

CHAPTER XII.

TRADE.

§ 1. Introductory.

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

§ 2. Commonwealth Legislation affecting Oversea Trade.

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

The Acts at present in force are: The Customs Act 1901–1936; Customs Tariff, 1933–1939; Customs Tariff (Canadian Preference) 1934–1939; Customs Tariff (Exchange Adjustment) Act, 1933–1939; Customs Tariff (Industries Preservation) Act, 1921–1936; Customs Tariff (Newfoundland Preference) 1939; Customs Tariff (New Zealand Preference) Agreement Act, 1933; Customs Tariff (New Zealand Preference) 1933–1934; Customs Tariff (Papua and New Guinea Preference) 1936; Customs Tariff (Southern Rhodesian Preference) 1941; Customs Tariff (Primage Duties), 1934; Trading with Enemy Act, 1939–1940. A statement of the Acts passed in 1943 and 1944 appears in par. 16 on page 330.

2. **Customs Tariffs.**—The Customs Tariff 1921–1930 provided a British Preferential Tariff, an Intermediate Tariff and a General Tariff. The Intermediate Tariff was omitted from the Customs Tariff 1933 but was restored by the Customs Tariff 1936.

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

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

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

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

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

The Customs Tariff 1933-1939 provides for duties on certain goods to be deferred. Where a deferred duty on any goods is provided in the Schedule, the Minister shall refer to the Tariff Board for inquiry and report on 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 *Commonwealth Government Gazette*.

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

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

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

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

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

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

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

The prohibitions and surcharges referred to in this agreement were subsequently abolished and primage duty on a large number of items removed or reduced. The concessions granted by the Government of the United Kingdom under the terms of the Ottawa trade agreement on goods of Australian origin are set out briefly in par. 13 of this section. Further reference to this trade agreement appears in the Appendix to Official Year Book No. 26, 1933.

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

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

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

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

Difficulties immediately arise when an attempt is made to reconcile the expansion of the secondary industries of Australia with the endeavour 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 proposes 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 per cent. of the imports from the United Kingdom, and at the same time increased the margin of preference to 19 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. 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 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, £3,510,802; metals and metal manufactures, £2,178,069; machines and machinery, £1,125,781; spirituous and alcoholic liquors, £109,091; drugs, chemicals, etc., £430,736; earthenware, glass, etc., £345,085; apparel, £208,058; paper, £241,044; manufactured fibres, £228,006; stationery and paper manufactures, £101,547; jewellery and fancy goods, £88,161; and optical, surgical and scientific instruments, £124,234.

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 favorably 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 FAVORABLY 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	£A. 25,040,517	19,095,649	20,157,570	12,983,535	10,530,878	9,810,413
Amount of Duty collected thereon	£A. ..	..	..	1,600,664	1,415,247	1,265,533
Average ad valorem rate of Duty collected .. .. .	% ..	..	..	12.3	13.4	12.9
Duty which would have been collected under General Tariff rates	£A. 3,213,203	2,474,807	2,550,415	..	..	..
Average ad valorem rate of Duty which would have been collected under General Tariff rates	% 12.8	13.0	12.7	..	..	..
GOODS OF A KIND WHICH WERE "DUTIABLE", IF FROM UNITED KINGDOM.						
Value of goods cleared for consumption	£A. 28,058,500	24,586,678	27,510,616	14,253,772	12,305,081	13,280,953
Amount of Duty collected thereon	£A. 4,312,158b	3,916,726b	4,217,357b	5,753,250	4,088,493	5,161,630
Average ad valorem rate of Duty collected	% 15.4	15.9	15.4	40.4	40.5	38.8
Duty which would have been collected on United Kingdom goods under General Tariff rates	£A. 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	£A. ..	..	..	2,358,432b	2,086,998b	2,502,130b
Average ad valorem rate of Duty which would have been collected under British Preferential Tariff .. .. .	% ..	..	..	16.6	16.9	18.8
Amount of Rebate on United Kingdom goods as against General Tariff rates	£A. 6,883,203b	6,095,818b	6,638,887b	..	..	..
Average ad valorem rate of Rebate on United Kingdom goods	% 24.5	24.8	24.1	..	..	..
Amount of Surcharge on goods from Other Countries as against British Preferential Tariff rates	£A. ..	..	..	3,394,818b	2,901,495b	2,659,494b
Average ad valorem rate of Surcharge on goods of Other Countries .. .. .	% ..	..	..	23.8	23.6	20.0

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

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

Particulars.	United Kingdom.			Other Countries.(a).		
	1937-38.	1938-39.	1939-40.	1937-38.	1938-39.	1939-40.
Value of goods cleared for consumption ..	£A. 53,099,017	43,682,327	47,668,186	27,237,307	22,835,959	23,091,366
Amount of Duty collected thereon ..	£A. 4,312,158b	3,916,726b	4,217,357b	7,353,914	6,403,740	6,427,163
Average ad valorem rate of Duty collected ..	% 8.1	9.0	8.8	27.0	28.0	27.8
Duty which would have been collected on United Kingdom goods under General Tariff rates ..	£A. 14,408,564	12,487,351	13,406,659	..	..	..
Average ad valorem rate of Duty which would have been collected under General Tariff rates ..	% 27.1	28.6	28.1	..	..	..
Duty which would have been collected on goods of Other Countries under British Preferential Tariff ..	£A. ..	..	..	2,358,432b	2,086,998b	2,502,136b
Average ad valorem rate of Duty which would have been collected under British Preferential Tariff ..	% ..	..	..	8.7	9.1	10.8
Amount of Rebate on United Kingdom goods as against General Tariff rates ..	£A. 10,096,406b	8,570,625b	9,189,302b	..	..	..
Average ad valorem rate of Rebate on United Kingdom goods ..	% 19.0	19.6	19.3	..	..	..
Amount of Surcharge on goods from other Countries as against British Preferential rates ..	£A. ..	..	..	4,995,482b	4,316,742b	3,925,027b
Average ad valorem rate of Surcharge on goods of Other Countries ..	% ..	..	..	18.3	18.9	17.0

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

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

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

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

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

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

If (a) applies, the deduction from the amount of duty will be—(i) one-fourth of the amount of duty ; or (ii) $12\frac{1}{2}$ per cent. ($\frac{1}{3}$) of the value for duty, whichever is the less :

If (b) applies, the deduction will be (i) one-eighth of the amount of duty ; or (ii) $6\frac{1}{4}$ per cent. of the value for duty, whichever is the less. The telegraphic transfer (buying) rate shall determine the extent of depreciation of Australian currency.

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

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

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

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

4. *Reciprocal Tariffs.*—(i) *General.* The Customs Tariff of 1921 provided a new feature in Australian Tariffs in the form of an intermediate tariff which was omitted from Customs Tariff 1933 but restored in the Customs Tariff 1936. 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 above-mentioned Act. The terms of the agreement conceded by the Commonwealth Government are briefly stated in par. 3 above and the concessions granted by the Government of the United Kingdom on goods of Australian origin are set out below in par. 13 of this chapter. A review of the trade agreement appears in the Appendix to Official Year Book No. 26.

