except dynamo electrical)—							
Agricultural ..	..	..	..	..	4,325	5,043	5,233
Metal-working ..	..	..	..	..	8,204	8,635	12,963
Motive power ..	..	..	..	..	41,062	41,221	43,475
Other ..	..	..	..	..	39,730	49,043	47,848

PRINCIPAL ARTICLES IMPORTED : AUSTRALIA—*continued.*

Article.	Unit of Quantity.	Quantity.			Value. (£'000.)		
		1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
Motor vehicles, chassis, bodies and parts .. .. .	..	..	..	..	57,523	77,701	77,105
Oils—							
Linseed .. .. .	'000 gal.	3,567	3,636	2,383	1,585	1,386	1,247
Petroleum and shale—							
Kerosene .. .. .	..	136,729	150,735	130,168	6,941	7,705	6,747
Lubricating (mineral) .. .. .	..	26,994	43,885	42,835	3,436	5,509	5,584
Petroleum and shale spirit .. .. .	..	689,164	603,715	455,577	39,938	34,052	27,766
Residual and solar .. .. .	..	474,254	377,021	156,988	16,923	13,807	6,014
Paper, printing .. .. .	..	..	..	..	13,104	19,218	16,768
Piece-goods—	'000 sq. yds.						
Canvas and duck .. .. .	..	7,631	8,211	7,982	1,263	1,398	1,264
Cotton and linen .. .. .	..	..	..	..	40,480	42,919	35,156
Silk and rayon .. .. .	..	..	..	..	14,680	14,875	14,085
Woolen and containing wool .. .. .	..	..	..	..	1,299	1,703	1,438
All other piece-goods .. .. .	..	..	..	..	6,915	8,760	9,155
Plastic materials .. .. .	..	..	..	..	4,984	5,851	5,775
Prefabricated houses and buildings .. .. .	..	..	..	..	4,476	880	808
Rubber and rubber manufactures .. .. .	..	..	..	..	11,827	17,032	22,030
Stationery and paper manufactures .. .. .	..	..	..	..	9,065	10,516	11,650
Tea .. .. .	'000 lb.	58,533	65,212	46,326	13,647	21,743	11,196
Timber, undressed, including logs <sup>(a)</sup> .. .. .	'000 sup. ft.	244,595	331,346	322,792	9,572	13,265	14,111
Yarns—							
Cotton .. .. .	'000 lb.	6,369	6,411	5,297	3,143	3,255	2,496
Rayon .. .. .	..	24,377	18,392	17,026	10,236	8,990	8,923
Woolen .. .. .	..	119	157	138	221	207	184
Other .. .. .	..	1,802	1,483	2,233	496	387	481
All other articles .. .. .	..	..	..	..	200,782	256,944	264,389
<b>Total Imports</b> .. .. .	..	..	..	..	<b>681,609</b>	<b>843,742</b>	<b>821,088</b>

(a) Excludes undressed timber not measured in super, feet.

3. Exports of Principal Articles of Australian Produce.—The following table shows the quantities and values of the principal articles of Australian produce exported during each of the years 1953-54 to 1955-56.

## EXPORTS OF PRINCIPAL ARTICLES OF AUSTRALIAN PRODUCE.

Article.	Unit of Quantity.	Quantity.			Value. (£'000.)		
		1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
Arms, ammunition, military, naval and air force stores .. .. .	..	..	..	..	3,927	3,299	3,067
Barley .. .. .	ton	601,536	421,174	470,210	14,870	10,357	10,471
Butter .. .. .	..	39,299	62,507	82,636	16,052	24,589	28,966
Cheese .. .. .	..	22,749	22,117	17,181	5,329	5,057	3,537
Chemicals, drugs, fertilizers .. .. .	..	..	..	..	3,803	4,309	5,228
Flour .. .. .	ton <sup>(a)</sup>	761,268	605,619	666,793	29,682	20,305	19,703
Fruit—							
Dried .. .. .	ton	65,314	71,177	62,931	7,393	8,435	7,803
Fresh, including frozen .. .. .	'000 bus.	6,596	6,284	6,689	9,384	8,771	9,139
Preserved in airtight containers .. .. .	ton	88,937	96,337	93,359	14,184	15,245	15,469
Gold .. .. .	'000 fine oz.	871	864	532	13,737	13,717	8,323
Hides and skins .. .. .	..	..	..	..	19,422	19,674	20,849
Lead, pig .. .. .	ton	170,207	140,256	145,987	18,550	17,182	19,539
Machines and machinery (except dynamo electrical) .. .. .	..	..	..	..	6,744	8,789	7,492
Meats preserved by cold process—							
Beef and veal .. .. .	ton	141,508	123,392	144,084	22,046	21,899	23,431
Lamb .. .. .	..	19,688	42,403	36,440	3,297	10,191	7,867
Mutton .. .. .	..	24,817	15,094	15,472	1,964	1,626	1,885
Pork .. .. .	..	1,231	2,908	1,104	462	781	364
Meats, tinned .. .. .	..	65,333	62,963	58,286	21,847	20,559	18,224
Milk and cream .. .. .	'000 lb.	117,143	105,285	127,278	9,675	8,306	8,915
Ores and concentrates .. .. .	ton	427,683	383,457	505,912	13,037	14,292	19,663
Sugar (cane) .. .. .	..	706,796	737,150	592,229	31,592	31,146	24,723
Wheat .. .. .	..	965,838	1,691,063	1,902,896	30,957	45,222	46,456
Wool (b) .. .. .	'000 lb.	1,168,204	1,144,560	1,263,983	410,431	353,106	337,508
All other articles .. .. .	..	..	..	..	111,672	99,026	119,468
<b>Total Exports (Australian Produce)</b> .. .. .	..	..	..	..	<b>820,057</b>	<b>765,883</b>	<b>768,090</b>

(a) 2,000 lb.

(b) Quantity in terms of greasy wool.

A graph showing exports in principal commodity groups in each of the years 1950-51 to 1955-56 will be found on page 343.

4. **Imports of Merchandise and Bullion and Specie.**—The table hereunder shows the value of imports into Australia during each of the years 1951-52 to 1955-56, grouped under the headings—Merchandise, and Bullion and Specie. The imports of merchandise are shown under the sub-headings of “free” and “dutiable” goods.

**IMPORTS OF MERCHANDISE AND BULLION AND SPECIE: AUSTRALIA.**  
(£'000.)

Year.	Merchandise.			Bullion and Specie.	Total Imports.
	Free Goods.	Dutiable Goods.	Total Merchandise.		
1951-52.. ..	554,959	494,792	1,049,751	3,672	1,053,423
1952-53.. ..	301,870	208,472	510,342	3,767	514,109
1953-54.. ..	317,850	360,740	678,590	3,019	681,609
1954-55.. ..	399,063	441,909	840,972	2,770	843,742
1955-56.. ..	421,208	397,085	818,293	2,795	821,088

5. **Exports of Merchandise and Bullion and Specie.**—The next table shows the recorded value of exports from Australia during each of the years 1951-52 to 1955-56, grouped under the headings—Merchandise, and Bullion and Specie. The exports of Australian produce and re-exports are shown separately.

