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## CHAPTER XXVIII.

## MISCELLANEOUS.

## § 1. Patents, Trade Marks and Designs.

1. *Patents.*—(i) *General.* The granting of patents is regulated by the Commonwealth Patents Act 1903–1935, which, in regard to principle and practice, has the same general foundation as the Imperial Statutes, modified to suit Australian conditions. The Act is administered by a Commissioner of Patents. Fees totalling £10 are sufficient to obtain letters patent for the Commonwealth of Australia and the Territories of Papua, New Guinea and Norfolk Island. A renewal fee of £5 is payable before the expiration of the seventh year of the patent on all patents granted on applications lodged prior to 2nd February, 1931. On patents granted on applications made on or after 2nd February, 1931, renewal fees are payable as follows:—£1 before the expiration of the fifth year and an amount progressively increasing by ten shillings before the expiration of each subsequent year up to the fifteenth, when the fee becomes £6. If a renewal fee is not paid when it becomes due, an extension of time up to twelve months may be granted on grounds specified in the Act, and subject to the payment of prescribed fees.

(ii) *Summary.* The number of separate inventions in respect of which applications were filed during the years 1935 to 1939 is given in the following table, which also shows the number of letters patent sealed in each year:—

## PATENTS : AUSTRALIA.

Particulars.	1935.	1936.	1937.	1938.	1939.
No. of applications .. .. .	5,110	5,484	5,585	5,764	5,740
No. of applications accompanied by provisional specifications .. .. .	3,238	2,384	3,094	3,067	3,161
Letters patent sealed during each year	2,129	2,429	2,642	2,973	3,141

(iii) *Revenue.* The revenue of the Commonwealth Patent Office during the years 1935 to 1939 is shown hereunder:—

## PATENTS : REVENUE, AUSTRALIA.

Particulars.	1935.	1936.	1937.	1938.	1939.
	£	£	£	£	£
Fees collected under Patents Act .. .. .	35,980	37,515	42,614	44,400	45,581
Receipts from publications	1,532	1,569	1,870	1,870	1,828
Total .. .. .	37,512	39,084	44,484	46,270	47,409

2. *Trade Marks and Designs.*—(i) *Trade Marks.* Under the Trade Marks Act 1905 the Commissioner of Patents is also Registrar of Trade Marks. This Act has been amended from time to time, the last amendment having been made in 1936. Special provisions for the registration of a "Commonwealth Trade Mark" are contained in the Act of 1905, and are applicable to all goods included in or specified by a resolution passed by both Houses of Parliament that the conditions as to remuneration of labour in connexion with the manufacture of such goods are fair and reasonable.

(ii) *Designs.* The Designs Act 1906, as amended by the Patents, Designs and Trade Marks Act 1910 and the Designs Acts 1912, 1932, 1933 and 1934, is now cited as the Designs Act 1906-1934. Under this Act a Commonwealth Designs Office has been established, and the Commissioner of Patents appointed "Registrar of Designs."

(iii) *Summary.* The following table shows the applications for trade marks and designs received and registered during the years 1935 to 1939:—

TRADE MARKS AND DESIGNS : AUSTRALIA.

Applications.	1935.	1936.	1937.	1938.	1939.
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RECEIVED.

Trade Marks .. ..	2,071	2,215	2,189	2,212	1,992
Designs .. ..	2,319	1,494	1,190	1,498	865

REGISTERED.

Trade Marks .. ..	1,349	1,664	1,372	1,740	1,580
Designs .. ..	2,085	1,546	971	1,404	736

(iv) *Revenue.* The revenue of the Trade Marks and Designs Office during the years 1935 to 1939 is given hereunder:—

TRADE MARKS AND DESIGNS : REVENUE, AUSTRALIA.

Particulars.	1935.			1936.			1937.			1938.			1939.		
	Trade Marks.	Designs.	Publications.												
Fees collected under Commonwealth Acts ..	£ 15,580	£ 1,053	£ 13	£ 16,434	£ 1,110	£ 19	£ 16,580	£ 1,006	£ 18	£ 17,194	£ 1,295	£ 21	£ 15,951	£ 1,082	£ 19

No fees in respect of Trade Marks have been collected under State Acts since 1922.

## § 2. Copyright.

1. **Legislation.**—Copyright is regulated by the Commonwealth Copyright Act 1912-1935 wherein, subject to modifications relating to procedure and remedies, the British Copyright Act of 1911 has been adopted and scheduled to the Australian law.

Reciprocal protection of unpublished works was extended in 1918 to citizens of Australia and of the United States of America under which copyright may be secured in the latter country by registration at the Library of Congress, Washington. The Commonwealth Government promulgated a further Order in Council which came into operation on 1st February, 1923, and extended the provisions of the Copyright Act to the foreign countries of the Copyright Union, subject to the observance of the conditions contained therein.

2. **Applications and Registrations.**—The following table shows under the various headings the number of applications for copyright received and registered, and the total revenue obtained for the years 1935 to 1939 :—

### COPYRIGHT : AUSTRALIA.

Particulars.	1935.	1936.	1937.	1938.	1939.
<b>Applications received—</b>					
Literary .. .. .	1,408	1,463	1,442	1,560	1,438
Artistic .. .. .	78	86	92	53	53
International .. .. .	2	3	2	3	3
<b>Applications registered—</b>					
Literary .. .. .	1,346	1,389	1,367	1,422	1,359
Artistic .. .. .	69	78	74	31	38
International .. .. .	..	1	1	4	1
Revenue .. .. .	£ 378	388	384	397	411

## § 3. Local Option and Reduction of Licences.

Local option concerning the sale of fermented and spirituous liquors is in force in South Australia and Tasmania. In Victoria, Queensland and Western Australia State-wide polls have superseded the local polls, while in New South Wales the taking of local option polls has been suspended since 1913, though a special State-wide referendum was taken in 1928 on the question of State-wide prohibition with compensation. At the poll held in Victoria on 8th October, 1938, the voting was as follows :—

For abolition of licences .. .. .	..	..	..	368,676
Against abolition of licences .. .. .	..	..	..	721,704
Informal .. .. .	..	..	..	7,648

The percentage of electors who voted was 95.38.

In all States other than South Australia a maximum number is established above which licences shall not be increased except under certain specified conditions (the principal case being the greater demand for service of a considerably increased population). Licences Reduction Boards are in operation in New South Wales and Victoria and in all other States machinery exists for the reduction of licences where it seems desirable or where there is a local option vote in favour of the reduction of licences.

In earlier issues of the Official Year Book (see No. 22, pp. 1005-8), details, by States, were published of polls taken and of the operations of the Licences Reduction Boards.

### § 4. Lord Howe Island.

Lord Howe Island is situated in latitude  $31^{\circ} 30'$  south, longitude  $159^{\circ} 5'$  east, about 436 miles north-east of Sydney, and has an area of 3,220 acres. The climate is mild and the rainfall abundant, but on account of the rocky formation of its surface only about 300 acres are suitable for cultivation, most of which are devoted to the production of *Kentia Palm Seed*. The land belongs to the Crown and is occupied rent-free on sufferance.

Discovered in 1788, the Island was first settled by a small party of Maoris in 1853; afterwards a colony was settled from Sydney. Constitutionally the Island is a dependency of New South Wales and is included in King, one of the electorates of Sydney. A Board of Control at Sydney manages the affairs of the Island and supervises the palm seed industry. The population was 161 at the Census of 30th June, 1933, and 165 at 31st December, 1939.

### § 5. Commonwealth Council for Scientific and Industrial Research.

1. **General.**—By the Science and Industry Research Act 1920-39, the previously existing Commonwealth Institute of Science and Industry was reorganized under the title of the Council for Scientific and Industrial Research. An account of the organization and work of the former Institute is given in earlier issues of the Official Year Book. (See No. 18, p. 1062.)

2. **Science and Industry Research Act 1920-39.**—This Act provides for a Council, consisting of—

- (a) Three members nominated by the Commonwealth Government;
- (b) the Chairman and Vice-Chairman of each State Committee constituted under the Act; and
- (c) such other members as the Council, with the consent of the Minister, co-opts by reason of their scientific knowledge.

The three Commonwealth nominees form an Executive Committee which may exercise, between meetings of the Council, all the powers and functions of the Council, of which the principal are as follows:—(a) To initiate and carry out scientific researches in connexion with primary or secondary industries in the Commonwealth; (b) to train research workers and to establish industrial research studentships and fellowships; (c) to make grants in aid of pure scientific research; (d) to establish industrial research associations in any industries; (e) to test and standardize scientific apparatus and instruments; (f) to establish a Bureau of Information; and (g) to act as a means of liaison between the Commonwealth and other countries in matters of scientific research.

State Committees, whose main function is to advise the Council as to matters that may affect their respective States, have been constituted in accordance with prescribed regulations.

3. **Science and Industry Endowment Act 1926.**—Under this Act, the Government has established a fund of £100,000, the income from which is to be used to provide assistance (a) to persons engaged in scientific research, and (b) in the training of students in scientific research. Provision is made for gifts or bequests to be made to the fund, which is controlled by a trust consisting of the three Commonwealth nominees on the Council. In accordance with the Act, arrangements have been made to send a number of qualified graduates abroad for training in special fields of work.

4. **Work of the Council.**—The full Council held its first meeting in June, 1926, and thereafter at about half-yearly intervals. It has adopted a policy of placing each of its major fields of related researches under the direction of an officer having a standing at least as high as, if not higher than, that of a University Professor.

The main branches of work of the Council at present are (i) plant problems, (ii) soil problems, (iii) entomological problems, (iv) animal health and nutrition problems, (v) forest products, (vi) food preservation and transport, (vii) fisheries, (viii) physical standards, (ix) aeronautics, (x) industrial chemistry, (xi) radio research, (xii) mineragraphic investigations and ore-dressing (gold). Successful results have been obtained in a number of directions, particularly in regard to bitter pit in apples, spotted wilt in tomatoes, water blister of pineapples, blue mould of tobacco, the cultivation and drying of vine fruits, the cultivation of citrus fruits, contagious pleuro-pneumonia of cattle, the feeding of sheep for increased wool production, black disease, infectious entero-toxæmia, pulpy kidney and caseous lymphadenitis of sheep, internal parasites, coast disease of sheep, soil surveys, paper-making from Australian timbers, timber seasoning and preservation, and the preservation and transport of bananas, oranges, chilled beef and other food-stuffs. During the early years of its existence, the work of the Council was directed almost exclusively to the solution of problems affecting primary industries. Recently, however, the Commonwealth Government has provided the necessary funds to enable the Council to extend its activities to the field of secondary industrial research. For that purpose the National Standards Laboratory has just been completed in Sydney and an Aeronautical Research Laboratory in Melbourne. A Division of Industrial Chemistry has also been formed; its central laboratory will be erected in Melbourne. An information Section has been established at the Council's Head Offices, Melbourne; it specializes in bibliographical searches of the literature and the provision of photostat copies of articles and translations. More detailed information concerning the work of the Council appears in Official Year Book, No. 22, p. 1009.

### § 6. Australian Institute of Anatomy.

1. **Foundation of Institute.**—The Australian Institute of Anatomy, situated in Canberra, occupies a monumental building erected by the Commonwealth Government under the Zoological Museum Agreement Act of 1924. Prior to the passing of this Act, the Commonwealth Government had expressed regret that the Australian Nation possessed neither a collection of specimens of the unique and fast disappearing fauna of Australia, nor a Museum in which such specimens could be preserved for future generations. Comparative anatomy is the basis of medical science, and while the importance of a study of Australian animals in the solution of various medical problems had for years been recognized by other countries and steps taken by them to procure specimens for their museums, national effort in this direction was neglected in Australia. The late Sir Colin MacKenzie, the first Director of the Institute of Anatomy, however, very kindly presented to the Commonwealth Government his entire private collection, and this magnificent gift was acquired and provision was made for its proper housing under special legislation by the Commonwealth Government. In 1931 the Institute became an integral part of the Commonwealth Department of Health.

2. **Additions to Original Collection.**—In addition to the original collection, which has been greatly augmented, the following free gifts have been made to the Australian Nation, and are on view in the Institute:—

- (1) *Horne-Bowie Collection.*—Dealing with the life of Central Australian aborigines, and throwing valuable light on the psychology of this Stone Age people.
- (2) *Burrell Collection.*—This deals with the life history of the platypus, and is unique in the world. The platypus is the most primitive mammal known to science, and is the link between the bird, the reptile and the mammal.
- (3) *Milne Collection.*—This is an anthropological and ethnological collection dealing with the aborigines of New South Wales, and contains many valuable and now unobtainable native weapons and implements.

- (4) *Murray Black Collection* of anatomical material representative of the aborigines of Southern Victoria and the River Murray.
- (5) *Nankivell Collection*, illustrating the anatomy of the aborigines of the Murray Valley.
- (6) *Harvard University Collection*.—This includes a collection of specimens from the Harvard University, U.S.A., representing a carefully worked out epitome of archaeology of the United States of America, and, together with two rare skeletons of primitive North American Indians, was a goodwill gift from the University to the Institute of Anatomy.
- (7) *The Sir Hubert Murray Collection*.—The ethnological and osteological collection of the late Sir Hubert Murray, formerly Lieutenant-Governor of Papua. This deals especially with the anthropology of Papua.
- (8) *The Rabaul Ethnological Collection*.—This concerns chiefly the ethnology of the Mandated Territory of New Guinea.
- (9) *The Basedow Collection*.—This collection has been recently purchased by the Commonwealth Government. It deals especially with the anthropology of Central and Northern Australia and was assembled, after many years of research, by the late Dr. Herbert Basedow of Adelaide, who was formerly Protector of Aborigines.
- (10) Many hundreds of specimens and books received from numerous interested scientists, the most outstanding being those from Mr. E. Hill, of Nagambie, Victoria; Mrs. Harry Burrell, New South Wales; and medical books for the Library from the estates of the late Drs. Molloy, David Grant and Robert Stirling.

3. **Endowments for Orations and Lectures.**—In addition to the aforementioned donations of material, there have been several endowments for Orations and Lectures as follows:—

- (1) *The Halford Oration*.—Endowed with a gift of £1,000 by the family of the late Professor G. B. Halford, founder of the first medical school in the Southern Hemisphere. The interest on this amount is given to a prominent scientist to deliver an oration on a subject suggested by the life and work of the late G. B. Halford.
- (2) *The Anne MacKenzie Oration*.—Founded with a gift of £1,000 by the late Sir Colin MacKenzie, in memory of his mother. The orator receives the annual interest for delivering an oration on any phase of "Preventive Medicine".
- (3) *The Dr. G. E. Morrison Memorial Lecture on Ethnology*.—Founded by Chinese residents in Australia, in memory of a great Australian who rendered important services to China.
- (4) *The Kendall Lecture in Veterinary Science*.—Endowed by the sons of the late Dr. W. T. Kendall, who was the founder of the first Veterinary School in the Southern Hemisphere.
- (5) *The Charles Mackay Lecture on Medical History*.—Endowed by Miss C. MacKenzie with a gift of £607 as a memorial to her grandfather, an educationalist, who arrived in Melbourne in 1852 and died at Kilmore, Victoria.
- (6) *The Cilento Medal*.—This bronze medal has been endowed in perpetuity by Sir Raphael Cilento, Director-General of Health for Queensland, to be awarded annually to the scientist deemed to have accomplished the best practical work for the furtherance of Tropical Hygiene and Native Welfare in Australia.

4. **The Scope of the Institute.**—The building occupies portion of the site which has been reserved for the National University of Australia.

The Institute consists of two separate and distinct entities. Portion of the original collection of anatomical specimens assembled by the late Sir Colin MacKenzie is arranged in two large museums which are open to the general public. The material in these museums has been arranged so as to present simple lessons in human hygiene as well as to display the anatomical features and especially the peculiarities of Australian fauna.

The remainder of the building is devoted to research work where scientific investigations have been carried out in many branches of science. The large collections of bony anatomical material donated by Murray Black have provided most interesting and valuable data on aboriginal diseases. These have been studied in some detail.

In order to provide a reservoir of koalas upon which observations might be made of their peculiar food habits, a small reservation has been acquired, and fenced, about 40 miles from Canberra. In this area abounds the peculiar gum tree on which the Victorian koala feeds. This reservation has already been stocked with koalas from Victoria. Later other animals will be added.

In 1938, following upon the retirement due to ill-health of Sir Colin MacKenzie, the activities of the Institute were extended to interpret more fully the ideas of the founder. In the later years of his life Sir Colin had been keenly interested in the relationship of nutrition to the development of the child. When a section for the study of child growth and development was established by the Commonwealth Department of Health in 1938 the head-quarters were transferred to the Institute.

During the last twelve months the section devoted to the study of nutrition has been considerably enlarged and many important problems relating to nutrition of the Australian people have been studied.

### § 7. The Commonwealth Solar Observatory.

1. **Reasons for Foundation.**—The Commonwealth Solar Observatory was established for the study of solar phenomena, for allied stellar and spectroscopic research, and for the investigation of associated terrestrial phenomena. It is so situated to complete the chain of existing astrophysical observatories round the globe separated by 90 degrees of longitude. In addition to advancing the knowledge of the universe and the mode of its development, it is hoped that the eventual discovery of the true relation between solar and terrestrial phenomena may lead to results which will prove of direct value to the country.

2. **History of Inauguration.**—A short account of the steps leading up to the establishment of the Observatory appears in Official Year Book No. 19, p. 979.

