

CHAPTER XXIII.

TRADE.

§ 1. Introductory.

Constitutional Powers of the Commonwealth in regard to Commerce.—The powers vested in the Commonwealth Parliament by the Commonwealth Constitution with respect to oversea trade and commerce will be found in Sub-section 51 (i) and Sections 86 to 95 of the Act (see pp. 14 and 20 of the Official Year Book, No. 33).

§ 2. Commonwealth Legislation affecting Oversea Trade.

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

The Acts at present in force are: The Customs Act 1901–1936; Customs Tariff, 1933–1939; Customs Tariff (Canadian Preference) 1934–1939; Customs Tariff (Exchange Adjustment) Act, 1933–1939; Customs Tariff (Industries Preservation) Act, 1921–1936; Customs Tariff (Newfoundland Preference) 1939; Customs Tariff (New Zealand Preference) Agreement Act, 1933; Customs Tariff (New Zealand Preference) 1933–1934; Customs Tariff (Papua and New Guinea Preference) 1936; Customs Tariff (Southern Rhodesian Preference) 1941; Customs Tariff (Primage Duties), 1934. A complete statement of the Acts passed in 1940 appears in par. 15 below.

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

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

In submitting tariff schedules to Parliament on 20th March, 1936, the Minister for Trade and Customs said: “Another new feature of the schedules is the Intermediate Tariff. It has been re-introduced to provide a convenient avenue for expressing the level

of duties which the Government propose should form the basis for trade treaties. The rates proposed under the protective items of the Intermediate Tariff express, in every case, a protective level for Australian industry as well as preserving the margins required under the Ottawa Agreement." The Customs Tariff 1933-1939 provides that the Governor-General may from time to time by proclamation declare that the Intermediate Tariff shall apply from a date and time specified to goods specified in the proclamation which are the produce or manufacture of the British or foreign country specified in the proclamation. The Intermediate Tariff was brought into operation on 1st January, 1937, by Customs Proclamations Nos. 338, 342, 343 and 369, which granted intermediate rates of duty to specified goods the produce of "Proclaimed Countries." The countries proclaimed include the United Kingdom, the Dominions and Colonies in respect of goods which do not comply with the conditions prescribed for the application of a lower tariff and most foreign countries under the terms entitling them to most-favoured-nation treatment. The United States of America is an important exception, and Japan is entitled to intermediate rates for eleven items only, comprising artificial silk and cotton piece goods.

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

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

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

In pursuance of the trade diversion policy of the Commonwealth Government (see par. 9 of this section), an amendment of the Customs (Prohibited Imports) Regulations of 22nd May, 1936—Item 21—prohibited the import into Australia, except under special licence, of 84 classified groups of goods produced or manufactured in foreign countries. A list of the principal items affected is published in Official Year Book No. 30. Important modifications of the licensing system as applied to the 84 groups of goods referred to were announced on 7th December, 1937, by the Minister for Trade and Customs, who stated that in respect of goods not competitive with Australian industry, licences for importation would be granted irrespective of the country of origin. In respect of goods competitive with Australian industry the licensing system then in force would operate until duties adequate to the protection of the industries concerned had been determined. Tariff Schedules amending duties to give adequate protection to Australian industries established or extended during the currency of the licensing system were embodied in Customs and Excise Resolutions submitted to Parliament on 4th May, 1938, and the licensing restrictions ceased to have force from that date. The Acting Minister for Trade and Customs explained that the Schedules should be regarded as of a temporary nature until the industries could be inquired into and reported on by the Tariff Board.

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

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

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

A proclamation of 14th May, 1931, exempted certain aids to primary production, and on 11th July, 1931, a further amendment, in addition to extending the list of these goods and also exempting some minor imports from primage duty, provided for a rate of 4 per cent. ad valorem on a few other items, mainly aids to production, and increased the ad valorem rate of primage duty to 10 per cent. on all other articles imported. Amendments promulgated since 11th July, 1931, have greatly increased the list of goods exempt from primage duty.

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

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

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

4. **Special War Duty.**—This duty was imposed from 3rd May, 1940, as a war taxation measure. It comprises a tax of 10 per cent. on the Amount of Duties of Customs (which include Primage) on all goods (other than goods covered by Item 229 (c) in the Schedule to the Customs Tariff 1933–1939) entered for home consumption on and after the date mentioned. The tax is not regarded as having any relationship to the Duties of Customs in the ordinary acceptation of the term, but the amounts collected appear under the heading “Customs Collections” in Chapter XXVI. “Public Finance”.

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

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

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

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

The prohibitions and surcharges referred to in this agreement were subsequently abolished and primage duty on a large number of items removed or reduced. The concessions granted by the Government of the United Kingdom under the terms of the Ottawa trade agreement on goods of Australian origin are set out briefly in par. 7 of this section. Further reference to this trade agreement appears in the Appendix to Official Year Book No. 26, 1933.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EFFECT OF THE PREFERENTIAL PROVISIONS OF THE CUSTOMS TARIFF.

IMPORTS OF GOODS AFFECTED FAVOURABLY OR ADVERSELY BY THE BRITISH PREFERENTIAL TARIFF.

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

GOODS OF A KIND WHICH WERE "FREE", IF FROM UNITED KINGDOM.

Value of goods cleared for consumption ..	£	25,040,517	19,095,649	20,157,570	12,983,535	10,530,878	9,810,413
Amount of Duty collected thereon ..	£	..	..	..	1,600,664	1,415,247	1,265,533
Average ad valorem rate of Duty collected ..	%	..	..	..	12.3	13.4	12.9
Duty which would have been collected under General Tariff rates ..	£	3,213,203	2,474,807	2,550,415	..	..	..
Average ad valorem rate of Duty which would have been collected under General Tariff rates ..	%	12.8	13.0	12.7	..	..	..

GOODS OF A KIND WHICH WERE "DUTIABLE", IF FROM UNITED KINGDOM.

Value of goods cleared for consumption ..	£	28,058,500	24,586,678	27,510,616	14,253,772	12,305,081	13,280,953
Amount of Duty collected thereon ..	£	4,312,158 ^b	3,916,726 ^b	4,217,357 ^b	5,753,250	4,988,493	5,161,630
Average ad valorem rate of Duty collected ..	%	15.4	15.9	15.3	40.4	40.5	38.9
Duty which would have been collected on United Kingdom goods under General Tariff rates ..	£	11,195,361	10,012,544	10,856,244	..	..	..
Average ad valorem rate of Duty which would have been collected under General Tariff rates ..	%	39.9	40.7	39.5	..	..	..
Duty which would have been collected on goods of Other Countries under British Preferential Tariff ..	£	..	..	..	2,358,432 ^b	2,086,998 ^b	2,502,136 ^b
Average ad valorem rate of Duty which would have been collected under British Preferential Tariff ..	%	..	..	..	16.6	17.0	18.8
Amount of Rebate on United Kingdom goods as against General Tariff rates ..	£	6,883,203 ^b	6,095,818 ^b	6,638,887 ^b	..	..	..
Average ad valorem rate of Rebate on United Kingdom goods ..	%	24.5	24.8	24.1	..	..	..
Amount of Surcharge on goods from Other Countries as against British Preferential Tariff rates ..	£	..	..	..	3,394,818 ^b	2,901,495 ^b	2,659,494 ^b
Average ad valorem rate of Surcharge on goods of Other Countries ..	%	..	..	..	23.8	23.6	20.0

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

NOTE.—For the purpose of the above analysis the value of imports is stated in Australian currency.

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

Particulars.	United Kingdom.			Other Countries.(a).		
	1937-38.	1938-39.	1939-40.	1937-38.	1938-39.	1939-40.
Value of goods cleared for consumption ..	£ 53,099,017	43,682,327	47,668,186	27,237,307	22,835,939	23,091,366
Amount of Duty collected thereon ..	£ 4,312,158 ^b	3,916,726 ^b	4,217,357 ^b	7,353,914	6,403,740	6,427,163
Average ad valorem rate of Duty collected ..	% 8.1	9.0	8.9	27.0	28.0	27.8
Duty which would have been collected on United Kingdom goods under General Tariff rates ..	£ 14,408,564	12,487,351	13,406,659	..	..	..
Average ad valorem rate of Duty which would have been collected under General Tariff rates ..	% 27.1	28.6	28.1	..	..	..
Duty which would have been collected on goods of Other Countries under British Preferential Tariff ..	£ ..	..	..	2,358,432 ^b	2,086,998 ^b	2,502,136 ^b
Average ad valorem rate of Duty which would have been collected under British Preferential Tariff ..	% ..	..	..	8.7	9.1	10.8
Amount of Rebate on United Kingdom goods as against General Tariff rates ..	£ 10,096,406 ^b	8,570,625 ^b	9,189,302 ^b	..	..	..
Average ad valorem rate of Rebate on United Kingdom goods ..	% 19.0	19.6	19.3	..	..	..
Amount of Surcharge on goods from other Countries as against British Preferential rates ..	£ ..	..	..	4,995,482 ^b	4,316,742 ^b	3,925,027 ^b
Average ad valorem rate of Surcharge on goods of Other Countries ..	% ..	..	..	18.3	18.9	17.0

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

NOTE.—For the purpose of the above analysis the value of imports is stated in Australian currency.

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

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

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

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

- (a) Whether the extent of depreciation is not less than 16½ per cent. ; or
- (b) Whether the extent of depreciation is not less than 11 1-9 per cent., and less than 16½ per cent.

If (a) applies, the deduction from the amount of duty will be—(i) one-fourth of the amount of duty ; or (ii) 12½ per cent. ($\frac{1}{8}$) of the value for duty, whichever is the less :

If (b) applies, the deduction will be (i) one-eighth of the amount of duty ; or (ii) 6½ per cent. of the value for duty, whichever is the less. The telegraphic transfer (buying) rate shall determine the extent of depreciation of Australian currency.

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

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

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

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

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

The trade agreement signed at the Imperial Economic Conference, 1932, held at Ottawa, Canada, on behalf of the Government of the United Kingdom and of the Government of the Commonwealth of Australia materially altered the existing conditions of preference. The agreement provides special preferential trade conditions between the Commonwealth of Australia and the United Kingdom and certain of its dependencies. Customs Tariff 1933 embodied the main provisions of the Ottawa Agreement, and imposed duties of customs under two headings—British Preferential Tariff and General Tariff. No provision was made for an Intermediate Tariff in the abovementioned Act. The terms of the agreement conceded by the Commonwealth Government are briefly stated in par. 5 above and the concessions granted by the Government of the United Kingdom on goods of Australian origin are set out in par. 7 below of this chapter. A review of the trade agreement appears in the Appendix to Official Year Book No. 26.

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

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

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

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

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

Of the total imports of £A1,823,336 from New Zealand during 1939-40 it is estimated that goods otherwise dutiable amounting in value to £A465,450 were admitted free under the provisions of the Preferential Tariff and the duty thus remitted was £A169,368. In addition, goods valued at £A49,217 were admitted under the preferential rates of duty, the duty remitted on such goods being £A10,291. The total of the duties remitted on the import of New Zealand goods was thus £A179,659, representing a margin of preference of 34.9 per cent. on the value of the goods entitled to preference. The principal items which benefited under the preferential provisions were fish, valued at £A115,482, and undressed timber, £A170,463, the amounts of duty remitted being £A22,782 and £A117,601 respectively.

(iv) *Dominion of Canada.* A reciprocal trade agreement between Canada and Australia which came into force on 1st October, 1925, was superseded by the Customs Tariff (Canadian Preference) Acts of 1931 and 1934-1939, which reaffirmed the principle of granting of preferences for the mutual advantage of the two countries and extended preferential conditions. The commodities on which Canada grants preferential rates of duty to Australia are: Butter, brandy, champagne, cheese, currants, eggs, eucalyptus oil, fresh apricots, pears, quinces, nectarines, grapes, oranges and passion fruit, dried prunes, apricots, nectarines, pears and peaches, fruit pulp, fruits in cans, gelatine, hops, rice (uncleaned), meat (fresh and canned), peanuts, raisins, sugar, tallow, veneers and wine. Australia's preferential duties apply to the following Canadian imports:—Carbide of calcium, cash registers, corsets, fish, gloves, goloshes and rubber sand boots, etc.,

iron and steel tubes or pipes, printing machinery, barbed wire, paper (printing, typewriting and writing), timber, typewriters, vacuum cleaners and vehicles—motor chassis (unassembled and assembled)—and vehicle parts but not including bodies, gears, rubber tyres and tubes, storage batteries, shock absorbers, bumper bars, sparking plugs and springs.

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

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

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

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

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

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

per 120; (c) over 17 lb., 1s. 9d. per 120; condensed milk, whole, sweetened, 5s. per cwt., in addition to duty in respect of sugar content; condensed milk, whole, not sweetened, 6s. per cwt.; milk powder and other preserved milk, not sweetened, 6s. per cwt.; honey, 5s. per cwt.; copper, unwrought, whether refined or not, in ingots, bars, etc., 2d. per lb.; oranges, raw, 3s. 6d. per cwt. from 1st April, to 30th November; grape fruit, raw, 5s. per cwt., from 1st April to 30th November, and grapes (other than hothouse) 1½d. per lb. from 1st February to 30th June. Schedule C provides that the margin of preference on wine not exceeding 27 degrees of proof spirit shall be 2s. per gallon.

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

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

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

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

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

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

In the latter case, it was explained, the quantity of imports might either be left entirely free or subjected to such moderate regulation as might be thought necessary to prevent the market from breaking altogether. It was further pointed out that, without the consent of the countries concerned, no duty could be imposed on Dominion meat before August, 1937, or on Argentine meat before November, 1936. Failing agreement on the payment of a levy on meat imports the United Kingdom Government would have no alternative but to take steps to regulate, during the currency of existing agreements, the quantity of imports to whatever extent was necessary to restore live stock prices to a remunerative level. In summing up the position the United Kingdom Government stated that it was the firm intention of His Majesty's Government in the United Kingdom to safeguard the position of the United Kingdom live stock industry.

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

Year.	Chilled Beef.	Frozen Beef and Veal.	Frozen Mutton and Lamb.	Pork.
	Cwt.	Cwt.	Cwt.	Cwt.
1931-32	Nil	1,124,000	1,488,000	Nil
1935	228,000	1,468,000	1,784,000	147,000
1936	296,000	1,512,000	1,496,000	233 000
1937	452,000	1,948,000	1,883,000	234,000
1938	528,000	1,924,000	1,898,000	284,000
1939	430,000	2,029,000	1,629,000	311,000

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

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

From 1st October, 1939, the United Kingdom Government agreed to purchase from Australia beef, mutton, lamb, veal, pork, and offals. Particulars of the contracts appear in Chapter XXVII. "Miscellaneous" (see § 14).

(iii) *United Kingdom-Argentina Trade Agreement.* In connexion with the supply of meat to the Mother Country it will be of interest to compare the terms of the United Kingdom-Argentina Trade Agreement which took effect from 20th November, 1936. This agreement provides for "minimum annual quantities" of Argentina meat to be imported into the United Kingdom as follows :—Chilled beef for year 1937 not less than the quantity imported in 1935 reduced by 138,700 cwt. For each of the years 1938 and 1939 not less than the quantity permitted in the preceding year reduced by 138,700 cwt. provided that the 1939 quantity shall be not less than 6,590,000 cwt. Frozen beef 124,600 cwt., pork 186,800 cwt., and canned beef 605,600 cwt. annually. Mutton and lamb for year 1937, 886,000 cwt. and for 1938, 797,400 cwt. In addition, customs duty has been imposed as follows :—Chilled beef $\frac{1}{2}$ d. per lb.; frozen beef $\frac{1}{2}$ d. per lb.; canned beef (excluding tongues) 20 per cent., and tongues 30 per cent. ad valorem; pork, mutton and lamb, free. If in any period Argentina is unable to supply the minimum quantities specified the United Kingdom Government may re-allocate the shortage among other countries. The agreement was to remain in force until 31st December, 1939, and thereafter until terminated by six months' notice.