**EXPORTS OF MERCHANDISE AND BULLION AND SPECIE: AUSTRALIA.**  
(£'000.)

Year.	Merchandise.			Bullion and Specie.			Total Expo.ts.
	Australian Produce.	Re-exports.	Total.	Australian Produce.	Re-exports.	Total.	
1951-52 ..	657,344	7,896	665,240	9,716	52	9,768	675,008
1952-53 ..	840,634	7,864	848,498	22,657	117	22,774	871,272
1953-54 ..	803,635	8,231	811,866	16,422	44	16,466	828,332
1954-55 ..	749,765	8,276	758,041	16,118	5	16,123	774,164
1955-56 ..	757,100	13,737	770,837	10,990	37	11,027	781,864

6. **Imports and Net Customs Revenue.**—The percentage of net Customs revenue, omitting primage, collected to the total value of all merchandise imported in each of the years 1951-52 to 1955-56 was as follows:—1951-52, 10.0 per cent.; 1952-53, 12.6 per cent.; 1953-54, 12.8 per cent.; 1954-55, 11.1 per cent.; and 1955-56, 9.8 per cent. Primage duty was in force during these years and if this is added to net Customs revenue the percentages become:—1951-52, 10.9 per cent.; 1952-53, 13.8 per cent.; 1953-54, 14.0 per cent.; 1954-55, 12.1 per cent.; and 1955-56, 10.7 per cent. The percentages of the net Customs revenue, omitting primage, on the total value of dutiable goods only were: 1951-52, 21.1 per cent.; 1952-53, 31.0 per cent.; 1953-54, 24.0 per cent.; 1954-55, 21.1 per cent.; and 1955-56, 20.2 per cent. The calculations are based on Australian currency values and on the assumption that the value of clearances approximated to the value of imports during the same period.

## § 12. 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 1951-52 to 1955-56, with fuel oils separate, is shown in the following table :—

**VALUE OF STORES SHIPPED ON OVERSEA VESSELS : AUSTRALIA.**  
(£'000.)

Item.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Fuel Oils .. .. .	5,532	6,460	5,674	6,925	7,681
All Stores (including Fuel Oils)	10,478	11,696	10,266	13,181	13,539

In addition to fuel oils, the principal items of ships' stores supplied to oversea vessels in 1955-56 were :—Meats, £2,022,302 ; fruit and vegetables, £771,970 ; oils, other than fuel, £289,556 ; eggs, £207,995 ; butter, £205,665 ; ale, porter, beer, etc., £185,146 ; fish, £179,960 ; coal, £165,224 ; flour, £141,318 ; rice, £70,002 ; milk and cream, £63,679.

## § 13. Movement of Bullion and Specie.

1. Imports and Exports.—The following table shows the values of gold and silver bullion and specie and of bronze specie imported into and exported from Australia during each of the years 1953-54 to 1955-56.

**IMPORTS AND EXPORTS, BULLION AND SPECIE : AUSTRALIA.**  
(£.)

Item.	Imports.			Exports.		
	1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
Gold—Bullion ..	2,955,517	2,720,834	2,745,143	13,769,222	13,716,622	8,323,118
Specie ..	3,537	2,948	..	..	1,000	80
<i>Total</i> ..	<i>2,959,054</i>	<i>2,723,782</i>	<i>2,745,143</i>	<i>13,769,222</i>	<i>13,717,622</i>	<i>8,323,198</i>
Silver—Bullion ..	29,929	34,429	33,173	2,592,377	2,356,908	2,620,905
Specie ..	29,353	11,814	16,691	103,416	47,763	82,749
<i>Total</i> ..	<i>59,282</i>	<i>46,243</i>	<i>49,864</i>	<i>2,695,793</i>	<i>2,404,671</i>	<i>2,703,654</i>
Bronze—Specie ..	217	..	488	903	909	327
Total— Australian Pro- duce ..	..	..	..	16,422,354	16,117,547	10,990,312
Re-exports ..	..	..	..	43,564	5,655	36,867
<b>Grand Total</b> ..	<b>3,018,553</b>	<b>2,770,025</b>	<b>2,795,495</b>	<b>16,465,918</b>	<b>16,123,202</b>	<b>11,027,179</b>

2. Imports and Exports by Countries.—The next table shows the imports and exports of bullion and specie from and to various countries during the year 1955-56 :—

**IMPORTS AND EXPORTS OF BULLION AND SPECIE BY COUNTRIES :  
AUSTRALIA, 1955-56.**

(£.)

Country.	Imports.			Exports.		
	Bullion.	Specie.	Total.	Bullion.	Specie.	Total.
Australia (re-imported) ..	382	15,045	15,427	..	..	..
United Kingdom ..	8	61	69	221,672	11,523	233,195
Australian Territories—						
Nauru .. ..	..	..	..	..	5,600	5,600
New Guinea ..	1,258,108	..	1,258,108	..	24,775	24,775
Norfolk Island ..	..	..	..	..	198	198
Papua .. ..	788	..	788	..	5,010	5,010
Canada .. ..	..	..	..	..	1,107	1,107
Ceylon .. ..	..	..	..	2,430,299	..	2,430,299
Hong Kong .. ..	..	..	..	8,126,421	..	8,126,421
New Zealand ..	279,090	1,682	280,772	28,349	20,028	48,377
Pacific Islands (British)—						
Fiji .. ..	1,239,938	..	1,239,938	1,579	..	1,579
Gilbert and Ellice Islands ..	..	..	..	..	3,640	3,640
Solomon Islands ..	..	..	..	..	1,752	1,752
Tonga .. ..	..	..	..	..	1,500	1,500
South Africa, Union of ..	..	..	..	..	1,286	1,286
<i>Total, Commonwealth Countries ..</i>	<i>2,778,314</i>	<i>16,788</i>	<i>2,795,102</i>	<i>10,808,320</i>	<i>76,419</i>	<i>10,884,739</i>
Germany, Federal Republic of ..	2	..	2	..	..	..
Sweden .. ..	..	52	52	..	..	..
Switzerland .. ..	..	46	46	..	..	..
Syria .. ..	..	..	..	50,091	..	50,091
Thailand .. ..	..	..	..	79,281	..	79,281
United States of America ..	..	293	293	6,331	6,737	13,068
<i>Total, Foreign Countries</i>	<i>2</i>	<i>391</i>	<i>393</i>	<i>135,703</i>	<i>6,737</i>	<i>142,440</i>
<b>Grand Total ..</b>	<b>2,778,316</b>	<b>17,179</b>	<b>2,795,495</b>	<b>10,944,023</b>	<b>83,156</b>	<b>11,027,179</b>

**§ 14. Exports According to Industries.**

1. Classification.—The following table provides an analysis of the total recorded value of Australian exports for the three successive financial years ended June, 1956. This analysis is designed to show fluctuations in the value of exports of Australian produce dissected according to the main industry of their origin, although any such classification is necessarily arbitrary in some respects.

## EXPORTS OF AUSTRALIAN PRODUCE ACCORDING TO INDUSTRIAL GROUPS.

Industrial Group.	Value. (£'000.)			Proportion of Value of Exports of Australian Produce (excluding Gold). (Per cent.)		
	1953-54.	1954-55.	1955-56.	1953-54.	1954-55.	1955-56.
Agriculture, Horticulture and Viticulture—						
Unprocessed .. ..	63,463	72,300	77,038	7.9	9.6	10.2
Processed .. ..	91,513	81,074	73,263	11.3	10.8	9.6
Total .. ..	154,976	153,374	150,301	19.2	20.4	19.8
Pastoral—						
Unprocessed .. ..	416,827	369,711	353,929	51.7	49.2	46.5
Processed .. ..	73,399	69,031	71,579	9.1	9.1	9.4
Total .. ..	490,226	438,742	425,508	60.8	58.3	55.9
Dairy and Farmyard—						
Unprocessed .. ..	4,649	6,079	5,315	0.5	0.8	0.7
Processed .. ..	41,507	43,139	45,827	5.2	5.7	6.0
Total .. ..	46,156	49,218	51,142	5.7	6.5	6.7
Mines and Quarries (other than Gold)—						
Unprocessed .. ..	14,584	14,818	19,850	1.9	2.0	2.6
Processed .. ..	37,134	34,737	40,708	4.6	4.6	5.4
Total .. ..	(a)51,718	(a)49,555	(a)60,558	6.5	6.6	8.0
Fisheries—						
Unprocessed .. ..	2,618	2,853	3,391	0.3	0.4	0.5
Processed .. ..	1,697	1,613	1,554	0.2	0.2	0.2
Total .. ..	4,315	4,466	4,945	0.5	0.6	0.7
Forestry—						
Unprocessed .. ..	601	241	333	0.1	(b)	(b)
Processed .. ..	2,652	1,874	2,739	0.3	0.3	0.4
Total .. ..	3,253	2,115	3,072	0.4	0.3	0.4
Total Primary Produce—						
Unprocessed .. ..	502,742	466,002	459,856	62.4	62.0	60.5
Processed .. ..	247,902	231,468	235,670	30.7	30.7	31.0
Total .. ..	750,644	697,470	695,526	93.1	92.7	91.5
Manufactures .. ..	47,938	45,917	45,669	6.0	6.1	6.0
Refined Petroleum Oils .. ..	194	2,100	7,272	(b)	0.3	1.0
Unclassified .. ..	7,525	6,678	11,300	0.9	0.9	1.5
Total Australian Produce (excluding Gold) .. ..	806,301	752,165	759,767	100.0	100.0	100.0
Re-exports (excluding Gold) .. ..	8,262	8,281	13,774	..	..	..
Gold Exports .. ..	(a)13,769	(a)13,718	(a) 8,323	..	..	..
Total Recorded Value of Exports .. ..	828,332	774,164	781,864	..	..	..