(ii) *Dominion of Canada.* A reciprocal trade agreement between Canada and Australia which came into force on 1st October, 1925, was superseded by the Customs Tariff (Canadian Preference) Acts of 1931 and 1934-1939, which reaffirmed the principle of granting of preferences for the mutual advantage of the two countries and extended preferential conditions. The commodities on which Canada grants preferential rates of duty to Australia are: Butter, brandy, champagne, cheese, currants, eggs, eucalyptus oil, fresh apricots, pears, quinces, nectarines, grapes, oranges and passion fruit, dried prunes, apricots, nectarines, pears and peaches, fruit pulp, fruits in cans, gelatine, hops, rice (uncleaned), meat (fresh and canned), peanuts, raisins, sugar, tallow, veneers and wine. Australia's preferential duties apply to the following Canadian imports:—Carbide of calcium, cash registers, corsets, fish, gloves, goloshes and rubber sand boots, etc., piece goods, 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 items being fruits, dried, £A571,259; sugar, £A1,229,687; fruits, preserved, £A104,980; and tallow, £A61,485.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. *Australian-United States of America Trade Relations.*—The trade diversion policy of the Commonwealth Government as expressed by the prohibition, except under special licence, of specified imports as from 23rd May, 1936, adversely affected a wide range of goods from the United States of America, which for a number of years had enjoyed an extremely favourable trade balance with Australia. In reply to this action the United States Government withdrew, as from 1st August, 1936, the most-favoured-nation treatment hitherto accorded to Australian goods including certain trade benefits extended to Australia equally with a number of countries with which the United States had concluded trade agreements. A further step bearing on the trade relations between the two countries was the extension by the Commonwealth Government to "Proclaimed Countries" as from 1st January, 1937, of intermediate customs tariff rates and certain primage duty concessions. The list of "Proclaimed Countries" includes the United Kingdom, the Dominions and Colonies, and the principal foreign countries. The principal exception was the United States of America which was not included until 18th February, 1943.

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

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

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

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

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

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

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

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

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

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

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

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

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

In recent months, in accordance with Government policy of relaxing restrictions where possible, a number of import restrictions, particularly on goods of sterling origin, have been removed or modified. The extensive housing programme, in particular, calls for the importation of a number of items such as furnishings, carpets and various earthenware products not available locally in sufficient quantities. These are among the items on which import restrictions have been modified but the full effects will not be felt until the supply situation in overseas countries becomes easier and until the shipping situation improves.

The greater part of Australia's essential war-time requirements from North America was obtained under Lend-Lease or Canadian Mutual Aid provisions. Licences are issued for commercial importations from this area when the goods are not eligible for supply under lend-lease or mutual aid except in special cases where circumstances make

it necessary to arrange cash purchases through Government channels (see § 3. Lend-Lease and Mutual Aid). The Customs (Import Licensing) Regulations are administered by the Import Licensing Branch of the Department of Trade and Customs.

10. **Export Control.**—(i) *General.* Powers for the normal measures of control or supervision over exports are conferred by section 112 (1) of the Customs Act and they provide for the prohibition of the exportation of arms, explosives and military and naval stores, and of any goods—

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

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

Apart from these normal measures prohibitions and conditions were imposed on the exportation of goods for operation as special war-time measures, and these latter measures provided for both monetary and commodity controls which were as follows :—

(ii) *Monetary Control.* Part IIA. of the National Security (Exchange Control) Regulations superseded the Customs (Overseas Exchange) Regulations on 16th December, 1943, in the control of proceeds of exports. As was the case with the superseded regulations these new regulations were designed primarily to control the exportation of capital in the form of goods. They are complementary to the action taken under the other parts of the National Security (Exchange Control) Regulations to control the movement out of Australia of capital in the form of securities, gold and currency, and ensure—

- (a) that the overseas funds (i.e. foreign exchange) accruing from the exportation of goods are made available to the Australian banking system for national purposes through the Commonwealth Bank of Australia ; and
- (b) that payment for goods exported is made in a manner approved by the Commonwealth Bank of Australia.

Provision is made in the regulations for the grant of export licences subject to such terms and conditions as are imposed, and on the receipt in Australia by the Commonwealth Bank or by a Bank acting as agent for that Bank, of advice that the foreign currency has been paid to the Commonwealth Bank or to an agent of the Bank in respect of any goods exported in pursuance of a licence granted under the regulations, the Bank or agent of the Bank pays the licensee or such other person as is entitled to receive it an amount in Australian currency equivalent to the foreign currency received.

By proclamation (Customs Proclamation No. 590) promulgated under the Customs Act on 16th December, 1943, the exportation of any goods is prohibited unless a licence granted under the regulations to export the goods is in force or the goods are excepted from the application of the regulations.

In addition to commercial transactions, exports by private individuals are rigidly controlled and in the case of persons leaving Australia for overseas a restriction applies to the value of specified articles of jewellery and other effects of high intrinsic value which they are permitted to take with them. Their baggage is subject to the regulations and must be covered by export licences and, in the case of restricted goods, by export permits also.

(iii) *Commodity Control.* For various reasons, the principal of which were—

- (a) to conserve supplies of essential commodities for Australia's requirements ;
- (b) to implement price determinations ;
- (c) to control exports of goods which are the subject of Empire Marketing Agreements ;

(d) to strengthen the control of the exportation of capital in the form of goods instituted by Part II A. of the National Security (Exchange Control) Regulations ;

a large range of commodities was prohibited from exportation (unless the consent of the Minister for Trade and Customs was first obtained) by proclamation promulgated under section 112 (1A.) of the Customs Act.

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

Some 1,000 kinds or classes of goods were proclaimed as prohibited exports under section 112 (1A.) of the Customs Act after the outbreak of war in 1939, but as the supply position improved in respect of any of the goods prohibited from export with the object of conserving supplies the prohibition was removed or relaxed.

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

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

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

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

(ii) *Australian Preference.* The principal items of interest to Australia which are accorded preferential treatment under the Preferential Tariff of the United Kingdom are—Fruits, dried and preserved; jam; fruit pulp; preserved milk; wine and brandy. Conditions of preference to goods of Australian origin imported into the United Kingdom were revised in the trade agreement signed at the Ottawa Imperial Economic Conference. Increased preference was granted and the list of commodities entitled to preference was extended. This agreement provides for the continuance of the free entry of eggs, poultry, butter, cheese and other milk products the produce of Australia. Article 2 of the agreement provides for the imposition by the British Government of the following duties (specified in Schedule B) on foreign goods:—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, previously 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 undertakes 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, valued in sterling, have been obtained from the *Annual Statement of the Trade of the United Kingdom 1939*, and the rebate granted has been estimated from rates of duty shown in the Import Duties Act 1932, Ottawa Agreements Act 1932 and the other enactments mentioned above.