3. **Site of the Observatory.**—The site selected for the observatory is on Mount Stromlo, a ridge of hills about 7 miles west of Canberra. The highest point is 2,560 feet above sea level, or about 700 feet above the general level of the Australian Capital City.

4. **Equipment.**—The bulk of the telescopic equipment is due to the generosity of supporters of the movement in England and Australia. The gifts include a 6-in. Grubb refracting telescope presented by the late W. E. Wilson, F.R.S., and Sir Howard Grubb, F.R.S., trustees of the late Lord Farnham; a 9-in. Grubb refractor with a 6-in. Dallmeyer lens presented by the late Mr. James Oddie, of Ballarat; while Mr. J. H. Reynolds of Birmingham presented a large reflecting telescope with a mirror 30 inches in diameter. A sun telescope including an 18-in. celostat has been installed, and further additions include a spectrohelioscope, cosmic ray apparatus, radio research equipment and spectroscopes for the examination of spectra in the infra-red, violet and ultra-violet regions. Donations amounting to over £2,500 have been received, and form the nucleus of a Foundation and Endowment Fund.

5. **Observational Work.**—The observational work embraces the following:—(a) solar research; (b) stellar research; (c) spectroscopic researches; (d) atmospheric electricity; (e) cosmic radiation; (f) radio research; (g) ozone content of the atmosphere; (h) luminosity of the night sky; and (i) meteorological observations. A more detailed account of the observational work cannot, owing to limits of space, be published in this issue, but may be found in earlier issues (see No. 22, p. 1011).

### § 8. Standards Association of Australia.

The Standards Association of Australia is the national standardizing organization of the Commonwealth and issues Australian standard specifications for materials and codes of practice.

The Association was established in July, 1929, by the amalgamation of the Australian Commonwealth Engineering Standards Association and the Australian Commonwealth Association of Simplified Practice. It is an independent body in close touch with modern industrial requirements and has the full recognition and support of the Commonwealth and State Governments and industry.

The sole executive authority of the Association is vested in the Council on which industry is fully represented together with official representatives of the Commonwealth and State Governments and their Technical Departments, and of scientific, professional and commercial organizations. Voluntary assistance is rendered in the drafting of specifications and codes by more than 4,500 individuals who are experts in their particular fields and are organized into more than 500 committees. Among these are technical committees on: Agricultural Machinery; Building Materials; Cement; Coal and Coke; Electrical; Galvanized Products; Locomotive and Railway Rolling Stock; Machine Parts; Non-ferrous Metals; Paint and Varnish; Pipes and Plumbing; Railway Permanent Way Materials; Roadmaking Machinery; Structural Steel; Sugar-mill Machinery; and Timber.

The Codes Group includes committees on: Boilers and Unfired Pressure Vessels; Concrete Structures; Cranes and Hoists; Electrical Wiring Rules; Explosives; Fire Protection; Lift Installations; Refrigeration; Road Signs and Traffic Signals; Steel Structures; Street Lighting; Welding; and Work in Compressed Air. Many committees, such as the Conditions of Contract Committee and the Institutional Supplies Committee, come under the Commercial Standards Division.

The specifications of the Association provide a suitable standard of performance, quality and dimension and an equitable basis for tendering. They help to eliminate redundant qualities and sizes. They enable purchasers to obtain their requirements with greater assurance of satisfaction, with more rapid delivery and without the necessity of drafting individual specifications.

The underlying principles covering the preparation of the specifications and codes are that they shall be in accordance with the needs of industry; that the common interests of producer and consumer be maintained; that periodical revision should keep the work abreast with progress; and that standardization be arrived at by general consent without coercion.

Organizations, companies, firms and individuals interested in the work of the Association are eligible for subscription membership. Members are entitled to free copies of the publications of the Association and to the use of the library and its Special Information Service. Research is undertaken for committees, members of the Association, and industry in general. Many hundreds of enquiries were answered during the last year.

The Association has International affiliations and the standards of all British and foreign countries are filed in the library and are accessible to members. It also administers the Australian National Committees of the International Electrotechnical Commission, the World Power Conference and the International Commission on Large Dams.

The Association is also the representative of the British Standards Institution, and all British standards may be purchased from head-quarters and branch offices in the various States.

The head-quarters of the Association are at Science House, Gloucester-street, Sydney, and branches of the Association are situated at Temple Court, 422 Collins-street, Melbourne; Empire Chambers, cr. Queen and Wharf-streets, Brisbane; Alliance Building, Grenfell-street, Adelaide; Gladden Building, Hay-street, Perth; Premier's Department, Murray-street, Hobart; Department of the Interior, Canberra; and Howard Smith Chambers, Watt-street, Newcastle.

### § 9. Valuation of Australian Production.

1. **Value of Production.**—(i) *Net Values.* The annual value of production was defined by the Conference of Statisticians in 1924 as the sum available each year for distribution among those concerned in industry, i.e., workers, proprietors (including landlords) and providers of capital. In the past the want of complete uniformity in the methods of compilation and presentation of statistics of recorded production rendered it very difficult to make a satisfactory valuation of the various elements of production in accordance with the definition above. At the conference of 1924 and those subsequently held the method of determining the gross value, marketing costs and production costs was laid down into a definite procedure. This arrangement enabled the State Statisticians to compile the various elements of costs on a uniform basis which permitted the aggregation of the figures for each State to obtain a total for Australia.

The figures shown in the following table have been compiled by the Statisticians of the several States and, to a large extent, are based upon actual records. Where these have not been possible careful estimates have been made from the best available data. Complete uniformity has not yet been attained, but the few remaining differences of procedure are of little importance.

Attention is directed to the fact that the value shown in the table refers only to recorded production and excludes the building and construction industry, those industrial establishments not classified as factories, and agricultural and farmyard produce obtained from areas of less than one acre.

The following is a brief explanation of the terms used in the table:—

- (a) "Gross value" is the value placed on gross production at the wholesale price realized in the principal markets. (In cases where primary products are consumed at the place of production or where they become raw material for a secondary industry, these points of consumption are presumed to be the principal markets.)
- (b) "Local value" is the gross production valued at the place of production and is ascertained by deducting marketing costs from the gross value. (Marketing costs include freight, cost of containers, commission and other charges incidental thereto.)
- (c) "Net value" represents the net return to the producer after deducting from the gross value costs of marketing and of materials used in the process of production. Materials used in the process of production include seed, power, power kerosene, petrol and other oils, fodder consumed by farm stock, manures, dips, sprays and other costs. No deduction has been made for depreciation and maintenance costs. This matter is more fully dealt with in *Production Bulletin* No. 33, Part II., issued by this Bureau.

It should be noted that maintenance costs of farm buildings and fences have not been deducted from the value of production of rural industries, as particulars are not available for all States. Since 1937-38, the costs for the pastoral industry in Queensland have been compiled from actual records; previously, the figures were largely estimated. The value shown for Mines and Quarries in Tasmania is understated owing to the omission of Quarries. This understatement, however, is more or less offset by the inclusion of

production costs in Mining. As explained in the note (a) below production costs are not available for all States in respect of Fisheries, and Local Values have been used for this industry with consequent overstatement.

**GROSS, LOCAL AND NET VALUE OF RECORDED PRODUCTION: AUSTRALIA, 1938-39.**

Industry.	Gross Production valued at Principal Markets.	Local Value—Gross Production valued at place of Production.	Net Value of Production (without deduction of depreciation or maintenance).
	£	£	£
Agriculture .. .. .	76,730,388	63,435,356	41,678,580
Pastoral .. .. .	75,939,028	68,087,493	63,821,111
Dairying .. .. .	43,543,944	41,048,997	33,781,756
Poultry .. .. .	11,974,265	10,869,748	7,302,490
Bee-farming .. .. .	139,460	122,666	122,666
Total Rural (c) .. .. .	208,327,085	183,564,260	146,706,603
Trapping .. .. .	1,657,662	1,421,965	1,421,965
Forestry .. .. .	8,755,399	7,797,372	7,780,032
Fisheries .. .. .	1,972,075	1,654,504	(a) 1,654,504
Mines and Quarries .. .. .	33,956,631	33,507,946	27,375,098
Total Non-rural .. .. .	46,341,767	44,380,947	38,231,659
Total All Primary .. .. .	254,668,852	227,945,207	184,938,262
Factories .. .. .	(b) 203,416,244	(b) 203,416,244	203,416,244
Total All Industries .. .. .	458,085,096	431,361,451	388,354,506

(a) Local value. Production costs not available for all States. (b) Net value. (c) The term "Rural" is used to cover those industries ordinarily considered to be farm industries.

The net value of production in each State is shown hereunder:—

**NET (a) VALUE OF RECORDED PRODUCTION IN STATES, 1938-39.**

Industry.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
Agriculture .. .. .	11,804	5,620	11,615	5,489	4,066	3,085	41,679
Pastoral .. .. .	23,613	15,156	14,881	5,055	3,666	1,450	63,821
Dairying .. .. .	10,446	9,959	9,878	1,943	893	663	33,782
Poultry .. .. .	2,658	3,113	376	436	294	425	7,302
Bee-farming .. .. .	43	23	15	28	11	3	123
Total Rural (net)	48,564	33,871	36,765	12,951	8,930	5,626	146,707
Trapping .. .. .	604	544	50	98	52	74	1,422
Forestry .. .. .	2,261	1,068	2,362	543	1,147	399	7,780
Fisheries (local) .. .. .	620	177	277	221	270	90	1,655
Mines and Quarries	9,948	1,742	2,492	2,954	8,285	1,954	27,375
Total Non-rural (local and net)	13,433	3,531	5,181	3,816	9,754	2,517	38,232
Total All Primary .. .. .	61,997	37,402	41,946	16,767	18,684	8,143	184,939
Factories .. .. .	90,266	65,996	19,301	13,679	8,776	5,398	203,416
Total All Industries .. .. .	152,263	103,398	61,247	30,446	27,460	13,541	388,355

(a) See letterpress at head of previous table.

NET (a) VALUE OF RECORDED PRODUCTION PER HEAD OF MEAN POPULATION,  
1938-39.

Industry.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Agriculture ..	4 6 4	2 19 11	11 10 9	9 4 8	8 15 9	13 0 5	6 0 4
Pastoral ..	8 12 9	8 1 8	14 15 7	8 10 1	7 18 5	6 2 4	9 4 3
Dairying ..	3 16 5	5 6 3	9 16 3	3 5 5	1 18 8	2 16 0	4 17 6
Poultry ..	0 19 5	1 13 2	0 7 6	0 14 8	0 12 9	1 15 11	1 1 1
Bee-farming ..	0 0 4	0 0 3	0 0 3	0 0 11	0 0 5	0 0 3	0 0 4
<b>Total Rural (net)</b>	<b>17 15 3</b>	<b>18 1 3</b>	<b>36 10 4</b>	<b>21 15 9</b>	<b>19 6 0</b>	<b>23 14 11</b>	<b>21 3 6</b>
Trapping ..	0 4 5	0 5 10	0 1 0	0 3 4	0 2 3	0 6 2	0 4 1
Forestry ..	0 16 7	0 11 5	2 6 11	0 18 3	2 9 7	1 13 9	1 2 6
Fisheries (local) ..	0 4 6	0 1 11	0 5 6	0 7 5	0 11 8	0 7 8	0 4 9
Mining (net) ..	3 12 9	0 18 7	2 9 6	4 19 5	17 18 2	8 4 11	3 19 0
<b>Total Non-rural (local and net)</b>	<b>4 18 3</b>	<b>1 17 9</b>	<b>5 2 11</b>	<b>6 8 5</b>	<b>21 1 8</b>	<b>10 12 6</b>	<b>5 10 4</b>
<b>Total All Primary (local and net) ..</b>	<b>22 13 6</b>	<b>19 19 0</b>	<b>41 13 3</b>	<b>28 4 2</b>	<b>40 7 8</b>	<b>34 7 5</b>	<b>26 13 10</b>
Factories ..	33 0 4	35 4 0	19 3 5	23 0 3	18 19 4	22 15 9	29 7 3
<b>Total All Industries ..</b>	<b>55 13 10</b>	<b>55 3 0</b>	<b>60 16 8</b>	<b>51 4 5</b>	<b>59 7 0</b>	<b>57 3 2</b>	<b>56 1 1</b>

(a) See letterpress above.

(ii) *Gross Values.* The estimated gross value of production shown in the following table is a continuation of the method previously used by this Bureau. It cannot be compared with the gross values shown in the table above on account of the difference in the methods used and the change in the computing authority. As the net values have now been computed for a series of years it is proposed to discontinue the publication of this table in future.

## ESTIMATED GROSS VALUE OF PRODUCTION: AUSTRALIA.

Year.	Agriculture.	Pastoral.	Dairy, Poultry, and Bee-farming.	Forestry.	Fisheries.	Mining.	Manufacturing.(a)	Total.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1928-29 ..	89,440	116,733	50,717	9,449	2,168	19,539	159,759	447,805
1929-30 ..	77,109	84,563	49,398	9,103	2,268	17,912	149,184	389,537
1930-31 ..	70,500	69,499	43,067	6,488	1,825	15,361	112,966	319,706
1931-32 ..	74,489	61,540	41,478	6,033	1,670	13,352	106,456	305,018
1932-33 ..	75,562	64,851	39,622	6,791	1,679	15,583	114,136	318,224
1933-34 ..	70,731	95,613	40,306	7,985	1,620	17,608	123,355	357,218
1934-35 ..	68,587	74,556	44,763	9,221	1,635	19,949	137,638	356,349
1935-36 ..	75,388	91,286	47,533	9,737	1,687	23,248	155,891	404,770
1936-37 ..	91,493	105,499	49,886	9,760	2,005	27,381	170,811	456,745
1937-38 ..	93,229	100,794	57,641	12,801	1,954	32,434	188,061	486,914
1938-39 ..	76,851	84,895	60,404	12,724	1,910	32,463	195,745	464,993

(a) Net Values. These amounts differ from those given in the previous two tables and in Chapter XVIII. "Manufacturing Industry", which include certain products included under Dairy Farming and Forestry in this table.

2. *Productive Activity*.—In earlier issues an attempt was made to measure the quantity of material production by means of production price index-numbers. It was found, however, that these were not satisfactory in their application to factory production. In the absence of a satisfactory measure of the total *quantity* of recorded production, the retail price index-numbers have been applied to the value of production, in the same manner as they have been applied to nominal wages, to measure their relative purchasing power. The results may be taken to indicate the purchasing power in retail prices of the things produced, and for convenience will hereafter be called *real* production. On account of the discontinuance of the "A" series index-number, it is not possible to continue the measurement on the basis of this series.

Two tables are given:—The first shows *real* production per head of population, but any deductions therefrom must take into account the following considerations. The production considered is material production only, and takes no account of services. As civilization advances, material production becomes less important relatively to services, and a smaller proportion of the population is engaged in such production. For example, the use of the motor car, the cinema and wireless is comparatively recent, and these employ a much larger number of people in services than in material production. Hence, material production per head of population will not measure accurately the progress of productive efficiency, but will tend to give too low a value. Unemployment, of course, will also depress it.

A better measure is afforded by *real* production per person engaged in material production. The second table attempts to give this. The result affords a better measure of productive efficiency, but does not take into account the effect of unemployment, though the index may be somewhat depressed by short time and rationing.

The two tables tell different stories. Before unemployment became severe in 1930 *real* production per head (as shown in the last column of the first table) had remained substantially steady with minor fluctuations since 1906. Whatever gain had been made in productive efficiency had been largely counterbalanced by the gradual change-over from production of goods to production of services. Coincident with the heavy increase in unemployment between the years 1930 and 1933, the maximum being reached in 1932, the index-number fell sharply from its normal level of about 100 to 78 in 1930-31. This would imply a fall in average *real* income of nearly one-fourth from the normal level, taking unemployment into account. Apart from a slight recession in 1934-35 due to a drop in wool values the index-number rose continuously from 1931-32 onwards; the pre-depression level was reached in 1935-36 and the peak of 1924-25 was exceeded in 1937-38. In 1938-39, however, a decrease in the value of material production due principally to the fall in both quantities and prices of wool and wheat was accompanied by an increase in the retail price index and *real* production per head of population fell 8 per cent. below the peak attained in 1937-38.

The index-number of *real* production per person engaged as given in the last column of the second table shows, on the other hand, an appreciable upward tendency. It rose steeply during the War of 1914-19, as might have been expected, fell somewhat after the war and recovered again. In 1929-30, the fall was substantial, due partly to the lag in the fall of retail prices, but it rose during the next four years to 126 only to fall again in 1934-35 to 117 with the drop in wool prices during that year. Most of this loss was recovered in 1935-36 while in 1936-37 it advanced to a record level at which it was maintained during the following year. For reasons already stated a decline of 7.4 per cent. was recorded for 1938-39. Although not so high as the previous year this figure for *real* production per person engaged implies a high *real* wage for those *in employment* and is consistent with available information concerning rates of *effective* or *real* wages, which more than maintained in recent years the high level reached in the years 1927 to 1929.

The data for the second table are not complete. The numbers engaged in timber-getting are not accurately known, so that the value of production on this account, and the corresponding persons engaged, are both left out of account. Further, the information concerning women engaged in primary production is unsatisfactory, and only males are counted in primary industries. In manufacturing, the numbers are converted into equivalent male workers on the basis of relative wages for male and female workers. The column headed "numbers engaged" is, therefore, rather an index than the absolute number of individuals occupied in material production, but, as an index, it should be accurate enough to give a satisfactory measure of production per person engaged.