(iv) *United Kingdom-United States of America Trade Agreement.* The trade agreement between the United Kingdom and the United States of America, signed on 17th November, 1938, was of much interest to Australia as a country dependent on reasonable access to overseas markets for the disposal of its large surplus of agricultural products. In particular, the Commonwealth derived an interest in the United Kingdom-United States Agreement from the fact that the concurrence of the Dominions and India was sought in the modification of certain preferences, accorded by the United Kingdom under the Ottawa Agreements of 1932, in order to facilitate the satisfactory conclusion of the negotiations. The extent of the alterations in preferences to which the Commonwealth agreed was limited to :—

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

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

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

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

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

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

(iii) *Japan.* A trade arrangement entered into between the Governments of Japan and the Commonwealth of Australia operated from 1st January, 1937 to 30th June, 1938. Under this arrangement the Commonwealth Government granted intermediate tariff rates of duty to imports of Japanese artificial silk and cotton piece goods comprising eleven tariff items from which primage duty was also removed. The maximum quantity to be imported was fixed at 102,500,000 square yards per annum, divided equally between artificial silk and cotton. In return, the Government of Japan undertook to issue permits for the import during the currency of the arrangement of 800,000 bales of Australian wool, or at the rate of 533,000 bales per annum. In accordance with the terms of the arrangement all prohibitions and super duties which had been imposed by the two Governments in 1936 were removed as from 1st January, 1937.

A new arrangement effected by an exchange of letters between representatives of the two Governments came into force on 1st July, 1938, and has a currency of one year. Under this arrangement Japan will permit the import of such quantity of Australian wool as will correspond to two-thirds of the total quantity up to 500,000 bales imported from all countries, and such additional quantity as will correspond to three-fourths of the total imports in excess of 500,000 bales. It is further provided that the difference between the quantity imported into Japan during the period from 1st January, 1937 to 30th June, 1938, and 600,000 bales shall be imported into Japan during the period of one year from

1st July, 1938. This additional quantity shall not be taken into consideration in determining Australia's wool allotment on the basis of a proportion of total imports for the year (Shipments of Australian wool to Japan in the period from 1st January, 1937, to 30th June, 1938, amounted to 521,929 bales).

The only alteration made in the import quotas for Japanese textiles is the inclusion of staple fibre piece goods in the artificial silk goods quota. The quantity to be imported is fixed as before at 102,500,000 square yards per annum in equal quantities of artificial silk and cotton piece goods. As in the previous agreement calico for use in the manufacture of bags is admitted without restriction.

Provision is made in the arrangement for a review by the Commonwealth Government of the textile piece goods quotas if it should appear at any time that the quantity of Australian wool to be imported into Japan during the year commencing 1st July, 1938, will be less than 266,667 bales in addition to approximately 100,000 bales representing the difference between 600,000 bales and the quantity of Australian wool imported into Japan between 1st January, 1937, and 30th June, 1938.

The Japanese Government declined to renew the agreement after 30th June, 1939, and guaranteed to maintain the reciprocal trade transactions on the same basis as obtained under the agreement.

(iv) *Switzerland.* A trade agreement, concluded between the Governments of Switzerland and the Commonwealth of Australia, came into force on 30th December, 1938. The agreement is of indefinite duration, and remains in force until six months after denunciation by either party. Briefly it provides for the following:—

- (1) Reciprocal most-favoured-nation treatment.
- (2) The grant of an intermediate tariff rate and primage duty reductions in respect of a limited number of Swiss commodities.

These concessions are granted in respect of Swiss cheese, certain classes of textiles (mainly Swiss specialties), watches and chronometers, and trade catalogues, price lists and other printed advertising matter addressed to hospitals, medical practitioners or dentists in single copies.

- (3) The reduction and consolidation of Swiss duties on certain Australian products.

The reductions are on wool (50 centimes to 15 centimes per metric quintal) and on sandalwood oil (80 francs to 10 francs per metric quintal), and the consolidations are on apples and pears, raisins and currants, canned fruits, lead, eucalyptus oil and starch.

- (4) Minimum annual quotas of certain Australian products (apples and pears, timber and barley).

The quota on apples and pears is 15,000 metric quintals, an increase of more than 12,000 metric quintals over the quota for 1938, while the quota on timber is increased from 560 metric quintals to 10,000 metric quintals. The quota on barley is the same as that for 1938 (38,000 metric quintals).

- (5) Mutual undertaking that quantitative restrictions on imports shall not be discriminatory.
- (6) Mutual right to withdraw concessions if other countries obtain the major benefits.
- (7) Liberty on the part of either party to take any action it thinks proper to re-establish the equilibrium of the agreement, should either party adopt any measures considered to nullify or impair the advantages of the agreement.

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

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

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

10. **Import Licensing Regulations, etc.**—From December, 1939, imports from non-sterling countries including Canada, Newfoundland and Hong Kong were controlled by the Customs (Import Licensing) Regulations, the main aim being to conserve resources in non-sterling exchange and to prevent the use of those resources in the purchase of unessential imports to the detriment of the more vital national needs. The restrictions have been progressively tightened since the inception of the regulations. Many goods are prohibited; others are rationed as a proportion either of the quantity or value of the imports during 1938–39.

In May, 1940, an arrangement was made with the Government of the Netherlands East Indies whereby products of this country are admitted into Australia on the same basis as goods from the sterling area. In order to qualify for this concession goods which are not typical national products of that country must be accompanied by the prescribed certificate of origin.

The importation of certain classes of goods, including jute products, metal working machines, petroleum products, aluminium, and tetraethyl lead from all countries is prohibited except under licence, and licences are issued only to applicants approved by the Department of Supply and Development.

Subsequent amendments to the regulations placed Sterling countries under Licencing control from 8th December, 1941.

11. **United States of America—Australian Trade Relations.**—The trade diversion policy of the Commonwealth Government as expressed by the prohibition, except under special licence, of specified imports as from 23rd May, 1936, adversely affected a wide range of goods from the United States of America, which for a number of years had enjoyed an extremely favourable trade balance with Australia. In reply to this action the United States Government withdrew as from 1st August, 1936, the most-favoured-nation treatment hitherto accorded to Australian goods including certain trade benefits extended to Australia equally with a number of countries with which the United States had concluded trade agreements. A further step bearing on the trade relations between the two countries was the extension by the Commonwealth Government to "proclaimed

countries" as from 1st January, 1937, of intermediate customs tariff rates and certain primage duty concessions. The list of "proclaimed countries" includes the United Kingdom, the Dominions and Colonies, and the principal foreign countries but does not include the United States.

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

As a result of the passing of the Lease Lend Act in the United States of America the Australian Government has taken action to obtain from the United States of America, under the provisions of this Act, essential goods which are not available in sufficient quantities in this country or from the United Kingdom.

The Division of Import Procurement of the Department of Trade and Customs is responsible for the arrangements with the Government of the United States of America for the supply of the required goods.

Requisitions will be compiled of the requirements of Australia as a whole for one year and arrangements made for the distribution of the goods on arrival. In a large range of goods the United States Government will not supply individual firms in Australia unless the orders are approved by the Division of Import Procurement.

The principal commodities affected are steel, including alloy steel, non-ferrous metals, potash, machinery (including agricultural), locomotives including equipment, industrial chemicals, abrasive grains, carbon black, fire brigade appliances, sausage casings, synthetic resins, moulding powders and sewing threads.

12. **Restriction of Imports into Japan.**—An Imperial Ordinance, No. 124 of 1936, affecting the trade of Australia with Japan was promulgated on 25th June, 1936, by the Government of Japan providing for the restriction of imports from proclaimed countries under certain conditions.

The restrictions imposed by this Ordinance were abolished, however, as from 1st January, 1937, so far as Australia was concerned, under the terms of the trade agreement concluded between the Governments of Japan and the Commonwealth of Australia.

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

Inquiries conducted by the Board relating to any revision of the Tariff, any proposal for a bounty, or any complaints that a manufacturer is taking undue advantage of the protection afforded him by the Tariff shall be held in public, and evidence in such inquiries

shall be taken in public on oath, unless any witness objects to giving any evidence in public which the Board is satisfied is of a confidential nature, when the Board may take such evidence in private. Evidence taken by the Board in connexion with any inquiry under the Customs Tariff (Industries Preservation) Act 1921-1936 shall be taken in public on oath.

The latest Annual Report of the Tariff Board reviews the work of the Board during the year ended 30th June, 1941. During the year the Board furnished 13 reports to the Minister for Trade and Customs, and of these reports 9 related to matters on which public inquiries had been held. The subjects dealt with comprised:—Tariff revision, 2; requests for admission under or removal of goods from by-laws, 1; establishments of new industries, 5; and 1 inquiry into questions relating to the tobacco-growing industry. At 30th June, 1941, the Board had on hand six subjects on which reports had not been furnished to the Minister and four subjects which had been referred to it by the Minister for Trade and Customs under Regulation 3A of the National Security (Inquiries) Regulations.

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

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

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

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

16. Acts passed in 1940.—The following Commonwealth Acts relating to Australian production and trade were assented to during the year 1940.

- Sugar Agreement Act, No. 21 of 1940. An Act to approve an agreement made between His Majesty's Government of the Commonwealth of Australia and His Majesty's Government of the State of Queensland, and for other purposes.
- Petroleum Oil Search Act, No. 22 of 1940. An Act to amend the Petroleum Oil Search Acts 1936.
- Trade Agreement (Greece) Act, No. 28 of 1940. An Act to approve an agreement between the Government of the Commonwealth of Australia and the Government of the Kingdom of Greece.
- Trading with the Enemy Act, No. 33 of 1940. An Act to amend section three of the Trading with the Enemy Act 1939.
- Rabbit Skins Export Charges Appropriation Act, No. 34 of 1940. An Act relating to charges on the export of Rabbit skins.
- Rabbit Skins Export Charges Act, No. 35 of 1940. An Act to impose a charge on the export of Rabbit skins.
- Gold Mining Encouragement Act, No. 38 of 1940. An Act to provide for financial assistance to the States for the development of the Gold Mining Industry.
- Gold Mining Encouragement Act (No. 2), No. 46 of 1940. An Act to amend the Gold Mining Encouragement Act 1940.
- Raw Cotton Bounty Act, No. 49 of 1940. An Act to provide for the payment of a bounty on the production of raw cotton.
- Customs Tariff Validation Act, No. 53 of 1940. An Act to provide for the Validation of Collections of Duties of Customs Tariff Proposals.
- Customs Tariff (Exchange Adjustment) Validation Act, No. 54 of 1940. An Act to provide for the Validation of Adjustments in Duties of Customs under Customs Tariff (Exchange Adjustment) Proposals.
- Customs Tariff (Canadian Preference) Validation Act, No. 55 of 1940. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Canadian Preference) Proposals.
- Customs Tariff (New Zealand Preference) Validation Act, No. 56 of 1940. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (New Zealand) Proposals.
- Customs Tariff (Special War Duty) Validation Act, No. 57 of 1940. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Special War Duty) Proposals.
- Excise Tariff Validation Act, No. 58 of 1940. An Act to provide for the Validation of Collections of Duties of Excise under Excise Tariff Proposals.
- Wheat Tax (War-time) Assessment Act, No. 68 of 1940. An Act relating to the Assessment and Collection of a Tax upon Wheat.
- Wheat Tax (War-time) Act, No. 69 of 1940. An Act to impose a Tax upon Wheat.
- Wheat Industry (War-time Control) Act, No. 70 of 1940. An Act to amend the Wheat Industry (War-time Control) Act 1939.
- Wire Netting Bounty Act, No. 74 of 1940. An Act to amend the Wire Netting Bounty Act 1939.
- Wine Export Bounty Act, No. 92 of 1940. An Act to amend the Wine Export Bounty Act 1939.

§ 3. Trade Representatives.

1. Oversea.—The Commonwealth of Australia is represented in the United Kingdom by the Right Hon. S. M. Bruce, C.H., M.C., High Commissioner, with headquarters at Australia House, London. Matters affecting the oversea trade of Australia come within the scope of the duties of the office.

The first appointment of a representative for Australia in the United States of America was made in 1918. The office of Commissioner-General for Australia in the United States was changed to that of Australian Government Trade Commissioner as from 1st July, 1938. In 1940 the position of Australian Government Trade Commissioner for North America was created with head-quarters in New York. The Commissioner exercises supervision and general control over the trade offices in the United States of America and Canada.

In April, 1929, a Commercial Representative for Australia was appointed in the Dominion of Canada, with head-quarters at Toronto. The position has now been abolished and is administered from New York with an Assistant Trade Commissioner at Toronto.

The Trade Commissioners Act 1933 provides for the appointment of one or more Trade Commissioners and Assistant Trade Commissioners of the Commonwealth in such places as the Governor-General determines. In April, 1934, the first appointment under the Act was made, Mr. R. H. Nesbitt being appointed Australian Trade Commissioner in New Zealand, with head-quarters at Wellington. Mr. Nesbitt resigned in April, 1937, and was succeeded in July, 1937, by Mr. C. E. Critchley, M.B.E., formerly Australian Trade Commissioner in Netherlands East Indies. In May, 1935, Trade Commissioners and Assistant Trade Commissioners were appointed to Japan, China and Netherlands East Indies, and in January, 1937 a Trade Commissioner was appointed to Egypt. The Trade Commissioners are—Egypt, Mr. J. Payne, Cairo; India, Mr. H. Roy Gollan, D.S.O., M.C., Calcutta; New Zealand, Mr. J. L. Menzies (acting), Wellington; and North America, Mr. L. R. MacGregor, C.B.E., New York, with Mr. J. U. Garside, New York, as Assistant Trade Commissioner in the United States of America, and Mr. R. R. Ellen, Toronto, as Assistant Commissioner in Canada.

2. *In Australia.*—Trade Commissioners representing the undermentioned countries are located in Australia, The United Kingdom, Canada, India, New Zealand and France. His Majesty's Senior Trade Commissioner for the United Kingdom has his head-quarters in Sydney and Trade Commissioners are located also at Melbourne and Brisbane. The New Zealand Government Representative and Trade Commissioner, the Senior Canadian Government Trade Commissioner and the Trade Commissioners for India and France are located in Sydney. Trade matters affecting other overseas countries are generally attended to by their Consular representatives.

§ 4. Method of Recording Imports and Exports.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. **Statistical Classification of Imports and Exports.**—Statistics of overseas imports and exports from which the summary tables in this issue of the Official Year Book have been extracted were compiled according to a classification which came into operation on 1st July, 1922. In order to meet the demand for more detailed information relating to imports and exports the number of items has been materially increased. The revised classification was divided into 21 classes, and at 30th June, 1941, comprised approximately 2,000 separate import items and 600 export items.

5. **The Trade Year.**—From 1st July, 1914, the statistics relating to Overseas Trade have been shown according to the fiscal year (July to June). Prior to that date the figures related to the calendar year. A table is given in § 15 showing the total value of imports and exports in the calendar years 1937 to 1940 inclusive. For the years 1939 and 1940 the value of merchandise only is shown.

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

7. **Ships' Stores.**—Prior to 1906 goods shipped in Australian ports on board overseas vessels as ships' stores were included in the general exports. From 1906, ships' stores have been specially recorded as such, and omitted from the return of exports. A table showing the value of these stores shipped each year since 1931–32 is given in § 9 below.

§ 5. Overseas Trade.

1. **Total Overseas Trade.**—(i) *Including Gold.* The following table shows the total trade (including gold) of Australia with overseas countries from the earliest date for which records are available. To save space, the period 1826 to 1925–26 has been divided into quinquennia, and the figures shown represent the annual averages for the quinquennia specified. The figures for individual years were published in earlier issues of the Official Year Book. (See note to following table.)

TOTAL OVERSEA TRADE : AUSTRALIA.
(INCLUDING GOLD.)