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

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

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

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

The arrangements with the United Kingdom provide for importations of Australian meat to be regulated in accordance with the absorptive capacity of the United Kingdom market. Australian meat importations excluding canned meats into the United Kingdom during 1935 to 1943 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. '000.	Cwt. '000.	Cwt. '000.	Cwt. '000.
1931-32	Nil	1,124	1,488	Nil.
1935	228	1,468	1,784	147
1936	296	1,524	1,496	233
1937	452	1,948	1,883	234
1938	528	1,881	1,940	287
1939	430	1,952	1,657	315
1940 .. .. .	..	2,102	1,759	463
1941 .. .. .	..	996	1,701	631
1942 .. .. .	..	232	1,487	131
1943 .. .. .	..	95	1,855	13

From 1st October, 1939, the United Kingdom Government agreed to purchase a specified quantity of beef, mutton, lamb, veal, pork, and offals from Australia, and to use its best endeavours to lift additional quantities available for export. Particulars of the contracts appear in Chapter XXVIII. "Miscellaneous".

(iii) *United Kingdom-Argentina Trade Agreement.* In connexion with the supply of meat to the United Kingdom 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 $\frac{3}{4}$ d. per lb.; frozen beef $\frac{3}{4}$ d. per lb.; canned beef (excluding tongues) 20 per cent., and tongues 30 per cent. ad valorem; pork, mutton and lamb, free. If in any period Argentina is unable to supply the minimum quantities specified the United Kingdom Government may re-allocate the shortage among other countries. The agreement was to remain in force until 31st December, 1939, and thereafter until terminated by six months' notice.

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

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

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

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

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

The Minister for Trade and Customs, by reference dated 19th May, 1942, called for investigation, report and recommendations from the Board on all aspects of the general problem of the re-establishment of secondary industries as part of the Commonwealth post-war reconstruction plan. In particular it was desired that the Board investigate and make interim and final reports and recommendations on—

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

Since the reference was made the position was changed by the creation of the Ministry of Post-war Reconstruction and the setting up of the Secondary Industries Commission. These instrumentalities are now engaged in surveys of a general character, and action by the Tariff Board under the reference is therefore limited to investigations into specific industries or sections of industries. Specific references were received from the Minister for Trade and Customs during 1943-44 relating to bicycles, turbo-generators and plastics.

The annual report of the Tariff Board for 1943-44 stated that no work was undertaken in connexion with the revision of the Customs and Excise Tariffs and that all matters referred by the Minister were under regulation 3A of the National Security (Inquiries) Regulations and were conducted by means of private inquiries, numbering 124, and correspondence.

All references related to post-war reconstruction of secondary industries, except for the following two questions, which were the subject of public inquiries:—

1. Relating to the production in Australia of woven wool piecegoods during the period of the existing war—
 - (a) What changes have taken place in the quality of worsted and woollen cloths produced.
 - (b) To what extent are cloths being produced of a quality inferior to the highest quality permitted by the Control of Woollens Order made under the National Security (General) Regulations.

- (c) How effective is the existing system of control of the production of wool textiles and yarns in preventing the manufacture of cloths of unduly low quality.
 - (d) What measures are necessary and desirable to maintain or improve the quality of wool piecegoods produced in Australia.
2. Whether the payment of a subsidy to the raw sugar producing industry is warranted and, if so, what amount of subsidy is justified and what conditions, if any, should govern the payment.

Of the 20 reports furnished to the Minister during the year, one related to the quality of woven wool piecegoods; seventeen to post-war reconstruction of secondary industries, and two to the question of bringing into operation deferred rates of Customs Duty.

The annual report of the Tariff Board for 1944-45 stated that during the year public inquiries were held on the following twelve subjects:—

- (a) Questions of the combined payment of bounty on the manufacture of wire netting, tractors and sulphur in Australia.
- (b) Prices for grapes and fortifying spirit.
- (c) Administration of the Control of Liquor Order.
- (d) The use of cane sugar in the manufacture of Australian sauterne.
- (e) Fortifying spirit in the manufacture of Australian wine.
- (f) Machinery for the production of round body open-end cans for use in processing foodstuffs.
- (g) Hops.
- (h) Spun synthetic fibre piecegoods.
- (i) Raw cotton.
- (j) Tariff Revision—Question of the rate of duty to be imposed on imports of phenacetin, caffeine alkaloid, caffeine citrate, theobromine, and parphenetidine.

During the year 1944-45 sixteen reports were furnished to the Minister for Trade and Customs. Ten reports were the result of public inquiry, one relating to a subsidy to the raw sugar producing industry and the remaining nine to the subjects mentioned in (a) to (g) above: three were confidential reports on post-war reconstruction of secondary industry, two on the question of bringing deferred rates of duty into operation and one on the question of granting financial assistance to an Australian manufacturer.

Six references from the Minister for Trade and Customs were on hand on 1st July, 1945, five of which related to Tariff Revisions and one to the question of the present position and future prospects of the Australian plastics industry.

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 as soon as the Government considered that revenue considerations permitted.

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

16. **Acts Passed in 1943 and 1944.**—The following Commonwealth Acts relating to Australian production and trade were assented to during the years 1943 and 1944 :—

ACTS PASSED IN 1943.

- Customs Tariff Validation Act, No. 4 of 1943. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.
- Customs Tariff (Exchange Adjustment) Validation Act, No. 5 of 1943. An Act to provide for the Validation of Adjustment in Duties of Customs under Customs Tariff (Exchange Adjustment) Proposals.
- Customs Tariff (Special War Duty) Validation Act, No. 6 of 1943. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Special War Duty) Proposals.
- Customs Tariff (New Zealand Preference) Validation Act, No. 7 of 1943. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (New Zealand Preference) Proposals.
- Customs Tariff (Canadian Preference) Validation Act, No. 8 of 1943. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Canadian Preference) Proposals.
- Excise Tariff Validation Act, No. 9 of 1943. An Act to provide for the Validation of Collections of Duties of Excise under Excise Tariff Proposals.
- Primary Producers Relief (Superphosphate) Act, No. 20 of 1943. An Act to provide Relief to Primary Producers by Stabilizing the Price of Superphosphate and for other purposes.
- Customs Tariff Validation (No. 2) Act, No. 28 of 1943. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.
- Customs Tariff (Exchange Adjustment) Validation (No. 2) Act, No. 29 of 1943. An Act to provide for the Validation of Adjustments in Duties in Customs under Customs Tariff (Exchange Adjustments) Proposal.
- Customs Tariff (Special War Duty) Validation (No. 2) Act, No. 30 of 1943. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Special War Duty) Proposals.
- Customs Tariff (New Zealand Preference) Validation (No. 2) Act, No. 31 of 1943. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (New Zealand Preference) Proposals.
- Customs Tariff (Canadian Preference) Validation (No. 2) Act, No. 32 of 1943. An Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Canadian Preference) Proposals.
- Excise Tariff Validation (No. 2) Act, No. 33 of 1943. An Act to provide for the Validation of Collections of Duties of Excise under Excise Tariff Proposals.
- Dairying Industry Assistance Act, No. 37 of 1943. An Act to provide for the granting of Assistance to the Dairying Industry with the object of aiding the Prosecution of the War, and for other purposes.

