

Repairs of Aircraft, Vehicles and Ships. Provision was made for essential repairs to United States ships suffering damage. Provision was also made for the servicing of United States aircraft engines and airframes (including such spares as were locally available) but this type of assistance gradually declined as the war moved away from Australia.

Stevedoring and Port Services. Arrangements were made for all United States vessels carrying cargo for their Forces or the Australian Government to be provided with free port service, stevedoring, etc.

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

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

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

Operation of United States Transport Aircraft by Civil Airline Companies. Arrangements were made for certain United States transport aircraft to be operated by civil airline companies and the cost charged to Reciprocal Lend-Lease. In addition, Australian civil airline planes were provided to the United States Forces under charter arrangements.

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

Capital Works. The works programme covered construction of aerodromes with ancillary buildings and services, aircraft assembly and repair depots, storage depots, camp and hospital accommodation, wharf facilities with the usual engineering services in the way of roads, railway connexions, water supply, sewerage, electric light, etc. With the movement of United States troops to new areas of operation in the Pacific, works construction on barracks, airfields, etc., declined and many installations were returned for use by Australian Forces or for disposal.

The total recorded Reciprocal Lend-Lease expenditure by Australia to the 30th June, 1945, was £258.5 millions, made up as follows:—

Year.	£ million.
1941-42	6.5
1942-43	59.0
1943-44	103.9
1944-45	89.1
Total	<u>258.5</u>

§ 4. Mutual Aid between Canada and Australia.

1. *Canadian Mutual Aid Act.* The Canadian Mutual Aid Act became law on 20th May, 1943. Under this Act a Canadian Mutual Aid Board was established for the procurement of supplies and services which it was empowered to "contribute, exchange, deliver, transfer title to or possession of or otherwise make available . . . to any of the United Nations".

The necessity for the Mutual Aid Act was brought about by the increasing disparity between Canadian exports to sterling countries and her imports from the sterling area. The consequent shortage of Canadian dollars made imperative some special financial arrangement. Various steps were taken by the Canadian authorities to meet this problem.

Early in 1942 the Canadian Government made an interest-free loan to the United Kingdom Government of seven hundred million dollars and followed this up by a billion dollar gift to meet the requirements of the sterling area for 1942-43.

In February, 1943, the Canadian Government announced its Mutual Aid plan and the passing of the Mutual Aid Act and the establishment of the Mutual Aid Board was the direct outcome of that announcement.

2. Australia-Canada Mutual Aid Agreement. On 9th March, 1944, Australia signed an agreement with Canada setting out the general principles governing the provision of mutual aid between the two countries during the war.

The agreement recognised the necessity of the distribution of available war supplies in accordance with strategic needs and that the conditions of supply "should not be such as to burden post-war commerce or lead to the imposition of trade restrictions or otherwise prejudice a just and enduring peace".

With this end in view the agreement provided for the supply of Mutual Aid to Australia for the joint and effective prosecution of the war. The Canadian Government specifically undertook not to require the redelivery of any war supplies with the exception of:—

- (a) Cargo ships.
- (b) Goods transferred to Australia but not delivered at the cessation of hostilities.
- (c) Aircraft and automotive equipment under certain conditions.
- (d) Ordnance or military equipment required for Canadian forces and no longer required by the Commonwealth of Australia.

The two Governments also reaffirmed their desire to promote mutually advantageous economic relations throughout the world and declared "that their guiding purposes include the adoption of measures designed to promote employment, the production and consumption of goods, and the expansion of commerce through appropriate international agreements on commercial policy, with the object of contributing to the attainment of all the economic objectives set forth in the Declaration of 14th August, 1941, known as the Atlantic Charter".

Australia also undertook to contribute to the defence of Canada by supplying "such articles, services, facilities, or information as it may be in a position to supply and as may from time to time be determined by common agreement in the light of the development of the War".

3. Procedure. The administrative procedures followed were somewhat similar to Lend-Lease procedures. The co-ordinating authority in Australia for Canadian Mutual Aid transactions was the Division of Import Procurement, and at the Canadian end Australian War Supplies Procurement (which has branch offices in Ottawa and Vancouver) handled the filing of requisitions with the Canadian Mutual Aid Board and took all necessary follow-up action to the point where the goods were shipped to Australia.

4. Aid Received from Canada. Under the terms of the Mutual Aid Act, Canada assumed from 1st April, 1943, the whole cost of training Australian airmen in Canada under the Empire Air Training Scheme, until its termination on 31st March, 1945.

By taking over these charges, the Canadian Government relieved the Australian Government of heavy overseas expenditure running into millions of dollars.

Canada also shipped substantial quantities of goods to Australia under the Mutual Aid scheme as a free Canadian contribution to the conduct of the war in this area. Most of these supplies, the first of which arrived in Australian ports in November, 1943, were transported free of charge in Canadian Government-owned ships.

Among the goods supplied were: Military motor vehicles, guns, ammunition, explosives, aircraft components, medical supplies, military and naval stores, timber, asbestos, agricultural machinery and tools, special steels and ferrous alloys, electrical equipment, chemicals and textiles.

Up to March, 1945, the Canadian Mutual Aid Board estimated the value of goods and services supplied to Australia under Mutual Aid at about 76 million dollars. The categories of expenditure during that period expressed as percentages of the total were:—

Category of Expenditure.	Percentage.
British Commonwealth Air Training plan	36.4
Automotive Equipment and Mechanical Transport	23.0
Aircraft and parts	16.0
Freight, inland and ocean	7.7
Lumber and heavy material	5.4
Other items	11.5
Total	100.0

5. **Termination of Mutual Aid.** The transfer of supplies under Canadian Mutual Aid ceased as from 2nd September, 1945, the date of the surrender of Japan.

§ 5. Method of Recording Imports and Exports.

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

- (a) (i) the actual money price paid or to be paid for the goods by the Australian importer plus any special deduction, or
- (ii) the current domestic value of the goods, whichever is the higher;
- (b) all charges payable or ordinarily payable for placing the goods free on board at the port of export; and
- (c) ten per centum of the amounts specified under paragraphs (a) and (b) of this sub-section.

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

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

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