PRODUCTION PER HEAD OF POPULATION: AUSTRALIA.

Year.	Gross Value of Material Production.			Retail Price Index-numbers. 1911 = 1,000.		Real Production per head of population (1911 = 100) measured in purchasing power over regimen of—	
	Total.	Per head of population.		"A" Series.	"C" Series.	"A" Series.	"C" Series.
		Actual.	Index-number. 1911 = 100.				
	£'000.	£					
1906 ..	147,043	35.9	87	902	..	97	..
1911 ..	188,359	41.2	100	1,000	(1,000)	100	100
1913 ..	220,884	45.1	110	1,104	..	99	..
1914 ..	213,552	43.0	104	1,140	1,140	92	92
1916 ..	261,996	53.3	129	1,324	1,319	98	98
1917 ..	279,418	56.1	136	1,318	1,406	103	97
1918 ..	291,875	57.5	140	1,362	1,501	102	93
1919-20 ..	343,997	64.9	158	1,624	1,695	97	93
1920-21 ..	390,644	72.2	175	1,821	1,935	96	91
1921-22 ..	344,426	62.5	152	1,600	1,680	95	90
1922-23 ..	379,445	67.4	163	1,642	1,619	100	101
1923-24 ..	400,276	69.6	169	1,714	1,664	99	102
1924-25 ..	454,580	77.3	188	1,690	1,637	111	115
1925-26 ..	431,670	72.0	175	1,766	1,673	99	104
1926-27 ..	447,354	73.1	178	1,763	1,663	101	107
1927-28 ..	452,901	72.5	176	1,776	1,676	99	105
1928-29 ..	447,805	70.5	171	1,785	1,693	96	101
1929-30 ..	389,537	60.6	147	1,783	1,688	83	87
1930-31 ..	319,706	49.2	120	1,574	1,528	76	78
1931-32 ..	305,018	46.5	113	1,432	1,406	79	80
1932-33 ..	318,224	48.2	117	1,358	1,344	86	87
1933-34 ..	357,218	53.7	130	1,365	1,344	96	97
1934-35 ..	356,349	53.2	129	1,399	1,366	92	95
1935-36 ..	404,770	60.0	146	1,437	1,392	101	105
1936-37 ..	456,745	67.1	163	1,489	1,431	110	114
1937-38 ..	486,914	70.9	172	1,530	1,467	113	117
1938-39 ..	464,993	67.1	163	(a)	1,512	(a)	108

(a) Not available.

## PRODUCTION PER PERSON ENGAGED : AUSTRALIA.

Year.	Number engaged in Material Production.(a)	Value of Material Production per person engaged in production.(a)		"Real" Production per person engaged (1911 = 100) measured in retail purchasing power over regimen of—	
		Actual.	Index-number. 1911 = 100.	"A" Series.	"C" Series.
	('000)	£			
1906 .. ..	659	223	87	96	..
1911 .. ..	728	257	100	100	100
1913 .. ..	756	290	113	102	..
1914 .. ..	733	289	113	99	99
1916 .. ..	685	381	148	112	112
1917 .. ..	683	408	159	120	113
1918 .. ..	685	424	165	121	110
1919-20 ..	743	460	179	110	106
1920-21 ..	760	510	199	109	103
1921-22 ..	775	441	172	107	102
1922-23 ..	793	475	185	113	114
1923-24 ..	810	491	191	111	115
1924-25 ..	826	547	213	126	130
1925-26 ..	831	515	201	114	120
1926-27 ..	841	527	205	116	123
1927-28 ..	838	536	209	118	125
1928-29 ..	830	536	209	117	123
1929-30 ..	803	482	187	105	110
1930-31 ..	728	431	168	108	112
1931-32 ..	741	411	160	112	114
1932-33 ..	781	407	158	117	118
1933-34 ..	815	437	170	125	126
1934-35 ..	862	412	160	115	117
1935-36 ..	901	448	174	121	125
1936-37 ..	930	491	191	128	134
1937-38 ..	961	504	196	128	134
1938-39 ..	962	481	187	(b)	124

(a) See explanatory remarks above tables.

(b) Not available.

## § 10. Indexes of Production.

In the tables below, indexes of price and quantity production are given for the following industrial groups, namely :—Agriculture, Pastoral, Farmyard and Dairying, Gold and Other Minerals, and for all groups combined. The method used in calculating these indexes is the fixed base weighted aggregative method. Prices for any year are obtained by dividing value of production by quantity produced in that year, and the

price indexes are computed by using as fixed quantity-multipliers, for the commodities involved, the average quantities produced over the period 1923-24 to 1927-28. For the quantity indexes the multipliers are weighted average prices over the same period, which are obtained by dividing the total value of any commodity for the period by the total quantity produced. Exactly the same method is used for the combined group indexes (i.e., for All Farming and Total) as for the indexes for individual groups.

**PRIMARY PRODUCTION : INDEX-NUMBERS OF PRICES, AVERAGE 1923-24 TO 1927-28 AS BASE (=1,000).**

Year.	Agricul- tural.	Pastoral.	Farmyard and Dairying.	All Farming.	Minerals.		Total Primary.
					Gold.	Other, excluding Gold.	
1911 ..	695	455	597	560	973	482	558
1912 ..	652	537	664	597	973	525	595
1913 ..	641	524	633	581	973	523	580
1914 ..	1,083	591	680	774	973	514	754
1915 ..	753	784	836	782	973	578	767
1916 ..	728	879	881	827	973	674	816
1917 ..	848	960	860	906	973	846	901
1918 ..	1,008	963	950	976	973	832	964
1919-20 ..	1,489	1,010	1,144	1,196	1,170	861	1,167
1920-21 ..	1,285	949	1,452	1,145	1,289	919	1,127
1921-22 ..	981	666	1,008	829	1,215	912	840
1922-23 ..	1,025	880	1,070	960	1,075	905	957
1923-24 ..	902	1,117	1,023	1,028	1,014	931	1,020
1924-25 ..	1,050	1,101	901	1,052	1,066	1,020	1,049
1925-26 ..	1,095	902	1,026	988	973	1,041	992
1926-27 ..	976	866	1,024	929	973	1,044	939
1927-28 ..	977	1,015	1,025	1,004	973	964	1,000
1928-29 ..	884	893	1,043	914	973	933	916
1929-30 ..	829	724	990	803	973	902	813
1930-31 ..	574	571	792	608	973	852	632
1931-32 ..	634	491	712	575	1,372	692	593
1932-33 ..	600	480	636	546	1,672	640	566
1933-34 ..	597	715	625	660	1,768	638	670
1934-35 ..	662	532	674	599	1,948	643	617
1935-36 ..	710	685	742	702	2,006	686	715
1936-37 ..	840	765	794	795	1,984	742	803
1937-38 ..	751	705	865	747	1,990	820	766
1938-39 ..	681	608	905	681	2,019	705	697

PRIMARY PRODUCTION : INDEX-NUMBERS OF QUANTITY PRODUCTION,  
AVERAGE 1923-24 TO 1927-28 AS BASE (=1,000).

Year.	Agricul- tural.	Pastoral.	Farmyard and Dairying.	All Farming.	Minerals.		Total Primary.
					Gold.	Other, excluding Gold.	
1911 ..	611	938	742	794	4,172	1,176	862
1912 ..	775	859	721	808	3,906	1,265	879
1913 ..	807	970	743	878	3,707	1,332	946
1914 ..	359	948	720	709	3,451	1,172	777
1915 ..	1,199	768	570	884	3,270	1,075	925
1916 ..	971	742	701	814	2,798	962	847
1917 ..	805	750	814	779	2,446	936	810
1918 ..	635	849	796	767	2,138	1,000	801
1919-20 ..	527	938	737	765	1,794	717	771
1920-21 ..	1,046	763	809	868	1,585	785	868
1921-22 ..	944	877	955	913	1,273	783	906
1922-23 ..	896	934	872	911	1,269	873	912
1923-24 ..	971	837	886	891	1,196	974	901
1924-25 ..	1,151	977	1,091	1,055	1,135	1,003	1,052
1925-26 ..	880	1,033	1,009	976	939	1,008	979
1926-27 ..	1,090	1,093	971	1,072	876	991	1,063
1927-28 ..	908	1,060	1,043	1,005	854	1,025	1,005
1928-29 ..	1,093	1,133	1,068	1,109	760	809	1,087
1929-30 ..	952	1,067	1,071	1,028	717	852	1,010
1930-31 ..	1,346	1,035	1,175	1,164	784	810	1,130
1931-32 ..	1,211	1,129	1,265	1,179	1,000	665	1,134
1932-33 ..	1,334	1,212	1,350	1,276	1,199	774	1,233
1933-34 ..	1,228	1,160	1,423	1,226	1,394	828	1,194
1934-35 ..	1,066	1,200	1,485	1,200	1,489	883	1,176
1935-36 ..	1,096	1,166	1,415	1,182	1,529	984	1,169
1936-37 ..	1,158	1,206	1,359	1,214	1,981	1,050	1,209
1937-38 ..	1,313	1,260	1,432	1,306	2,320	1,130	1,302
1938-39 ..	1,154	1,211	1,497	1,237	2,674	1,173	1,247

### § 11. Consumption of Commodities.

1. *Australia*.—The movement in the consumption of commodities is of special interest, indicating, as it does, the presence or absence of a number of important factors in the communal life of Australia. These factors include such items as changes in diet, variations in supply and demand, in purchasing power and in population. It is not possible to measure the influence of each of these changes, but their net effect on consumption is revealed in the figures given.

Increases in the actual quantities consumed, while indicating a greater consumptive capacity for Australia as a whole, do not indicate the trends in consumption. These are recorded in the *per capita* figures. The most pronounced changes over a series of years have taken place in motor spirit, butter, meat, biscuits, maize, potatoes, tea, beer and spirits. With the development of motor transport the consumption of motor spirit has risen from 2 to 34 gallons between 1913 and 1936. Butter has been consumed in larger quantities during each of the periods shown in the table. The consumption of meat has increased since the war years of 1914-18, largely as the result of increases in mutton, lamb and pork.

Commodities showing trends in the opposite direction were : biscuits, maize, potatoes, tea, beer and spirits. It should be remembered, however, that the figures for the latest five-yearly period were seriously affected by the economic depression and the consequent rise in unemployment.

The following tables furnish a comparison over a long series of years of the average annual total and *per capita* quantities available for consumption in Australia. The data have been compiled by adding to production the excess of imports or subtracting the excess of exports as the case may be. Allowance should be made for stocks at the commencement and at the end of each period, but this was possible only in respect of wheat and flour. In consequence, the figures given for the remaining commodities are somewhat incomplete, but any discrepancy occasioned by this omission is minimized by ranging the consumption over periods of five to ten years.

A few brief notes on some features of the more important commodities are given below :—

*Cereals*.—The quantities shown for cereals represent the amounts available for human consumption as such or in some other consumable form. In addition, they include those quantities consumed by live stock, of which separate details are not available. These quantities, together with the amount required for seed purposes, give the total requirements of Australia.

*Root Crops*.—In arriving at the total quantity available for consumption the output of holdings of less than one acre has been excluded.

*Dairy Produce*.—The quantities of fresh milk consumed by the people of Australia cannot be determined accurately, and the figures are no more than estimates obtained from the best available sources. The quantities of butter and cheese consumed include those produced on farms.

*Meats*.—The accuracy of the figures of meat consumption depends upon the reliability of the average weights applied to the dressed carcasses. These are most difficult to obtain for the whole of Australia and the figures have been compiled from the most reliable estimates available.

*Drink and Tobacco*.—The quantities used in these compilations were those on which excise was paid and those cleared from bond.

*Sugar.*—In determining the consumption of sugar, allowance has been made for the estimated sugar contents of goods exported; these include canned fruit, condensed milk, jam, etc. The quantities shown, therefore, represent those actually available for consumption in Australia.

*Flour.*—The quantities of flour available for consumption include the amounts consumed in bread, cakes, pastry and biscuits; the quantities used by factories in other manufacturing processes are also included.

CONSUMPTION OF COMMODITIES: ESTIMATE OF ANNUAL REQUIREMENTS, AUSTRALIA.

Commodity.	Unit of Quantity.	Ten years ended 1913.	Seven years ended 1920-21.	Five years ended—		
				1925-26.	1930-31.	1935-36.
<b>Cereals—</b>						
Barley .. .. .	1,000 bush.	2,385	3,132	3,364	4,343	4,351
Barley, seed requirements .. .. .	" "	170	336	410	499	644
Maize .. .. .	" "	9,544	8,324	9,741	8,645	6,961
Maize, seed requirements .. .. .	" "	84	89	90	89	86
Oats .. .. .	" "	10,845	9,271	10,772	9,526	10,927
Oats, seed requirements .. .. .	" "	2,472	3,311	4,217	4,471	5,536
Rice (clean) .. .. .	1,000 cwt.	284	245	343	335	298
Rice (paddy), seed requirements .. .. .	" "	.. .. .	.. .. .	.. .. .	9	12
Wheat .. .. .	1,000 bush.	22,883	31,903	34,258	39,767	37,222
Wheat, seed requirements .. .. .	" "	7,226	10,387	11,752	16,158	14,210
<b>Root Crops—</b>						
Onions .. .. .	Ton	29,852	32,058	30,928	42,067	38,729
Potatoes .. .. .	" "	327,633	283,644	311,866	314,236	292,129
Potatoes, seed requirements .. .. .	" "	47,924	45,936	48,645	49,451	48,153
<b>Other Crops—</b>						
Dried grapes—						
Raisins .. .. .	" "	9,587	7,039	9,282	11,363	12,307
Currants .. .. .	" "			4,096	4,195	4,308
Sugar, raw .. .. .	" "	231,495	266,242	303,010	345,942	338,471
Sugar, refined .. .. .	" "	221,078	254,261	289,375	330,375	323,240
<b>Dairy Produce—</b>						
Butter .. .. .	1,000 lb.	88,816	126,484	161,750	187,372	203,188
Cheese .. .. .	" "	14,464	17,855	21,320	25,192	25,375
Milk .. .. .	1,000 gal.	(a)	100,162	128,754	140,645	150,212
<b>Meats—</b>						
Beef .. .. .	1,000 lb.	545,286	558,487	769,638	742,577	746,162
Mutton .. .. .	" "	352,907	353,727	359,198	389,989	443,342
Lamb .. .. .	" "				68,202	92,940
Pork .. .. .	" "	(a)	20,911	30,006	41,247	54,574
Bacon and ham .. .. .	" "	40,161	52,483	64,652	75,449	69,885
<b>Total Meats</b> .. .. .	" "	(a)	985,608	1,223,494	1,317,464	1,406,903
<b>Drink and Tobacco—</b>						
Beer .. .. .	1,000 gal.	50,085	63,196	64,823	66,358	54,646
Spirits (potable) .. .. .	" "	3,438	2,752	2,361	2,168	1,275
Tobacco .. .. .	1,000 lb.	11,453	14,957	18,699	20,230	18,933
<b>Other Foodstuffs—</b>						
Biscuits .. .. .	" "	(a)	87,311	76,291	69,951	53,882
Coffee .. .. .	" "	2,201	2,671	3,197	3,301	3,834
Fish preserved in tins .. .. .	" "	20,394	15,695	22,588	23,957	20,176
Flour, wheaten .. .. .	Ton	447,017	559,442	604,239	641,968	673,800
Jam .. .. .	1,000 lb.	73,203	71,451	61,264	76,687	76,405
Oatmeal .. .. .	1,000 cwt.	(a)	(a)	296	301	270
Sago and tapioca .. .. .	1,000 lb.	(a)	9,047	9,961	8,070	8,347
Tea .. .. .	" "	31,220	40,323	44,608	47,593	45,427
<b>Other Commodities—</b>						
Soap .. .. .	1,000 cwt.	(a)	680	781	915	868
Kerosene .. .. .	1,000 gal.	18,130	20,489	25,873	50,525	41,361
Motor spirit .. .. .	" "	(c) 10,071	20,929	75,357	206,196	225,688
Cement—portland .. .. .	Ton	(a)	(a)	520,622	651,618	437,309

(a) Not available. ended 1913.

(b) Average for four years ended 1925-26.