ACTS PASSED IN 1944.

- Coal Production (War Time) Act, No. 1 of 1944. An Act to secure increased production of Coal, and to provide for the Distribution of Coal, in the interests of the Defence of the Commonwealth and the effectual prosecution of the present War and for other purposes.
- Wheat Subsidy Act, No. 17 of 1944. An Act to provide for the granting of Assistance to Wheat Growers.
- Wheat Industry (War Time Control) Act, No. 19 of 1944. An Act to amend the Wheat Industry (War Time Control) Act 1939–1940.
- Excise Tariff Rebate Act, No. 21 of 1944. An Act to provide for a Rebate of certain Duties of Excise.

- Tractor Bounty Act, No. 37 of 1944. An Act to amend the Tractor Bounty Acts 1939.
- Sulphur Bounty Act, No. 38 of 1944. An Act to amend the Sulphur Bounty Acts 1939.
- Wire Netting Bounty Act, No. 39 of 1944. An Act to amend the Wire Netting Bounty Act 1939-1940.
- Aluminium Industry Act, No. 44 of 1944. An Act to approve and give effect to an Agreement made between the Commonwealth and the State of Tasmania with respect to the production, for the purposes of Defence, of Ingot Aluminium, and for other purposes.
- Wine Export Bounty Act, No. 45 of 1944. An Act to amend the Wine Export Bounty Act 1939-1940.

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

1. **Lend-Lease.**—(i) *The Pre-Lend-Lease Period.*—As a result of the disturbance of customary sources of supply following the outbreak of the 1939-45 War, Australia sought more and more of her essential import requirements from the United States. Apart from military equipment the growth in the local war production programme made it necessary to import large quantities of machine tools, raw materials, and components which were unprocurable locally. Many former sources of these essential requirements had fallen into enemy hands. Although still the largest supplier of essential goods to Australia, the United Kingdom now had become unable to export many of the goods which she formerly supplied. Thus, prior to the passage of the United States Lend-Lease Act, Australia was already buying on an unprecedented scale in the United States.

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

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

(iv) *The Duration of the Lend-Lease Act.*—The original Lend-Lease Act provided that the powers given to the United States Government to grant lend-lease aid to other countries should terminate on 30th June, 1943. Later Acts of Congress extended the operation of the Lend-Lease Act to 30th June, 1946. In extending the Act to 30th June,

1946, Congress at the same time passed an amendment specifically prohibiting the use of the powers conferred by the Act for purposes of post-war relief, rehabilitation or reconstruction.

On 22nd August, 1945, the President of the United States announced the termination of lend-lease and ordered the cancellation of all outstanding contracts except where Allied Governments were willing to accept responsibility for them or where it was in America's interest to complete them. For particulars of the settlement of lend-lease see Appendix.

2. **The Mutual Aid Agreement.**—A Mutual Aid Agreement between the United States and the United Kingdom was signed on 23rd February, 1942, and this was applied to Australia on 3rd September, 1942. The agreement set forth the conditions under which mutual aid would be supplied between the two countries. Article VII of the agreement contained the following provisions relating to the principles to be followed in the ultimate lend-lease settlement.

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

For the full text of the Agreement see Official Year Book No. 35 (pp. 395-6).

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

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

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

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

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

- (i) Military and naval stores, equipment and munitions;
- (ii) Other supplies, material, facilities and services of United States Forces, except for pay and allowances and administrative expenses of such Forces;
- (iii) Supplies, materials and services needed in the construction of military works.

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

4. Procedure by which Australia received Lend-Lease Aid.—(i) *General*. Two organizations were set up by the Commonwealth Government to handle the procurement of lend-lease supplies from the United States. The first, operating in Australia, was the Division of Import Procurement, which was set up within the Department of Trade and Customs in September, 1941. The second, which functioned in Washington, was the Australian War Supplies Procurement Office established in December, 1941.

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

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

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

This procedure carried over into the initial lend-lease period, but as lend-lease transactions were inter-governmental transactions of a character quite different from ordinary commercial contracts, the Government decided in December, 1941, to bring all sections of Lend-Lease and Supply work into a single organization under unified control, with headquarters in Washington. The new organization was designated "Commonwealth of Australia—War Supplies Procurement".

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

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

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

With the setting up of the Combined Munitions Assignment Board it became necessary to strengthen Australian Service representation in the United States and an Australian Military Mission and an Australian Air Mission were established in Washington. Broadly speaking, the function of the Service Missions was to ensure that Australian requirements of Army and Air Force equipment were adequately presented to the Combined Munitions Assignment Board and to follow up all such requirements as far as the assignment stage. Once assignment was made Australian War Supplies Procurement assisted the Service Missions in the recording, accounting and shipping side of the work.

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

Tentative figures which have been compiled by the United States Foreign Economic Administration showed that the total value of goods and services supplied to Australia under lend-lease up to the end of June, 1945, was \$1,154,000,000. Australian Departmental records of the goods received under lend-lease show that the percentage of the various categories of material were as follows:—

	Per cent.
Direct War Materials	39.6
Petroleum Products	12.8
Transportation Equipment	13.7
Machinery and Tools	7.0
Metals	7.0
Textiles and Textile Raw Materials	6.3
Other Items	13.6
	100.0

5. *Procedure by which Reciprocal Lend-Lease Aid was given by Australia.*—In order that no delay should occur in providing for the goods and services required by the United States Forces, which were eligible for Reciprocal Lend-Lease treatment, the Department of the Treasury made arrangements for the United States Demanding Authority to approach directly the appropriate Australian Government Departments. A reasonably wide

and general authority was given to these Departments to provide supply or service demanded by the United States Forces. This policy enabled United States requirements to be met from available resources with a minimum of time in making official decisions on supply and provision of funds.

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

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

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

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

The estimated quantities of the main items of foodstuffs supplied to 30th June, 1945, were :—

Meat	179,800 long tons.
Bread, Biscuits and Cereals (including flour)	231,400 " "
Potatoes	74,800 " "
Vegetables and Fruit	212,000 " "
Canned Goods	87,000 " "
Sugar	79,200 " "
Butter	35,200 " "
Milk (condensed and evaporated)	38,000 " "
Milk	60,800,000 pints.
Eggs	55,100,000 dozen.

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

Statistical details of the major items of clothing made available to the United States Forces up to 30th June, 1945, were as follows :—

Item.	Number Ordered.	Number Delivered.
Caps and Hats	289,946	270,529
Gloves	1,145,604 pairs	781,258 pairs
Helmets, Tropical	35,000	35,000
Headnets, Mosquito	822,343	821,829
Jackets	529,682	501,813
Shirts	725,052	720,052
Socks	11,686,420 pairs	11,224,625 pairs
Sweaters	268,862	260,872
Underwear (Male)	468,669	468,669
Ties	920,432	920,432
Blankets	1,544,600	1,544,600
Boots and Shoes	1,934,748	1,872,717
Trousers and Shorts	387,652	353,534
Boot and Shoe Repair materials pieces	13,760,638	7,687,278

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

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

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

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

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

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

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

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

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

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

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

§ 4. Mutual Aid between Canada and Australia.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 5. Method of Recording Imports and Exports.