(a) The value of production of gold was £16,354,533 in 1953-54, £16,939,351 in 1954-55 and £16,192,638 in 1955-56. (b) Less than 0.05 per cent.

2. **Relative Importance of Industrial Groups.**—In the year 1955–56 Australian produce (other than gold) exported amounted to approximately £760 million. Of this, £696 million or 92 per cent. was mainly produce of primary industries, comprising £460 million of unprocessed produce and £236 million of goods which had been processed in some degree before export. The values of the principal individual items of processed primary produce exported were :—Raw sugar, £24,234,000 ; flour, etc., £20,685,000 ; canned fruit, £15,469,000 ; dried fruit, £7,803,000 ; wool (scoured, tops, etc.), £43,786,000 ; canned meats, £17,057,000 ; butter, £28,966,000 ; milk (condensed, dried, etc.), £9,470,000 ; pig lead, £19,389,000 ; lead bullion, £4,789,000 ; zinc bars, blocks, etc., £4,107,000 ; copper ingots, £6,094,000 ; and undressed timber, £2,169,000.

The value of manufactures exported as classified above was £46 million, or approximately 6 per cent. of Australian produce (other than gold) exported in 1955–56. The values of principal individual items here included were :—Manufactures of metal, £17,797,000 ; implements and machinery, £7,492,000 ; drugs and chemicals, £4,073,000 ; and paper and stationery, £2,545,000.

The items enumerated indicate the arbitrariness of the line necessarily drawn between primary produce and manufactures in any classification of this kind. The value of processed primary products exported includes some element of value added by the simpler processes of manufacture, while the value shown for manufactures exported necessarily includes the value of raw materials (primary produce) used in those manufactures.

Refined petroleum oils exported are shown separately, as they consist of imported crude oils refined in Australia and re-exported in the refined form. The values of principal individual items shown as "unclassified" in 1955–56 were :—Individual consignments of less than £50 in value, £4,345,000 ; and military equipment and stores and supplies for Australian projects overseas, £4,189,000.

## § 15. Australian Index of Export Prices.

1. **General.**—Over the past fifty years the exports of Australia have become increasingly diversified, but, although the proportion of highly manufactured exports has increased, it is still small in relation to total exports. Most of the exports still consist of basic products, such as wool, wheat, butter, etc.

2. **Historical.**—An annual index of export prices has been published by this Bureau since its inception.

The first index was compiled annually for the years 1901 to 1916–17. The method of computation was to select all those articles of export which were recorded by units of quantity, and to apply to the quantities of these export commodities actually exported during any year the average price per unit ruling in the year 1901 (adopted as the base year). The total value so obtained was divided into the total actual (recorded) value of these exports for that year. The quotient (multiplied by 1,000) thus obtained was the export price index number for that year.

The method was changed in 1918. A weight for all principal exports was calculated on the average quantities of exports for the nineteen and a half years from 1st January, 1897 to 30th June, 1916. To these weights were applied the "average unit export values" of each export in successive years, and a weighted aggregative index of "price" variations was derived. It was published for the years 1897 to 1929–30, and particulars of this index were last published in Official Year Book No. 24, page 147.

After the 1914–18 War, however, the relative importance of different exports changed considerably. In addition, the pattern of exports had become liable to vary considerably from year to year.

3. **Present Indexes.**—For the reasons just mentioned, two new series of monthly export price indexes—one using fixed weights, the other changing weights—were published in 1937, computed back to 1928. These are the only export price indexes now published.

The data on which both series are based differ from those utilized in the old series of annual index numbers. 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.

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.

The two series are compiled monthly, and both relate to commodities which normally constitute about 80 per cent. of the total value of exports of merchandise and silver and gold production.

4. **Monthly Index (Fixed Weights).**—(i) *General.* This is a weighted aggregative index of price variations. It was computed back to 1928, with that year taken as base. It is now usually published on the base—average of three years ended June, 1939 = 100.

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.

(ii) *Weights.* The original weights (used for the period 1928 to 1936) were, in round figures, the average annual exports (production, in the case of gold) during the five years 1928–29 to 1932–33.

From July, 1936, the weights were revised, and 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. Consideration is being given to adopting weights for a post-war period.

The weight adopted for wheat takes into account the wheat equivalent of flour exported, the weight allotted to greasy wool takes account of the greasy equivalent of scoured wool, tops, and wool on skins, whilst for some metals allowance is made for the metallic content of ores and concentrates exported.

The twenty items, together with the units of quantity and the weights or "quantity multipliers", are given in the following table.

**EXPORT PRICE INDEX : COMMODITIES AND WEIGHTING SYSTEM.**  
(FROM 1ST JULY, 1936.)

Item.	Unit of Quantity.	"Quantity Multipliers" (Weights).	Percentage Distribution of Total Aggregate.			
			Base Period 1936–37 to 1938–39.		Year 1951–52.	
			Excluding Gold.	Including Gold.	Excluding Gold.	Including Gold.
Wool .. ..	lb.	975,000,000	49.05	45.63	55.89	54.37
Wheat (a) .. ..	bushel	101,000,000	18.34	17.06	16.16	15.72
Butter .. ..	cwt.	2,140,000	12.21	11.36	7.19	6.99
Metals—						
Silver .. ..	oz.	7,300,000	0.68	0.64	0.52	0.50
Copper .. ..	ton	3,600	0.20	0.20	0.21	0.20
Tin .. ..	"	1,300	0.31	0.28	0.27	0.26
Zinc .. ..	"	99,000	2.05	1.90	3.96	3.86
Lead .. ..	"	208,500	4.10	3.81	7.07	6.88
Meats—						
Beef .. ..	lb.	182,000,000	2.56	2.38	1.74	1.69
Lamb .. ..	"	138,000,000	3.56	3.31	1.56	1.52
Mutton .. ..	"	44,000,000	0.58	0.54	0.23	0.22
Pork .. ..	"	16,000,000	0.43	0.40	0.26	0.25
Sugar .. ..	ton	305,000	2.58	2.40	2.43	2.37
Dried Fruits—						
Sultanas .. ..	"	38,200	1.45	1.35	0.86	0.84
Lexias .. ..	"	3,000	0.12	0.11	0.07	0.07
Currants .. ..	"	13,400	0.37	0.35	0.25	0.24
Tallow .. ..	cwt.	600,000	0.69	0.64	0.63	0.61
Hides—						
Cattle .. ..	lb.	28,000,000	0.64	0.59	0.63	0.62
Calf .. ..	"	1,800,000	0.08	0.07	0.07	0.07
Gold .. ..	fine oz.	937,000	..	6.98	..	2.72
			100.00	100.00	100.00	100.00

(a) Includes "wheat equivalent" of flour.

The percentage distributions of the "Total Aggregate" shown in the foregoing table are of importance, firstly, as showing their variations from time to time as the result of differential price movements as between the various commodities, and secondly, as regards the effect on the indexes as a whole of the percentage price variations in each commodity.