Period.(a)	Recorded Value.(b)			Value per Inhabitant.			Percentage of Exports on Imports.
	Imports.	Exports.	Total.	Imports.	Exports.	Total.	
	£'000.	£'000.	£'000.	£ s. d.	£ s. d.	£ s. d.	
1826 to 30	638	153	791	10 12 5	2 10 11	13 3 4	23.9
1831 " 35	1,144	613	1,757	11 19 10	6 8 6	18 8 4	53.6
1836 " 40	2,283	1,112	3,395	14 15 9	7 4 1	21 19 10	48.7
1841 " 45	1,906	1,378	3,284	9 0 5	6 10 5	15 10 10	72.3
1846 " 50	2,379	2,264	4,643	6 18 10	6 12 2	13 11 0	95.2
1851 " 55	11,931	11,414	23,345	19 12 5	18 15 4	38 7 9	95.7
1856 " 60	18,816	16,019	34,835	18 6 1	15 11 8	33 17 9	85.1
1861 " 65	20,132	18,699	38,831	15 17 1	14 14 9	30 11 10	93.0
1866 " 70	18,691	19,417	38,108	12 7 4	12 16 11	25 4 3	103.9
1871 " 75	21,982	24,247	46,229	12 7 2	13 13 6	26 0 8	110.3
1876 " 80	24,622	23,772	48,394	11 19 7	11 10 9	23 10 4	96.6
1881 " 85	34,895	28,055	62,950	14 4 3	11 9 5	25 13 8	80.4
1886 " 90	34,675	26,579	61,254	11 16 11	9 1 0	20 17 11	76.6
1891 " 95	27,335	33,683	61,018	8 5 2	10 2 5	18 7 7	123.2
1896 " 1900	33,763	41,094	74,857	9 5 4	11 5 6	20 10 10	121.7
1901 " 05	39,258	51,237	90,495	10 1 10	13 2 9	23 4 7	130.5
1906 " 10	51,508	(c) 69,336	120,844	12 4 8	16 9 11	28 14 7	134.6
1911 " 15-16	73,411	74,504	147,915	15 7 4	15 12 10	31 0 2	101.5
1916-17 to 1920-21	100,735	115,066	215,801	19 7 9	22 2 10	41 10 7	114.2
1921-22 to 1925-26	136,844	134,545	271,389	23 15 6	23 7 7	47 3 1	98.3
1926-27 ..	164,717	144,084	308,801	26 18 1	23 10 9	50 8 10	87.5
1927-28 ..	147,945	141,206	289,151	23 13 8	22 12 0	46 5 8	95.4
1928-29 ..	143,648	141,615	285,263	22 12 3	22 5 10	44 18 1	98.6
1929-30 ..	131,081	125,000	256,081	20 7 7	19 8 7	39 16 2	95.4
1930-31(d)	60,960	105,003	..	9 7 7	16 3 2	..	..
(e)	60,960	89,456	150,416	9 7 7	13 15 4	23 2 11	146.8
1931-32(d)	44,713	109,034	..	6 16 6	16 12 9	..	..
(e)	44,713	85,843	130,556	6 16 6	13 1 11	19 18 5	192.0
1932-33(d)	58,014	121,264	..	8 15 8	18 7 3	..	..
(e)	58,014	96,853	154,867	8 15 8	14 13 3	23 8 11	167.0
1933-34(d)	60,713	124,003	..	9 2 6	18 12 8	..	..
(e)	60,713	99,021	159,734	9 2 6	14 17 6	24 0 0	163.1
1934-35(d)	74,119	113,523	..	11 1 2	16 18 9	..	..
(e)	74,119	90,654	164,773	11 1 2	13 10 6	24 11 8	122.3
1935-36(d)	85,253	136,964	..	12 12 7	20 5 10	..	..
(e)	85,253	109,372	194,625	12 12 7	16 4 1	28 16 8	128.3
1936-37(d)	92,641	162,377	..	13 12 4	23 17 3	..	..
(e)	92,641	129,664	222,305	13 12 4	19 1 1	32 13 5	140.0
1937-38(d)	113,975	157,580	..	16 12 1	22 19 2	..	..
(e)	113,975	125,838	239,813	16 12 1	18 6 8	34 18 9	110.4
1938-39(d)	102,156	140,496	..	14 15 0	20 5 8	..	..
(e)	102,156	112,202	214,358	14 15 0	16 3 11	30 18 11	109.8
1939-40(d)(f)	115,676	148,750	..	16 10 8	21 5 3	..	..
(e)(f)	115,676	118,762	234,438	16 10 8	16 19 6	33 10 2	102.7
1940-41(d)(f)	108,650	134,549	..	15 7 5	19 0 9	..	..
(e)(f)	108,650	107,575	216,225	15 9 11	15 6 10	30 16 9	99.0

(a) The figures given for the years 1826 to 1925-26 represent the annual averages for the quinquennial periods. The trade of the individual years will be found in Official Year Book No. 29 and earlier issues. From 1914-15 onwards the particulars relate to fiscal years. (b) For actual values for recent years, showing merchandise and bullion and specie separately, see § 8, pars. 5 and 6. (c) Prior to 1906, ships' stores were included in the general exports. For value of goods shipped on overseas vessels each year since 1931-32 see later table, § 9. (d) Recorded values. Imports, British currency; Exports, Australian currency. (e) British currency values. (f) Merchandise only.

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

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

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

OVERSEA TRADE : AUSTRALIA.

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

British Currency Values.

Year.	Imports excluding Gold.	Exports excluding Gold.	Total Trade excluding Gold.	Value per Inhabitant.			Percentage of Exports on Imports.
				Imports.	Exports.	Total Trade.	
	£'000. Stg.	£'000. Stg.	£'000. Stg.	£ s. d. Stg.	£ s. d. Stg.	£ s. d. Stg.	%
1935-36	83,617	99,350	182,967	12 7 9	14 14 4	27 2 1	118.8
1936-37	90,642	118,555	209,197	13 6 5	17 8 6	30 14 11	130.8
1937-38	111,782	113,108	224,890	16 5 8	16 9 7	32 15 3	101.2
1938-39	99,384	97,839	197,223	14 6 11	14 2 6	28 9 5	98.4
1939-40a	115,676	118,762	234,438	16 10 8	16 19 6	33 10 2	102.7
1940-41a	108,650	107,575	216,225	15 9 11	15 6 10	30 16 9	99.0

(a) Merchandise only.

2. *Balance of Trade.*—The table on page 659 shows the percentage of exports on imports (including gold) for quinquennial periods from 1826 to 1925-26 and for each year from 1926-27 to 1940-41 (owing to censorship provisions the figures for 1939-40 and 1940-41 exclude bullion and specie), while the table above shows the percentage of exports on imports (excluding gold) for each year 1935-36 to 1940-41. Reference to the first-mentioned table shows that prior to the quinquennial period 1891-95 the balance of trade, with two exceptions, due to temporary dislocations, had been

on the side of imports, while from that period to 1920-21 the position was reversed. During the subsequent quinquennial period ended 1925-26, there was an excess of imports, as was the case in each of the years 1926-27 to 1929-30. From 1930-31 to 1938-39 exports greatly exceeded imports. In 1939-40 merchandise exports exceeded imports by £3,000,000, but in 1940-41 merchandise imports exceeded exports by £1,226,000.

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

COMMODITY BALANCE OF TRADE AND MONETARY MOVEMENT OF GOLD.

British Currency Values.

Year.	A. Total Imports other than Gold. (Specie, Bullion and in Matte.)	B. Total Exports, other than Gold. (Specie, Bullion and in Matte.)	C. Gold produced in Australia.	D. Total of Mer- chandise Exports and Gold Production. B + C	E. Commodity Balance of Trade. D - A	F. Net Ex- ports of Gold (Specie, Bullion and in Matte) in excess of Production. F	G. Total Balance. E + F
	£'000,000	£'000,000	£'000,000	£'000,000	£'000,000	£'000,000	£'000,000
1910 ..	59.0	69.8	11.6	81.4	22.4	- 7.9	14.5
1911 ..	65.4	67.5	10.5	78.0	12.6	- 0.1	12.5
1912 ..	76.8	66.8	9.9	76.7	- 0.1	1.1	1.0
1913 ..	78.4	75.1	9.4	84.5	6.1	- 7.3	- 1.2
1914 (a) ..	39.0	36.5	4.4	40.9	1.9	- 3.7	- 1.8
1914-15 ..	64.0	58.0	8.5	66.5	2.5	- 6.3	- 3.8
1915-16 ..	77.2	64.2	7.7	71.9	- 5.3	2.3	- 3.0
1916-17 ..	76.0	86.3	6.6	92.9	16.9	4.8	21.7
1917-18 ..	60.8	75.0	5.8	80.8	20.0	- 0.9	19.1
1918-19 ..	95.0	106.8	5.4	112.2	17.2	- 5.6	11.6
1919-20 ..	98.9	144.3	5.4	149.7	50.8	0.1	50.9
1920-21 ..	163.8	126.8	4.7	131.5	- 32.3	0.6	- 31.7
1921-22 ..	103.0	124.3	3.8	128.1	25.1	- 0.3	24.8
1922-23 ..	131.7	115.6	3.3	118.9	- 12.8	- 1.1	- 13.9
1923-24 ..	140.6	116.7	3.2	119.9	- 20.7	- 0.4	- 21.1
1924-25 ..	146.7	160.4	2.8	163.2	16.5	- 12.3	4.2
1925-26 ..	151.3	141.9	2.3	144.2	- 7.1	1.7	- 5.4
1926-27 ..	164.1	132.7	2.2	134.9	- 29.2	8.6	- 20.6
1927-28 ..	146.9	138.4	2.1	140.5	- 6.4	- 0.3	- 6.7
1928-29 ..	143.3	138.6	1.9	140.5	- 2.8	0.8	- 2.0
1929-30 ..	130.8	98.1	1.9	100.0	- 30.8	24.7	- 6.1
1930-31 ..	60.6	77.2	2.2	79.4	18.8	9.7	28.5
1931-32 ..	44.1	76.3	3.6	70.9	35.8	5.3	41.1
1932-33 ..	56.9	78.8	4.6	83.4	26.5	12.3	38.8
1933-34 ..	59.5	91.1	5.7	96.8	37.3	1.0	38.3
1934-35 ..	72.5	82.6	5.9	88.5	16.0	0.5	16.5
1935-36 ..	83.6	99.1	7.4	106.5	22.9	1.3	24.2
1936-37 ..	90.6	118.3	9.0	127.3	36.7	0.3	37.0
1937-38 ..	111.8	112.7	10.2	122.9	11.1	0.7	11.8
1938-39 ..	99.4	97.5	11.7	109.2	9.8	0.3	10.1
1939-40 ..	115.7	119.2	14.1	133.3	17.6	(b)	(b)
1940-41 ..	108.7	107.7	13.1	120.8	12.1	(b)	(b)

NOTE.—In 1939-40 and 1940-41, the export figures relate only to merchandise actually shipped. Under contracts with the British Government, Australia receives payment for some exportable commodities (e.g., wool) irrespective of when the goods are shipped. Payments for exportable goods will be somewhat larger than the recorded value of exports and payments relating to the balance of trade may be more favorable than is indicated by the figures above for the two years mentioned.

(a) First six months only. (b) Not available for publication.

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

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

§ 6. Direction of Oversea Trade.

1. *Imports according to Country of Origin.*—The following table shows the value (in British currency) of the imports into Australia during the years 1934-35 to 1938-39 of commodities stated to be the produce or manufacture of the undermentioned countries. The figures, however, do not indicate with any degree of precision the competitive forces of different countries in the Australian import trade. To measure the success or otherwise of these forces requires some analysis which will show the relative amounts of different classes of goods supplied by different countries. The results of such an analysis, confined to the major classes of manufactured goods imported, are shown in § 14 of this Chapter.

Particulars for subsequent years are not available for publication.

AUSTRALIAN IMPORTS : COUNTRIES OF ORIGIN.

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

British Currency Values.

Country of Origin.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
United Kingdom	30,788,269	33,838,843	38,560,293	46,226,985	40,420,289
British Possessions—					
Canada	4,091,796	5,375,851	6,071,813	8,045,130	7,724,269
Ceylon	795,307	960,724	1,010,374	890,286	839,717
India	2,541,377	2,732,145	2,975,892	3,077,616	2,870,297
Malaya (British)	561,845	488,254	852,282	1,022,899	902,419
New Zealand	1,294,181	1,552,413	1,322,875	1,708,649	1,770,324
Pacific Islands—					
Nauru	292,431	361,986	383,641	551,920	650,113
Papua	716,716	128,078	191,742	165,245	208,377
Territory of New Guinea	87,523	117,419	195,935	186,884	165,503
Other Islands	346,240	435,941	598,537	438,989	371,756
Union of South Africa	177,063	284,846	250,539	290,843	244,308
Other British Possessions	512,224	720,930	712,069	1,066,616	1,665,309
Total, British Possessions	10,816,703	13,158,587	14,565,699	17,445,077	17,412,392
Total, British Countries	41,604,972	46,997,430	53,125,992	63,672,062	57,832,681
Foreign Countries—					
Belgium	477,864	568,083	783,393	1,140,974	982,107
China	384,127	657,178	683,742	601,870	461,559
France	862,147	790,108	865,919	964,554	1,028,133
Germany	2,145,315	2,963,049	3,596,584	4,170,624	4,131,212
Italy	557,438	444,141	410,008	844,983	685,453
Japan	4,624,740	4,969,571	4,004,465	5,349,087	4,093,191
Netherlands	504,573	564,236	679,192	656,161	700,709
Netherlands East Indies	4,390,327	4,928,025	6,176,385	7,530,509	7,110,785
Norway	382,671	415,252	440,817	495,560	378,808
Pacific Islands	18,446	33,023	69,937	44,029	46,024
Philippine Islands	79,885	92,619	110,231	123,466	126,774
Sweden	828,283	972,006	1,048,655	1,551,333	946,718
Switzerland	462,023	602,145	600,025	873,629	939,463
United States of America	11,041,365	13,901,705	12,959,149	17,753,684	14,647,305
Other Foreign Countries	2,238,227	2,656,012	2,982,232	3,450,412	2,960,101
Total, Foreign Countries	28,977,431	34,557,243	35,410,728	45,555,875	39,241,342
Total	70,582,403	81,554,673	88,536,720	109,227,937	97,074,023
	(a)	(a)	(a)	(a)	(a)

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

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

Particulars for subsequent years are not available for publication.

AUSTRALIAN IMPORTS : PERCENTAGES FROM COUNTRIES OF ORIGIN.

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

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

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

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

Particulars for subsequent years are not available for publication.

EXPORTS FROM AUSTRALIA TO VARIOUS COUNTRIES.

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

Australian Currency Values.

Country of Destination.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£ A.	£ A.	£ A.	£ A.	£ A.
United Kingdom	54,163,538	61,644,049	73,492,399	78,659,611	66,724,807
British Possessions—					
Canada	1,578,259	1,348,104	2,385,620	2,250,023	1,993,522
Ceylon	648,187	970,961	928,151	871,221	1,326,568
Fiji	361,132	483,998	592,325	713,192	622,916
Hong Kong	715,994	624,663	803,010	1,048,833	475,263
India	785,815	973,171	1,086,754	1,104,692	1,965,229
Malaya (British) ..	1,315,822	1,263,526	1,727,956	2,063,740	1,911,207
Mauritius	98,790	96,000	115,976	138,013	108,763
New Zealand	3,617,339	4,396,840	5,686,229	7,110,430	6,681,975
Papua	151,865	165,613	232,027	319,228	299,376
Union of South Africa	316,381	449,056	406,091	713,326	813,326
Other British Possessions	1,592,071	2,562,225	3,310,793	2,311,422	2,191,450
Total, British Possessions ..	11,181,655	13,334,157	17,274,932	18,644,120	18,389,595
Total, British Countries ..	65,345,193	74,978,206	90,767,331	97,303,731	85,114,402
Foreign Countries—					
Belgium	6,080,381	7,260,967	9,423,821	5,685,579	5,546,514
Chile and Peru	2,029	2,931	3,438	60,988	2,342
China	2,472,262	1,212,821	842,963	616,520	3,022,571
Manchuria, including Kwantung					
Peninsula	1,613,775	839,815	142,427	190,747	63,450
Egypt	639,654	524,066	562,135	640,727	601,019
France	4,731,952	6,131,143	7,907,054	10,322,346	9,378,782
Germany	1,738,481	2,368,453	4,239,026	4,410,098	2,652,420
Italy	995,827	689,225	5,331,528	2,644,058	1,211,326
Japan	12,095,514	17,661,232	9,705,738	5,900,098	4,865,469
Netherlands	927,723	1,200,638	1,983,223	779,515	1,038,627
Netherlands East Indies	1,182,329	1,274,195	1,395,183	1,459,922	1,373,197
Norway	7,439	10,052	62,735	56,735	25,263
Pacific Islands (Foreign)	346,377	374,878	442,348	461,181	385,800
Philippine Islands ..	324,053	553,311	666,733	619,504	498,893
Spain	559,912	182,952	175,801	133,448	954
Sweden	240,751	264,918	344,687	472,657	637,038
United States of America	2,754,228	5,615,372	10,935,103	3,386,567	3,614,038
U.S.S.R. (Russia) ..	84,180	10,700	20,721	1,121,262	278,460
Other Foreign Countries	1,564,676	3,280,145	3,537,599	5,402,256	2,232,255
Total, Foreign Countries ..	38,361,543	49,457,814	57,722,263	44,364,046	37,428,618
Total	103,706,736	124,436,020	148,489,594	141,667,777	122,543,020

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

Particulars for subsequent years are not available for publication.