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

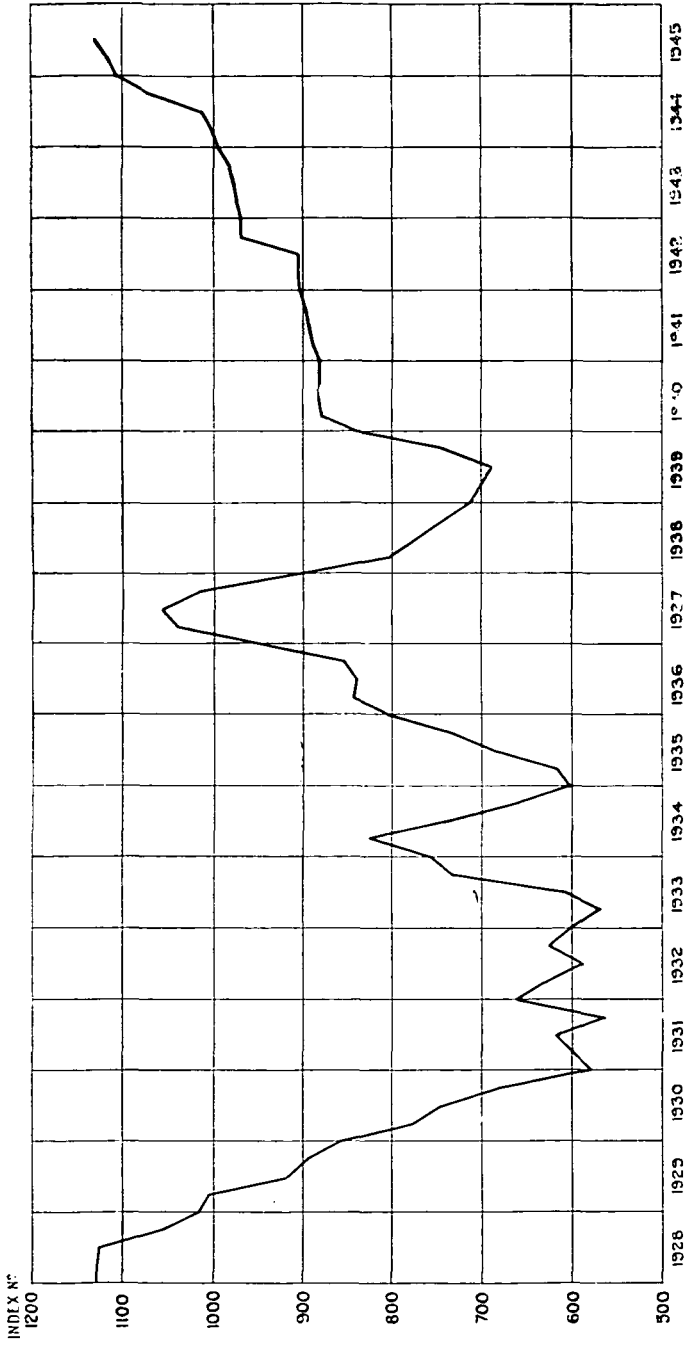
- (a) (i) the actual money price paid or to be paid for the goods by the Australian importer plus any special deduction, or
- (ii) the current domestic value of the goods, whichever is the higher;
- (b) all charges payable or ordinarily payable for placing the goods free on board at the port of export;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

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

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

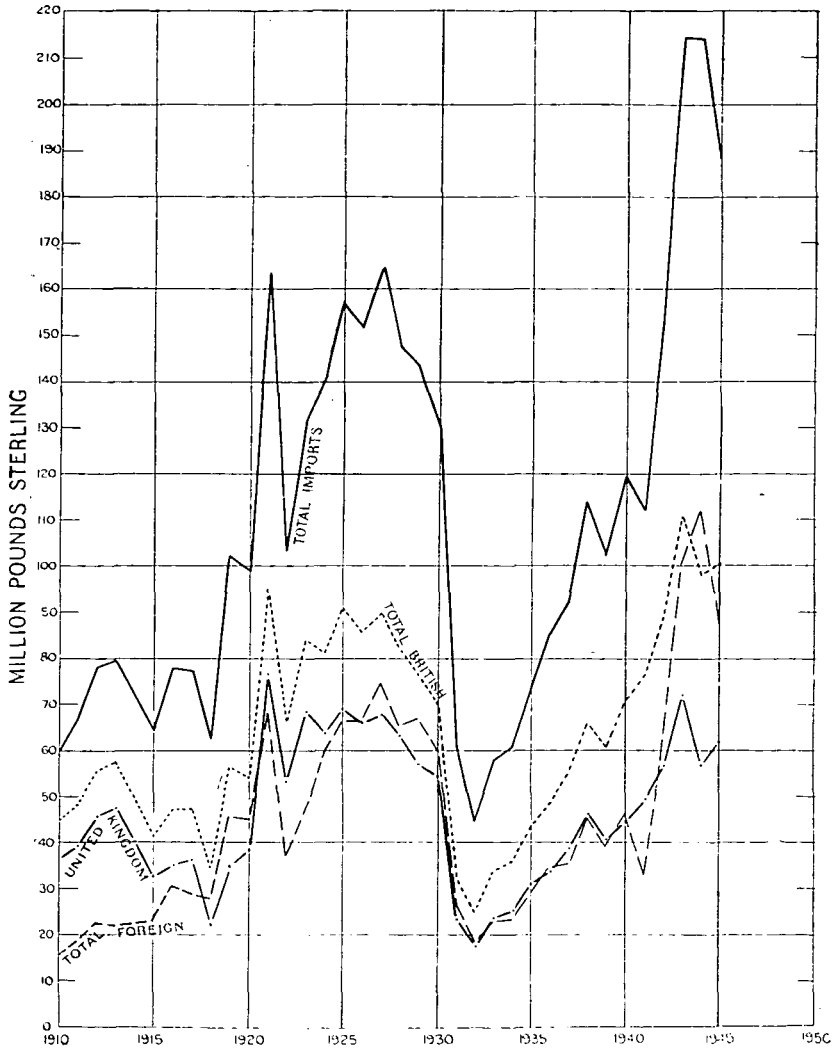
The term “British currency values” is not exactly synonymous with “English sterling”, since imports already expressed in terms of £ *s. d.* are regarded for duty purposes as being expressed in British currency values. This exception to the general rule is chiefly important in the case of imports from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

EXPORT PRICES INDEX-NUMBERS—AUSTRALIA, 1928 TO 1945.