(iii) *Prices.* The adoption of current market prices (as distinct from the former average unit export values) in the present indexes permitted the use of standards for each commodity.

All export parities are calculated from price quotations from the most reliable and representative sources available. In most cases, the prices used are those at which current sales are being effected.

(iv) *Index Numbers.* The following table shows export price index numbers for Australia for individual commodities, groups of commodities, and all groups combined for each financial year from 1936-37 to 1955-56 and monthly for the year 1955-56.

**EXPORT PRICE INDEXES : AUSTRALIA.**

SIMPLE AGGREGATIVE INDEX ; FIXED WEIGHTS.

INDIVIDUAL COMMODITIES, GROUPS OF COMMODITIES AND ALL GROUPS (COMBINED).

(Base of each section : Average of three years ended June, 1939 = 100.)

Period.	Wool.	Wheat.	Butter.	Metals. (a)	Meats. (b)	Sugar.	Dried Fruits. (c)	Tallow.	Hides. (d)	Gold. (e)	All Groups.	
											Ex- cluding Gold.	In- cluding Gold.
Percentage Dis- tribution of Base Aggregate—												
(f)...	45.63	17.06	11.36	6.83	6.63	2.40	1.81	0.64	0.66	6.98		
(g)...	49.05	18.34	12.21	7.34	7.13	2.58	1.94	0.69	0.72	..	100.00	100.00
1936-37 ..	122	123	92	120	98	104	103	122	113	99	116	115
1937-38 ..	99	111	107	96	106	92	103	100	100	98	102	102
1938-39 ..	79	66	101	84	96	104	94	78	87	103	82	83
1939-40 ..	98	82	108	92	102	126	94	76	120	118	96	98
1940-41 ..	101	102	110	95	103	137	95	82	98	121	103	104
1941-42 ..	101	105	110	101	109	137	106	114	133	120	105	106
1942-43 ..	117	106	114	100	112	152	112	119	145	119	114	114
1943-44 ..	117	116	114	113	113	159	121	123	151	119	117	117
1944-45 ..	117	154	147	129	122	172	128	151	147	120	130	130
1945-46 ..	117	213	147	196	123	213	137	161	152	122	148	146
1946-47 ..	173	305	173	308	139	264	152	361	334	122	209	203
1947-48 ..	287	420	193	372	146	320	157	436	364	122	296	283
1948-49 ..	365	413	233	478	171	343	162	499	421	122	348	332
1949-50 ..	473	400	250	421	196	369	176	400	479	164	399	383
1950-51 ..	999	432	271	689	209	410	226	356	752	176	690	654
1951-52 ..	564	436	291	811	263	464	302	451	486	184	495	473
1952-53 ..	616	445	313	504	314	501	297	358	369	186	505	483
1953-54 ..	615	411	325	450	338	479	287	321	336	179	496	474
1954-55 ..	538	357	313	511	344	445	267	349	218	178	450	431
1955-56 ..	464	324	320	562	355	451	286	353	238	178	414	397
1955-56—												
July ..	(h) 505	352	313	538	359	468	266	342	225	178	437	419
August ..	453	351	313	538	365	468	266	341	234	178	411	395
September ..	437	334	313	545	398	468	278	344	235	178	404	388
October ..	437	329	337	543	408	454	282	351	238	178	406	390
November ..	437	323	364	549	383	454	284	366	227	178	407	391
December ..	453	315	368	575	364	454	283	365	232	178	414	398
January ..	460	313	361	590	348	441	285	356	239	178	416	400
February ..	460	311	328	592	331	441	288	364	240	178	411	395
March ..	453	312	304	592	322	441	292	364	247	178	404	388
April ..	468	310	273	579	317	441	293	354	248	178	406	390
May ..	498	316	265	556	324	441	302	344	241	178	420	403
June ..	(h) 505	317	299	548	335	441	317	347	252	178	428	411

(a) Non-ferrous—silver, copper, tin, zinc, lead. (b) Beef, lamb, mutton, pork. Guaranteed minimum prices are used when operative. (c) Sultanas, lexiias, currants. (d) Cattle hides, calf skins. (e) Where Australian gold has been sold on the oversea premium markets such price has been used in the index. (f) For "All Groups including Gold"—applicable from 1936-37. (g) For "All Groups (excluding Gold)"—applicable from 1936-37. (h) Nominal.

A graph showing index numbers for All Groups (including Gold) appears on page 344.

Reference to the group indexes in the table above shows the great fluctuations and the wide dispersion of prices of export commodities in recent years. In particular, very great movements upwards and downwards have occurred in the price of wool. Since wool is a predominant export and comprises 46 per cent. of the base aggregate of the index, fluctuations in wool prices obscure the movements affecting the other components in the All Groups index. For purposes of comparison, wool and "other groups" are shown separately below.

## RECENT TRENDS—EXPORT PRICE INDEX : WOOL AND "OTHER GROUPS".

(Base of each section : Average of three years ended June, 1939 = 100.)

Period.	1948-49.			1949-50.			1950-51.			1951-52.		
	Wool.	Other Groups.	All Groups.									
July ..	(a) 351	316	332	(a) 339	277	305	(a) 592	333	451	(a) 717	400	544
August ..	(a) 351	313	330	(a) 347	284	313	864	340	579	551	400	468
September ..	355	308	329	339	292	314	890	355	599	498	400	445
October ..	328	314	320	392	305	345	890	360	602	686	403	532
November ..	366	313	337	419	305	357	965	366	639	603	398	492
December ..	400	308	350	456	307	375	973	366	643	581	403	484
January ..	400	310	351	562	310	425	1,252	368	771	566	402	477
February ..	411	305	353	536	315	416	1,339	369	811	520	402	456
March ..	(a) 411	304	353	524	316	411	1,437	377	860	460	400	427
April ..	332	294	311	(a) 554	324	429	1,094	384	708	475	397	432
May ..	336	291	311	611	328	457	973	385	653	543	385	457
June ..	339	288	311	592	331	450	717	383	535	566	376	463
Average of Year	365	305	332	473	308	383	999	365	654	564	397	473

Period.	1952-53.			1953-54.			1954-55.			1955-56.		
	Wool.	Other Groups.	All Groups.									
July ..	(a) 566	381	465	(a) 641	369	493	(a) 622	338	468	(a) 505	347	419
August ..	(a) 566	380	465	(a) 634	367	488	566	338	442	453	347	395
September ..	551	379	457	626	365	484	566	339	442	437	347	388
October ..	588	370	469	634	363	486	536	344	431	437	351	390
November ..	588	368	469	634	360	485	513	343	421	437	352	391
December ..	618	376	486	611	358	473	532	348	432	453	352	398
January ..	618	376	486	603	354	468	520	345	425	460	349	400
February ..	626	371	487	581	350	455	528	342	427	460	340	395
March ..	656	369	500	581	351	456	528	341	426	453	334	388
April ..	671	363	503	(a) 596	348	461	520	340	422	468	325	390
May ..	701	361	516	618	346	470	520	340	422	498	324	403
June ..	641	363	490	622	346	472	505	343	417	(a) 505	332	411
Average of Year	616	371	483	615	356	474	538	342	431	464	342	397

(a) Nominal.

5. **Monthly Index (Changing Weights).**—This 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 fixed weights index numbers indicate satisfactorily the general trend of export prices, but take no account of the relative quantities actually sold at the different prices ruling during each month. The impact of the price movements on current sales is indicated more directly by the index numbers in the following table. In computing these, the "quantity multipliers" are the quantities actually exported in the months (or periods) to which the index numbers relate.