EXPORTS FROM AUSTRALIA : PERCENTAGES TO VARIOUS COUNTRIES.

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

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

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

Particulars for subsequent years are not available for publication.

BALANCE OF AUSTRALIAN TRADE WITH PRINCIPAL COUNTRIES.

(EXCLUDING BULLION AND SPECIE.)

British Currency Values.

Country.	Imports from— (a)		Exports to—		Excess of Exports.	
	1937-38.	1938-39.	1937-38.	1938-39.	1937-38.	1938-39.
	£Stg.'000.	£Stg.'000.	£Stg.'000.	£Stg.'000.	£Stg.'000.	£Stg.'000.
United Kingdom	46,226	40,420	58,309	53,252	12,083	12,832
Canada	8,045	7,724	1,706	1,592	— 6,249	— 6,132
India	3,078	2,870	745	1,550	— 2,333	— 1,320
New Zealand	1,707	1,769	5,671	5,330	3,964	3,561
Other British Countries ..	4,567	4,979	6,215	5,440	1,648	461
Total, British Countries ..	63,623	57,762	72,736	67,164	9,113	9,402
Belgium	1,141	982	4,560	4,428	3,419	3,446
China	602	462	492	2,413	— 110	1,931
France	965	1,028	7,725	7,488	6,760	6,460
Germany	4,171	4,131	3,500	2,112	— 671	— 2,019
Italy	845	685	1,502	967	657	282
Japan	5,349	4,093	4,711	3,885	— 638	— 208
Netherlands East Indies ..	7,531	7,120	1,169	1,006	— 6,362	— 6,024
United States of America ..	17,759	14,647	2,695	2,877	— 15,064	— 11,770
Other Foreign Countries ..	7,193	6,093	13,192	4,603	5,999	— 1,490
Total, Foreign Countries ..	45,556	39,241	39,546	29,869	— 6,010	— 9,372

(a) Excluding outside packages.

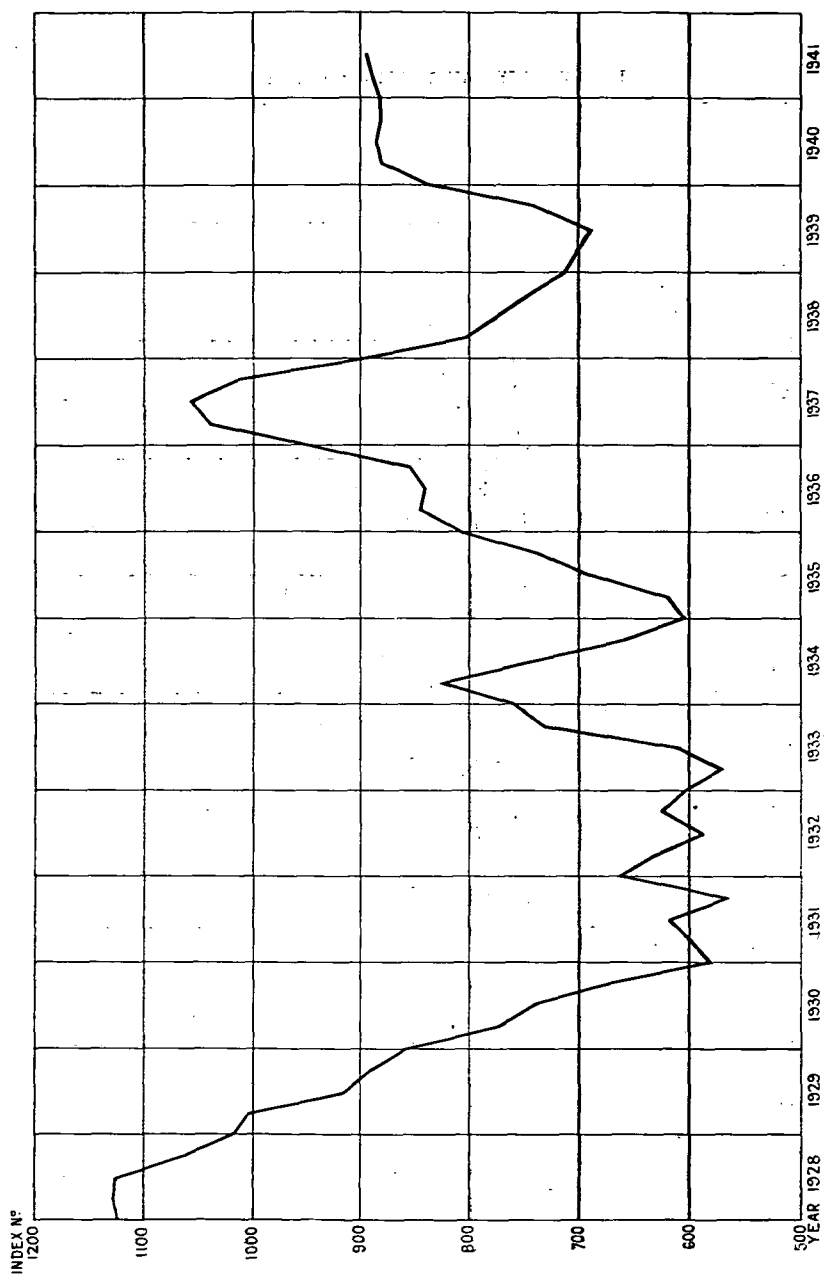
The balance of trade with single countries is of little significance, since in the first place, there is still a fair proportion of Australian produce distributed through the United Kingdom either immediately, by transhipment or re-sale, or ultimately, by incorporation in manufactures. Further, in very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

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

§ 7. Trade with Eastern Countries.

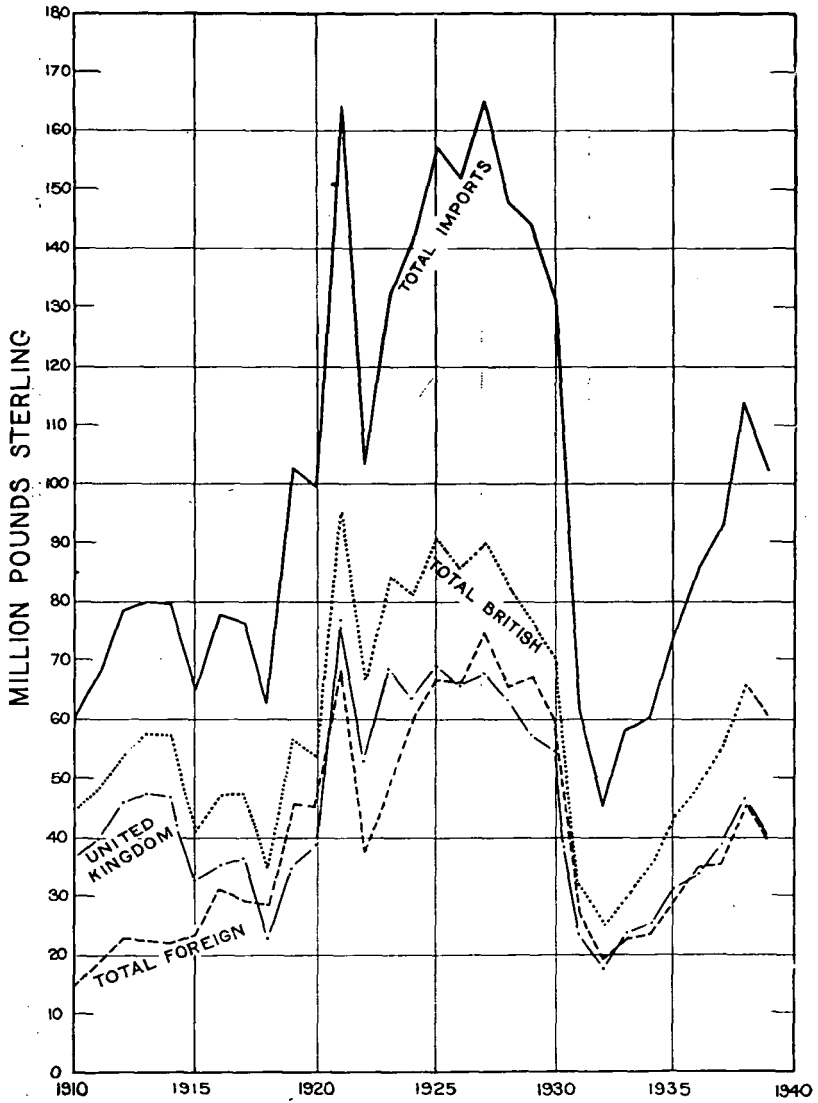
1. Principal Articles Exported.—The following table shows the value of exports of Australian and other produce from Australia to Eastern countries during the years 1934-35 to 1938-39. The countries concerned in this trade are Borneo (British), Burma, Ceylon, China, French Indo-China, Hong Kong, India, Japan, Korea, Kwantung Peninsula, Malaya (British), Manchuria, Netherlands East Indies, Philippine Islands, Siam,

EXPORT PRICES INDEX-NUMBERS—AUSTRALIA, 1928 TO 1941.

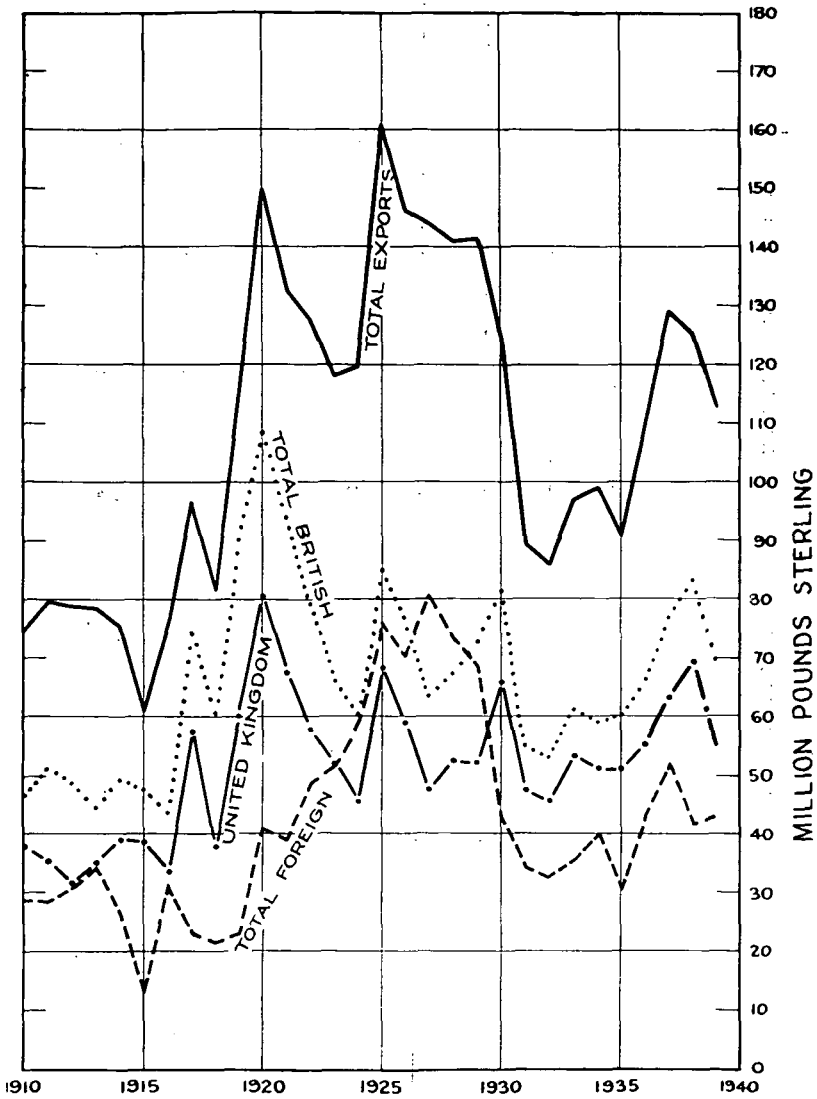


EXPLANATION.—This graph represents the Fixed Base series of Export Price Index-Numbers computed quarterly with the average for year 1928-29 as base (=1,000).

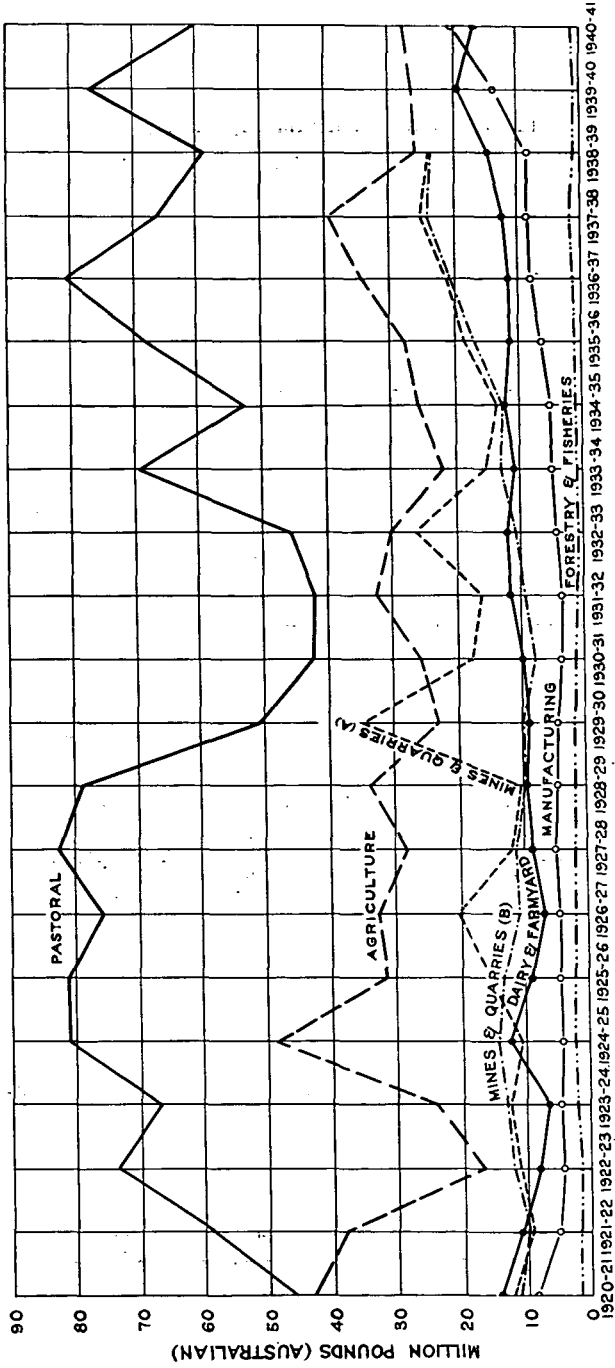
IMPORTS INTO AUSTRALIA, 1910 TO 1939.