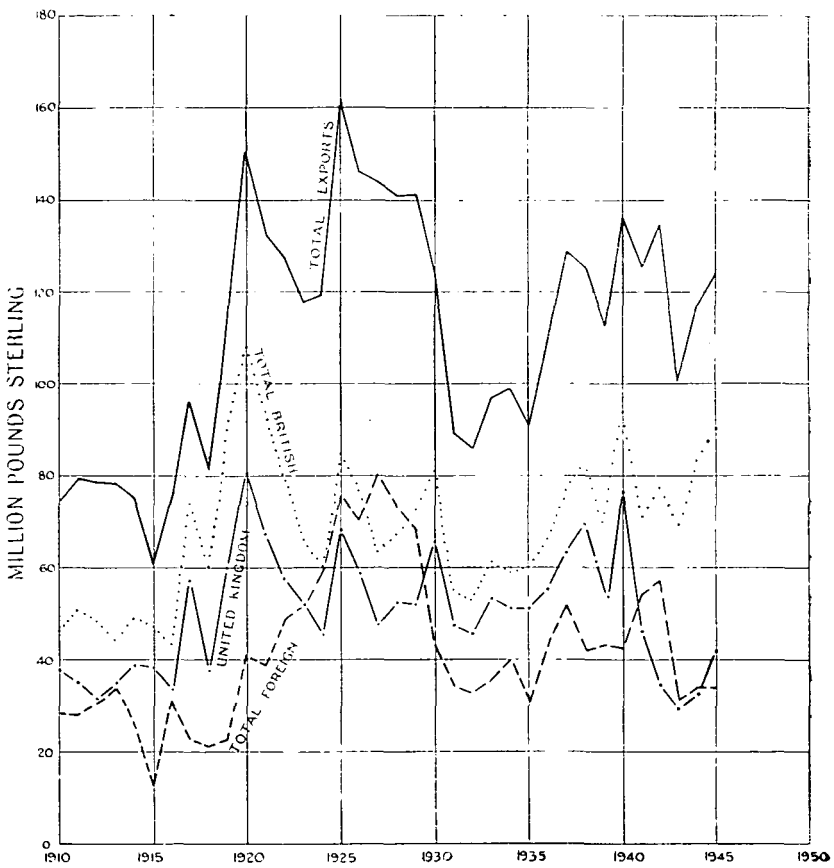


EXPLANATION.—This graph represents the Fixed Base series of Export Price Index-Numbers computed quarterly with the average for year 1928-29 as base (=1,000).

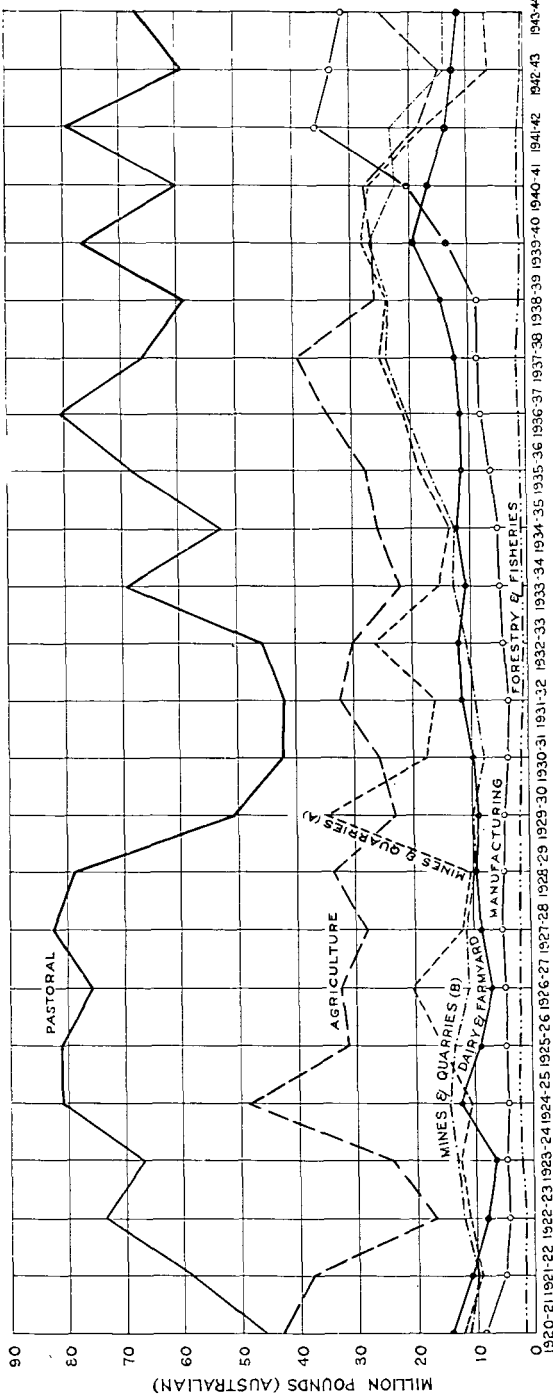
IMPORTS INTO AUSTRALIA, 1910 TO 1945.



EXPORTS FROM AUSTRALIA, 1910 TO 1945.



EXPORTS OF AUSTRALIAN PRODUCTS ACCORDING TO INDUSTRIES, 1920-21 TO 1943-44.



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.

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

4. **Statistical Classification of Imports and Exports.**—Statistics of oversea imports and exports from which the summary tables in this issue of the Official Year Book have been extracted were compiled according to a classification which came into operation on 1st July, 1922. In order to meet the demand for more detailed information relating to imports and exports a revised statistical classification was introduced from 1st July, 1945. The new classification provides for over 2,600 separate import items and 1,100 export items.

5. **The Trade Year.**—From 1st July, 1914, the statistics relating to Oversea Trade have been shown according to the financial year (July to June). Prior to that date the figures related to the calendar year. A table is given in § 17 showing the total value of imports and exports in the calendar years 1941 to 1945 inclusive.

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

7. **Overseas Trade During the 1939–45 War.**—Available records of imports and exports during the 1939–45 War are incomplete. Export entries were not made for a substantial volume of war material and supplies exported to Australian and Allied forces serving abroad, particularly in Papua, the Territory of New Guinea and other parts of the Pacific Theatre of War. In addition, no export entries were passed for about £stg. 23,000,000 of war material exported to other Governments. In general, however, the export of foodstuffs was recorded without serious deficiency. Imports as recorded do not include supplies imported for their own use by Allied forces serving in Australia—some part of which may subsequently have found its way into the hands of the Australian Government or people—also some imports of war material by the Commonwealth Government Departments and some items imported for civil consumption under United States of America Lend-Lease and Canadian Mutual Aid. There were substantial delays in recording imports of war material by the Commonwealth Government Departments and some items imported for civil consumption under United States of America Lend-Lease and Canadian Mutual Aid. These delayed entries have been recorded in the month in which the entry was passed and not in the month of arrival of the goods into this country.