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 were 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 involves merely 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 1954-55 and 1955-56 :—

**MONTHLY EXPORT PRICE INDEX (CHANGING WEIGHTS) : AUSTRALIA.**

(Base : *Weighted Average Price Level in corresponding months of preceding year = 100.*)

Month.	Month stated compared with same month of preceding year.				Period of trade year ending in month stated compared with same period of preceding year.			
	1954-55.		1955-56.		1954-55.		1955-56.	
	Ex-cluding Wool.	In-cluding Wool. (a)	Ex-cluding Wool.	In-cluding Wool. (a)	Ex-cluding Wool.	In-cluding Wool. (a)	Ex-cluding Wool.	In-cluding Wool. (a)
July .. .. .	92	95	101	88	92	95	101	88
August .. .. .	94	93	103	95	93	94	102	91
September .. .. .	96	93	104	89	94	94	103	91
October .. .. .	97	88	103	89	95	92	103	90
November .. .. .	97	86	103	92	95	90	103	90
December .. .. .	99	91	101	91	96	90	102	91
January .. .. .	98	91	101	94	96	90	102	91
February .. .. .	99	94	97	91	96	91	102	91
March .. .. .	100	94	97	89	97	91	101	91
April .. .. .	98	90	97	93	97	91	101	91
May .. .. .	99	89	97	96	97	91	101	92
June .. .. .	100	87	96	98	97	91	100	92

(a) For certain months a nominal price is used for wool as indicated in the preceding two tables.

Monthly export price index numbers are issued in the mimeographed publication *Monthly Index of Australian Export Prices*, in the *Monthly Review of Business Statistics* and in the *Quarterly Summary of Australian Statistics*.

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

1. **Essentials of Comparison.**—Direct comparison of the external trade of any two countries is 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 one may be declared by merchants, whereas in another 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 result 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.

2. **“Special Trade” of Various Countries.**—In the following table the figures, which represent Australian currency values, relate as nearly as possible to imports cleared 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 countries listed below are not necessarily all the important trading countries of the world, but those important countries for which comparable statistics are available.

**IMPORTS CLEARED FOR HOME CONSUMPTION, AND EXPORTS OF DOMESTIC PRODUCTS (MERCHANDISE ONLY) : VARIOUS COUNTRIES, 1954.**

Country.	Trade. (£A. Million).			Trade per Head of Population.(£A.)		
	Imports Cleared. c.i.f.	Exports. f.o.b.	Total.	Imports Cleared.	Exports.	Total.
United States of America	a4,603.9	6,682.0	11,285.9	28.3	41.1	69.4
United Kingdom ..	b4,098.0	3,343.4	7,441.4	80.3	65.5	145.8
Germany, Federal Republic of .. ..	2,089.2	2,398.6	4,487.8	42.2	48.4	90.6
France .. ..	1,881.8	1,870.0	3,751.8	43.8	43.5	87.3
Canada .. ..	a1,877.0	1,810.5	3,687.5	123.5	119.2	242.7
Netherlands .. ..	1,275.8	1,077.5	2,353.3	120.2	101.5	221.7
Belgium-Luxemburg .. ..	1,131.6	1,026.6	2,158.2	128.3	116.4	244.7
Italy .. ..	1,071.9	730.4	1,802.3	22.5	15.3	37.8
Australia(c) .. ..	a822.0	752.2	1,574.2	90.4	82.8	173.2
Sweden .. ..	793.3	708.7	1,502.0	110.0	98.2	208.2
Switzerland .. ..	581.9	548.3	1,130.2	118.2	111.4	229.6
Denmark .. ..	519.2	423.3	942.5	117.8	96.1	213.9
Norway .. ..	454.8	260.2	715.0	134.1	76.7	210.8
Indonesia .. ..	280.8	382.2	663.0	34.6	47.1	81.7
Austria .. ..	291.7	272.1	563.8	41.9	39.0	80.9
Spain .. ..	274.3	207.3	481.6	9.5	7.2	16.7
Egypt .. ..	204.7	177.3	382.0	9.0	7.8	16.8
Turkey .. ..	213.6	149.5	363.1	9.3	6.5	15.8
Chile .. ..	153.5	180.4	333.9	23.8	28.0	51.8
Greece .. ..	147.3	67.8	215.1	18.6	8.6	27.2

(a) f.o.b. (b) Covers goods imported as distinct from imports cleared for home consumption.  
(c) Year ended June, 1955.

**§ 17. Oversea Trade in Calendar Years.**

For the purpose of comparison with countries which record overseas trade in calendar years, the following table has been compiled to show Australian imports and exports for each of the calendar years 1952 to 1956 :—

**OVERSEA TRADE IN CALENDAR YEARS : AUSTRALIA.  
(£'000.)**

Year.	Merchandise.		Bullion and Specie.		Total.	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
1952 .. ..	767,846	751,099	4,916	20,920	772,762	772,019
1953 .. ..	577,128	880,093	2,620	20,165	579,748	900,258
1954 .. ..	751,949	736,301	3,341	12,127	755,290	748,428
1955 .. ..	862,547	777,640	2,480	20,320	865,027	797,960
1956(a) .. ..	770,893	823,422	2,082	22,236	772,975	845,658

(a) Subject to revision.

**§ 18. 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 Customs and Excise, 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 XXI.—Public Finance. The following table shows the quantities of spirits, beer, tobacco, etc., on which excise duty was paid in Australia during the years 1954–55 and 1955–56.

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

Article.	1954-55.	1955-56.	Article.	1954-55.	1955-56.
	proof gallons.	proof gallons.	Tobacco .. ..	lb. 21,059,763	lb. 19,170,733
			Snuff .. ..	..	780
Spirits—			Cigars—		
Brandy .. ..	581,864	708,194	Hand-made ..	35,907	26,854
Gin .. ..	363,934	377,840	Machine-made ..	107,503	104,749
Whisky .. ..	355,416	424,683	Total Cigars..	143,410	131,603
Rum .. ..	627,014	622,737	Cigarettes—		
Liqueurs .. ..	66,610	74,928	Hand-made ..	..	103
Other .. ..	226	28	Machine-made ..	22,378,896	26,403,131
Total Spirits (Potable) ..	1,995,064	2,208,410	Total Cigarettes	22,378,896	26,403,234
Spirits for—			Cigarette Papers and	60 papers or tubes.	60 papers or tubes.
Fortifying Wine ..	1,979,775	1,912,025	Tubes .. ..	138,089,418	122,828,573
Industrial or Scientific purposes ..	214,906	217,190	Coal .. ..	tons. 18,011,070	tons. 16,969,020
Making Vinegar ..	114,280	120,210	Matches .. ..	gross of boxes. 3,374,542	gross of boxes. 3,268,311
Manufacture of—			Petrol .. ..	gallons. 364,461,008	gallons. 540,419,499
Essences .. ..	104,168	101,089	Playing Cards ..	doz. packs. 100,970	doz. packs. 95,150
Scents and Toilet Preparations ..	61,722	71,548			
	gallons.	gallons.			
Beer .. ..	213,151,945	217,044,984			

### § 19. 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 (section 93). On the expiry of the "book-keeping" period, these records were discontinued as from 13th September, 1910, and the last published statements were for the year 1909. Later, the Governments of Western Australia and Tasmania revived the records, and relevant statistics are available again for those States. A detailed collection for Queensland was re-introduced from July, 1953.

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.

Interstate trade statistics are published in detail for Queensland and Western Australia by the Government Statisticians in those States. Detailed statistics are also available for Tasmania, prepared by the Deputy Commonwealth Statistician in that State. 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. 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.

### § 20. The Australian Balance of Payments.

1. **General.**—Estimates of the Australian balance of payments are of particular importance as an aid to the analysis of Australian economic conditions in view of the importance of international trade to the Australian economy.

Comprehensive estimates of Australia's balance of payments will be found in *The Australian Balance of Payments, 1928-29 to 1951-52*, which contained a full explanation of the principles on which the estimates are based and the techniques employed in their compilation. Full details are also given therein of the adjustments made to recorded trade statistics to arrive at statistics of exports and imports, adjusted for balance of payments purposes, as shown in tables in this section. Continuous investigations are conducted with a view to improving the methods of estimation employed, and further revisions to current estimates may be necessary as more refined techniques are adopted in the future.