EXPORTS FROM AUSTRALIA, 1910 TO 1939.



EXPORTS OF AUSTRALIAN PRODUCTS ACCORDING TO INDUSTRIES, 1920-21 TO 1940-41.



EXPLANATION.—Mines and Quarries (a) represents the total exports of the produce of this industry, including bullion and specie.
 Mines and Quarries (b) represents the export of products other than gold, to which is added the value of gold produced in the respective years.
 Later particulars for Mines and Quarries not available for publication.

Timor (Portuguese), and French and Portuguese Possessions in India. After declining sharply in 1933-34 the export trade with Eastern countries rose substantially in the next two years with increased shipments of wool, wheat, flour and minerals; the exports in 1935-36 were valued at £25,532,518, which was the highest figure recorded since 1928-29. In 1936-37 the value of exports to Eastern countries decreased by more than £8 million largely as the result of the heavy reduction in the purchases of wool by Japan; wheat shipments to Japan and China also declined in value by nearly £2 million during the year. The value of exports decreased still further in 1937-38 and again a decline in the purchase of wool by Japan coupled with the recession in wool values was the principal contributing factor. Mainly owing to heavier shipments of wheat the exports increased by more than £1 million in 1938-39.

Particulars for subsequent years are not available for publication.

TOTAL EXPORTS FROM AUSTRALIA TO EASTERN COUNTRIES.

Australian Currency Values.

Article.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£ A.	£ A.	£ A.	£ A.	£ A.
Biscuits	39,767	35,682	41,114	34,001	37,353
Butter	544,215	657,264	640,544	622,195	588,393
Cheese	22,012	25,538	39,647	39,014	43,555
Coal	74,978	81,907	94,821	149,964	125,740
Fruits—					
Fresh	122,628	124,550	155,093	170,947	166,076
Dried and preserved	42,081	40,073	45,116	46,421	42,981
Grain and pulse—					
Wheat	4,395,925	2,919,229	1,105,648	935,842	2,402,855
Flour	3,304,000	2,789,659	2,582,600	3,090,681	3,036,957
Other (prepared and unprepared)	60,306	71,798	129,050	101,585	70,288
Hay, chaff, and compressed fodder	16,014	16,187	25,111	13,553	16,156
Horses	102,586	105,995	126,518	97,525	85,895
Infants' and invalids' food	216,571	211,287	145,306	171,427	193,909
Iron ore	140,535	158,064	103,974	48,614	51,477
Iron and steel (scrap)	137,934	115,665	217,112	214,463	283,302
Jams and jellies	42,328	42,688	49,178	46,143	44,651
Lard and refined animal fats	28,432	35,046	40,738	34,432	26,248
Lead, pig	51,084	38,614	138,237	80,206	13,350
Leather	141,907	107,944	173,761	181,723	134,319
Meats—					
Bacon and hams	84,420	91,423	92,952	95,437	94,540
Other meats	214,182	244,439	253,450	322,298	274,015
Milk and cream	456,108	455,420	611,021	662,234	436,472
Pearl-shell and trochus-shell	46,737	53,066	59,696	37,878	42,425
Sandalwood	108,600	66,845	106,448	36,676	42,330
Skins, hoofs, horns, bones, and sinews	135,836	162,214	185,803	339,223	176,055
Tallow (unrefined)	296,937	237,484	174,981	218,591	156,105
Timber (undressed)	180,984	85,191	148,753	143,690	62,893
Wool	8,785,163	14,767,219	7,860,278	4,367,877	4,180,914
Zinc—					
Bars, blocks, ingots, etc.	303,282	528,032	937,474	390,939	597,366
Concentrates .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	14,895
Other merchandise	695,050	614,038	654,608	898,231	1,393,170
Total merchandise	20,790,602	24,882,561	16,939,032	13,591,810	14,834,785
Specie, and gold and silver bullion	475,864	649,957	546,473	610,518	933,965
Total Exports	21,266,466	25,532,518	17,485,505	14,202,328	15,768,750

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

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

Particulars for subsequent years are not available for publication.

EXPORTS OF MERCHANDISE FROM AUSTRALIA TO EASTERN COUNTRIES.

Australian Currency Values.

Country of Destination.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£ A.	£ A.	£ A.	£ A.	£ A.
China	2,472,262	1,212,821	842,963	616,520	3,022,571
Hong Kong	715,994	624,663	803,010	1,048,833	475,263
India, Burma and Ceylon	961,832	1,301,206	1,468,432	1,467,340	2,423,663
Japan	12,095,514	17,661,232	9,705,738	5,900,098	4,865,469
Malaya (British)	1,315,822	1,263,526	1,727,956	2,063,740	1,911,007
Manchuria, including Kwantung Peninsula	1,613,775	839,815	142,427	190,747	63,450
Netherlands East Indies	1,182,329	1,274,195	1,395,183	1,464,379	1,373,197
Philippine Islands	324,053	553,311	666,733	619,504	498,893
Thailand (Siam)	58,660	100,959	118,291	117,382	119,494
Other Eastern Countries	50,361	50,833	68,299	103,267	81,778
Total	220,790,602	224,882,561	216,939,032	213,591,810	214,834,785

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

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

Particulars for subsequent years are not available for publication.

IMPORTS OF MERCHANDISE INTO AUSTRALIA FROM EASTERN COUNTRIES.

British Currency Values.

Country of Origin.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
China	364,127	657,178	683,742	601,870	461,559
Hong Kong	22,677	26,713	40,143	37,022	35,567
India, Burma and Ceylon	3,336,634	3,692,869	3,986,266	3,988,581	3,736,288
Japan	4,624,740	4,969,571	4,004,465	5,349,086	4,093,191
Malaya (British)	561,845	488,254	852,282	1,022,899	902,419
Manchuria, including Kwantung Peninsula	3,906	8,156	20,853	16,106	14,887
Netherlands East Indies	4,390,327	4,928,025	6,176,385	7,530,509	7,119,785
Philippine Islands	79,885	92,619	110,231	123,466	120,774
Thailand (Siam)	1,879	6,403	2,609	6,870	3,010
Other Eastern Countries	74,423	83,993	42,039	143,047	190,109
Total	13,460,493	14,953,781	15,919,015	18,819,456	16,677,589

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

§ 8. Classified Summary of Australian Oversea Trade.

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

IMPORTS INTO AUSTRALIA : CLASSES.

British Currency Values.

Classes.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
I. Animal foodstuffs, etc. ..	1,509,813	1,565,765	1,599,827	1,572,288	1,070,792
II. Vegetable foodstuffs; non-alcoholic beverages, etc. ..	3,801,644	3,768,619	3,957,780	4,584,361	4,611,796
III. Alcoholic liquors, etc. ..	633,133	727,220	719,967	1,016,624	601,908
IV. Tobacco, etc. ..	1,717,677	2,011,004	1,863,887	1,926,516	495,351
V. Live animals ..	216,943	193,500	182,809	132,137	44,616
VI. Animal substances, etc. ..	1,465,533	2,260,898	1,942,284	1,787,711	1,335,941
VII. Vegetable substances, etc. ..	2,884,357	3,194,512	2,596,939	3,685,891	4,092,327
VIII. Apparel, textiles, etc. ..	18,059,604	21,016,945	17,756,098	24,586,791	24,217,002
IX. Oils, fats and waxes ..	7,634,360	9,429,257	8,697,751	(a)	(a)
X. Paints and varnishes ..	576,360	590,454	580,745	728,169	692,083
XI. Stones and minerals, etc. ..	551,967	806,815	900,904	1,112,895	1,123,680
XII. Metals, metal manufactures, and machinery ..	27,277,464	37,280,008	31,274,421	33,026,388	37,050,255
XIII. Rubber and leather, etc. ..	1,831,914	1,915,442	1,669,598	2,332,311	2,703,219
XIV. Wood and wicker, etc. ..	1,787,427	2,759,081	2,079,981	1,993,019	1,059,762
XV. Earthenware, etc. ..	1,774,183	2,047,362	1,864,984	1,915,298	1,630,334
XVI. Paper and stationery ..	5,933,131	6,609,609	6,185,576	7,242,402	5,796,741
XVII. Jewellery, etc. ..	1,256,235	1,581,455	1,431,605	1,482,193	829,646
XVIII. Optical, surgical, and scientific instruments ..	1,284,653	1,558,483	1,600,583	1,743,706	1,704,363
XIX. Drugs, chemicals, etc. ..	4,515,446	5,304,092	5,598,553	6,005,343	5,593,553
XX. Miscellaneous ..	5,879,736	7,112,733	6,788,858	118,801,462	113,996,687
XXI. Gold and silver; and bronze specie ..	2,048,882	2,241,806	2,843,202	(b)	(b)
Total ..	92,640,462	113,975,060	102,156,352	115,675,505	108,650,956

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

(b) Not available for publication.

(c) Merchandise only.

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

EXPORTS FROM AUSTRALIA : CLASSES.

Australian Currency Values.

Classes.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
A. AUSTRALIAN PRODUCE.					
	£ A.	£ A.	£ A.	£ A.	£ A.
I. Animal foodstuffs, etc. ..	21,381,880	25,576,036	27,222,912	34,323,280	32,346,713
II. Vegetable foodstuffs; non-alcoholic beverages, etc. ..	34,757,712	39,098,847	25,532,970	25,967,007	28,533,133
III. Alcoholic liquors, etc. ..	1,220,456	1,152,619	1,158,424	1,214,638	2,246,613
IV. Tobacco, etc. ..	193,911	206,528	237,948	153,084	476,533
V. Live animals ..	227,233	217,373	197,081	186,118	234,019
VI. Animal substances, etc. ..	70,350,089	53,741,716	47,192,519	61,562,131	44,180,292
VII. Vegetable substances, etc. ..	407,607	328,675	297,864	388,311	438,986
VIII. Apparel, textiles, etc. ..	534,373	582,009	446,032	718,362	1,690,335
IX. Oils, fats and waxes ..	970,379	784,601	611,633	1,192,522	927,836
X. Paints and varnishes ..	155,865	187,043	173,399	166,828	189,897
XI. Stones and minerals, etc. ..	2,486,329	3,305,551	2,667,077	2,406,965	1,652,254
XII. Metals, metal manufactures, and machinery ..	8,984,355	8,974,585	9,510,802	13,240,820	11,731,433
XIII. Rubber and leather, etc. ..	1,010,781	834,547	745,190	1,468,213	1,392,262
XIV. Wood and wicker, etc. ..	1,052,396	1,363,766	1,066,288	965,959	1,056,959
XV. Earthenware, etc. ..	160,010	191,816	209,637	167,805	224,426
XVI. Paper and stationery ..	247,136	300,098	364,928	320,677	373,042
XVII. Jewellery, etc. ..	120,327	133,625	105,803	112,310	91,113
XVIII. Optical, surgical, and scientific instruments ..	157,466	151,834	150,709	175,564	226,214
XIX. Drugs, chemicals, etc. ..	773,119	760,777	767,607	1,015,074	1,282,114
XX. Miscellaneous ..	732,288	800,749	915,711	1,152,657	3,489,682
XXI. Gold and silver; and bronze specie ..	12,495,809	14,930,762	15,951,167	(b)	(b)
Total (a) ..	158,419,521	153,623,857	135,475,761	146,894,316	132,783,856

(a) Estimated British currency value, 1936-37, £ stg. 126,501,534; 1937-38, £ stg. 122,675,991; 1938-39, £ stg. 108,188,166; 1939-40, £ stg. 117,280,891; 1940-41, £ stg. 106,015,055. (b) Not available for publication. (c) Merchandise only.

EXPORTS FROM AUSTRALIA : CLASSES—*continued*.

Classes.	1936-37.	1937-38	1938-39.	1939-40.	1940-41.
B. OTHER PRODUCE : RE-EXPORTS.					
<i>Australian Currency Values.</i>					
I. Animal foodstuffs, etc. ..	£ A. 19,036	£ A. 20,756	£ A. 28,537	£ A. 51,979	£ A. 27,461
II. Vegetable foodstuffs; non-alcoholic beverages, etc. ..	68,814	75,378	66,886	73,818	88,779
III. Alcoholic liquors, etc. ..	33,656	31,927	42,820	51,446	74,359
IV. Tobacco, etc. ..	69,693	74,399	112,997	137,437	71,376
V. Live animals ..	23,469	31,040	19,687	20,912	3,381
VI. Animal substances, etc. ..	30,066	32,453	136,279	73,188	15,458
VII. Vegetable substances, etc. ..	15,979	11,292	9,092	9,745	10,584
VIII. Apparel, textiles, etc. ..	320,472	203,104	222,819	139,084	220,461
IX. Oils, fats and waxes ..	162,530	164,253	101,711	197,809	165,869
X. Paints and varnishes ..	6,316	4,844	4,853	8,203	5,676
XI. Stones and minerals, etc. ..	1,763	3,938	2,443	2,198	2,976
XII. Metals, metal manufactures, and machinery ..	481,294	547,326	547,549	477,052	565,018
XIII. Rubber and leather, etc. ..	15,029	7,695	10,873	14,535	6,132
XIV. Wood and wicker, etc. ..	32,972	47,543	42,987	50,830	46,885
XV. Earthenware, etc. ..	7,945	9,502	9,428	4,546	7,915
XVI. Paper and stationery ..	78,606	75,548	128,388	100,443	42,543
XVII. Jewellery, etc. ..	65,026	81,360	74,188	26,584	14,410
XVIII. Optical, surgical, and scientific instruments ..	214,395	231,123	234,004	214,866	173,749
XIX. Drugs, chemicals, etc. ..	35,808	47,397	48,518	46,413	53,829
XX. Miscellaneous ..	189,826	238,822	164,647	154,154	356,858
XXI. Gold and silver; and bronze specie ..	2,084,568	2,016,558	3,011,845	(b)	(b)
Total (a) ..	3,957,263	3,956,263	5,020,551	(c)1,855,242	(c)1,953,721

(a) Estimated British currency value, 1936-37, £ stg. 3,162,784; 1937-38, £ stg. 3,161,888; 1938-39, £ stg. 4,013,206; 1939-40, £ stg. 1,481,231; 1940-41, £ stg. 1,559,857. (b) Not available for publication. (c) Merchandise only.

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

Australian Currency Values.

	£ A.	£ A.	£ A.	£ A.	£ A.
I. Animal foodstuffs, etc. ..	21,400,916	25,596,792	27,251,449	34,375,259	32,374,174
II. Vegetable foodstuffs; non-alcoholic beverages, etc. ..	34,826,526	39,174,225	25,599,856	26,040,825	28,621,912
III. Alcoholic liquors, etc. ..	1,254,112	1,184,546	1,201,244	1,266,084	2,320,972
IV. Tobacco, etc. ..	263,604	280,927	359,945	290,521	547,909
V. Live animals ..	250,702	248,413	216,768	207,030	237,400
VI. Animal substances, etc. ..	70,380,155	53,774,174	47,328,798	61,635,319	44,195,750
VII. Vegetable substances, etc. ..	423,586	339,967	306,956	398,056	449,570
VIII. Apparel, textiles, etc. ..	854,845	785,113	668,851	857,446	1,910,796
IX. Oils, fats and waxes ..	1,132,909	948,854	713,344	1,390,331	1,093,705
X. Paints and varnishes ..	162,181	191,887	178,252	175,031	195,573
XI. Stones and minerals, etc. ..	2,488,092	3,309,489	2,669,520	2,409,163	1,655,230
XII. Metals, metal manufactures, and machinery ..	9,465,649	9,521,911	10,058,351	13,717,872	12,296,451
XIII. Rubber and leather, etc. ..	1,025,810	842,542	756,063	1,482,748	1,398,394
XIV. Wood and wicker, etc. ..	1,085,368	1,411,300	1,109,275	1,016,780	1,103,844
XV. Earthenware, etc. ..	167,955	201,318	219,065	168,351	232,341
XVI. Paper and stationery ..	325,742	375,646	493,316	421,120	415,587
XVII. Jewellery, etc. ..	185,353	214,985	179,991	138,894	105,523
XVIII. Optical, surgical, and scientific instruments ..	371,861	382,957	384,713	390,430	399,063
XIX. Drugs, chemicals, etc. ..	808,927	808,174	766,185	1,061,487	1,335,943
XX. Miscellaneous ..	922,114	1,039,571	1,080,358	1,306,811	3,846,140
XXI. Gold and silver; and bronze specie ..	14,580,377	16,947,320	18,963,012	(b)	(b)
Total (a) ..	162,376,784	157,580,120	140,496,312	148,749,558	134,737,577
				(c)	(c)

(a) Estimated British currency value, 1936-37, £ stg. 129,664,318; 1937-38, £ stg. 125,837,879; 1938-39, £ stg. 112,201,372; 1939-40, £ stg. 118,762,122; 1940-41, £ stg. 107,574,912. (b) Not available for publication. (c) Merchandise only.