It should be noted, moreover, that the recorded trade figures during the war period did not necessarily reflect the amount payable for imports or receivable for exports. Export to Australian forces and to allied forces under Reciprocal Lend-Lease and imports under Lend-Lease and Mutual Aid required no payment. On the other hand payment was received for wool and some other minor items which were purchased by Great Britain under contract but not actually shipped and for some unrecorded exports of war material. In addition payment was made by Australia for some imports of war material in years prior to those in which import entries were recorded.

8. **Ships' Stores.**—Prior to 1906 goods shipped in Australian ports on board oversea vessels as ships' stores were included in the general exports. From 1906, ships' stores have been specially recorded as such, and omitted from the return of exports. A table showing the value of these stores shipped each year since 1935–36 is given in § 11, page 365.

§ 6. Oversea Trade.

1. **Total Oversea Trade.**—(i) *Including Gold.* The following table shows the total trade (including gold) of Australia with oversea countries from the earliest date for which records are available. To save space, the period 1826 to 1939–40 has been divided into five-yearly periods, and the figures shown represent the annual averages for the periods specified. The figures for individual years were published in earlier issues of the Official Year Book. (See note to following table.)

TOTAL OVERSEA TRADE : AUSTRALIA.

(INCLUDING GOLD.)

Period.(a)	Recorded Value.			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	(b)69,336	120,844	12 4 8	16 9 11	28 14 7	134.6
1911 „ 15-16	73,411	74,504	147,915	15 7 4	15 12 10	31 0 2	101.5
1916-17 to 1920-21	100,735	115,066	215,801	19 7 9	22 2 10	41 10 7	114.2
1921-22 to 1925-26	136,844	134,545	271,389	23 15 6	23 7 7	47 3 1	98.3
1926-27 to 1929-30	146,848	137,976	284,824	23 7 0	21 18 10	45 5 10	94.0
1930-31 to 1934-35(c)	59,704	114,565	..	..	..	..	..
(d)	59,704	92,365	152,069	9 0 10	13 19 10	23 0 8	154.7
1935-36 (c) to 1939-40(d)	101,940	149,233	..	..	..	..	..
1940-41 (c)	111,918	157,164	..	..	..	..	..
(d)	111,918	125,515	237,433	15 16 8	17 15 2	33 11 10	112.1
1941-42 (c)	152,005	168,977	..	..	..	..	..
(d)	152,005	134,927	286,932	21 5 11	18 18 1	40 4 0	88.8
1942-43 (c)	214,442	125,557	..	..	..	..	..
(d)	214,442	100,245	314,687	29 15 9	13 18 6	43 14 3	46.7
1943-44 (c)	214,225	146,682	..	..	..	..	..
(d)	214,225	117,111	331,336	29 9 8	16 2 4	45 12 0	54.7
1944-45 (c)	188,483	155,271	..	..	..	..	..
(d)	188,483	123,969	312,452	25 13 5	16 17 9	42 11 2	65.8

(a) The figures given for the years 1826 to 1939-40 represent the annual averages for the periods shown. The trade of the individual years will be found in Official Year Book No. 35 and earlier issues. From 1914-15 onwards the particulars relate to financial years. (b) Prior to 1906, ships' stores were included in the general exports. For value of such goods shipped on oversea vessels each year since 1935-36 see later table, § 11. (c) Recorded values. Imports, British currency; Exports, Australian currency. (d) British currency values.

In issues of the Official Year Book prior to No. 23 fluctuations in the value of the overseas trade of Australia for earlier years have been treated in some detail. The enhanced prices ruling for commodities and the peculiar conditions affecting Australian

trade were responsible for the high value of imports in the years following the 1914-19 War and these factors should be taken into consideration in making comparisons with earlier years.

In 1924-25 the total value of oversea trade was £318,454,000 represented by imports £157,143,000, and exports £161,311,000. So far as exports are concerned this figure is the highest recorded, but the total was exceeded in 1943-44 (£331,336,000). The figure for imports was exceeded in 1920-21, 1926-27, 1942-43, 1943-44 and 1944-45. 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 and some years thereafter. 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 declined still further in 1938-39 when the value of exports fell nearly £14 million and total trade more than £25 million. In 1939-40 the value of trade rose by £41,546,000, exports increasing by £23,906,000 and imports by £17,640,000. In 1940-41, however, trade declined by over £18 million, imports decreasing by £8 million and exports by £10 million, mainly due to import restrictions and scarcity of shipping.

The outbreak of war in the Pacific in 1941 resulted in an enormous increase in the value of imports during 1941-42 and subsequent years. Imports in 1942-43 exceeded 1938-39 figures by approximately £112 millions. Fluctuating yearly increases in the value of exports were recorded during the same period, the average yearly value of exports being over £6 million more than in 1938-39.

(ii) *Excluding Gold.* 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 AND SPECIE.)
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.	
				£ s. d. Stg.	£ s. d. Stg.	£ s. d. Stg.	
1938-39	99,384	97,839	197,223	14 6 11	14 2 6	28 9 5	98.4
1939-40	115,716	119,250	234,966	16 10 10	17 0 11	33 11 9	103.1
1940-41	108,709	107,810	216,519	15 7 7	15 5 1	30 12 8	99.2
1941-42	149,390	127,576	276,966	20 18 8	17 17 5	38 16 1	85.4
1942-43	213,155	100,241	313,396	29 12 2	13 18 6	43 10 8	47.0
1943-44	212,940	117,108	330,048	29 6 2	16 2 4	45 8 6	55.0
1944-45	187,351	123,969	311,320	25 12 9	17. 1 4	42 14 1	66.2

2. *Balance of Trade.*—The table on page 345 shows the percentage of exports on imports (including gold) for five-yearly periods from 1826 to 1939-40 and for each year from 1940-41 to 1944-45, while the table above shows the percentage of exports on imports (excluding gold) for each year 1938-39 to 1944-45. Reference to the first-mentioned table shows that prior to the five-yearly 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 five-yearly 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 and 1940-41 exports exceeded imports by £stg. 16.3 millions and £stg. 13.6 millions respectively, but for subsequent years imports greatly exceeded exports.

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

COMMODITY BALANCE OF TRADE AND MONETARY MOVEMENT OF GOLD.

British Currency Values.

Year.	A.	B.	C.	D.	E.	F.	G.
	Total Imports other than Gold. (Specie, Bullion and in Matte.)	Total Exports, other than Gold. (Specie, Bullion and in Matte.)	Gold produced in Australia.	Total of Merchandise Exports and Gold Production. B + C	Commodity Balance of Trade. D - A	Net Exports of Gold (Specie, Bullion and in Matte) in excess of Production. F	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	31.4	22.4	- 7.9	14.5
1911 ..	65.4	67.5	10.5	78.0	12.6	- 0.1	12.5
1912 ..	76.8	66.8	9.9	76.7	- 0.1	1.1	1.0
1913 ..	78.4	75.1	9.4	84.5	6.1	- 7.3	- 1.2
1914 (a) ..	39.0	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 ..	68.9	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	- 1.3	16.3
1940-41 ..	108.7	107.7	13.1	120.8	12.1	1.4	13.5
1941-42 ..	149.4	126.9	11.7	138.6	-10.8	- 6.3	-17.1
1942-43 ..	213.2	100.2	7.8	108.0	-105.2	- 9.0	-114.2
1943-44 ..	212.9	117.0	5.7	122.7	-90.2	- 6.9	-97.1
1944-45 ..	187.4	123.9	5.5	129.4	-58.0	- 6.5	-64.5

(a) First six months only.