(c) Average for three years

**CONSUMPTION OF COMMODITIES : ESTIMATE OF ANNUAL REQUIREMENTS  
PER HEAD OF POPULATION, AUSTRALIA.**

Commodity.	Ten years ended 1913.	Seven years ended 1920-21.	Five Years ended—		
			1925-26.	1930-31.	1935-36.
	lb.	lb.	lb.	lb.	lb.
Barley .. .. .	27.79	30.76	29.25	34.28	32.50
Barley, seed requirements	1.98	3.29	3.56	3.94	5.00
Maize .. .. .	124.56	91.55	94.84	76.43	58.80
Maize, seed requirements..	1.09	0.98	0.88	0.79	0.56
Oats .. .. .	101.49	72.83	74.92	60.16	65.60
Oats, seed requirements ..	23.04	20.01	29.33	28.23	33.20
Rice (clean) .. .. .	7.42	5.44	6.68	5.93	5.02
Rice (paddy), seed require- ments .. .. .	..	..	..	0.17	0.21
Wheat .. .. .	319.99	375.93	357.00	376.80	335.40
Wheat, seed requirements	101.05	122.39	122.40	153.00	128.40
Onions .. .. .	14.55	14.13	12.04	14.88	13.04
Potatoes .. .. .	171.05	124.78	121.46	111.13	98.35
Potatoes, seed requirements	25.05	20.25	18.95	17.49	16.21
Dried grapes—Raisins ..	4.68	3.09	3.61	4.02	4.14
Currants .. .. .		1.80	1.64	1.52	1.39
Sugar, raw .. .. .	120.86	117.13	118.01	122.34	113.96
Sugar, refined .. .. .	115.42	111.86	112.70	116.84	108.83
Butter .. .. .	20.70	24.84	28.12	29.58	30.54
Cheese .. .. .	3.37	3.51	3.71	3.98	3.81
Beef .. .. .	127.08	100.68	133.81	117.24	112.15
Mutton .. .. .	82.25	69.47	62.45	61.57	66.64
Lamb .. .. .				10.77	13.97
Pork .. .. .	(a)	4.11	5.22	6.50	8.20
Bacon and ham .. .. .	9.36	10.31	11.24	11.91	10.50
Total Meats .. .. .	(a)	193.57	212.72	207.99	211.46
Tobacco .. .. .	2.67	2.94	3.25	3.19	2.84
Biscuits .. .. .	(a)	17.15	13.26	11.04	8.10
Coffee .. .. .	0.51	0.52	0.56	0.52	0.58
Fish, preserved in tins ..	4.75	3.08	3.93	3.78	3.03
Flour, wheaten .. .. .	208.37	210.74	210.11	202.70	202.55
Jam .. .. .	17.06	14.03	10.66	12.11	11.48
Oatmeal .. .. .	(a)	(a)	(b) 4.49	5.32	4.55
Sago and tapioca .. .. .	(a)	1.78	1.73	1.27	1.25
Tea .. .. .	7.28	7.92	7.76	7.51	6.83
Soap .. .. .	(a)	15.16	15.20	16.18	14.62
Portland cement .. .. .	(a)	(a)	(b) 196.61	230.44	147.23
	gal.	gal.	gal.	gal.	gal.
Milk .. .. .	(a)	19.67	22.39	22.20	22.58
Beer .. .. .	11.67	12.41	11.27	10.48	8.23
Spirits (potable) .. .. .	0.80	0.54	0.41	0.34	0.19
Kerosene .. .. .	4.22	4.02	4.50	7.98	6.22
Motor spirit .. .. .	(c) 2.13	4.11	13.10	32.55	33.92

(a) Not available.  
ended 1913.

(b) Average for four years ended 1925-26.

(c) Average for three years

2. *International Comparison.*—The difficulties associated with the compilation of statistics of consumption in Australia have already been mentioned, and the absence of corresponding figures for other countries suggests a similar experience abroad. Some details are published in other countries, but these are restricted to a few commodities, and an extensive comparison on an international basis is not possible.

In the absence of complete details of the methods used in their computation, it is not possible to say whether the figures given are comparable in all respects with those shown for Australia. It is known that in some instances the figures relate to a single year, while those for Australia refer to the average over five years. In the following table the figures for Australia are below the normal, as the period taken included some years of the economic depression.

The details given in the following table have been taken from official or other authoritative sources and are the best available. They do not afford a comparison of the standards of living in the various countries, but are intended to present a comparison of more than usual interest.

CONSUMPTION PER HEAD OF POPULATION IN VARIOUS COUNTRIES.

Commodity.	Unit of Quantity.	Average annual consumption per head of population.				
		Australia.	New Zealand.	Canada.	United Kingdom.	U.S.A.
Wheat (excluding seed) ..	Bush.	5.6	5.7	5.5	5.8	4.7
Flour, wheaten .. ..	lb.	203	180	166	200	160
Sugar, refined .. ..	"	109	115	96	102	105
Milk, whole .. ..	Gal.	22.5	22.5	37.0	21.0	(a)
Butter .. ..	lb.	30.5	40.0	31.8	24.8	16.7
Cheese .. ..	"	3.8	8.0	3.6	8.6	5.4
Eggs .. ..	Doz.	(a)	20.0	20.8	13.0	(a)
Beef .. ..	lb.	112	140	62	69	63
Mutton and lamb .. ..	"	81	88	6	30	7
Pig meat .. ..	"	19	21	57	42	55
Total Meat .. ..	"	212	249	125	141	125
Wine .. ..	Gal.	0.3	0.2	0.3	0.3	0.4
Beer .. ..	"	8.2	8.6	6.0	33.1	13.0
Spirits (potable) .. ..	"	0.2	0.3	0.3	0.2	0.9
Tobacco .. ..	lb.	2.8	3.5	3.9	3.9	6.6
Tea .. ..	"	6.8	6.7	3.6	9.2	0.7
Coffee .. ..	"	0.6	(a)	3.4	0.7	13.3
Raisins and currants .. ..	"	5.5	8.4	3.8	5.7	2.2
Rice .. ..	"	5.0	5.3	7.3	5.2	(a)
Onions .. ..	"	13	12	(a)	(a)	(a)
Potatoes .. ..	"	98	108	(a)	241	(a)

(a) Not available.

§ 12. Film Censorship.

1. Legislation.—The censorship of imported films derives its authority from Section 52 (g) of the Customs Act, which gives power to prohibit the importation of goods. Under this section regulations have been issued prohibiting the importation of films except under certain conditions and with the consent of the Minister. The regulations provide, *inter alia*, that no film shall be registered which in the opinion of the Censor is (a) blasphemous, indecent or obscene; (b) likely to be injurious to morality, or to encourage or incite to crime; (c) likely to be offensive to the people of any friendly nation; (d) likely to be offensive to the people of the British Empire; or (e) depicts any matter the exhibition of which is undesirable in the public interest.

The regulations governing the exportation of Australian-made films are similar, with the addition that no film may be exported which in the opinion of the Censorship is likely to prove detrimental or prejudicial to the Commonwealth of Australia.

The Censorship consists of a Censorship Board of three persons and an Appeal Censor, the head-quarters being in Sydney. There is also a right of appeal to the Minister.

In addition to the censorship of moving pictures, the Censorship may refuse to admit into Australia any advertising matter proposed to be used in connexion with the exhibition of any film. Such control does not, however, extend to locally-produced publicity.

2. **Imports of Films.**—Imported films dealt with by the Censorship for the year 1939 were as follows:—1,574 films of 3,834,814 feet passed without eliminations, 103 films of 484,283 feet passed after eliminations, and 24 films of 145,523 feet rejected in first instance, making a total of 1,701 films of 4,464,620 feet (one copy). The countries of origin were as follows:—United States of America, 1,176 films of 3,438,317 feet; United Kingdom, 370 films of 714,412 feet; and 155 films of 311,891 feet from other countries.

The foregoing figures relate to standard size films (35 millimetres). There were also imported during 1939, 2,003 miniature films (16, 9.5 and 8 millimetres) of 772,643 feet.

3. **Exports of Films.**—The number of films exported for the year 1939 was 1,108 of 1,230,349 feet (one copy), of which 957 films of 1,117,276 feet were sent to places in the British Empire including Mandated Territories.

### § 13. Marketing of Australian Commodities.

1. **Introduction.**—Particulars in respect of the various Commonwealth Acts and Regulations together with the operations of the Boards or Councils appointed to assist or control the marketing of Australian commodities are set out below. It should be noted that the particulars refer to the marketing of Australian commodities in the normal times of peace, and that no reference has been made to changes induced by the outbreak of War. A brief summary of the war-time arrangements for the marketing and sale of Australian commodities is included in §14.

2. **Dairy Produce.**—(i) *The Dairy Produce Export Control Act 1924–1938.* Introduced at the request of the dairying industry this Act was passed by the Commonwealth Parliament with the object of organizing the oversea marketing of Australian dairy produce. A Dairy Produce Control Board was appointed and was in existence from 1924 to 1935. It dealt with matters relating to the organization and supervision of oversea marketing of dairy produce. In the course of its functions the Board regulated shipments to ensure regularity of supply in the London market, controlled forward selling, obtained reductions in oversea freights and insurance rates, and participated in an advertising campaign in the United Kingdom.

Prior to the appointment of the Dairy Produce Control Board a voluntary body—the Australian Dairy Council—was established to advise and make recommendations to the Governments on problems connected with the production, manufacture and quality of dairy produce, pasture improvement and diseases of dairy cattle.

Following a recommendation by the Australian Agricultural Council the functions of these bodies were combined by an Amending Act of 1935 under the Australian Dairy Produce Board and provision was made for the allocation of money from the Board's funds for research and investigation into pastures, diseases of dairy cattle and the quality of butter.

(ii) *The Dairy Produce Export Charges Act 1924–1937.* This Act provides for the imposition of a levy on all butter and cheese exported from the Commonwealth to cover the administrative expenses of the Board and for advertising and other purposes. The rate of the levy is fixed by regulation.

(iii) *The Dairy Produce Act 1933–1935.* In §1 par. 3 of Chapter XV. "Farmyard, Dairy and Bee Products" reference is made to the voluntary and compulsory plans introduced for the purpose of stabilizing the prices of dairy produce in Australia. Under State legislation regulating authorities fixed the proportion of the States' output to be sold within the respective States, and the Dairy Produce Act was passed by the

Commonwealth Parliament to protect these "quotas" from the effects of interstate competition. A decision of the Privy Council in 1936, however, held that the Commonwealth had no power under its Constitution to control interstate trade and the Commonwealth legislation is therefore inoperative. The industry is now carrying on its stabilization plan on a purely voluntary basis.

3. *Dried Fruits.*—(i) *The Dried Fruits Export Control Act 1924–1938.* This Act was passed by the Commonwealth Parliament at the request of the dried fruits industry to organize the oversea marketing of Australian dried vine fruits. The Dried Fruits Control Board, consisting of eight members—including five growers' representatives, two members with commercial experience and one Government nominee—was appointed to control the export, and the sale and distribution after export, of Australian sultanas, currants and lexias. In conjunction with its London agency, the Board has improved the marketing of Australian dried fruits overseas, and has increased the demand for the product. Its system of appraisalment has resulted in more satisfactory realizations. Its methods of ensuring continuity of supply and regulating shipments and its participation in the advertising campaign of the Australian Overseas Trade Publicity Committee have benefited the industry considerably. No dried fruits may be exported except by means of a licence, which is issued subject to conditions recommended by the Board.

(ii) *Dried Fruits Export Charges Act 1924–1929.* This Act provides for the imposition of a levy on all sultanas, currants and lexias exported from the Commonwealth for the purpose of defraying the administrative expenses of the Board and the cost of advertising, etc. The rate of the levy is fixed by regulation. Under an amendment made in 1927 provision was made for the exemption of sultanas, currants and lexias from the levy upon recommendation by the Board.

(iii) *The Dried Fruits Act 1928–1935.* In previous issues of the Official Year Book reference has been made to the Dried Fruits Act and its provisions outlined (see p. 894 of Official Year Book, No. 25). This legislation is in a similar position to that for dairy produce referred to in par. 2 (iii) above.

4. *Canned Fruits.*—(i) *The Canned Fruits Export Control Act 1926–1938.* This legislation was introduced at the request of canners and representative organizations of fruit-growers with the object of organizing the oversea marketing of canned fruit. The original Act referred to canned apricots, peaches and pears only, but canned pineapples and canned fruit salads consisting of not less than 75 per cent. of specified fruits were subsequently brought within the scope of the Board's operations. The personnel of the Australian Canned Fruits Board consists of one representative each from proprietary and privately owned canneries, co-operative canneries, State-controlled canneries, pineapple interests and the Commonwealth Government. No canned fruits to which the Act applies are permitted to be exported except under a licence issued in accordance with conditions recommended by the Board. The system of marketing adopted by the Board, including the fixation of minimum selling prices overseas, the appointment of a London agency and the engaging in oversea trade publicity, has resulted in the satisfactory disposal of the annual exportable surplus of canned fruits. The distribution of canned fruits has been widened and the exporting side of the industry placed on a sounder basis through the Board's operations.

(ii) *The Canned Fruits Export Charges Act 1926–1938.* This Act provides for the imposition of a levy on the export of canned fruits to meet the administrative and other commitments of the Board. The rate of the levy is fixed by regulation from time to time. An amendment in 1929 provided for certain exemptions from payment of the levy when recommended accordingly by the Board.

5. *Wine.*—(i) *The Wine Overseas Marketing Act 1929–1936.* This Act was introduced at the request of the viticultural interests in Australia with the object of placing the oversea marketing of Australia's surplus wine on an orderly basis. The Wine Overseas Marketing Board was appointed to supervise the exports, and the sale and distribution after export of Australian wine.

The name of the Board was changed to the Australian Wine Board in 1936. No wine may be exported except by means of a licence, which is issued under conditions recommended to the Minister by the Board; these include the withholding of shipments as directed by the Board. The Board has a London agency which advises on marketing conditions. The methods of marketing adopted by the Board have resulted in the widening of the distribution of Australian wines overseas.

(ii) *The Wine Grapes Charges Act 1929-1937*. This Act provides for the imposition of a levy on all grapes used in the Commonwealth for the manufacture of wines or spirit used for fortifying wine. The proceeds of the levy are used to defray the administrative and other expenses of the Board, and provision is made for such exemptions from the levy as the Board may recommend.

6. *Meat*.—(i) *The Meat Export Control Act 1935-1938*. This Act was introduced following a decision of a conference of Commonwealth and State Ministers with members of the Commonwealth Meat Advisory Committee, held in October, 1935, to set up a Meat Board with defined statutory powers. The Australian Meat Board, which was appointed under the Act in January, 1936, consists of eighteen members, representative of producers, processors, exporters and the Commonwealth Government. Provision is made for the appointment from within the Board of an Executive Committee and a Beef Committee. Export of meat is controlled by licence. The Board has power to regulate shipments of meat and to arrange contracts in respect of freights and insurances; to promote oversea sales by advertising and to foster research into meat problems; and to supervise the issue of export licences. The Board also has power to appoint a London representative.

(ii) *The Meat Export Charges Act 1935*. By means of a levy collected on all meats exported from the Commonwealth, funds are provided for the purpose of defraying the expenses and charges incurred by the Australian Meat Board in the course of its business. The customary provision is made for exemption from the levy when recommended by the Board.

7. *Apples and Pears*.—(i) *The Apple and Pear Organization Act 1938*. This Act, which was passed by the Commonwealth Parliament at the request of the Apple and Pear industry, provides for the establishment of an Australian Apple and Pear Board for the purpose of organizing and controlling the export trade in fresh apples and pears.

The Board consists of one member to represent the Commonwealth Government; eleven members to represent the growers of apples and pears on the basis of four from Tasmania, two each from Victoria and Western Australia, and one each from New South Wales, Queensland and South Australia; and four members to represent exporters of apples and pears on the basis of one from each of the States of Victoria, South Australia, Western Australia and Tasmania.

The Board has power to regulate the shipment of apples and pears from Australia by licensing exporters and issuing permits to export. Power is also given to determine export quotas, and to allocate the consignments from each State. The Board may appoint persons to represent it overseas.

(ii) *The Apple and Pear Export Charges Act 1938*. This Act provides for the imposition of a levy on all apples and pears exported from the Commonwealth for the purpose of providing the funds necessary to meet the administrative and other expenses of the Board.

(iii) *The Apple and Pear Publicity and Research Act 1938*. Under this Act, the Australian Apple and Pear Board is empowered to expend moneys, specifically collected and appropriated, for the purpose of increasing and extending the consumption of apples and pears throughout Australia by publicity, research or any other means.

The fund for this purpose is to be created from the proceeds of a tax levied on all apples and pears sold for consumption in Australia as fresh fruit. Apples and pears exported or to be exported, or processed or to be processed, are exempt from the tax.

The related taxing measures are:—The Apple and Pear Tax Act 1938 and the Apple and Pear Tax Assessment Act 1938.

8. **Wheat Industry Assistance Act 1938.**—This legislation, which came into operation in December, 1938, supplements legislation of a uniform type passed by all the State Parliaments, and is designed to enable the operation of a home consumption price scheme for the wheat industry on a Commonwealth basis.

The legislation is based on a home consumption price of 5s. 2d. a bushel, free on rail, Williamstown, equivalent to 4s. 8d. at country sidings. When the price of wheat falls below that level the returns of growers will be supplemented by payments from a fund established from the proceeds of a flour tax which varies inversely with the price of wheat. When the export price rises above that level provision is made for a tax on wheat sold, the proceeds of which are to be applied to ensure that the cost of wheat gristed for home consumption shall not exceed 5s. 2d. per bushel.

Out of the general fund a sum not exceeding £500,000 per year will be reserved during the first five years for special purposes including the transfer of producers growing wheat on marginal lands to other areas where they will be able to engage in mixed farming or to enable them to increase the size of their holdings to make wheat-growing worth while.

A Wheat Stabilization Advisory Committee has been established to determine the appropriate times for a variation in the rate of tax which will be fixed on the basis of a rigid formula.

The State legislation undertakes to ensure that prices charged to consumers are reasonable and the Commonwealth legislation contains provision that no State shall be entitled to receive payments where that undertaking is not carried out.