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

PRINCIPAL COMMODITIES IMPORTED : AUSTRALIA.

British Currency Values.

Article.		1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
Fish, preserved in tins	lb.	29,866,030	28,323,075	28,902,983	25,275,936	16,986,371
Tea	lb.	819,644	879,631	946,276	878,481	619,950
Whisky	gal.	48,657,083	45,307,019	49,530,941	(b)	(b)
Tobacco and preparations thereof	£	2,441,812	2,394,335	2,483,883	2,894,264	2,884,731
Copra	cwt.	458,327	533,689	523,346	(b)	(b)
Fibres	£	490,222	566,759	553,537	851,462	521,294
Hides and skins	£	1,717,677	2,011,004	1,863,887	1,926,516	495,351
Pulp for paper-making	£	431,589	387,580	484,181	(b)	(b)
Seeds	£	345,181	215,137	175,076	212,585	178,593
Socks and stockings	£	845,062	1,016,969	897,755	1,298,942	1,719,073
Gloves	£	599,956	828,029	695,673	593,769	237,543
Hats and caps	£	48,489	63,932	37,704	(b)	(b)
Trimnings and ornaments	£	343,153	570,218	321,547	441,770	690,272
Other apparel and attire	£	630,178	578,045	515,679	719,450	755,165
Carpets and carpeting	£	36,019	48,754	43,508	33,610	18,184
Floorcloths and linoleums	£	357,629	393,067	368,464	361,537	234,004
Piece Goods—	£	147,569	190,130	179,422	174,874	106,858
Canvas and duck	£	361,346	418,018	385,995	432,404	251,939
Cotton and linen	£	755,216	946,314	887,459	782,409	856,847
Silk and artificial silk	£	1,176,375	1,326,305	1,099,728	1,395,999	1,032,874
Woolen or containing wool	£	542,790	609,364	562,394	625,445	535,680
All other piece goods	£	506,104	751,446	569,588	685,839	1,009,084
Sewing silks, cottons, etc.	£	4,656,841	5,719,314	4,826,030	6,841,613	7,772,372
Bags and sacks	£	2,853,771	3,373,618	2,624,118	3,737,607	3,955,710
Yarns—	£	283,306	325,101	282,262	275,255	214,086
Artificial silk	£	1,745,300	1,805,914	1,578,337	2,414,359	2,272,115
Cotton	£	470,522	580,248	502,789	536,101	760,465
Woolen	£	1,656,220	1,563,251	1,509,618	2,940,623	2,992,145
Other	£	634,392	818,800	534,328	1,152,592	1,098,108
Oils, in bulk—	£	455,099	596,019	394,328	491,250	720,604
Kerosene	gal.	53,882	61,528	48,414	45,078	34,966
Lubricating (mineral)	gal.	43,350	51,982	62,760	54,028	51,060
Petroleum	gal.	45,617,564	61,189,925	54,714,472	(b)	(b)
Residual and solar	gal.	560,415	833,892	660,898	(b)	(b)
Electrical machinery and appliances	£	14,774,293	18,752,582	15,519,442	(b)	(b)
Electrical cable and wire, covered	£	752,163	989,265	780,861	(b)	(b)
Agricultural machinery	£	341,547,869	402,979,165	399,517,906	(b)	(b)
Metal-working machinery	£	5,046,456	6,106,301	5,658,530	(b)	(b)
Motive-power machinery	£	104,284,965	114,049,824	130,288,368	(b)	(b)
Iron and steel—	£	591,990	769,768	930,675	(b)	(b)
Pipes and tubes	£	2,794,707	3,524,395	3,678,755	2,966,255	2,480,973
Plate and sheet	£	254,315	276,264	258,064	(b)	(b)
Cutlery and platedware	£	1,073,068	1,437,220	1,234,413	1,420,946	1,222,034
Tools of trade	£	172,190	219,159	207,479	172,711	66,102
Motor cars, chassis, bodies, and parts	£	785,711	1,056,843	1,322,911	(b)	(b)
Rubber and rubber manufactures	£	2,774,483	3,736,542	2,495,285	2,267,471	2,836,022
Timber, undressed, including logs (a)	sup. ft.	399,483	634,267	451,144	(b)	(b)
Crockery	£	2,301,462	4,414,430	2,614,283	(b)	(b)
Glass and glassware	£	511,186	571,539	524,487	588,215	615,900
Paper, printing	£	871,285	1,122,218	852,395	903,158	824,051
Stationery and paper manufactures	£	6,534,873	8,637,341	7,523,854	6,632,259	3,654,100
Cinematograph films	lin. ft.	1,673,993	1,786,441	1,545,366	2,227,188	2,602,661
Drugs, chemicals, and fertilizers	£	318,228,941	406,782,623	348,098,462	(b)	(b)
Arms and explosives	£	1,250,500	2,007,553	1,480,987	1,490,428	720,805
Musical instruments, pianos, etc.	£	150,376	591,251	559,176	632,405	604,035
Outside packages	£	794,908	916,724	800,470	725,376	557,407
All other articles	£	2,593,305	2,468,531	2,710,334	3,122,237	2,195,465
Total Imports	£	1,767,800	1,951,580	1,908,629	1,901,038	1,367,550
	£	65,328,947	77,509,452	73,859,662	77,214,210	71,583,802
	£	508,122	569,723	565,455	573,671	500,575
	£	4,515,446	5,304,092	5,598,553	6,005,343	5,593,553
	£	582,058	540,018	1,080,108	(b)	(b)
	£	150,991	178,033	175,761	117,794	66,713
	£	2,105,362	2,554,084	2,310,204	(b)	(b)
	£	26,019,513	32,414,550	29,573,4	(b)	(b)
	£	92,640,462	113,975,060	102,156,352	115,675,505	108,650,956

(a) Exclusive of undressed timber not measured in super. ft.

(b) Not available for publication.

(c) Merchandise only.

4. Exports of Principal Articles of Australian Produce.—(a) Quantities. The following table shows the quantities of the principal articles of Australian produce exported during the period 1934-35 to 1938-39. The articles are listed in the order in which they appear in the detailed classification.

Particulars for subsequent years are not available for publication.

PRINCIPAL COMMODITIES EXPORTED : QUANTITIES, AUSTRALIA.

Article.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
Butter centl.	2,625,189	2,126,462	1,743,094	1,973,456	2,295,428
Cheese doz.	168,294	129,726	139,236	272,454	359,236
Eggs in shell centl.	21,718,740	17,365,132	16,473,894	11,287,363	10,144,344
Beef centl.	2,120,991	1,968,232	2,338,542	2,938,035	2,719,638
Lamb "	1,358,797	1,513,778	1,628,859	1,595,562	1,583,327
Mutton "	603,144	266,295	455,724	422,462	281,558
Pork "	156,361	235,777	268,165	339,594	307,164
Milk and cream "	165,495	169,610	220,724	247,163	191,039
Fruits, dried "	1,277,789	1,114,976	1,204,077	1,457,598	1,681,270
" fresh "	2,284,592	2,517,404	2,493,176	2,556,004	2,752,381
Barley "	1,450,854	1,736,042	1,302,810	2,398,234	1,309,084
Wheat "	34,575,814	46,195,876	43,066,812	56,702,254	37,877,414
Flour "	14,959,412	12,341,620	11,295,563	12,609,073	14,501,304
Sugar (cane) cwt.	6,229,140	6,013,260	8,126,240	8,563,500	8,860,280
Wine gal.	3,394,597	3,706,925	4,087,731	3,897,086	3,719,401
Tobacco, manufactured centl.	3,853	5,936	7,454	8,066	9,605
Wool (in terms of greasy wool) cwt.	9,416,661	9,117,986	9,157,858	8,554,117	9,469,604
Pearl-shell cwt.	43,467	56,306	52,058	53,289	52,532
Sandalwood "	73,420	47,043	71,115	24,813	32,962
Tallow (unrefined) ton	827,136	450,324	648,774	541,136	562,500
Coal "	305,139	307,540	340,388	392,873	382,085
Concentrates cwt.	2,212,324	4,368,544	3,629,890	5,411,613	5,916,685
Copper "	69,188	83,439	69,022	38,121	21,555
Lead "	3,673,347	3,882,745	3,480,876	4,089,895	4,099,091
Zinc—bar, block, dust "	537,850	846,269	955,502	618,858	892,630
Tin—ingots "	22,097	16,012	13,524	14,665	29,431
Timber, undressed, including logs (a) sup. ft.	74,224,502	75,121,454	76,379,339	101,933,636	77,833,352
Soap centl.	54,371	54,507	58,962	49,007	49,871

(a) Exclusive of undressed timber not measured in super. ft.

(b) *Values.* The values of the principal articles of Australian produce exported during the period 1936-37 to 1940-41 are given in the table hereunder :—

PRINCIPAL COMMODITIES EXPORTED : VALUES, AUSTRALIA.

Australian Currency Values.

Article.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£A.	£A.	£A.	£A.	£A.
Butter	8,801,643	10,781,124	12,891,837	15,894,718	11,973,485
Cheese	383,974	845,110	1,073,931	1,440,131	1,543,909
Eggs in shell	954,578	686,713	638,159	597,854	1,122,758
Meats	10,331,840	12,250,041	11,776,637	15,109,128	15,815,920
Milk and cream	849,465	963,836	791,011	1,126,017	1,528,923
Fruits, dried	2,059,358	2,683,856	2,864,676	1,993,686	2,487,608
" fresh	1,979,890	2,054,322	2,022,874	1,166,588	393,092
" preserved in liquid	1,011,994	1,287,962	1,267,070	1,349,484	802,254
Barley	504,495	805,943	341,935	520,521	141,343
Wheat	18,760,772	20,906,601	8,734,974	7,557,370	9,247,836
Flour	5,590,942	6,032,321	4,540,210	5,231,485	7,427,132
Sugar (cane)	3,707,360	4,026,576	4,177,584	6,185,797	4,880,289
Wine	1,042,969	943,241	981,143	933,767	515,551
Tobacco, manufactured	180,609	192,217	225,025	119,156	129,074
Hides and skins	7,296,498	6,180,776	4,094,754	4,157,709	4,098,016
Wool	62,502,629	46,982,679	42,629,461	56,848,399	39,645,396
Pearl-shell	319,631	345,580	244,266	224,646	196,263
Sandalwood	106,448	36,831	42,330	52,374	61,683
Tallow (unrefined)	819,597	620,869	483,034	847,073	561,660
Coal	300,457	354,754	347,054	251,055	331,532
Concentrates	1,816,776	2,289,672	1,846,931	(c)	(c)
Copper	136,629	33,339	15,656	(c)	(c)
Lead	4,817,749	4,913,762	4,266,566	(c)	(c)
Zinc—bar, block, slabs, ingots	1,314,026	752,090	887,421	(c)	(c)
Tin—ingots	193,928	167,469	370,137	(c)	(c)
Leather	890,956	703,503	626,198	1,327,057	868,793
Timber, undressed, including logs (a)	913,547	1,202,447	926,504	751,535	712,390
Soap	88,462	75,878	74,594	102,482	194,926
Gold	11,825,898	13,910,680	14,958,633	(c)	(c)
Silver	668,323	1,018,335	992,486	(c)	(c)
All other articles	8,248,078	9,555,010	10,342,670	23,105,384	28,014,023
Total Exports (Australian Produce) (b)	158,419,521	153,623,857	135,475,761	146,894,316	132,783,856
				(d)	(d)

(a) Exclusive of undressed timber not measured in super. feet. (b) Estimated British currency value—1936-37, £ stg. 126,501,534; 1937-38, £ stg. 122,675,954; 1938-39, £ stg. 107,510,655; 1939-40, £ stg. 117,280,890; 1940-41, £ stg. 106,015,055. (c) Not available for publication. (d) Merchandise only.

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

IMPORTS OF MERCHANDISE, SPECIE AND BULLION : AUSTRALIA.

British Currency Values.

Year.	Merchandise.			Specie and Bullion.	Total Imports.
	Free Goods.	Dutiable Goods.	Total Merchandise.		
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
1936-37 ..	37,705,653	52,885,927	90,591,580	2,048,882	(a) 92,640,462
1937-38 ..	44,211,749	67,521,505	111,733,254	2,241,806	a 113,975,060
1938-39 ..	40,665,193	58,647,957	99,313,150	2,843,202	a 102,156,352
1939-40 ..	50,294,728	65,380,777	b 115,675,505	(c)	(c)
1940-41 ..	62,600,283	46,049,773	b 108,650,056		

(a) Estimated Australian currency value—1936-37, £A 116,032,180; 1937-38, £A 142,753,763; 1938-39, £A 127,950,831 (b) 1939-40, £A 144,883,570; 1940-41, £A 136,084,195. (c) Not available for publication.

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

EXPORTS OF MERCHANDISE, SPECIE AND BULLION : AUSTRALIA.

Year.	Merchandise.			Specie and Bullion.			Total Exports. (a)
	Australian Produce.	Other Produce.	Total Merchandise.	Australian Produce.	Other Produce.	Total Specie and Bullion.	
	£	£	£	£	£	£	£
1936-37 {	(b) 145,923,712	1,872,695	147,796,407	12,495,809	2,084,568	14,580,377	162,376,784
	(c) 116,505,957	1,495,166	118,001,123	9,995,577	1,667,618	11,663,191	129,664,318
1937-38 {	(b) 138,693,038	1,939,762	140,632,800	14,930,762	2,016,558	16,947,320	157,580,120
	(c) 110,732,964	1,548,712	112,281,676	11,942,981	1,613,222	13,556,203	125,837,879
1938-39 {	(b) 119,524,594	2,008,706	121,533,300	15,951,167	3,011,845	18,963,012	140,496,312
	(c) 95,428,818	1,603,757	97,032,575	12,759,349	2,409,448	15,168,797	112,201,372
1939-40 {	(b) 146,894,316	1,855,242	148,749,558	(d)	(d)	(d)	(d)
	(c) 117,280,891	1,481,231	118,762,122				
1940-41 {	(b) 132,783,856	1,953,721	134,737,577	(d)	(d)	(d)	(d)
	(c) 106,015,055	1,559,857	107,574,912				

(a) Does not include the value of Ships' Stores. See later table § g. (b) Australian currency values. (c) British currency values. (d) Not available for publication.

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

IMPORTS IN TARIFF DIVISIONS : AUSTRALIA.

British Currency Values.