The estimates used on this occasion have been revised in comparison with those presented in Official Year Book No. 42. Particulars of revisions and changes, together with more detailed estimates, will be found in the mimeographed publication "The Australian Balance of Payments, 1954-55, 1955-56 and First Half 1956-57, and in the Appendix.

2. **Australia's Balance of Payments on Current Account.**—The record of the post-war years has been one of considerable balance of payments instability. The balance of payments on current account, after a deficit of £47 million in 1946-47, improved to a small favourable balance of £3 million in 1947-48 and this was increased to £30 million in 1948-49. However, a deficit of £44 million occurred in 1949-50, followed by a favourable balance of £105 million in 1950-51. A record deficit of £579 million was recorded in 1951-52 but a sharp favourable movement in 1952-53 produced a surplus on current account of £191 million. A progressive deterioration in exports in 1953-54 and 1954-55 coupled with a rising level of imports was largely responsible for deficits of £16 million in 1953-54 and £259 million in 1954-55.

In 1955-56 the unfavourable current account balance showed a moderate improvement to a deficit of £228 million. Exports increased by £11 million, due mainly to increases of £5.2 million in exports of petroleum and shale oils and of £4.4 million in exports of butter. A fall of £15.9 million in exports of wool and sheep skins was offset by increases in the value of various other export items. Imports fell by £27 million, decreases occurring in most major commodity classes except machines and machinery, and oils, fats and waxes.

Invisible credits rose by £11 million, due mainly to increases of £3.1 million in port expenditure of overseas ships and of £3.5 million in income from investment. Other items (except gold production) increased to a lesser extent. Invisible debits increased by £8 million, an increase of £15 million in freight payable overseas being mainly responsible.

The Commonwealth Statistician's Index of Export Prices (excluding gold) showed substantial increases in the immediate post-war years. A sharp fall occurred in 1951-52 (due mainly to a fall in the index for the price of wool) followed by an increase of 2 per cent. in 1952-53 and a decrease of 2 per cent. in 1953-54. The index, which stood at 496 in 1953-54, fell by 9 per cent. to 450 in 1954-55 and by a further 8 per cent. to 414 in 1955-56. The index of the price of wool fell by 13 per cent. from 615 in 1953-54 to 538 in 1954-55 and by a further 14 per cent. to 464 in 1955-56.

The Index of Australian Import Prices, prepared by the Commonwealth Bank of Australia, recorded steady increases in the post-war years up to 1951-52 but fell by 5 per cent. between 1951-52 and 1952-53. A further fall of 2 per cent. was recorded between 1952-53 and 1953-54, but this trend was reversed when the index rose by 2 per cent. between 1953-54 and 1954-55. A further rise of 3 per cent. occurred between 1954-55 and 1955-56.

Comparison of the index of export prices with the index of import prices indicates that Australia's terms of trade moved favourably in the immediate post-war years, reaching an extremely favourable level in 1950-51; however, the fall in the price of wool produced an adverse movement of 36 per cent. between 1950-51 and 1951-52. The terms of trade improved by 8 per cent. between 1951-52 and 1952-53 and remained constant between 1952-53 and 1953-54. A deterioration of 10 per cent. occurred between 1953-54 and 1954-55, followed by a further deterioration of 11 per cent. between 1954-55 and 1955-56.

The table below presents estimates of Australia's balance of payments on current account for the years 1953-54 to 1955-56.

## BALANCE OF PAYMENTS ON CURRENT ACCOUNT : AUSTRALIA.

(£A. million.)

Particulars.	1953-54.	1954-55.	1955-56.
<b>CREDITS.</b>			
1. Exports f.o.b. .. .. .	811.7	761.4	772.3
2. Gold Production(a) .. ..	16.7	16.2	15.6
3. Transportation—			
(i) Freight Earnings of Australian Ships .. .. .	4.8	5.8	6.6
(ii) Port Expenditure of Oversea Ships .. .. .	47.6	56.0	59.1
	52.4	61.8	65.7
4. Foreign Travel .. .. .	5.0	5.7	6.0
5. Income from Investment .. ..	18.6	18.5	21.8
6. Government Transactions .. ..	6.4	7.2	9.5
7. Miscellaneous .. .. .	9.1	9.2	9.5
8. Donations and Reparations—			
(i) Immigrants' Funds and Household Effects .. .. .	11.0	13.1	14.2
(ii) Other .. .. .	4.6	5.2	5.3
	15.6	18.3	19.5
9. Total Credits .. .. .	935.5	898.3	919.9
<b>DEBITS.</b>			
10. Imports f.o.b. .. .. .	681.9	846.9	819.4
11. Transportation and Marine Insurance			
(i) Freight Payable Overseas ..	69.0	88.0	103.0
(ii) Other Transportation .. ..	11.4	15.4	15.7
(iii) Marine Insurance Premiums and Claims (net) (b) ..	2.1	2.6	2.4
	82.5	106.0	121.1
12. Foreign Travel .. .. .	16.7	21.6	22.1
13. Income from Investment—			
(i) Public Authority Interest ..	18.4	18.3	18.0
(ii) I.B.R.D. and I.M.F. Interest and Charges .. .. .	2.7	3.4	4.3
(iii) Direct Investment .. .. .	33.5	34.4	32.2
(iv) Portfolio Investment .. ..	7.6	8.9	7.9
(v) Undistributed Income .. ..	30.0	30.1	(c) 35.5
	92.2	95.1	97.9
14. Government Transactions—			
(i) Defence Expenditure .. .. .	14.4	14.9	11.5
(ii) Expenditure in Papua and New Guinea .. .. .	7.0	9.5	11.0
(iii) Other .. .. .	10.4	12.9	14.7
	31.8	37.3	37.2
15. Miscellaneous .. .. .	22.8	25.3	22.7
16. Donations and Reparations—			
(i) Personal Remittances .. ..	13.2	13.9	16.5
(ii) U.N.K.R.A., U.N.I.C.E.F., etc., and Colombo Plan .. .. .	2.4	2.9	3.0
(iii) Other .. .. .	8.3	8.2	7.8
	23.9	25.0	27.3
17. Total Debits .. .. .	951.8	1,157.2	1,147.7
Balance on Current Account .. ..	-16.3	-258.9	-227.8

(a) Includes gold sold on the premium market valued at the price obtained. (b) Total marine insurance premiums payable on Australian imports (whether payable in Australia or overseas) were £3.8 million in 1953-54, £4.3 million in 1954-55 and £4.2 million in 1955-56. (c) Preliminary.

**3. Australia's Balance of Payments on Capital Account.**—The balance of payments on capital account records the net changes over specified periods in Australia's international assets and liabilities. In theory, the balance of payments on current account and the balance of payments on capital account together constitute a complete system of accounts, on the double-entry principle, recording Australia's international economic transactions, and the favourable (unfavourable) balance on current account should coincide with the net increase (decrease) in assets shown in capital account.

The table on page 365 sets out estimates of Australia's balance of payments on capital account for the years 1953-54 to 1955-56.

In practice it is necessary to introduce a "balancing item" (see item 18 in the table) in the capital account in order to make that account balance at the same figure as the current account. This balancing item is to a certain extent due to errors and omissions in other sections of the estimates, but it is believed to be due mainly to movements in short-term funds and to timing differences between the statistical recording of exports and imports and the crediting or debiting of the payments for these transactions against Australia's international reserves.

The individual items in the table may be conveniently examined in groups.

Item 8 records movements in public authority debt domiciled overseas between 1953-54 and 1955-56. In 1953-54 there was a substantial net reduction of £10.1 million in this debt followed by a net increase of £2.3 million in 1954-55.

The net increase of £7.9 million in Australian public authorities' debt overseas in 1955-56 included two loans raised in North America. A new loan of \$15 million (£6.7 million) was floated in Canada and a cash and conversion loan of \$25 million (£11.1 million) was raised in New York. These receipts were partly offset by the redemption of \$18 million (£8 million) of debt maturing in New York and normal sinking fund repayments accounted for a further decrease of £1.9 million in Australian public authorities' overseas debt during the year.