With the acquisition of wheat by the Commonwealth Government after the outbreak of War and the payment direct to them by the Wheat Board, the provision for payment of flour tax to growers was varied by the Wheat Industry (War-time Control) Act, 1939. Flour tax proceeds under this Act are paid into the Commonwealth Bank for repayment of advances made and in this way are incorporated with the receipts of the wheat pools.

9. **Export Guarantee Act.**—For a considerable time this Act has not been invoked directly to provide for assistance in the marketing of primary products. The Dried Fruits Advances Act, disbursements under which were made for the appropriation pursuant to the Export Guarantee Act, has ceased to operate. The Board of Trade, which was formed to advise and recommend on expenditure proposed under the Act, has not functioned for some years. The only recent expenditure under the Act has been in respect of special oversea trade publicity, but since 1st July, 1934, expenditure under that heading has been made the subject of a separate appropriation. The total assistance granted under the Act during its period of operation amounted to £670,574 which included substantial payments on account of both the Dried Fruits Advances Act and oversea trade publicity. Although the Export Guarantee Act has not been repealed, it is not proposed that any further payments shall be made under it.

10. **Australian Agricultural Council.**—Particulars of the formation, personnel and functions of the Australian Agricultural Council are given in Chapter XIV., "Agricultural Production".

## § 14. War-time Marketing of Primary Products.

1. **General.**—Before the outbreak of the present War an understanding had been reached by the Governments of the United Kingdom and the Commonwealth which enabled exports from Australia to proceed normally even before any contracts for the sale of commodities had been concluded.

On the outbreak of hostilities, the existence of Statutory Boards for the meat, dairy produce and fruit industries facilitated war-time organization. The experience already gained in marketing control enabled the Commonwealth Government to proceed quickly with the formation of committees and/or boards in those industries where Statutory Boards or organizations had not been established previously, namely, the Central Wool Committee, the Australian Wheat Board, the Australian Barley Board, the Apple and Pear Marketing Committee, the Australian Hide and Leather Industries Board, and a Committee to supervise the export of eggs.

In addition to the organizations established in respect of these commodities, a Shipping Control Board was set up to control coastal shipping should the need arise for close supervision and control of cargo movements in interstate trade. At a later stage, a Shipping Committee was established to control and supervise oversea shipping to and from Australia in conjunction with the Ministry of Shipping in the United Kingdom.

Prior to the outbreak of War, a survey was made of refrigerated and cold storage space in Australia. Thus the handling of refrigerated produce up to the time of shipment was not only facilitated, but the survey was also of material assistance in connexion with the arrangements made subsequently for the transport of commodities to the United Kingdom.

2. Wool.—The Government of the United Kingdom has arranged with the Commonwealth Government to acquire the Australian wool clip for the duration of the War and one full wool season after the cessation of hostilities.

The arrangement embraces all wool, wool tops, noils and waste, not required for use by Australian manufacturers.

The principal conditions of the arrangement are :—

- (i) The United Kingdom Government will pay 10½d. (Stg.) equivalent to 13.4375d. (Aust.) per lb. flat rate price for the wool in store at the oversea port of shipment.
- (ii) The United Kingdom Government will pay up to ¾d. (Stg.) equivalent to ¾d. (Aust.) per lb. to cover all costs from store to ship
- (iii) The United Kingdom Government will pay to the Commonwealth Government 50 per cent. of the profits derived from wool sold for use outside the United Kingdom, which sales shall be at the order and disposition of the United Kingdom Government.
- (iv) In May of each year the arrangement shall be subject to review at the instance of either Government.

In Australia the scheme is administered by the Central Wool Committee (with subordinate State Committees) which controls the receipt of the wool into store, its appraisal and shipment overseas. The Central Wool Committee cables to the United Kingdom Government the appraised value of the wool comprised in each round of appraisements and the United Kingdom Government makes the necessary funds available to the Committee. These are paid to the respective growers within fourteen days of appraisal, less a percentage retained by the Central Wool Committee to enable each grower's return to be adjusted in conformity with the flat rate price paid by the United Kingdom Government. During the first season (1939-40) of operation of the scheme the amount so retained was 10 per cent. but for the current clip (1940-41) only 5 per cent. will be retained.

During the 1939-40 season the issue price of wool for Australian manufacturers was the "appraised price." From 1st July, 1940 (1940-41 season) the issue price was fixed by the Central Wool Committee at the "appraised price", plus cost of delivery plus 7½ per cent.

3. Meat.—From 1st October, 1939 to 30th September, 1940, the United Kingdom Government agreed to purchase f.o.b. 240,000 tons of beef, mutton, lamb, veal and pork and to use its best endeavours to lift any additional quantities available for export. The contract embodies a long range of prices for various cuts, pieces and offals. The returns to Australian producers are satisfactory and are higher than those received during the previous season. Under the contract 90 per cent. is paid on shipment and 10 per cent. within 28 days of arrival, or in the case of a steamer being lost, the estimated due date of arrival.

The contract has been renewed for the year 1st October, 1940, to 30th September, 1941, and covers beef, veal, mutton, lamb, porker pork and offals, and baconer pork. Under the new contract certain classes of meat will not be accepted and there have been slight variations in some prices.

4. **Butter.**—The quantity of butter to be sold under this contract, between 13th November, 1939 and 30th June, 1940, was 75,500 tons. The contract prices per cwt. in Australian currency were : Choicest 137s. 2½d. ; First Grade 135s. 7½d. ; Second Grade 131s. 1¾d. ; and Pastry 127s. 6d. On shipment, 90 per cent. is paid, and the balance within 28 days after arrival.

In addition, the Commonwealth Ministry undertook, subject to freight being available, to use its best endeavours to ship additional quantities available for export within the limit of its requirements.

Negotiations for the renewal of the contract for the year 1st July, 1940, to 30th June, 1941, were successfully concluded. The British Ministry of Food has agreed to purchase at the same prices and on the same terms and conditions as those in the previous agreement.

5. **Cheese.**—From the outbreak of War to 30th June, 1940, the United Kingdom Government contracted to take 13,000 tons of cheese. The prices per cwt. in Australian currency, f.o.b. Australian port, were : Choicest and First Grade 76s. 6¾d. ; Second Grade 74s. 0½d. ; and Third Grade 71s. 6¾d. Payment was made on the same terms as for butter. The contract has been renewed in its entirety as regards terms and conditions for a year as from 1st July, 1940.

6. **Eggs.**—This contract was for the one season and covered all eggs packed for export up to 31st December, 1939. The quantity mentioned in the agreement was 900,000 long hundreds, but subject to freight being available, the United Kingdom Government agreed to accept any additional quantity available for export on the same terms as those specified in the agreement. The prices in Australian currency, f.o.b. Australian port, were : 13½-lb. and 14-lb. packs 9s. 10. 83d. ; 15-lb. and 16-lb. packs 12s. 2. 87d. ; and 17-lb. and 18-lb. packs 12s. 4. 25d. On shipment, 85 per cent. was paid, and 15 per cent. within 28 days after arrival.

A further contract covering eggs shipped between 1st July, 1940 and 31st December, 1940, has been made at prices which represent an increase of 1s. 3d. (Aust.) per long hundred for each pack over prices in the previous contract. In addition, the terms of payment have been improved to 90 per cent. on shipment instead of the previous 85 per cent.

Negotiations for the extension of the contract to cover eggs available for shipment during the months of January and February, 1941, have been successfully concluded.

7. **Sugar.**—Arrangements were concluded in September, 1939, by the Queensland Government for the sale to the British Ministry of Food of the balance of Australia's surplus production of raw sugar *ex* the 1939 crop at £7 10s. sterling per ton c.i.f. United Kingdom ports, basis 96 degrees polarization, plus the existing British tariff preference of £3 15s. on Dominion sugar, making a total gross price of £11 5s. sterling per ton. The same conditions applied to Australia's surplus production of raw sugar *ex* the 1940 crop except that the gross price was effectively increased by 10s. per ton.

8. **Lead.**—A contract was arranged between the British Ministry of Supply and the Broken Hill Associated Smelters Pty. Ltd. for a period of twelve months. The contract price was £15 1s. 3d. sterling or £18 16s. 7d. Australian currency per ton

This contract has been renewed for a further period of twelve months from 1st September, 1940, on the same terms as the original contract.

9. **Zinc.**—A contract was also entered into by the British Ministry of Supply with the Electrolytic Zinc Company of Australasia Ltd. with regard to zinc. The period of contract was for twelve months and the contract price was £18 sterling per ton or £22 10s. Australian currency.

This contract has been renewed for a further period of twelve months from 1st September, 1940, on the same terms as the original contract.

10. **Canned Fruits.**—The United Kingdom Government has agreed to take a quantity of canned apricots, peaches and pears from the 1940 season's pack. The prices payable under the purchase have been fixed on f.o.b. basis Australian ports.

The terms of the contract provide that, in respect of quantities shipped prior to the conclusion of the negotiations, 90 per cent. of the value of the fruit, together with freight and other charges paid in Australia, become payable upon arrival in the United Kingdom and the balance of 10 per cent. within 28 days. For subsequent shipments, 90 per cent. of the purchase value is payable at the time of export and the remainder within 28 days after arrival at the port of destination.

**11. Apples and Pears.**—To meet the emergency conditions which confronted the apple and pear industry following the outbreak of War, the Commonwealth Government promulgated the National Security (Apple and Pear Acquisition) Regulations on 14th November, 1939 to provide for the acquisition and orderly marketing of the 1940 crop. A Marketing Committee of the Australian Apple and Pear Board was appointed to supervise the whole of the marketing arrangements and State Committees were set up to assist in the administration of the Scheme.

All growers occupying orchards of which not less than 1 acre was wholly or principally used for the growing of apples and/or pears were required to register under the regulations and to furnish particulars of their plantings and production. The registration of other persons growing apples or pears was not compulsory.

Until 1st March, 1940, the marketing of the crop proceeded in the usual manner but from that date the Commonwealth acquired all apples and pears in Australia, subject to minor exemptions, and the sale of any apples or pears not grown by a registered grower was prohibited.

Advances were made to the growers in respect of compensation payments at the rates of 2s. a bushel on apples and 3s. a bushel on pears on the basis of 75 per cent. of their estimated production which was determined by an official assessment of the individual crops. In addition growers receive a further advance of 1s. a bushel on apples and pears of prescribed quality delivered to places or agents of the Board. All advances in respect of compensation are on the basis of bare fruit, the costs of cases and packing, freight, storage and all marketing expenses being met by the marketing authority.

Agents have been appointed throughout Australia to receive and deal with apples and pears as directed, and a system of distribution devised to meet the particular needs of the domestic market in each State. In so far as freight has been available, overseas shipments have been directed from those States having the largest quantities available for export.

**12. Wheat and Flour.**—The Commonwealth Government negotiated with the United Kingdom Government immediately on the outbreak of War for the purchase and transport of the old season's wheat, of which there was estimated to be about 20,000,000 bushels on hand. All old wheat in Western Australia and South Australia, approximately 7,500,000 bushels, was sold to the United Kingdom Government and a contract was also secured for 50,000 tons of flour.

These arrangements were administered by the Australian Wheat Board, which has been established to receive, care for and market wheat acquired by the Commonwealth Government.

The Australian Wheat Board has been entrusted with the task of marketing and storing wheat. The price of wheat for local requirements is determined by the Board. Free movement of wheat within the Commonwealth has been stopped and deliveries of wheat must be made to licensed receivers who are the receiving and distributing agents of the Board and by whom sales are made to the usual retailers. The Board has an Australian Selling Committee in London which negotiates sales of wheat and flour in the United Kingdom, Europe and certain other markets.

The 1940 harvest was pooled in No. 2 Pool, and at the end of November, 1940, advances of 3s. 5½d. per bushel bagged, and 3s. 3½d. silo wheat had been paid to growers. The advances were guaranteed by the Commonwealth, and the total guarantees for No. 2 Pool were £34,500,000.

Over 140,000,000 bushels of wheat and flour as wheat were sold by the Board to October, 1940, at satisfactory prices. This includes over 100,000,000 bushels for export flour and wheat. In January, 1940 a sale was made to the United Kingdom of 1,500,000 tons of wheat, and 150,000 tons of flour. This is equivalent to 63,000,000 bushels of wheat, and is one of the largest sales in grain history.

13. **Barley.**—The outbreak of War came a few weeks prior to the commencement of harvesting operations for the new barley crop, the estimates for which indicated that production would be on a higher scale than in former years.

An Australian Barley Board, representative of the industry, was formed with head-quarters at Adelaide, and the Commonwealth Government acceded to its request to acquire the entire barley crop, which was placed under the control of the Board. A pool was established from which proceeds will be distributed with appropriate margins for different grades of barley.

The Board is responsible for the marketing and storage of barley, and, like the Australian Wheat Board, has appointed its licensed receivers in all States to receive grain on its behalf and to act as agents for all local and oversea sales.

The crop was a record one of 15,000 000 bushels, but the Board has made satisfactory sales, and the carry-over at the end of the season is expected to be only 1,500,000 bushels to 1,750,000 bushels. This is all export grade barley. Local demand was greater than usual because of the drought, and the surplus from last season will be needed to augment this season's small crop. Some satisfactory export sales were made although war-time difficulties limited the scope for oversea sales.

Advances to growers were guaranteed by the Commonwealth, and payments to date range from 2s. 11d. per bushel, less railage, for No. 1 malting quality to 1s. 9d. per bushel less railage, for feed grade.

14. **Dried Fruits.**—Contracts have been entered into with the United Kingdom Government which provide for the disposal of portion of the exportable surplus of the 1940 pack of dried vine fruits. Advances of 80 per cent. are payable to exporters on shipment and the final payment of 20 per cent. on landing weights after inspection and approval.

15. **Hides and Leather.**—Late in 1939 it became necessary to introduce a scheme for the control of the marketing of hides and leather and suitable action was taken by Regulations under the National Security Act. The Australian Hide and Leather Industries Board was appointed to administer the scheme.

All cattle hides and yearling and calf skins must be submitted for appraisalment in accordance with a Table of Limits prepared by the Board. On appraisalment they are acquired by the Board acting on behalf of the Commonwealth and thereupon become the property of the Commonwealth. The owners of the hides and skins immediately prior to acquisition, receive compensation at rates determined by the Minister from time to time. Hides and skins acquired by the Board are sold on behalf of the Commonwealth. Tanners' purchases of hides are regulated and exports of hides, skins and leather are controlled.

When the scheme commenced, hide export prices were much higher than the domestic appraised prices. About the middle of 1940, however, the oversea market for hides and skins collapsed. The scheme stood the strain of the reversed position. Appraisalment continued as before, the rates of compensation to hide owners were reduced by 25 per cent. for a time and the fund already built up by the Board acted as a cushion for the change-over period. The export position in respect of both hides and leather has since improved. Rates of compensation have returned almost to normal and the scheme continues to function satisfactorily.

16. **Rabbit Skins and Hats.**—A marketing control scheme for rabbit skins was introduced under the National Security (Rabbit Skins) Regulations on 10th June, 1940. After the outbreak of War, rabbit skin prices rose sharply owing to the keen demand from overseas. In order that the prices of military and civilian hats in Australia might

be kept at reasonable levels and that sufficient skins should be available to Australian hat manufacturers at prices which would enable them to produce hats at those price levels, a scheme of marketing control became necessary.

The Australian Rabbit Skins Board was appointed to administer the control. The basis of the scheme is the payment to hat manufacturers of compensation equivalent to the difference between appraised prices in a Table of Limits prepared by the Board, which are based on a Commonwealth Prices Commission determination, and ruling open market prices.

Funds for the payment of such compensation are obtained by collections from a levy imposed on the export of rabbit skins under the Rabbit Skins Export Charges Act 1940. Purchases by hat manufacturers at appraised prices are closely regulated by the Board, and the operations for the first winter buying season which was closed by the suspension of certain regulations on 1st October, 1940, have been satisfactory.

17. **Sheepskins.**—Negotiations for the purchase by the United Kingdom Government of Australian sheepskins, were concluded in April, 1940.

It was arranged that the British Ministry of Supply would purchase the exportable surplus of Australian sheepskins and that the period of the arrangement should extend to and terminate with that of the wool arrangement.

The purchase is on the basis of skins packed and graded Australian ports and the price is based on—

- (a) the value of the wool product of the skin in accordance with the scoured wool limits in the Central Wool Committee's Table, plus
- (b) the pelt values in accordance with an agreed table, less
- (c) the cost of fellmongering.

Charges from store to f.o.b. port of shipment, a periodical review of pelt values and adjustment of appraisal values from time to time, have been provided for.

### § 15. The National Safety Council of Australia.

The National Safety Council of Australia was founded in Melbourne in 1927 for the purpose of developing mainly by means of education safety on the road, at work and in the home, and its activities have developed in other directions wherever the need for reducing the toll of accidents has been shown. In various States it issues by courtesy of the Traffic Authorities a booklet with every motor driver's licence, and conducts continuous propaganda through the press and other sources. It also forms Junior Safety Councils in the schools for developing a safety conscience among children. The children themselves are officers of these Councils and patrol the roads in the neighbourhood of the schools and conduct the scholars across in safety. Posters are available to schools at cost in connexion with Health and Safety lessons in the schools. Small films specially taken are available for children's and home safety instruction.