Tariff Division.	Imports.				
	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
I. Ale, Spirits, and Beverages ..	775,444	940,419	914,006	1,258,250	750,062
II. Tobacco and preparations thereof ..	1,717,677	2,011,004	1,863,887	1,926,516	495,351
III. Sugar ..	28,326	31,545	40,034	43,961	46,791
IV. Agricultural Products and Groceries ..	6,762,587	6,438,463	6,331,568	7,522,654	6,816,246
V. Textiles, Felts and Furs, and Manufactures thereof, and Attire ..	16,221,963	18,648,002	15,921,221	21,993,120	21,310,113
VI. Metals and Machinery	19,260,713	26,736,437	22,168,275	21,920,137	25,127,592
VII. Oils, Paints, and Varnishes ..	8,367,745	10,269,721	9,559,838	13,610,874	9,886,314
VIII. Earthenware, Cement, China, Glass, and Stone ..	2,117,595	2,581,309	2,308,556	2,407,329	2,108,312
IX. Drugs and Chemicals	3,387,632	3,821,966	4,035,376	4,406,467	4,221,101
X. Wood, Wicker, and Cane ..	1,787,427	2,770,894	2,114,721	2,079,313	1,118,745
XI. Jewellery and Fancy Goods ..	1,772,176	2,203,995	2,045,947	2,120,209	1,513,943
XII. Hides, Leather, and Rubber ..	2,314,197	2,142,089	1,875,175	2,756,456	2,912,570
XIII. Paper and Stationery	6,239,326	7,133,843	6,473,254	7,638,922	6,529,865
XIV. Vehicles ..	7,988,486	10,415,428	9,263,302	11,273,138	12,058,149
XV. Musical Instruments	150,991	178,033	285,638	208,753	66,713
XVI. Miscellaneous ..	8,753,533	10,914,478	10,400,018	10,313,008	10,379,812
— Free Goods not specially mentioned in Tariff ..	2,945,762	4,495,628	3,712,334	4,196,398	3,308,377
Total Merchandise ..	90,591,580	111,733,254	99,313,150	115,675,505	108,650,056
Specie and Bullion ..	2,048,882	2,241,806	2,843,202	(a)	(a)
Grand Total ..	92,640,462	113,975,060	102,156,352	(a)	(a)

(a) Not available for publication.

8. Imports and Net Customs Revenue.—The percentage of net Customs revenue collected on the total value of all merchandise imported in each year was as follows :—1936-37, 22.0 per cent. ; 1937-38, 20.4 per cent. ; 1938-39, 21.9 per cent. ; 1939-40, 20.6 per cent. ; and 1940-41, 18.0 per cent. Primage duty was in force during these years, and adding this to net customs revenue, the percentages were as follows :—1936-37, 25.3 per cent. ; 1937-38, 23.5 per cent. ; 1938-39, 25.0 per cent. ; 1939-40, 23.7 per cent. ; and 1940-41, 20.5 per cent. The percentages of net Customs revenue, omitting primage, on the total value of dutiable goods only were—1936-37, 37.7 per cent. ; 1937-38, 33.7 per cent. ; 1938-39, 38.6 per cent. ; 1939-40, 36.4 per cent. ; and 1940-41, 42.5 per cent. The calculations are based on uniform currency values and on the assumption that the value of clearances approximated to the value of imports during the same period.

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

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

Australian Currency Values.

Item.	1937-38.			1938-39.			1939-40.		
	United Kingdom.	Other Countries.	Total.	United Kingdom.	Other Countries.	Total.	United Kingdom.	Other Countries.	Total.
	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.	£A '000.
Dutiable Goods :—									
Protective.. ..	11,940	9,758	21,698	10,981	9,479	20,460	10,866	8,929	19,795
Revenue	16,141	43,917	60,058	13,623	38,036	51,659	16,674	43,146	59,820
Total Dutiable Goods	28,081	53,675	81,756	24,604	47,515	72,119	27,540	52,075	79,615
Free Goods	28,151 (a)	26,342 (a)	58,183	22,607 (a)	26,119 (a)	54,536	24,355 (a)	33,447 (a)	68,155
Total All Goods ..	56,232 (a)	80,517 (a)	139,939	47,211 (a)	73,634 (a)	126,655	51,895 (a)	85,522 (a)	147,770

PERCENTAGE OF TOTAL GOODS CLEARED FOR HOME CONSUMPTION.

	%	%	%	%	%	%	%	%	%
Dutiable Goods :—									
Protective.. ..	8.6	6.9	15.5	8.6	7.5	16.1	7.4	6.0	13.4
Revenue	11.5	31.4	42.9	10.3	30.0	40.8	11.3	29.2	40.5
Total Dutiable Goods..	20.1	38.3	58.4	19.4	37.5	56.9	18.7	35.2	53.9
Free Goods	20.1	19.2	41.6	17.9	20.6	43.1	16.5	22.6	46.1
Total All Goods ..	40.2	57.5	100.0	37.3	58.1	100.0	35.2	57.8	100.0

GROSS CUSTOMS DUTY COLLECTED.

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

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

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

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

§ 9. Ships' Stores.

Prior to 1906 goods shipped in Australian ports on board overseas vessels as ships' stores were included in the general exports. From 1906, ships' stores have been specially recorded as such, and have been omitted from the export figures. The value of these stores shipped each year during the period 1931-32 to 1940-41, showing fuel oils separately, is given in the following table:—

VALUE OF STORES SHIPPED ON OVERSEA VESSELS—AUSTRALIA.

Period.	Fuel Oils.	All Stores (including Fuel Oils). (a)	Period.	Fuel Oils.	All Stores (including Fuel Oils). (a)
	£ A.	£ A.		£ A.	£ A.
1931-32 ..	496,603	1,559,574	1936-37 ..	493,327	1,740,437
1932-33 ..	516,653	1,621,640	1937-38 ..	610,080	2,091,249
1933-34 ..	527,683	1,620,907	1938-39 ..	606,515	2,105,619
1934-35 ..	570,920	1,712,547	1939-40 ..	921,144	2,539,848
1935-36 ..	562,927	1,808,291	1940-41 ..	1,674,133	3,528,555

(a) Estimated British currency value—1931-32, £ stg. 1,225,119; 1932-33, £ stg. 1,294,723; 1933-34 £ stg. 1,294,137; 1934-35, £ stg. 1,367,303; 1935-36, £ stg. 1,443,745; 1936-37, £ stg. 1,389,570; 1937-38 £ stg. 1,669,660; 1938-39, £ stg. 1,681,133; 1939-40, £ stg. 2,027,823; 1940-41, £ stg. 2,817,210.

In addition to fuel oils, the principal items of ships' stores supplied to overseas vessels in 1940-41 were—Bunker coal, £A391,866; meats, £A285,519; ale, beer and porter, £A87,798; tobacco and cigarettes, £A83,852; vegetables, £A69,962; butter, £A55,703; fish, £A52,694; and spirituous liquors, £A35,488.

The net Customs duty collected on ships' stores carried to Australia on overseas vessels and consumed in Australian waters amounted in 1940-41 to £A1,002.

§ 10. Movement of Specie and Bullion.

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

Particulars for subsequent years are not available for publication.

IMPORTS AND EXPORTS, SPECIE AND BULLION : AUSTRALIA.

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

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

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

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

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

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

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

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

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

§ 11. Exports according to Industries.

1. **Classification.**—The following table gives an analysis of the exports of Australian produce according to the main classes of industry in which the goods were produced for the years 1939-40 and 1940-41 in comparison with those for the year 1913. The index-number based on the year 1913 shows the variations in the total recorded value only of exports in each industrial group, and has not been adjusted either for price-changes or in accordance with the variation of the Australian £ in relation to sterling.

A graph is published on page 670 of this chapter which shows the value of exports of Australian produce according to industrial groups from 1920-21 to 1940-41.

EXPORTS OF AUSTRALIAN PRODUCE ACCORDING TO INDUSTRIAL ORIGIN.

VALUE OF EXPORTS.

Industrial Group.	1913.(a)		1939-40.		1940-41.	
	£A.	Index No.	£A.	Index No.	£A.	Index No.
Agriculture	10,677,734	100	26,798,754	251	28,082,150	262
Pastoral	42,057,346	100	79,082,128	188	60,132,922	142
Dairy and Farmyard ..	3,854,734	100	19,690,285	511	17,005,424	441
Mines and Quarries (b) ..	21,926,310	100	27,118,382	124	22,472,392	102
Fisheries	424,849	100	280,248	66	228,109	54
Forestry	1,106,549	100	974,091	88	1,053,966	95
Total, Primary Produce	80,047,522	100	153,943,888	192	128,974,963	160
Manufacturing	2,304,693	100	13,688,800	594	20,352,758	883
Total	82,352,215	100	167,632,688	204	149,327,721	181
			(c)		(c)	

(a) Base year. (b) Australian production of gold substituted for exports of gold each year. (c) Estimated British currency value, 1939-40, £ stg. 133,838,473; index-number 163; 1940-41, £ stg. 119,223,729, index-number 145.

2. **Relative Importance of Industrial Groups.**—In the previous table the value of commodities in each industrial group of exports of Australian produce is that recorded at date of shipment from Australia, with the exception that the value of the production of gold in Australia in each year has been substituted in the Mines and Quarries group for actual shipments of gold in each year. This has been done to eliminate the exports of gold for monetary purposes. In order of importance the pastoral group occupied the highest place and in 1913 the value of commodities included in this group represented 51.1 per cent. of the total exports, as compared with 47.2 per cent. in 1939-40, and 40.3 per cent. in 1940-41.

Exports of agricultural produce rank next in importance and were slightly higher in 1940-41 than in the previous year. From 13.0 per cent. of the total exports in 1913, agricultural produce increased to 18.9 per cent. in 1940-41.

According to value, exports of dairy and farmyard produce increased from 4.7 per cent. in 1913 to 11.0 per cent. in 1934-35, declined during the succeeding years to 8.4 per cent. in 1937-38, and improved to 11.4 per cent. in 1940-41. Though the products of mines and quarries declined seriously subsequently to the year 1913, a recovery has been made in more recent years, the figures for 1940-41 representing 15.1 per cent. of the total exports. The manufacturing groups of exports, which represented 2.8 per cent. in 1913, increased to 13.6 per cent. in 1940-41.

Compared with the year 1913, exports of agricultural produce in 1940-41 showed an increase of 162 per cent., pastoral produce 42 per cent., dairy and farmyard produce 341 per cent., mines and quarries 2 per cent., the manufacturing group 783 per cent., and total exports 81 per cent. The exports of the products of fisheries and forests were 16 per cent. lower in 1940-41 than in 1913.

3. **Australian Production and Exports according to Industry.**—The following table shows the total values of Australian production and Australian exports during the period of ten years, 1930–31 to 1939–40, classified according to industries; the proportion of each industrial group to total production and to total exports; and in the last column the percentage exported of the production of each industrial group:—

VALUE OF AUSTRALIAN PRODUCTION AND EXPORTS, ACCORDING TO INDUSTRY : 1930–31 TO 1939–40.

Australian Currency Values.

Industrial Group.	Value of Production during Ten Years.	Percentage on Total Production.	Value of Exports during Ten Years.	Percentage on Total Exports.	Percentage Exported of the Production in each Industrial Group.
	£A'000.	%	£A'000.	%	%
Agriculture	792,109	19.82	292,063	23.11	36.87
Pastoral	853,751	21.36	603,296	47.74	70.66
Dairy and Farmyard	486,483	12.17	125,002	9.89	25.70
Mining	234,218	5.86	166,653	13.19	71.15
Forestry and Fisheries	112,525	2.82	12,050	0.95	10.71
Total, Primary Produce..	2,479,086	62.03	1,199,064	94.88	48.37
Manufacturing	1,517,548	37.97	64,709	5.12	(a)4.26
Total	3,996,634	100.00	1,263,773	100.00	(a)31.62

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

The figures relating to value of production and value of exports are subject to the qualifications mentioned previously. A period of ten years is embraced, and the values of production and of exports therein give a very fair index of the relative importance of the several industrial groups. Of the total production 62.03 per cent. was classified as primary produce and 37.97 per cent. as manufactured articles. The main contributing groups in the primary produce section were pastoral with 21.36 per cent., agriculture with 19.82 per cent., and dairy and farmyard produce with 12.17 per cent. of the total production.

Exports of primary produce represented 94.88 per cent. of the total exports. The primary groups in order of value were pastoral 47.74 per cent., agricultural 23.11 per cent., mining 13.19 per cent., dairy and farmyard 9.89 per cent., and forestry and fisheries 0.95 per cent. The manufacturing group accounted for the other 5.12 per cent.

The figures in the last column of the table are of special interest, as they show the percentage exported of the production of each industrial group. Of the total primary production during the period, 48.37 per cent. was exported. Approximately 37 per cent. of the agricultural production, 71 per cent. of the pastoral production, 26 per cent. of the dairy and farmyard production, 71 per cent. of the mining production, and 11 per cent. of the production of forestry and fisheries combined were sent abroad.

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

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

§ 12. Australian Index of Export Prices.

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

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

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

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

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

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

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

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

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

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

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

Item.	Unit of Quantity.	Quantity "Multipliers" for New Index-numbers.	Percentage Value Weights if applied to 1940-41.
1. Wheat (and wheat equivalent of flour) ..	Bushel	101,000,000	16.67
2. Sultanias	Ton	38,200	1.21
3. Lexias	"	3,000	0.12
4. Currants	"	13,400	0.33
5. Sugar (cane)	"	305,000	3.18
6. Wool (as in the grease)	lb.	975,000,000	44.46
7. Tallow	Cwt.	600,000	0.51
8. Cattle hides	lb.	28,000,000	0.53
9. Calfskins	"	1,800,000	0.09
10. Beef (frozen)	"	182,000,000	2.57
11. Lamb (frozen)	"	138,000,000	3.11
12. Mutton (frozen)	"	44,000,000	0.50
13. Pork (frozen)	"	16,000,000	0.41
14. Butter	Cwt.	2,140,000	11.96
15. Silver	Oz. (standard)	7,300,000	0.69
16. Copper	Ton	3,600	0.18
17. Tin	"	1,300	0.31
18. Zinc	"	99,000	1.84
19. Lead	"	208,500	3.18
20. Gold (production)	Oz. (fine)	937,000	8.15
			100.00

The relative importance of the several items in the whole index is roughly indicated in the last column, which shows in percentage form the "value aggregates" for 1940-41, i.e., the average prices for that year multiplied by the "quantity multipliers."

The monthly index-numbers of export prices in terms of Australian currency for the period January, 1928, to December, 1941, are set out in the following table. Index-numbers are also given of the same prices in terms of English sterling for the period January, 1932, to December, 1941. Differences in the value of English and Australian currency were negligible in the eighteen months preceding July, 1929.

MONTHLY EXPORT PRICE INDEX : AUSTRALIA.

(Base : 1928 = 1,000.)

Month.	1928.	1932.	1933.	1934.	1935.	1936.	1937.	1938.	1939.	1940.	1941.
January ..	1,036	595	548	785	580	772	957	755	653	811	815
February ..	1,036	593	518	759	567	779	934	736	651	811	821
March ..	1,052	562	510	739	564	785	988	730	635	813	825
April ..	1,058	552	516	726	605	790	1,000	722	630	814	825
May ..	1,061	547	561	676	644	790	983	725	630	815	824
June ..	998	533	607	648	652	747	946	697	648	816	825
July ..	997	550	659	620	656	769	954	710	657	814	825
August ..	975	580	661	627	664	804	952	686	653	811	827
September ..	965	604	708	581	714	790	901	661	741	813	828
October ..	936	567	676	564	749	820	880	668	769	814	831
November ..	946	553	714	557	741	893	802	656	771	815	834
December ..	936	550	710	550	736	920	796	647	776	814	834
Simple Average	1,000	566	616	653	656	805	923	699	686	813	826

(ii) IN TERMS OF ENGLISH CURRENCY.

January ..	1,036	475	438	627	463	616	764	603	521	648	651
February ..	1,036	473	414	606	453	622	746	588	520	648	655
March ..	1,052	449	407	590	450	627	789	583	507	649	659
April ..	1,058	441	412	580	483	631	798	576	503	650	659
May ..	1,061	437	448	540	514	631	785	579	503	651	658
June ..	998	426	485	517	521	596	755	556	517	651	659
July ..	997	439	526	495	524	612	762	567	525	650	659
August ..	975	463	528	501	530	642	760	548	521	648	660
September ..	965	482	565	464	570	631	719	528	592	649	661
October ..	936	453	540	450	598	655	703	533	614	650	663
November ..	946	442	570	445	592	713	640	524	616	651	666
December ..	936	439	567	439	588	735	636	517	620	650	666
Simple Average	1,000	452	492	521	524	643	737	559	548	650	660

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

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

The index-numbers so obtained have been proved over a period of years to lie very close together. As it is convenient for practical reasons to have one single figure rather than two close alternatives the two index-numbers are multiplied together and the square root of the product extracted. This is taken to be the index-number for the month, the prices of the corresponding month of the previous year being taken as base. The above could have been expressed more shortly, of course, by saying that Fisher's "ideal" formula has been used.