Item 10 records drawings of \$48 million in 1953-54, \$53 million in 1954-55 and \$43 million in 1955-56 under loans made to Australia by the International Bank for Reconstruction and Development. Initial repayments of \$3 million on the first of these loans were made in 1955-56.

Item 11 shows the changes in Australia's liability in respect of purchases of dollars from the International Monetary Fund. In 1949-50 \$20 million (£8.9 million) were purchased from the Fund and a second purchase of \$30 million (£13.4 million) was made in 1952-53. In 1953-54 repayment was commenced with instalments totalling \$24 million (£10.7 million) and repayment was completed in 1954-55 with further instalments of \$26 million (£11.6 million).

Australia's international reserves (items 5 and 6) rose by £9.5 million in 1953-54 but fell by £142.4 million in 1954-55 and by a further £73.3 million in 1955-56 to a level of £355.0 million at the end of June, 1956.

Net direct investment (excluding undistributed income), net portfolio investment, net private investment in public authority securities, net remittances of life assurance offices and the balancing item \* may be conveniently grouped for examination as "private capital movements and balancing items". As mentioned above, the "balancing item" is believed to consist predominantly of various types of private capital movements which cannot be identified from available statistics.

The transactions included in this group resulted in a small net inflow of funds of £4 million in 1953-54, while in 1954-55 there was a much larger inflow of £75 million. In 1955-56 there was an apparent inflow of £96 million.

Movements in other items in capital account were of minor importance.

**4. Australia's Balance of Payments on Current Account—Various Countries and Monetary Areas.**—There was a deterioration of £243 million between 1953-54 and 1954-55 in Australia's balance on current account. This was accounted for by unfavourable movements of £97 million for the sterling area, £44 million for the dollar area, and £101 million for "other" non-sterling countries. Total exports fell by £50 million between these two years, due mainly to falls of £23 million in exports to countries of the Organization for European Economic Co-operation (see page 338) and of £25 million in exports to other non-dollar, non-sterling countries. Total imports rose by £165 million. This movement affected all the countries and monetary areas shown in the table, the major increases being £46 million for imports from the United Kingdom, £31 million for imports from "other" sterling area countries and £32 million for imports from the United States of America.

\* Items 1 (i) (ii), 1 (ii) (ii), 2, 13 (i) (ii), 13 (ii) (ii), 14, 15, 16 and 18 in the table on page 365.

**BALANCE OF PAYMENTS ON CAPITAL ACCOUNT : AUSTRALIA.**  
(£A. million.)

Particulars.	1953-54.	1954-55.	1955-56.
<b>INCREASE IN ASSETS.</b>			
1. Direct Investment Overseas—			
(i) Branches—			
(i) Unremitted Profits .. .. .	0.6	0.7	(a)0.8
(ii) Other .. .. .	-0.2	4.3	(a)3.5
(ii) Subsidiaries—			
(i) Undistributed Profits .. .. .	2.4	2.7	(a)3.5
(ii) Other .. .. .	2.0	1.3	(a)1.7
2. Portfolio Investment Overseas .. .. .	-1.2	-0.2	(a)-1.5
3. Stocks and Balances Overseas of Australian Marketing Authorities .. .. .	-0.5	0.5	9.5
4. Other Official Transactions .. .. .	4.9	-0.4	-9.9
5. Monetary Gold Holdings .. .. .	7.0	5.3	10.8
6. Foreign Exchange Holdings .. .. .	2.5	-147.7	-84.1
7. Total Increase in Assets .. .. .	17.5	-133.5	-65.7
<b>INCREASE IN LIABILITIES.</b>			
8. Public Authority Debt (excl. I.B.R.D.)—			
(i) Commonwealth—Long-term .. .. .	-3.3	1.3	7.1
(ii) Commonwealth—Short-term .. .. .	-0.3	-0.3	-0.3
(iii) States—Long-term .. .. .	-6.2	-3.6	1.4
(iv) States—Short-term .. .. .	..	4.0	..
(v) Local Authorities .. .. .	-0.3	0.9	-0.3
9. Discounts and Cash Bonuses on the Conversion of Public Debt .. .. .	-0.1	-0.1	-0.1
10. Dollars received from I.B.R.D. (net) .. .. .	21.5	23.6	17.9
11. Dollars received from I.M.F. .. .. .	-10.7	-11.6	..
12. Australian Currency Holdings of Foreign Banks .. .. .	-0.5	-0.5	-0.3
13. Direct Investment in Australian Companies—			
(i) Branches—			
(i) Unremitted Profits .. .. .	3.3	1.7	(a) 1.7
(ii) Other .. .. .	12.4	9.0	(a)16.6
(ii) Subsidiaries—			
(i) Undistributed Profits .. .. .	26.7	28.4	(a)33.8
(ii) Other .. .. .	21.4	46.9	(a)51.0
14. Portfolio Investment in Australian Companies .. .. .	1.1	7.6	(a)10.5
15. Investment in Public Authority Securities Domiciled in Australia .. .. .	-4.6	-3.7	(a)-4.8
16. Net Oversea Remittances of Life Offices Operating in Australia .. .. .	-6.4	-6.7	(a)-1.1
17. Adjusting Item for Papua and New Guinea Transactions .. .. .	-1.0	1.0	2.0
18. Balancing Item .. .. .	-19.2	27.5	27.0
19. Total Increase in Liabilities .. .. .	33.8	125.4	162.1
20. Net Increase in Assets .. .. .	-16.3	-258.9	-227.8

(a) Preliminary.

NOTE.—Minus sign (—) denotes decrease.

Between 1954-55 and 1955-56 there was a slight improvement in Australia's balance on current account—from a deficit of £259 million in 1954-55 to one of £228 million in 1955-56. An increase of £38 million in exports to "other" non-sterling countries partially offset by a fall of £32 million in exports to the United Kingdom largely accounted for an increase of £11 million in total exports. Imports fell by £27 million between these two years, falls of £37 million in imports from the sterling area and of £7 million in imports from the dollar area being partly offset by an increase of £16 million in imports from "other" non-sterling countries.

With the exception of Canada, "other" dollar area countries and Organization for European Economic Co-operation countries, all countries and monetary areas shown shared in the favourable movement in Australia's balance on current account between 1954-55 and 1955-56. A decrease of £13 million in the deficit for U.S.A. and an improvement of £17 million in the balance with "Rest of World" were the largest favourable movements.

**BALANCE OF PAYMENTS ON CURRENT ACCOUNT, VARIOUS COUNTRIES  
AND MONETARY AREAS<sup>(a)</sup> : AUSTRALIA.**

(£A. million.)

Particulars.	Gold pro-duction.	Sterling Area.		Dollar Area.			Other Non-Sterling.		Total.
		United King- dom.	Other.	U.S.A.	Canada.	Other.	O.E.E.C.	Rest of World. (b)	
1953-54.									
Exports f.o.b. ..	..	295.8	125.7	55.7	11.0	4.6	208.3	110.6	811.7
Imports f.o.b. ..	..	-332.7	-110.3	-75.6	-18.7	-1.1	-90.8	-52.7	-681.9
Invisibles (net) ..	16.7	-71.4	-17.0	-41.6	-8.3	0.2	-12.2	-12.5	-146.1
Balance on Current Account ..	16.7	-108.3	-1.6	-61.5	-16.0	3.7	105.3	45.4	-16.3
		-109.9		-73.8			150.7		
1954-55.									
Exports f.o.b. ..	..	288.6	131.8	52.7	10.5	6.4	185.7	85.7	761.4
Imports f.o.b. ..	..	-378.7	-141.6	-108.1	-23.8	-1.2	-122.3	-71.2	-846.9
Invisibles (net) ..	16.2	-85.5	-21.6	-45.3	-9.1	0.3	-12.6	-15.8	-173.4
Balance on Current Account ..	16.2	-175.6	-31.4	-100.7	-22.4	5.5	50.8	-1.3	-258.9
		-207.0		-117.6			49.5		
1955-56.									
Exports f.o.b. ..	..	257.0	131.4	55.6	10.9	8.4	187.5	121.5	772.3
Imports f.o.b. ..	..	-355.2	-128.0	-98.7	-23.3	-4.4	-125.8	-84.0	-819.4
Invisibles (net) ..	15.6	-72.4	-30.5	-44.4	-11.0	-1.1	-14.8	-22.1	-180.7
Balance on Current Account ..	15.6	-170.6	-27.1	-87.5	-23.4	2.9	46.9	15.4	-227.8
		-197.7		-108.0			62.3		

(a) For a list of the countries included in each monetary area see page 338.