A "Safe Driving" campaign for individual motor drivers is conducted as well as a "Freedom from Accidents" competition among employee drivers, those completing a year free from any accident for which they are responsible being given a certificate to that effect. A Factories' Service of four posters per month, together with slips for pay envelopes, constitutes a regular service for the dissemination of safety advice, and was supplied to over 50,000 workers in factories last year. Committees deal with specific problems regarding traffic, films, safety in industry, air safety and home dangers. The Air Safety Committee has issued a 32-page booklet "Air Sense" for distribution with "A" pilots' licences through the Civil Aviation Department and has a plan for emergency night landings for aircraft in difficulties.

The Council is supported by public subscription and sales of service, and is a non-profit organization. Its work is carried on by a small paid staff controlled by committees and governed by an executive. The following committees, whose work is of an entirely honorary nature, are in operation, namely, Traffic, Industrial Safety, Home and Air Safety.

### § 16. League of Nations.

Australia was one of the original signatories of the Treaty of Versailles of 28th June, 1919, under which the League of Nations was established, and thus became a Member of the League and its kindred organizations—the International Labour Organization and later the Permanent Court of International Justice. On 2nd October, 1933, Australia was elected a non-permanent member of the Council of the League of Nations for a period of three years, and was succeeded by New Zealand in September, 1936. South Africa was elected in the place of New Zealand in December, 1939.

The last elections to the Council were held in December, 1939. At that date only two permanent members of the Council remained, namely Great Britain and France. In addition eleven non-permanent members were elected for a term of three years, namely, Belgium, Bolivia, China, the Dominican Republic, Egypt, Finland, Greece, Iran, Peru, South Africa and Yugoslavia.

For some months after the outbreak of War the League attempted to continue its work at Geneva but the events in May and June, 1940, made it clear that this would henceforth be impossible. After a period of negotiation, in the course of which the Secretary-General, M. Avenol, resigned, it was announced that some at least of the activities of the League would be carried on in the Western Hemisphere. The technical sections dealing with health, opium, economic and social questions would, at the invitation of the Institute for Advanced Studies at Princeton University, be transferred to the United States of America for the duration of the War, while the Canadian Government would provide accommodation for the International Labour Office at the McGill University, Montreal. It was intended, however, that the head-quarters of the League would nominally remain at Geneva.

A considerable number of Members have formally indicated their desire to support the League and International Labour Office in their new environment and the process of transfer is still continuing. It was, of course, impossible for any regular meetings of either body to be held during 1940.

### § 17. War Service Homes.

The operations of the War Service Homes Commission at 30th June, 1940, may be briefly set out as follows:—Total applications approved, 44,277; expenditure on provision of homes, purchase of land for future use, etc., £29,775,146; 21,356 houses had been completed; and 34 homes had been enlarged.

In addition, the Commission had purchased on behalf of eligible applicants, 12,990 already existing properties, and had taken over mortgages existing on 2,967 dwelling-houses. Dual assistance had been approved in respect of 38 applications, making the total number of homes provided under the War Service Homes Act, 37,385. Homes are insured under a comprehensive policy, the total insurances in force including cover notes amounting to £20,014,305. The total receipts of the Commission to 30th June, 1940, were £27,715,874, of which £10,555,701 was paid to the National Debt Sinking Fund. Arrears of instalments outstanding at the close of the year equalled £664,180, or 2.78 per cent. of the total instalments due.

## DIARY OF PRINCIPAL ECONOMIC EVENTS.

1931.

The events of 1931 and the years immediately following were mainly attempts to meet the extraordinary position created by the economic depression which began in 1929-30.

*22nd January.*—The Commonwealth Court of Arbitration after a protracted hearing made a comprehensive survey of the economic position (see *The Crisis*, pp. 102-145), and awarded a 10 per cent. reduction in all railway wages which were the subject of the case, operative from 1st February, 1931. This judgment was followed by others, making the same reduction in practically all wages and salaries which were determined by Commonwealth award. This reduction of 10 per cent. was in addition to the "automatic" adjustment to falling prices, and made the total reduction over 20 per cent. on the wage rates of 1929. Wages under State jurisdiction were gradually brought into line, except in New South Wales where no adjustment was made in State awards for some time.

*January to February.*—*Premiers' Conference, Canberra and Melbourne.*—A committee of Treasury officers presented a report analysing the financial and economic position. The report preserved much of the deflationary tone of an earlier statement by Sir Otto Niemeyer of the Bank of England, and commented adversely on the high exchange rate. Curtailment of Government expenditure was strongly urged, but no definite reductions were proposed. This report was signed by four of the State Under-Treasurers only.

Mr. Lang (Premier of New South Wales) proposed as an alternative the reduction of internal interest on Government bonds to 3 per cent., the cessation of oversea interest payments pending agreement for a similar reduction, and the substitution for the gold standard of "currency based on the wealth of Australia".

The Conference rejected Mr. Lang's motion and resolved to aim at budget equilibrium in three years, reducing salaries and wages on a cost of living basis, taxing interest on Government bonds at the source and putting on the banks the responsibility of reducing interest rates.

*January.*—*The Unpegging of the Exchange.*—Australian exchange with sterling had been held by the banks at  $8\frac{1}{2}$  per cent. discount since 9th October, 1930. On 5th January, 1931, on the initiative of the Bank of New South Wales, the rate was allowed to move up until it reached 30 per cent. on 29th January, 1931, and it was held at that figure notwithstanding some competition at higher rates by "outside" dealers.

*2nd April.*—Letter from the Commonwealth Bank to the Chairman of the Loan Council, stating that it was unable to finance Governments beyond the outstanding £25,000,000 in London, and a limit of £25,000,000 in Australia. This limit in Australia was bound to be, and was, in fact, reached within three months.

*25th May to 11th June.*—*Premiers' Conference, Melbourne.*—The Conference had before it a report of a Committee of economists and Treasury officers, of which Professor D. R. Copland was Chairman. This report proposed a definite scheme of reduction of expenditure of all kinds, including wages, salaries, pensions and interest. The reduction aimed at was from 20 to 25 per cent. below the 1928-29 level, based on the actual reduction in wage rates in Commonwealth awards of something over 20 per cent. The aim of the proposals was to reduce total Government deficits in 1931-32 from a prospective £40,000,000 to some figure not much above £10,000,000. This report formed the basis of the "Premiers' Plan," and was adopted on 10th June, 1931.

*19th June.*—*Gold Position.*—The minimum proportion of gold to be held against notes was reduced from 25 per cent. to 15 per cent., with provision for gradual restoration over a term not exceeding five years to 25 per cent. This amendment of the Commonwealth Bank Act was put through by general consent to permit further shipments of gold to meet short-term debt in London.

26th June.—*Reduction of Bank Deposit and Advance Rates.*—The Commonwealth Bank and the trading banks reduced by 1 per cent. the rates on new fixed deposits or renewals.

1st July.—The Commonwealth Bank reduced rates for advances by 1 per cent. The other trading banks by successive small steps fell into line.

The Commonwealth and State Savings Banks reduced interest rates by 1 per cent., except in Victoria where successive reductions of one-half, one-quarter, and again one-quarter of 1 per cent. were made by the State Savings Bank.

July-August.—*Conversion Loan.*—A conversion loan was launched to reduce the rate of interest on all internal Government debt by approximately 22½ per cent.

The results of the conversion plan will be best understood by consideration of the following figures:—

	£
Total Internal public debt at 31st July, 1931 .. .. .	557,998,904
Conversion applications notified .. .. .	510,331,153
Dissents notified .. .. .	16,655,769
Conversion effected automatically (in absence of notification of either conversion or dissent) .. .. .	31,011,982
	557,998,904

The amount held by dissentients was thus a little less than 3 per cent. of the total outstanding public debts.

The annual savings in interest to all the Governments for a full year in consequence of the conversions effected were calculated to be about £6,500,000, but some part of this relief was to be passed on to settlers and others debtors to the State Governments.

31st July.—A reduction in the rate of interest on Treasury Bills from 6 per cent. to 4 per cent. was announced.

10th to 14th August, and 1st to 12th September.—*Premiers' Conference, Melbourne.*—The several Governments reported their attempts to adjust their budgets to the "Premiers' Plan." After some allowance had been made for unforeseen contingencies, the new budgets appeared on the whole to be in fair conformity with the "Plan," though for some of the State Governments there was an appreciable gap. Measures were agreed upon for applying compulsion to the small amount of Debt which had not been converted, and provision was made for the redemption from the National Debt Sinking Fund of securities held by persons in necessitous circumstances.

21st September.—Great Britain ceased payment in gold, and sterling depreciated over 20 per cent. in terms thereof, thus making a corresponding reduction in the real burden of interest payments by Australian Governments, which are for the most part fixed on sterling. Australian exchange was kept for the time at the old discount of 30 per cent. with sterling, so that no direct relief to Australian budgets ensued.

30th October.—The Commonwealth Government made provision for the payment of a bounty of 4½d. per bushel on wheat produced in the 1931-32 season.

27th November.—Further reduction in bank deposit rates of one-half and one-quarter of 1 per cent. on short and long-term deposits respectively.

3rd December.—*Exchange.*—Commonwealth Bank Board resolved to take responsibility for the regulation of sterling exchange and to announce rates for the coming week every Friday. The rate was fixed at £125 for £100 sterling, in place of £130, which had been the official bank rate since 29th January. It may be noted that sterling in the preceding week had depreciated from about 20 per cent. discount on gold to about 30 per cent. For some weeks the banks had been rationing their purchases of exchange, with the result that the "open market" rate had fallen considerably below the "carded" rates.

1932.

*January.*—Letter from the Commonwealth Bank to the Chairman of the Loan Council calling attention to the growth of the floating debt, and suggesting that "national finance" might be refused.

*28th January to 5th February.*—*Premiers' Conference, Melbourne.*—A serious drift in State finances was revealed. After receiving assurances that further economies would be sought, the Commonwealth Bank agreed to provide further assistance for the small States. During the meetings, New South Wales announced its default on interest payments due in London, New York and Australia. The payments were met, after a short delay, by the Commonwealth Government.

*February.*—A beginning was made in the revision of the tariff and the removal of prohibitions on imports.

*8th March.*—Further reductions in bank deposit rates of one-half of 1 per cent. on three months' deposits and one-quarter of 1 per cent. on six and twelve months' deposits.

*12th March.*—The Financial Agreements (Commonwealth Liability) Act resolved all doubts as to the liability of the Commonwealth for debts taken over in pursuance of the Financial Agreement.

*March to May.*—The Financial Agreements Enforcement legislation was enacted, giving the Commonwealth drastic powers to attach State revenues and other moneys in the event of failure by a State to pay to the Commonwealth moneys due under the Financial Agreement. The High Court decided in favour of the Commonwealth on a writ for recovery of interest paid on behalf of New South Wales. The New South Wales Government then contested the validity of the Enforcement Acts, which were upheld by the High Court, leave to appeal being refused.

*13th April.*—A Committee of Experts appointed by the Commonwealth Government to make a "Preliminary Survey of the Economic Problem" issued its report, recommending the restoration of economic balance by a combination of reduced costs and a high exchange rate, the former to be secured in part by the general application by State wage-fixing authorities of the 10 per cent. "cut" in real wages. The chief measures of more immediate alleviation recommended were (i) systematic revision of the customs tariff; (ii) construction of public works when the reductions in costs of construction made it possible for such works to earn interest; (iii) advances on debentures to large-scale enterprises for which three-quarters of the needed capital had been privately subscribed; and (iv) the settlement of married recipients of sustenance as cottagers on established farms.

*14th to 21st April.*—*Premiers' Conference, Melbourne.*—It was decided to raise a loan of £2,400,000 for expenditure on unemployment relief works.

*May.*—The trade union unemployment percentage reached the peak of 30 per cent. Mr. Lang was dismissed by the Governor of New South Wales, and the Victorian Labour Government was defeated at the elections. A widespread agitation for a higher exchange rate commenced, and lasted for some months.

*11th June.*—The State Labour Party was defeated in the New South Wales elections, while in Queensland the Labour Party was victorious.

*16th and 17th June.*—The New South Wales Industrial Commission was reconstituted. The Commonwealth Court of Arbitration refused an application for restoration of the special 10 per cent. reduction in wages.

*21st June.*—The Commonwealth Bank Act was amended to allow part of the note reserve to be held in English sterling. Subsequently, £G10,000,528 of gold was shipped overseas from the gold reserve of the Australian Notes Fund.

*May-June.*—Further reductions in bank deposit rates of one-quarter and one-half of 1 per cent. on twelve and 24 months' deposits, respectively.

*30th June.*—*Balance of Payments.*—The balance on current account, excluding the movement of monetary gold, was estimated to be in Australia's favour by approximately £7,492,000 sterling in 1931-32, as against a debit balance in 1930-31 of approximately £17,974,000 sterling.

28th June to 8th July.—*Premiers' Conference, Canberra and Sydney.*—The Conference unanimously affirmed its adherence to the "Premiers' Plan" of 1931. The estimated deficits for 1931-32 were reported to the Conference, and, with the notable exceptions of New South Wales and Queensland, they disclosed a satisfactory conformity with the "planned" deficits. The Conference agreed to reduce the total deficits in 1932-33 to £9,000,000 (inclusive of £6.45 millions for sinking funds), and arranged for a three-year unemployment relief works plan involving the ultimate expenditure of £15,000,000. Of this amount, £7,000,000 was to be spent in 1932-33, in addition to the ordinary works programme of £6,000,000.

1st July.—The Commonwealth Bank reduced its rate for advances by a further one-half of 1 per cent., bringing the rate to 5 per cent. The average reduction by the trading banks, since 1st October, 1931, was stated to be 1 per cent. Further reductions were anticipated by prominent bankers.

21st July to 19th August.—*Imperial Economic Conference at Ottawa.*

26th August.—The New South Wales Industrial Commission reduced the basic wage for adult males from £4 2s. 6d. to £3 10s., and for adult females from £2 4s. 6d. to £1 18s.

1st September.—The Commonwealth Budget provided *inter alia* for a further reduction of pensions and salaries, decreased customs duties, the final removal of import prohibitions, exemptions from sales tax and primage, and suspension of the gold bounty, which had been introduced on 1st January, 1931.

September to November.—Wool prices showed some improvement; share prices advanced substantially; the value of imports and Commonwealth customs revenues increased steadily. Early in October all the 4 per cent. Commonwealth bonds reached par, after allowing for accrued interest.

4th October.—A conversion loan was issued in London at 3½ per cent., issue price £97½, maturing 1936-37, to replace £12,360,000 of 5¾ per cent. N.S.W. stock maturing in October, 1932.

14th October.—Revision of the Customs Tariff to validate the Ottawa Agreement. The margin of preference under the British Preferential Tariff was considerably widened, mainly by means of increased duties on a wide range of foreign manufactures.

24th to 29th October.—*Premiers' Conference, Melbourne.*—It was decided to place on the Australian market a loan of £8,000,000 at 3¾ per cent., maturing in 1942, for Unemployment Relief and the funding of Treasury Bills. A reduction in the rate of interest on Treasury Bills from 4 per cent. to 3½ per cent. was announced.

1st November.—Further reductions in bank deposit rates of one-quarter of 1 per cent. for all terms, bringing the rates down to 2¼, 2¾, 3 and 3½ per cent. on 3, 6, 12 and 24 months' deposits respectively.

5th December.—In view of the improved revenue position, the Commonwealth Government made substantial reductions in land and income (property) taxes, further exemptions from sales tax, increased the payments to certain invalid and old-age pensioners, and provided from revenue £2,000,000 for assistance to wheat-growers and £250,000 for assistance to other primary producers.

#### 1933.

January.—Considerable improvement in the unemployment situation was shown in the trade union percentages for the last quarter of 1932. This improvement continued.

20th January.—A reduction in the rate of interest on Treasury Bills from 3½ per cent. to 3¼ per cent. was announced.

4th February.—The Loan Council agreed with the Commonwealth Bank that future requirements for loan programmes should be raised on the open market.

7th February.—Further reductions in bank deposit rates of one-quarter of 1 per cent. for all terms, bringing the rates down to 2, 2½, 2¾ and 3 per cent. on 3, 6, 12 and 24 months' deposits respectively.

17th February.—Further reduction in the Treasury Bill rate from 3½ per cent. to 2¾ per cent.

23rd February.—A conversion loan was issued in London at 4 per cent., issue price par, maturing 1955–70, to replace £9,621,000 of 4 per cent. stock maturing in July, 1933.

30th May.—Appointment of Commonwealth Grants Commission to inquire into matters relating to grants of financial assistance to the States.

A conversion loan was issued in London at 3½ per cent., issue price £99, maturing in 1937–38, to replace £11,400,000 of 6½ per cent. stock with optional rights of redemption.

31st May.—Lists closed for internal loan of £5,000,000 for State public works, issued at 3¾ per cent. at par, maturing in 1942, with subscriptions amounting to £8.4 millions.

1st June.—A further reduction in the Treasury Bill rate from 2¾ per cent. to 2½ per cent. was announced.

8th to 14th June.—Premiers' Conference, Melbourne.—By arrangement with the Loan Council, the Commonwealth Bank agreed to finance revenue deficits in 1933–34 by short-term loans to the amount of £8.5 millions, subject to reduction to the extent of any relief obtained by the States from conversion of oversea loans.

30th June.—The Commonwealth Court of Arbitration ordered the restitution of the 10 per cent. reduction in real wages in the Glass Industry; subsequently extending the restitution to the Paper and Pulp, Jam and Fruit-preserving, and certain other industries.