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

In order to indicate more clearly the method of computation followed, and to enable comparisons to be made with the results obtained from the first series of index-numbers, the following table sets out the data in detail for the trade year 1940-41.

MONTHLY EXPORT PRICE INDEX (CHANGING WEIGHTS) : AUSTRALIA.

Month.	Index-numbers Based on Quantities of 1940-41.	Index-numbers Based on Quantities of 1939-40.	Final Index-numbers (on "Ideal" Formula).	Index-numbers Based on Standard "Multipliers" (First Series).
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(i) INDIVIDUAL MONTHS.

(Base : Prices in corresponding month of previous year = 1,000.)

July	1,270	1,228	1,249	1,239
August	1,216	1,212	1,214	1,242
September	1,104	1,068	1,086	1,097
October	1,053	1,051	1,052	1,059
November	1,059	1,032	1,045	1,057
December	1,083	1,008	1,045	1,046
January	1,008	1,005	1,006	1,005
February	1,015	1,011	1,013	1,012
March	1,008	1,014	1,011	1,015
April	1,009	1,009	1,009	1,014
May	1,009	1,015	1,012	1,011
June	1,017	1,014	1,015	1,011

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

Month.	Index-numbers Based on Quantities of 1940-41.	Index-numbers Based on Quantities of 1939-40.	Final Index-numbers (on "Ideal" Formula).	Index-numbers Based on Standard "Multipliers" (First Series).
(ii) PERIODS OF THE TRADE YEAR ENDING IN MONTH STATED. (Base: Prices in corresponding period of previous year = 1,000.)				
July	1,270	1,228	1,249	1,239
August	1,243	1,221	1,232	1,240
September	1,200	1,165	1,182	1,189
October	1,160	1,131	1,145	1,153
November	1,136	1,098	1,117	1,133
December	1,122	1,077	1,099	1,117
January	1,103	1,062	1,082	1,100
February	1,094	1,054	1,074	1,088
March	1,084	1,050	1,067	1,079
April	1,076	1,045	1,060	1,072
May	1,071	1,042	1,056	1,066
June	1,066	1,040	1,053	1,061

Monthly export price index-numbers are now issued in regular press notices.

§ 13. External Trade of Australia and other Countries.

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

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

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

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

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

(a) Year ended 30th June, 1940.

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

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

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

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

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

Particulars for subsequent years are not available for publication.

AUSTRALIAN IMPORTS OF PRODUCTS OF VARIOUS COUNTRIES.

British Currency Values.

Nature of Imports.	Year.	United Kingdom.	France.	Germany.	Japan.	United States.	All Countries.
		£Stg.	£Stg.	£Stg.	£Stg.	£Stg.	£Stg.
Foodstuffs of animal origin	1913 ..	301,025	3,093	12,071	6,988	289,229	947,697
	1935-36	247,197	1,269	..	64,668	216,112	1,412,896
	1936-37	281,017	1,208	1,148	61,203	250,934	1,509,813
	1937-38	286,568	1,151	1,771	218,674	251,297	1,565,765
	1938-39	300,283	993	54d	175,629	269,761	1,599,827
Spirituous and alcoholic liquors	1913 ..	1,227,561	343,394	143,426	1,689	2,805	1,947,248
	1935-36	602,630	49,706	2,098	..	1,670	696,103
	1936-37	537,672	53,024	2,268	82	286	633,133
	1937-38	625,655	52,800	3,436	82	917	727,220
	1938-39	613,374	58,642	4,320	157	1,180	719,967
Apparel, textiles, and manufactured fibres	1913 ..	12,254,561	961,025	1,712,395	475,973	623,542	19,935,750
	1935-36	9,476,808	258,601	480,183	3,223,969	280,505	17,292,854
	1936-37	11,074,231	248,517	523,529	2,358,656	119,571	18,059,604
	1937-38	12,288,251	336,375	607,471	3,204,718	187,856	21,016,945
	1938-39	10,033,422	411,056	503,713	2,545,081	281,766	17,756,098
Metals, metal manufactures, and machinery	1913 ..	13,905,483	217,148	2,380,152	7,657	3,817,705	21,670,212
	1935-36	13,550,189	30,267	1,043,439	286,280	6,848,650	25,206,820
	1936-37	16,142,408	42,731	1,345,057	248,435	6,061,105	27,277,164
	1937-38	21,174,615	63,465	1,636,328	187,350	9,360,634	37,280,008
	1938-39	18,246,658	53,404	1,449,405	167,570	6,886,329	31,274,421
Paper and stationery	1913 ..	1,789,577	21,930	266,483	10,656	403,679	3,134,750
	1935-36	3,052,273	52,786	208,138	78,785	292,268	5,295,820
	1936-37	3,042,380	57,158	234,769	82,581	318,546	5,933,131
	1937-38	3,367,801	51,847	262,435	142,464	390,223	6,609,609
	1938-39	2,945,640	51,572	316,741	88,448	372,572	6,185,576
Jewellery, time-pieces, and fancy goods	1913 ..	521,290	88,070	263,688	19,307	138,217	1,442,292
	1935-36	232,717	19,545	127,992	195,592	71,047	1,194,566
	1936-37	243,601	26,891	153,485	197,994	83,846	1,256,235
	1937-38	275,796	29,130	178,755	208,609	132,078	1,581,453
	1938-39	275,301	31,330	172,867	175,305	121,981	1,431,605
Earthenware, cements, glass, etc.	1913 ..	650,138	40,245	453,188	21,193	62,887	1,565,727
	1935-36	879,191	8,115	170,663	227,804	127,791	1,690,283
	1936-37	930,126	13,862	167,352	183,558	79,753	1,774,183
	1937-38	998,637	11,101	200,822	228,858	71,928	2,047,362
	1938-39	946,220	16,980	204,527	182,983	89,857	1,861,974
Drugs, chemicals, and fertilizers	1913 ..	1,020,647	245,426	304,179	139,178	210,758	2,721,902
	1935-36	1,002,253	215,782	352,333	175,803	622,350	4,370,127
	1936-37	1,880,665	208,572	490,370	130,362	567,083	4,515,446
	1937-38	2,056,472	203,987	498,487	136,677	786,052	5,304,092
	1938-39	2,288,387	196,220	476,737	47,651	1,003,679	5,598,553
Rubber and leather and manufactures thereof, and substitutes therefor	1913 ..	485,216	68,686	347,045	688	433,837	1,717,035
	1935-36	218,850	5,924	28,082	40,250	98,325	1,185,812
	1936-37	241,252	5,200	35,409	42,193	83,039	1,831,914
	1937-38	253,378	4,674	29,368	50,165	121,323	1,015,442
	1938-39	247,671	4,979	47,374	38,215	114,235	1,689,598
Total, above-mentioned imports	1913 ..	32,155,408	1,989,017	5,882,627	683,629	5,982,659	55,082,613
	1935-36	30,162,108	611,905	2,422,228	4,293,151	8,558,718	52,344,886
	1936-37	34,373,352	657,163	2,953,387	3,505,064	7,564,163	62,790,923
	1937-38	41,327,173	754,530	3,418,093	4,377,597	11,302,308	78,047,898
	1938-39	35,897,456	825,176	3,176,232	3,421,039	9,141,360	68,117,619
Total imports (less bullion and specie)	1913 ..	40,948,803	2,222,631	7,029,325	950,300	10,907,512	78,196,109
	1935-36	33,835,898	790,108	2,963,049	4,969,571	13,001,326	83,518,869
	1936-37	38,559,366	865,019	3,506,584	4,004,465	12,959,149	90,591,580
	1937-38	46,226,172	964,554	4,170,624	5,349,086	17,758,684	111,733,254
	1938-39	40,419,283	1,028,133	4,131,212	4,093,191	14,647,305	99,313,150

Stated as percentages the figures in the preceding table are shown below.

Particulars for subsequent years are not available for publication.

AUSTRALIAN IMPORTS OF PRODUCTS OF VARIOUS COUNTRIES : PERCENTAGES.

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

The total value of the commodities included in the competitive classes increased from £55,082,613 during 1913 to £122,631,560 during 1926-27, but declined during the economic depression to £29,576,008 in 1931-32. Subsequently the total value rose to £78,047,898 in 1937-38 only to fall away again in 1938-39 to £68,117,619. The principal classes of competitive imports are (a) metals, metal manufactures and machinery (value

£31,274,421 in 1938-39) and (b) apparel, textiles and manufactured fibres (value £17,756,098 in 1938-39). The value of goods included in these two groups represented 72 per cent. of the total value of competitive commodities during 1938-39.

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

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

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

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

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

§ 15. Oversea Trade in Calendar Years.

For the purpose of comparison with countries which record overseas trade in calendar years the following table has been compiled to show Australian imports and exports for each quarter and of the calendar years 1937 to 1940:—

OVERSEA TRADE IN CALENDAR YEARS: AUSTRALIA.

Year.	Merchandise.		Bullion and Specie.		Total.	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
	£ Stg.'000.	£'000.	£ Stg.'000.	£'000.	£ Stg.'000.	£'000.
QUARTER ENDED MARCH.						
1937 ..	21,520	{ (R) 43,463 (S) 34,701 }	483	{ (R) 3,483 (S) 2,787 }	22,003	{ (R) 46,946 (S) 37,488 }
1938 ..	27,919	{ (R) 36,440 (S) 29,094 }	535	{ (R) 4,177 (S) 3,340 }	28,454	{ (R) 40,617 (S) 32,434 }
1939 ..	25,097	{ (R) 30,905 (S) 24,675 }	(a)	(a)	(a)	(a)
1940 ..	35,009	{ (R) 41,902 (S) 33,455 }	(a)	(a)	(a)	(a)

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

Year.	Merchandise.		Bullion and Specie.		Total.	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
	£ Stg.'000.	£'000.	£ Stg.'000.	£'000.	£ Stg.'000.	£'000.
QUARTER ENDED JUNE.						
1937 ..	23,367	{ (R) 36,069 (S) 28,798 }	502	{ (R) 3,962 (S) 3,168 }	23,869	{ (R) 40,031 (S) 31,966 }
1938 ..	27,024	{ (R) 33,553 (S) 26,790 }	670	{ (R) 4,022 (S) 3,217 }	27,694	{ (R) 37,575 (S) 30,007 }
1939 ..	23,522	{ (R) 26,309 (S) 21,005 }	(a)	(a)	(a)	(a)
1940 ..	33,378	{ (R) 40,332 (S) 32,201 }	(a)	(a)	(a)	(a)
QUARTER ENDED SEPTEMBER.						
1937 ..	27,261	{ (R) 29,274 (S) 23,372 }	521	{ (R) 4,343 (S) 3,474 }	27,782	{ (R) 33,617 (S) 26,846 }
1938 ..	26,051	{ (R) 25,562 (S) 20,409 }	759	{ (R) 5,166 (S) 4,132 }	26,810	{ (R) 30,728 (S) 24,541 }
1939 ..	24,883	{ (R) 24,597 (S) 19,638 }	(a)	(a)	(a)	(a)
1940 ..	30,294	{ (R) 32,485 (S) 25,936 }	(a)	(a)	(a)	(a)
QUARTER ENDED DECEMBER.						
1937 ..	29,530	{ (R) 41,366 (S) 33,026 }	516	{ (R) 4,405 (S) 3,524 }	30,046	{ (R) 45,771 (S) 36,550 }
1938 ..	24,644	{ (R) 38,758 (S) 30,944 }	657	{ (R) 4,638 (S) 3,710 }	25,301	{ (R) 43,396 (S) 34,654 }
1939 ..	22,404	{ (R) 41,918 (S) 33,467 }	(a)	(a)	(a)	(a)
1940 ..	27,282	{ (R) 34,666 (S) 27,678 }	(a)	(a)	(a)	(a)
TOTAL FOR YEAR.						
1937 ..	101,678	{ (R) 150,172 (S) 119,897 }	2,022	{ (R) 16,193 (S) 12,953 }	103,700	{ (R) 166,365 (S) 132,850 }
1938 ..	105,638	{ (R) 134,313 (S) 107,237 }	2,621	{ (R) 18,003 (S) 14,399 }	108,259	{ (R) 152,316 (S) 121,636 }
1939 ..	95,906	{ (R) 123,729 (S) 98,785 }	(a)	(a)	(a)	(a)
1940 ..	125,963	{ (R) 149,385 (S) 119,270 }	(a)	(a)	(a)	(a)

(R) Recorded values, Australian currency.

(S) Estimated British currency values.

(a) Not available for publication.

§ 16. Excise.

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

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

Article.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	Proof gal.	Proof gal.	Proof gal.	Proof gal.	Proof gal.
Spirits—					
Brandy	186,603	193,923	198,583	226,990	222,595
Gin	229,870	282,349	269,118	297,409	279,394
Whisky	150,238	158,515	157,705	199,157	234,642
Rum	337,484	326,249	347,648	418,073	370,738
Liqueurs	4,758	5,591	5,705	8,046	13,463
Spirits, n.e.i.	195	415	170	481	247
Spirits for Industrial or Scientific Purposes	112,498	112,594	114,129	124,707	126,118
Spirits for Fortifying Wine	804,760	786,836	770,997	867,308	1,009,173
Spirits for making Vinegar	18,464	15,496	17,965	18,640	19,810
Amylic Alcohol and Fusel Oil	39	27	23	28	50
Total, Spirits ..	1,844,909	1,881,995	1,882,043	2,160,839	2,276,230
	llq. gal.	llq. gal.	llq. gal.	llq. gal.	llq. gal.
Spirits for the manufacture of Essences, Scents, etc.	58,864	(a) 45,541	..	..	..
		proof gal.	proof gal.	proof gal.	proof gal.
Spirits for the manufacture of Essences .. ..	..	(b) 17,328	57,376	71,674	72,146
Spirits for the Manufacture of Scents, etc. .. ..	..	(b) 13,452	47,778	55,984	60,819
	gal.	gal.	gal.	gal.	gal.
Beer	70,260,813	79,246,025	83,904,645	89,973,476	96,078,168
	lb.	lb.	lb.	lb.	lb.
Tobacco — Manufactured, n.e.i.	14,948,726	15,462,073	15,734,675	15,998,628	15,354,854
Tobacco—Hand-made	40,019	47,418	41,774	21,206	14,892
Tobacco—Unmanufactured, etc. .. ..	..	887,264	5,604,256	4,226,656	4,880,818
Total, Tobacco ..	14,988,745	16,396,755	21,380,705	20,246,490	20,250,564

(a) To 31st December, 1937.

(b) From 1st January, 1938.

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

Article.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	lb.	lb.	lb.	lb.	lb.
Cigars—Machine-made ..	61,088	63,613	71,051	57,368	73,929
Cigars—Hand-made ..	195,553	204,475	187,450	167,362	152,975
Total, Cigars ..	256,641	268,088	258,501	224,730	226,904
	lb.	lb.	lb.	lb.	lb.
Cigarettes—Machine-made ..	5,651,755	6,203,852	6,891,144	7,148,051	6,901,954
Cigarettes—Hand-made ..	169	272	114	2	..
Total, Cigarettes ..	5,651,924	6,204,124	6,891,258	7,148,053	6,901,954
	60 papers or tubes.	60 papers or tubes.	60 papers or tubes.	60 papers or tubes.	60 papers or tubes.
Cigarette Tubes and Papers	86,588,851	90,046,428	101,977,824	104,986,390	107,716,324
	gross of boxes.	gross of boxes.	gross of boxes.	gross of boxes.	gross of boxes.
Matches	3,095,260	3,260,806	3,278,759	3,678,885	3,551,598
	gal.	gal.	gal.	gal.	gal.
Petrol	33,059,655	31,978,588	27,878,912	36,556,755	48,428,451
	doz. packs.	doz. packs.	doz. packs.	doz. packs.	doz. packs.
Playing Cards	122,639	109,907	117,412	142,776	134,555

§ 17. Interstate Trade.

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

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

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