(b) Includes international bodies.

NOTE.—Minus sign (-) denotes debits ; other items are credits.

5. *Australia's Balance of Payments with the Dollar Area.*—The estimates of the balance of payments with the dollar area included in the previous table are on a purely geographic basis and no attempt has been made to classify transactions according to the currency in which payment was made.

The table on page 368 gives a detailed estimate in respect of dollar currency transactions. This table includes the trade statistics and invisible items included in the former table, but in addition it includes in "Other items (net)" (see item 16 in table on page 368) several items which make allowance for the fact that not all Australian transactions with the dollar area involve dollar receipts or payments and that some dollar receipts or payments are involved in Australian transactions with countries outside the dollar area, and with international bodies.

Principal among these transactions are receipts of dollars for exports to non-dollar countries (e.g., sales of gold on premium markets); interest payments to sterling area holders of Australian dollar bonds (included in total dollar interest payments in item 13); dollar payments to international bodies; and the difference between the estimated dollar component of Australia's imports of petroleum products from all sources and the estimated c.i.f. value of her direct imports of petroleum products from the dollar area. The statistics in the table are presented in terms of United States dollars.

In 1953-54 Australia's unfavourable balance of payments on current account with the dollar area was \$163 million. This deficit increased sharply to \$245 million in 1954-55 but fell slightly to \$228 million in 1955-56.

Principally as a result of an increase of \$83 million in imports from the United States of America and Canada there was a deterioration of \$87 million in Australia's trade balance with the dollar area between 1953-54 and 1954-55. A fall of \$22 million in these imports was largely responsible for an improvement in the trade balance with the dollar area between 1954-55 and 1955-56.

Australia's invisible balance with the dollar area improved by \$5 million between 1953-54 and 1954-55 but deteriorated by \$9 million in the following year to a deficit of \$113 million in 1955-56. Freight charges rose by \$10 million between 1953-54 and 1954-55 but this movement was more than offset by the net decrease in other items. The \$15 million improvement in the credits for "other items (net)" (item 16) in 1954-55 compared with 1953-54 was due principally to higher sales of gold on the premium market in the latter year and to a favourable movement in the difference between the c.i.f. value of direct imports of petroleum from the dollar area and the estimated dollar component of all Australian petroleum imports. The principal movement in 1955-56, compared with 1954-55, was a further increase of \$8.9 million in freight payments while remittances of profits and dividends to the dollar area showed a small decrease from the level of these payments in 1953-54 and 1954-55.

The investment account shows that \$11 million of securities domiciled in New York were redeemed during 1954-55 but that a net increase of \$19 million in Australian public authorities' borrowing in dollar area countries occurred in 1955-56. Private capital inflow (including errors and omissions) increased from \$7 million in 1953-54 to \$83 million in 1954-55 but fell to an estimated \$42 million in 1955-56. Undistributed income fell slightly from \$38 million in 1953-54 to \$36 million in 1954-55 but increased to \$41 million in 1955-56.

Australia's favourable balance on investment account was \$102 million in 1955-56 compared with \$108 million in 1954-55 and \$14 million in 1953-54. Taken in conjunction with the adverse balances on current account in those years, the total deficit with the dollar area fell by \$12 million from \$149 million in 1953-54 to \$137 million in 1954-55 and by a further \$11 million to \$126 million in 1955-56.

The final section of the table shows how Australia's dollar deficit was financed. In 1955-56 Australia received \$40 million (net) from the International Bank for Reconstruction and Development. This was \$13 million less than in 1954-55 and \$8 million less than in 1953-54. However, there were no repayments by Australia in 1955-56 of I.M.F. drawings. These repayments amounted to \$24 million in 1953-54 and \$26 million in 1954-55. Australia's dollar balances, which were run down by \$28 million in 1953-54, were increased by \$11 million in 1954-55 and by a further \$4 million in 1955-56. Australia's estimated drawings from the Sterling Area Dollar Pool, which were \$97 million in 1953-54, increased by \$24 million to \$121 million in 1954-55 but fell by \$31 million to \$90 million in 1955-56.

## BALANCE OF PAYMENTS, WITH THE DOLLAR AREA : AUSTRALIA.

(United States \$ million.)

Particulars.	1953-54.	1954-55.	1955-56.
<b>CURRENT ACCOUNT.</b>			
<i>Merchandise Trade.</i>			
1. Merchandise exports, f.o.b., to United States of America and Canada .. .. .	+150	+142	+149
2. Merchandise imports, f.o.b., from United States of America and Canada .. .. .	-212	-295	-273
3. Trade balance with United States of America and Canada .. .. .	- 62	-153	-124
4. Trade balance with other American account countries .. .. .	+ 8	+ 12	+ 9
5. <i>Trade Balance with the Dollar Area</i> .. .. .	- 54	-141	-115
<b>OTHER CURRENT TRANSACTIONS.</b>			
6. Freight on imports .. .. .	-22.8	-32.5	-41.4
7. Other transportation .. .. .	- 2.2	- 2.7	- 2.7
8. Expenditure by Australian travellers .. .. .	- 2.8	- 3.5	- 3.9
9. Expenses of Australian companies in North America .. .. .	- 3.4	- 5.5	- 6.1
10. Film remittances .. .. .	- 5.4	- 5.8	- 5.8
11. Profits and dividends remitted .. .. .	-30.6	-28.4	-24.4
12. Undistributed income accruing to companies incorporated in the dollar area .. .. .	-38.3	-35.8	-40.5
13. Public authority interest payments .. .. .	- 7.6	- 6.8	- 6.1
14. Other miscellaneous debits .. .. .	-13.0	-16.2	-14.3
15. Miscellaneous credits .. .. .	+14.9	+15.9	+18.0
16. Other items (net) .. .. .	+ 2.4	+17.0	+14.0
17. <i>Invisible Balance with the Dollar Area</i> .. .. .	-109	-104	-113
18. <i>Balance on Current Account</i> .. .. .	-163	-245	-228
<b>INVESTMENT ACCOUNT.</b>			
19. Increase in debt of public authorities .. .. .	- 31	- 11	+ 19
20. Undistributed income (see item 12) .. .. .	+ 38	+ 36	+ 41
21. Identified private capital inflow .. .. .	..	+ 52	+ 34
22. Balancing item .. .. .	+ 7	+ 31	+ 8
23. <i>Balance of Investment Account</i> .. .. .	+ 14	+108	+102
24. <b>Dollar Surplus or Deficit (18 + 23)</b> .. .. .	-149	-137	-126
<b>DOLLAR FINANCING.</b>			
25. Dollar purchase, from I.M.F. (net) .. .. .	- 24	- 26	..
26. Dollar loans from I.B.R.D. .. .. .	+ 48	+ 53	+ 40
27. Estimated dollar drawing from (+) or contributions to (-) Sterling Area Dollar Pool .. .. .	+ 97	+121	+ 90
28. Movement in Australian dollar balances (increases -) .. .. .	+ 28	- 11	- 4
29. <b>Total</b> .. .. .	+149	+137	+126

NOTE.—In current account, + indicates credit items and - indicates debit items. In investment account, + indicates net increases in liabilities or net decreases in assets; - indicates net decreases in liabilities or net increases in assets.