13th July.—A conversion loan was issued in London at 4 per cent., issue price £99, maturing in 1943–48, to replace £17,221,000 of 6 per cent. stock with optional rights of redemption.

14th September.—A conversion loan was issued in London at 3¾ per cent., issue price £98, maturing in 1948–53, to replace £20,951,000 of 6 per cent. and 5¾ per cent. stock with optional rights of redemption.

4th October.—The Commonwealth Budget provided *inter alia* for substantial remissions of direct and indirect taxation, including further exemptions from sales tax and reduction of the rate of tax from 6 to 5 per cent., reduction of special tax on income from property from 10 to 5 per cent., reductions in the income taxation on Life Assurance and other companies, and partial restoration of Financial Emergency reductions in invalid, old-age and war pensions, public service salaries and contributions to the Public Service Superannuation Fund. The total relief of taxation was estimated to be at the rate of £7.5 millions annually. At the same time the Government signified its intention of giving effect to that part of the report of the Tariff Board on the protective incidence of primage and exchange which applied to protected goods entitled to admission under the British Preferential Tariff.

16th November.—An internal loan of £10,000,000 was issued at 3½ per cent., issue price £99, maturing in 1943, half for State public works and half for the purpose of retiring Treasury Bills.

30th November.—The price of wool, which had been advancing rapidly for some months, reached nearly 15d. per lb. (greasy merino, standard average). Wheat prices continued to fluctuate at very low levels. Export prices as a whole, in Australian currency, had recovered to 72 per cent. of their 1927–28 level.

4th December.—Flour tax of £4 5s. per ton imposed to provide portion of revenue required to assist necessitous farmers.

5th December.—A conversion loan was issued in London at 3¾ per cent., issue price £99, maturing in 1946–49, to replace £16,647,000 of 5½ per cent. and 5 per cent. stock with optional rights of redemption.

The Commonwealth Government provided £3,000,000 for assistance to wheat-growers to be financed partly from a temporary sales tax on flour of £4 5s. a ton, and in part from other sources. The special tax on incomes from property was raised from 5 to 6 per cent. and the customs duty on imported tobacco raised by 6d. a lb.

## 1934.

*January.*—During 1933, Unemployment statistics disclosed by trade union returns showed steady progressive improvement. Percentage unemployed in December quarter—23 per cent.—lowest level since August, 1930.

*2nd January.*—Wool realized increased prices at first of 1934 sales. The average prices realized were the highest since September, 1928.

*22nd February.*—Conversion in London of £21,636,550, 5½ and 5 per cent. loans. New issue 3½ per cent. at £97, maturing 1954–59.

*1st April.*—Treasury Bill rate reduced from 2½ per cent. to 2¼ per cent.

*12th April.*—Bank deposit rates further reduced to 2¼, 2½ and 2¾ per cent. for 6, 12 and 24 months respectively.

*31st May.*—Provisions of 1933 Flour Tax Act ceased to operate.

*5th June.*—Internal loan of £12,234,000, 3¼ per cent. at £98 10s., repayable at par in fourteen years, raised for Commonwealth and State public works and funding of Treasury Bills. The terms of this flotation were the lowest ever offered for a Commonwealth loan.

*19th June.*—Commonwealth Bank Board agreed to finance Revenue Deficits for 1934–35 to a limit of £5,880,000, subject to the funding of an equivalent amount of Treasury Bills during the year. This amount was subject to reduction by any additional special grants from the Commonwealth over the 1933–34 basis.

*25th June.*—The Commonwealth Bank Board announced its withdrawal of the guarantee of payment and the undertaking that treasury bills would be rediscounted before maturity at the fixed rate in regard to new issues and re-issues after 30th June. Rediscounting will still be possible but at the rate fixed by the Commonwealth Bank at the time of the transaction.

*24th July.*—Commonwealth Budget for 1934–35 provided *inter alia* for further remissions in indirect taxation including additional exemptions from sales tax and reductions in primage, concessions in wireless licence fees and telephone charges; further restoration in part of public service salaries; more liberal war pensions, repatriation, old-age and invalid pensions, and maternity allowance benefits; assistance to primary producers in the form of a fertilizer subsidy; assistance to fruit-growers and other primary producers; and a special non-recurring grant of £2,000,000 to the States.

*8th August.*—Bank deposit rates for three months terms reduced from 2 per cent. to 1½ per cent.

*11th October.*—Further reduction in Bank deposit rates of one-quarter of 1 per cent. to 2, 2¼ and 2½ per cent. respectively for 6, 12 and 24 months' terms.

*15th October.*—Treasury Bill rate reduced from 2¼ to 2 per cent.

*8th November.*—Conversion loan of £14,601,806 issued in London at £99, maturing in 1964–74, interest at 3¼ per cent.

*20th November.*—An internal loan of £15,000,000 raised for Public Works and funding of Treasury Bills issued at 3 per cent. at £99 15s., maturing in fourteen years.

*8th December.*—Commonwealth 5 per cent. stocks in New York reached par.

*13th December.*—Flour tax reimposed. Rate of tax £2 12s. 6d. per ton.

*17th December.*—Further reduction of Bank Deposit rates—three and six months terms reduced to 1 and 1½ per cent. respectively. Treasury Bill rate on new issues and re-issues to be reduced to 1¾ per cent. from 1st January, 1935.

## 1935.

*January.*—Evidence of improved financial conditions was given in the increase in bank clearings and the decrease in unemployment during 1934. The total of bank clearings (including Treasury Bills) amounted to £2,095,000,000, and was 8.4 per cent. higher than the corresponding figure for 1933. Unemployment statistics disclosed by the trade union returns continued to show progressive improvement. Percentage unemployed in December quarter—18.8 per cent.—lowest level since May, 1930.

*7th January.*—Flour tax commenced to operate. Rate of tax, £2 12s. 6d. per ton.

*18th January.*—Conversion loan of £22,384,000 issued in London at par, interest at 3¼ per cent., repayable 1956–61. Largest single conversion operation.

*2nd February.*—Commonwealth Government announced £12,000,000 grant to States over three years for the purpose of adjusting farmers' debts by means of composition arrangements.

*6th March.*—The price of gold in Australian currency reached the new high level of £9 4s. 4d. per fine ounce.

*13th March.*—The Wheat Commission reported that production should be adjusted to find a new economic equilibrium at the existing world parity, as no permanent rise in price could logically be expected. The Commission further recommended that the wheat industry should be assisted through the application of a home consumption price, that a Commonwealth Board should be appointed to supervise oversea sales, and that a plan of debt adjustment should be undertaken over a period of seven years.

*30th March.*—New tariff schedule announced. Reduction in duties on apparel and stockings, farm and engineering machinery, and certain classes of motor body panels made in Great Britain.

*20th May.*—The Commonwealth Bank Board agreed to finance Revenue Deficits in 1935-36 to the limit of £4,730,000, subject to the funding of an equivalent amount of Treasury Bills during the year.

*11th June.*—Internal loan of £12,500,000, 3½ per cent. at £99 10s. repayable at par in 1949, raised for Commonwealth and State public works and funding of Treasury Bills.

*30th June.*—Public Debt of Commonwealth and States (including short-term debt) totalled £1,242,004,000—Commonwealth, £394,040,000, and States, £847,964,000. Net increase in 1934-35, £19,556,000, or 1.6 per cent.

*24th July.*—Conversion loan of £13,470,000 issued in London at 3 per cent. at par repayable 1939-41. Annual saving in interest and exchange of £26,000 per annum.

*23rd September.*—Commonwealth Budget for 1935-36 provided *inter alia* for reduction from 6 per cent. to 5 per cent. of super tax on property income; extension of the list of commodities exempted from sales tax; some remission of primage duty and a reduction in excise on tobacco of local origin; further restoration in part of public service salaries; extension of eligibility for war pensions and repatriation benefits; some expansion of the Defence programme; a contribution to interest and sinking fund payments on municipal loans; and the provision of a bounty on oranges exported during the 1935 season.

*24th September.*—Report of Commonwealth Grants Commission recommended increased special grants for 1935-36, namely, South Australia, £1,500,000; Western Australia, £800,000; Tasmania, £450,000.

*4th to 7th October.*—Conference of Commonwealth and State Ministers and Experts on the Wheat Industry. The conference approved in theory the application of a home consumption price for wheat, the scheme to be superintended by the Commonwealth.

*15th November.*—Commonwealth Government appointed Royal Commission to inquire into and report upon the banking and monetary systems of the Commonwealth.

*26th November.*—Internal loan of £7,500,000, 3½ per cent. at £99 15s., repayable at par in 1949, raised for Commonwealth and State public works and the funding of Treasury Bills. The optional privilege of tendering the bonds at their par value for Commonwealth probate purposes was withdrawn.

*5th December.*—An Act was passed to continue the operation of the Flour tax in 1936 to contribute towards a bounty on the 1935-36 harvest.

*31st December.*—Trade union unemployment percentage showed further reduction to 13.7 per cent. for fourth quarter.

1936.

*7th January.*—Conversion Loan in London of £21,657,000. New South Wales 5 per cent. stocks converted to 3 per cent., issued at £95 10s., maturing 1955-58.

*17th January.*—Internal conversion loan £2,393,000, Queensland £5 os. 9d. per cent., converted at 3½ per cent. at par.

*28th February.*—Commonwealth Bank announced a public issue of £1,000,000 Treasury Bills at a discount rate of 1½ per cent. The issue was unsuccessful, only £315,000 being subscribed.

*2nd March.*—Bank of New South Wales increased interest rates on fixed deposits to 2 per cent. for three months,  $2\frac{1}{2}$  per cent. for six months,  $2\frac{3}{4}$  per cent. for twelve months, and 3 per cent. for 24 months. Bank of Adelaide made similar increases on the following day.

*24th March.*—Commonwealth Bank and the other trading banks increased rates on fixed deposits to conform to the rates offered by the Bank of New South Wales from 2nd March.

*2nd June.*—Internal loan of £9,000,000,  $3\frac{3}{4}$  per cent., issued at £98 10s., repayable 1951–52, under-subscribed by £1,800,000.

*8th June.*—Conversion loan in London of £16,551,000, at  $2\frac{3}{4}$  per cent., issued at £99, repayable 1941–43. The stocks converted were 3 per cent. Western Australia,  $3\frac{1}{2}$  per cent. Commonwealth and South Australia, and  $4\frac{1}{2}$  per cent. New South Wales and Western Australia. The loan was over-subscribed.

*25th June.*—Import restrictions placed by the Government of Japan on imports from Australia, on the grounds that Australia had applied “unreasonable restrictive measures in respect of the importation of goods produced or manufactured in Japan.”

*4th August.*—Excess of exports over imports for year 1935–36 was £stg. 22,862,000. Wheat prices rose to a new six-year peak of 5s. per bushel for city parcels in Melbourne.

*10th September.*—Commonwealth Budget for 1936–37 introduced, providing for taxation remissions equal to £5,275,000 in a full year (£3,868,000 for remainder of current year); increased grants on account of Federal Aid Roads; restoration of public service salaries; increases in certain classes of war pensions; increased old-age and invalid pension rates, and liberalized conditions for maternity allowances. A surplus of £45,000 was anticipated for 1936–37.

*11th September.*—Commonwealth Grants Commission recommended the following grants for 1936–37: South Australia £1,330,000, Western Australia £500,000, and Tasmania £600,000. Sales tax reduced from 5 per cent. to 4 per cent. and further exemptions granted.

*18th September.*—Further exemptions from primage duties promulgated.

*26th September.*—Remissions of sales tax, estimated at £1,000,000, on a wide range of goods.

*28th September.*—Price of gold rose by about 3s. to £A3 13s. 9d. per fine ounce.

*7th November.*—Australian Loan Council decided to grant extra £1,000,000 to Western Australia because of drought conditions in that State; loan programme for year increased by £750,000 to £22,450,000.

*26th November.*—Internal loan of £7,500,000,  $3\frac{3}{4}$  per cent., at £97 10s., maturing on 15th November, 1951.

*27th December.*—Settlement of trade dispute with Japan.

#### 1937.

*3rd January.*—Japan resumed buying at Sydney wool sales; prices advanced from 10 to 15 per cent.

*13th January.*—The percentage of unemployment amongst trade unionists declined to 10.7 in the last quarter of 1936.

*28th January.*—Life assurance sold during 1936 was a record for Australia.

*6th April.*—Wheat prices for city parcels touched 6s. a bushel in Melbourne.

*27th April.*—Internal loan of £7,500,000,  $3\frac{3}{8}$  per cent., at £99 5s., maturing on 15th October, 1948.

*10th May.*—Export quota of 400,000 tons allotted to Australia under International Sugar Agreement.

*9th June.*—Conversion loan in London. £12,360,958 New South Wales stocks converted to  $3\frac{1}{2}$  per cent., issued at £96 10s., maturing in 1950–52.

*23rd June.*—Commonwealth Arbitration Court increased the Commonwealth basic wage by an average of 5s. for males and 2s. 6d. for females.

*30th June.*—Deposits in the trading banks reached record total of £320,917,000 in the quarter ended June, 1937. Increase for the year was £22,460,000. Savings bank deposits were also a record at £230,851,000.

3rd August.—Australia's favourable balance for 1936-37 was £stg. 36,684,000 compared with £stg. 22,862,000 in 1935-36 and £stg. 16,013,000 in 1934-35.

24th August.—Presentation of Report of the Royal Commission on Banking.

Fourth Report of the Commonwealth Grants Commission recommended the following State grants: South Australia, £1,200,000; Western Australia, £575,000; Tasmania, £575,000.

27th August.—Commonwealth Budget presented. Provision of £11,531,000 for defence. Invalid and old-age pensions raised from 19s. to £1. No taxation reductions. Estimated surplus, £30,000.

19th October.—Australian butter (salted) touched new seven-year high level of 135s. to 136s. a cwt. on London market.

23rd October.—Commonwealth elections held.

18th November.—Conversion loan in London of £11,409,965 Commonwealth Government stocks converted to 3½ per cent., issued at £97, and maturing in 1951-54.

30th November.—Internal loan of £8,194,760, 3½ per cent., issued at £99 15s., repayable 1951.

16th December.—Radio licences in Australia reached 1,000,000 on 30th November. Eighty homes out of every 100 in metropolitan areas had a wireless set and 44 out of every 100 in country areas.

### 1938.

13th January.—Prime Minister announced that it was hoped to resume assisted British migration by the end of 1938.

20th January.—In the last quarter of 1937 unemployment among trade unionists had fallen to 8.2 per cent., the lowest point since August, 1927.

24th January.—Gold produced in Australia during 1937 was 1,381,135 fine ounces, valued at £A11,993,007, the greatest output since 1917.

14th March.—Modification of existing trade agreement between Australia and New Zealand.

24th March.—Australian Defence Programme involving expenditure of £43,000,000 over three years announced. This programme was subsequently expanded.

31st March.—British Empire Producers' Conference opened at Sydney.

9th April.—Substantial reductions in cable and wireless messages between Empire countries.

5th May.—Commonwealth loan in London of £stg. 7,000,000, 3½ per cent., issued at £99, maturing in 1952-56; £2,000,000 for Defence purposes and the balance for conversion of portion of Australian Treasury Bills held by Commonwealth Bank in London.

19th May.—Internal loan of £10,418,130, 3½ per cent., issued at £99 10s., maturing in 1952-54.

17th June.—Internal conversion loan of £2,186,120, 3½ per cent., issued at £99 10s., maturing in 1952-54.

30th June.—National Insurance Bill passed by Commonwealth Parliament.

2nd July.—New Trade Treaty between Japan and Australia signed.

5th July.—Factory employees in 1936-37 were 523,948, the highest ever recorded.

13th July.—Australia's favourable overseas trade balance for 1937-38 was £stg. 11,863,000, the lowest since the depression years.

26th August.—Premiers of all States agreed upon plan for home-consumption price for wheat.

31st August.—Taxation in Australia during 1937-38 was £17 6s. per head of population.

9th September.—General coal strike commenced in all States except Western Australia.

20th September.—Fifth Report of the Commonwealth Grants Commission recommended the following State grants: South Australia, £1,040,000; Western Australia, £570,000; and Tasmania, £410,000.

21st September.—Commonwealth Budget presented. Provision of £16,796,000 for Defence. Substantial increases in taxation. Estimated surplus, £26,000.

*29th September.*—Sales tax raised from 4 to 5 per cent. ; estimated increased yield, £1,300,000. Income tax raised by 15 per cent. ; estimated increased yield, £1,400,000.

*21st October.*—Meeting of Loan Council at Canberra. Commonwealth and State Governments discussed urgent Defence works.

*9th November.*—Internal conversion and redemption loan of £69,026,730 and new loan of £4,089,131, 3½ per cent., issued at par, maturing in 1952-54.

*22nd November.*—Savings Banks deposits attained new record total of £243,220,000 in October, 1938, an increase of £8,903,000 on total for October, 1937.

*2nd December.*—Flour tax of £5 15s. per ton applied under Commonwealth Government's wheat legislation. The tax was reduced to £5 7s. 6d. per ton from 16th December.

*6th December.*—Revised three-year Defence programme estimated to cost £63,000,000.

*8th December.*—Conversion loan in London of £2,517,800, 4 per cent., issued at par, maturing in 1955-70.

*17th December.*—In announcing a subscription of £6,000,000 to the conversion and defence loan the Chairman of the Commonwealth Bank stated that the Bank considered it should make adequate funds available to minimize any possible deflationary consequences of reduced income from exports and diversion of money to defence works.

## 1939.

*2nd January.*—Owing to the refusal of waterside workers to load pig-iron for Japan 4,000 steel workers at Port Kembla were thrown out of employment.

*29th January.*—Arrival of technical members of British Air Mission to investigate possibilities of further development of aircraft manufacture in Australia. Subsequently one of the members stated that he was surprised at the potential capacity of Australian factories for the manufacture of aircraft.

*7th February.*—Internal loan of £8,525,710, 3½ per cent., issued at par, maturing in 1953-55, for public works and other purposes.

*8th February.*—Employees in factories during 1937-38 increased by 35,000 to 559,160 and the value of production rose from £178,000,000 in 1936-37 to £196,000,000 in 1937-38.

*17th March.*—Council for Scientific and Industrial Research directed to make comprehensive survey of the raw materials of industry ; to ascertain what imports were vital to continuance of national effort ; and to devise means of coping with the non-arrival of vital raw materials from overseas.

*24th March.*—Prime Minister announced that British and Commonwealth Governments had adopted the general recommendations of the British Air Mission regarding the manufacture of military aircraft in Australia ; plant and equipment to start the industry estimated to cost £1,000,000.

*27th March.*—Test flight of Wirraway No. 1, the first modern service aircraft built in Australia.

*29th March.*—Revising its earlier decision, the Government decided to introduce immediately a compulsory register of man-power.

*4th May.*—The proposed new industry for the manufacture of tinplate in Australia would probably be established by Broken Hill Pty. Co. Ltd. at Whyalla (South Australia) at a cost of £2,500,000 and would give employment to 1,000 men.

*9th May.*—First cargo of steel—8,200 tons—ever sent from Australia to England left Newcastle.

*24th May.*—The Minister for Supply announced decision to proceed immediately with a compulsory register of productive capacity and resources of industries of defence significance.

*30th May.*—Internal loan of £4,751,470, 3½ per cent., issued at £99, maturing in 1953-55, for public works and other purposes.

*7th June.*—Commonwealth loan in London of £6,000,000, 4 per cent., issued at £98 10s., maturing in 1961-64, for defence purposes.

*8th June.*—Government accepted amendment to National Register Bill to provide for register of private wealth ; all persons possessing assets of £500 or more to be required to answer comprehensive range of questions.

10th June.—*Parramatta*, the new 1,400-ton sloop for the Royal Australian Navy, launched at Cockatoo Dock.

22nd June.—Loan Council agreed to loans of £41,000,000 for Commonwealth and States.

27th June.—Internal loan by Commonwealth Bank of £3,000,000, 3½ per cent., issued at par, maturing 15th August, 1943, for public works and other purposes.

1st July.—Public debt at 30th June, 1939, was £1,295,022,972 or £186 os. 10d. per head of population.

2nd July.—It was reported that more than twenty ships had been chartered to carry to Britain cargoes of Australian steel totalling between 150,000 and 170,000 tons.

7th July.—Commonwealth Government surplus for 1938-39 was £627,309; the aggregate State deficit was £3,870,275.

1st August.—Savings Bank deposits reached record total of £245,548,615 at 30th June, 1939, equal to £35 5s. 7d. per head of population.

15th August.—Commonwealth Arbitration Court decided that in general the standard working week for Australian industry should be 44 hours.

26th August.—Commonwealth Government assumed wide powers to safeguard national interests.

28th August.—Commonwealth control of oversea exchange transactions and export of money.

29th August.—Commonwealth took over a number of Australian ships.

3rd September.—Australia declared war on Germany.

4th September.—Board set up for the control of shipping. Captain G. D. Williams appointed Controller of Shipping.

5th September.—Britain bought Australia's wool clip and surplus food products.

7th to 8th September.—Action taken for the control of prices to prevent profiteering. Professor D. B. Copland appointed Controller of Prices with the assistance of two assessors. Proclamation issued enumerating eighteen groups of commodities immediately subject to price control at rates obtaining on 31st August; list to be extended later as required.

Temporary budget presented providing for increases in income tax, sales tax, customs and excise duties, including spirits, beer and petrol, to raise £5,910,000. Expenditure for 1939-40 estimated at £101,910,000 and revenue £101,940,000.

13th September.—Status of official representative in Canada raised to that of High Commissioner. Simultaneously Canada intends to appoint a High Commissioner in Australia.

Australian wheat crop during war period purchased by Commonwealth Government and marketed through a compulsory Federal Wheat Pool with Mr. Clive McPherson as Chairman.

15th September.—Special Volunteer Force of 20,000 to be enlisted for service within or without Australia.

21st September.—Australia offered the British Government six Australian Air Squadrons for service overseas.

23rd September.—Commonwealth control of exports.

29th September.—Regulations issued to create War-time Price-Fixing Organization, conferring virtually unlimited powers on Commissioner of Prices, who is enabled to compel sale of any goods in trade in Australia in the reasonable and ordinary course of trade.

3rd October.—Under the agreement with the British Government, Australian growers will receive 13.4375d. per lb. for current wool clip and also one-half of profit on resales by Britain.

5th October.—Commonwealth Emergency Planning and Organization Regulations gazetted, under which sixteen separate classes of industries engaged in manufacture of wide range of commodities are to furnish returns of their manufacturing operations.

Commonwealth Government assumed wide powers for marshalling of oversea credit of Australia for national purposes.

9th October.—Australian Air Expeditionary Force to be built up to about 3,200 men.

*21st October.*—Compulsory military training for home defence to be introduced from January, 1940.

*27th October.*—Commonwealth and State taxation for 1938–39 was £124,543,896 or at the rate of £17 19s. 7d. per head of population.

*30th October.*—Great Britain's purchases from Australia during war period are estimated at £100,000,000 annually.

*31st October.*—Plans for the Australian Air Expeditionary Force recast in view of unprecedented Empire Air Scheme.

*1st November.*—Further National Security Regulations issued empowering Commonwealth Government virtually to commandeer services of Australian factories.

*17th November.*—It was announced that between 8,000 and 10,000 men will probably be engaged in the manufacture of military aircraft in Australia during 1941.

*29th November.*—Prime Minister announced that Australian troops would embark for abroad early in New Year.

*30th November.*—Revised Commonwealth Budget for 1939–40 increased defence expenditure from £33,137,000 to £62,014,000. No increase in taxation.

*1st December.*—Internal loan of £12,000,000, arranged by the Commonwealth Bank in conjunction with the trading banks, interest 3½ per cent., issued at par, £4,000,000 repayable in each of the years 1942–44, for purposes of defence and public works.

*6th December.*—Commonwealth Government decided to provide subsidy up to £1,500,000 to encourage the production of complete motor cars in Australia.

*8th December.*—Conversion loan in London of £4,604,800, 3½ per cent., issued at £99, maturing in 1942–44.

*15th December.*—Prime Minister stated that first objective of Australia's contribution to the Empire Air Scheme would be the training of 26,000 men, including 10,400 pilots, at an estimated cost of £A50,000,000.

*22nd December.*—Company with nominal capital of £1,000,000 to be formed by Australian Consolidated Industries Ltd. to manufacture motor engines and chassis in Australia.

*30th December.*—Plans announced for a new £1,000,000 factory in Sydney for the manufacture of aeroplane engines.

## 1940.

*4th January.*—Commencement of production of crude oil at Glen Davis, New South Wales.

*8th January.*—Right Hon. R. G. Casey, Minister for Supply and Development, appointed His Majesty's Envoy Extraordinary and Minister Plenipotentiary to the United States of America.

*9th January.*—Mr. C. E. Gauss, American Consul-General at Shanghai, appointed Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Australia.

*11th January.*—Britain agreed to purchase large quantity of Australian wheat.

*15th January.*—Special committee appointed to direct all shipping between Australia and Great Britain.

*24th January.*—Commonwealth Bank and Private Trading Banks reduced rates on fixed deposits by 5s. per cent.

*31st January.*—Agreement with Australian Consolidated Industries Ltd. for manufacture of motor cars in Australia suspended by Commonwealth Government.

*7th February.*—Recruiting for reinforcements for Second Australian Imperial Force to begin on 1st March, at rate of about 2,400 per month.

*29th February.*—Appointment of Aircraft Production Commission to supervise local production and maintenance of aircraft required in Australia for Empire Air Scheme.

*1st March.*—Internal loan of £18,164,740, 3½ per cent. for five years, or 3½ per cent. for ten to sixteen years, issued at par, for defence and public works.

*6th March.*—Additional troops to be recruited in Australia for service abroad ; Second Australian Imperial Force to consist of existing Sixth Division, a Seventh Division and Corps troops totalling in all 48,000 men ; further 42,000 reinforcements to be recruited before June, 1941 : Army Co-operation Squadron of Royal Australian Air Force also to go abroad.

*11th March.*—General coal strike began after failure of proposal that colliery owners or mining unions should apply to Commonwealth Court of Conciliation and Arbitration for compulsory conference.

*14th March.*—New Commonwealth Ministry sworn in ; Country Party represented by three Ministers and two Assistant Ministers.

*18th March.*—Sale of war savings certificates began.

*29th March.*—New regulations governing private investment of money and interest rates.

*30th March.*—Further restrictions on imports from non-sterling countries ; import of more than £2,000,000 worth of goods a year prohibited.

*10th April.*—Announcement by Commonwealth Treasurer that Australian war expenditure by Commonwealth Government to 31st March was £30,773,000.

*11th April.*—Commonwealth Government ordered immediate compulsory census of coal stocks throughout Australia.

*1st May.*—Commonwealth Bank reduced interest rate on Treasury Bills from  $1\frac{1}{2}$  to  $1\frac{1}{4}$  per cent.

*2nd May.*—Commonwealth Treasurer announced proposals to increase taxation revenue by £20,000,000 in next financial year.

*3rd May.*—Regulations issued empowering Commonwealth Government to re-open coal-mines and protect all free labour engaged.

*9th May.*—Commonwealth Government decided to re-open coal-mines ; volunteer labour to be sought.

*10th May.*—Gas restrictions imposed in Sydney owing to coal strike.

*13th May.*—New South Wales Premier signed proclamation calling for volunteer labour for coal-mines. Age-limit for Australian Imperial Force volunteers increased from 35 to 40 years.

*20th May.*—Coal strike ended ; dispute to be referred immediately to Commonwealth Court of Conciliation and Arbitration.

*22nd May.*—Plans for acceleration of war effort announced by Prime Minister ; a third Australian Imperial Force division for service abroad to be raised ; Brigadier-General H. W. Lloyd appointed Director-General of Recruiting ; Mr. Essington Lewis appointed Director-General of Munition Supplies ; naval graving dock for capital ships to be constructed at Sydney at cost of nearly £3,000,000.

*28th May.*—Commonwealth Bank and Private Trading Banks reduced interest rates on fixed deposits by  $\frac{1}{4}$  per cent. Newsprint rationing plan announced.

*29th May.*—Internal war loan of £20,582,400,  $2\frac{3}{4}$  per cent. for five years, or  $3\frac{1}{2}$  per cent. for ten to sixteen years.

*31st May.*—Commonwealth Parliament passed Bill concluding agreement between Government and Australian Consolidated Industries Ltd. for manufacture of motor cars in Australia, but clause granting monopoly to company deleted.

*6th June.*—Commonwealth Government to spend £2,032,000 on training aircraft and bomber planes ; order for 500 trainers placed in Australia.

*10th June.*—Italy declared war on Allies.

*11th June.*—Announcement of petrol rationing scheme to effect reduction of one-third of petrol consumption.

*21st June.*—National Security Act passed giving Commonwealth Ministry widest powers ever held by an Australian Government.

*23rd June.*—Mass production of anti-tank guns planned by Commonwealth Government. Importance to the war effort of salvage of all waste metals and paper stressed by Minister for Supply.

*25th June.*—Arrival of New Zealand Minister for Supply to discuss industrial co-operation between Australia and New Zealand.

26th June.—Plans prepared by Ministry of Munitions for expenditure of £50,000,000 to expand munitions production.

28th June.—Further non-sterling import restrictions on goods valued at £2,650,000.

29th June.—Camps to accommodate 30,000 more troops under home defence scheme to be provided.

6th July.—Prime Minister stated 150,000 persons will be employed directly and indirectly in making munitions within twelve months.

8th July.—Commonwealth Treasurer announced surplus of £2,928,000 for year ended 30th June.

10th July.—Prime Minister announced extension of munitions production in Australia.

12th July.—San Francisco—Auckland air service inaugurated.

19th July.—Australian cruiser H.M.A.S. *Sydney* sinks Italian warship *Bartolomeo Colleoni*. Australian Imperial Force strength in Australia fixed at 80,000; recruiting to be temporarily interrupted. Imports from Netherlands East Indies to be given similar treatment to that given goods from other countries within sterling area.

26th July.—Prime Minister announced establishment of Trade Unions Advisory Panel; invited Australasian Council of Trade Unions to be represented; six other unions joined panel.

31st July.—Proclamation issued for the calling up of four new age-groups (20, 22, 23 and 24) of men in Australia for military training under plan to maintain home defence force of 250,000.

1st August.—Introduction of compulsory system of tax collection by instalments announced by Commonwealth Treasurer.

2nd August.—War Cabinet plans to expand production of power alcohol; committee to be appointed to explore possibilities of producing fuel from molasses and wheat.

9th August.—Australian motor-car importers agree to cease importation of motor chassis for nine months.

13th August.—Air crash at Canberra; three Commonwealth Ministers killed.

14th August.—Loan Council makes available funds for essential works to continue; unemployment relief works to be reduced.

16th August.—Amended petrol rationing proposals announced.

18th August.—Sir John Latham appointed first Envoy Extraordinary and Minister Plenipotentiary to Japan.

20th August.—Commonwealth Treasurer estimated cost of war to be £177,000,000 for 1940-41. Unemployed registration lowest on record.

26th August.—First Australian petrol produced on commercial scale distilled.

29th August.—Record Australian butter production for 1939-40.

1st September.—Record Australian wool production for 1939-40.

3rd September.—Extension of Empire Air Training Scheme announced by Minister for Air; another 1,200 aeroplanes to be acquired.

18th September.—Australian price of gold reached record peak at £10 14s. a fine ounce.

21st September.—Commonwealth elections held.

24th September.—War Cabinet decided to form Ninth Division of Australian Imperial Force.

1st October.—Petrol rationing began.

8th October.—Further expansion of Royal Australian Air Force announced by Minister for Air; 25 per cent. increase in intake of pupil pilots to initial training schools.

9th October.—Amendment to Commonwealth Investment Control Regulations announced.

10th October.—Arrangements completed for storage in United States of America of 250,000,000 lb. of Australian wool as strategic reserve to be held by British Government.

11th October.—Commonwealth Government loan of £1,000,000 to States for drought relief.

22nd October.—Australian political leaders agreed on establishment of National Advisory War Council.

*27th October.*—Reconstruction of Commonwealth Government announced by Prime Minister.

*28th October.*—Prime Minister announced new War Cabinet, comprising six members instead of nine as in previous Government.

*6th November.*—Sir John Latham, Envoy Extraordinary and Minister Plenipotentiary to Japan, left for that country.

*8th November.*—Sinking of British oversea vessel in Bass Strait, attributed to enemy mine; Bass Strait temporarily closed to shipping.

Wheat stabilization scheme announced; guaranteed price of 3s. 6d. per bushel f.o.r., ports, bagged wheat, and licensing of growers to ensure rigid control over production. Commonwealth Government approved loan of £2,770,000 for drought relief.

Action taken by Commonwealth Government to control by licence release of dutiable goods in order to prevent abnormal clearances in anticipation of higher duties.

*12th November.*—Australian war expenditure rose to £153,000,000 a year; £98,000,000 more than previous year.

*18th November.*—Revised wheat stabilization plan providing for payment of 3s. 10d. per bushel f.o.b., ports, bagged wheat.

*21st November.*—Commonwealth Treasurer introduced record war-time Budget, providing for increases in direct and indirect taxation. For 1940–41 revenue estimated at £150,100,000, expenditure, omitting War Services, at £84,853,000, and War Services expenditure charged to the Budget at £65,220,000, making total expenditure of £150,073,000. In addition loan expenditure estimated at £119,731,000, comprising £117,231,000 for defence and war purposes.

*28th November.*—Internal war and works loan of £28,499,420, 2½ per cent. for five years and 3½ per cent. for ten to sixteen years.

*5th December.*—Commonwealth Government effected compromise with Labour Party on Budget proposals; threat of election removed.

Approval of Commonwealth Treasurer necessary for certain building work.

*8th December.*—Payment of third advance of 3d. per bushel on wheat of 1939–40 crop.

*10th December.*—Australia's total expenditure on war and defence since 1st July, 1939, £109,524,000.

*11th December.*—Revised scheme for applying War-time Company Tax accepted by Commonwealth Government.

*13th December.*—Ten more age-groups liable for military service in Commonwealth; all single men and widowers without children, aged 19 years and in the 25 to 33 age-groups (inclusive) affected.

*16th December.*—Prime Minister announced establishment of Central Reference Board for conciliation in coal industry.

*31st December.*—Broken Hill Pty. Co. Ltd. applied to Commonwealth Treasurer for permission to raise £2,500,000 by issue of 2,500,000 shares at par; intends to use extra capital for shipbuilding.