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

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.

§ 7. Direction of Oversea Trade.

I. Imports according to Country of Origin.—The following table shows the value (in British currency) of the imports into Australia during the years 1939-40 to 1944-45 of commodities stated to be the produce or manufacture of the undermentioned countries.

AUSTRALIAN IMPORTS : COUNTRIES OF ORIGIN.

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

British Currency Values.

Country of Origin.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.
	£ Stg. '000.	£ Stg. '000.	£ Stg. '000.	£ Stg. '000.	£ Stg. '000.	£ Stg. '000.
United Kingdom	43,934	49,398	56,469	72,129	56,671	61,692
British Possessions—						
Canada	9,097	7,630	8,778	10,214	9,218	8,981
Ceylon	678	531	1,196	4,027	3,821	3,946
India	5,888	7,011	11,083	14,864	20,751	16,145
Malaya (British)	1,530	2,117	1,538	39	1	1
New Zealand	1,017	1,210	1,065	1,227	1,028	1,589
Pacific Islands—						
Nauru	533	189	65	..	..	..
Papua	373	254	211	79	240	383
Territory of New Guinea	192	261	186	7	89	599
Other Islands	347	59	322	62	41	165
Union of South Africa	438	685	1,084	1,568	715	572
Other British Possessions	2,795	3,864	4,312	5,112	4,218	4,056
Total, British Possessions	22,888	23,811	29,840	37,199	40,122	36,437
Total, British Countries	66,822	73,209	86,309	109,328	96,793	98,129
Foreign Countries—						
Belgium	1,047	81	4	..	..	..
China	743	549	373	16	40	4
France	967	93	5	15	1	2
Germany	1,139	162	24	3	2	3
Italy	757	123	5	1	13	..
Japan	5,795	3,600	426	4	..	..
Netherlands	792	136	14	1	1	..
Netherlands East Indies	9,829	8,173	9,871	404	56	22
Norway	499	30	1	3	..	..
Pacific Islands (Foreign)	56	375	338	496	413	244
Philippine Islands	126	93	51	..	..	..
Sweden	1,021	71	55	5	3	3
Switzerland	949	382	267	166	226	217
United States of America	20,122	17,394	44,792	93,524	104,018	72,877
Other Foreign Countries	2,367	1,895	4,410	6,280	7,403	13,131
Total Foreign Countries	46,209	33,157	60,636	100,918	112,176	86,503
Total (a)	113,031	106,366	146,945	210,246	208,969	184,632

(a) Excludes outside packages, £ Stg. '000—1939-40, 2,685; 1940-41, 2,343; 1941-42, 2,445; 1942-43, 2,909; 1943-44, 3,971; 1944-45, 2,719.

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 war years. A better idea of the proportions of imports supplied by the various countries may be obtained from the following table of percentages.

AUSTRALIAN IMPORTS : PERCENTAGES FROM COUNTRIES OF ORIGIN.

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

Country of Origin.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
United Kingdom	38.87	46.44	38.43	34.47	27.12	33.41
British Possessions—						
Canada	8.05	7.17	5.97	4.88	4.41	4.86
Ceylon	0.60	0.50	0.81	1.93	1.83	2.14
India	5.21	6.59	7.54	7.10	9.93	8.75
Malaya (British) ..	1.35	1.99	1.05	0.02	..	..
New Zealand	0.90	1.14	0.72	0.59	0.49	0.86
Pacific Islands—						
Nauru	0.47	0.18	0.04	..	..	..
Papua	0.33	0.24	0.14	0.04	0.12	0.21
Territory of New Guinea	0.17	0.25	0.13	..	0.04	0.32
Other Islands ..	0.31	0.24	0.22	0.03	0.02	0.09
Union of South Africa ..	0.39	0.64	0.74	0.75	0.34	0.31
Other British Possessions ..	2.47	3.44	2.94	2.44	2.02	2.20
Total, British Possessions	20.25	22.38	20.30	17.78	19.20	19.74
Total, British Countries	59.12	68.82	58.73	52.25	46.32	53.15
Foreign Countries—						
Belgium	0.92	0.08	..	..	..	..
China	0.66	0.52	0.26	0.01	0.02	..
France	0.86	0.09	..	0.01	..	..
Germany	1.01	0.15	0.02	..	..	..
Italy	0.67	0.12	..	..	0.01	..
Japan	5.13	3.38	0.29	..	..	..
Netherlands	0.70	0.13	0.01	..	..	..
Netherlands East Indies ..	8.70	7.68	6.72	0.19	0.03	0.01
Norway	0.44	0.03	..	..	..	..
Pacific Islands (Foreign) ..	0.05	0.35	0.23	0.24	0.20	0.13
Philippine Islands	0.11	0.09	0.04	..	..	..
Sweden	0.90	0.07	0.04	..	..	..
Switzerland	0.84	0.36	0.18	0.08	0.11	0.12
United States of America ..	17.80	16.35	30.48	44.22	49.77	39.48
Other Foreign Countries ..	2.09	1.78	3.00	3.00	3.54	7.11
Total, Foreign Countries	40.88	31.18	41.27	47.75	53.68	46.85
Total	100	100	100	100	100	100

The table covers a period of war and for that reason the figures are abnormal. They show a considerable increase in the proportion of imports from the United States of America—the average percentage for which in the five years ended 1938–39 was 15.74—and a decrease for the United Kingdom—the average percentage for which in the five years ended 1938–39 was 42.53.

3. **Direction of Exports.**—The following table shows the value in Australian currency of commodity exports to the principal countries during the six years 1939–40 to 1944–45.

EXPORTS FROM AUSTRALIA TO VARIOUS COUNTRIES.

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

Australian Currency Values.

Country of Destination.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.
	£A.'000.	£A.'000.	£A.'000.	£A.'000.	£A.'000.	£A.'000.
United Kingdom	95,943	57,582	43,255	36,792	49,670	52,119
British Possessions—						
Canada	3,438	4,030	3,778	2,392	3,681	3,797
Ceylon	933	824	1,063	3,571	6,969	6,840
Fiji	763	827	1,057	1,197	1,007	1,127
Hong Kong	859	1,132	824			
India	2,116	2,874	7,573	6,997	10,148	15,798
Malaya (British)	2,942	4,158	3,967	1		
Mauritius	144	85	322	292	567	673
New Zealand	6,507	7,693	6,852	7,798	7,820	7,086
Papua	439	568	932	14,006	6,465	299
Union of South Africa	973	1,459	2,499	1,444	1,052	1,327
Other British Possessions	2,900	7,844	24,955	9,629	15,942	22,139
Total, British Possessions	22,014	31,494	53,822	47,327	53,651	59,086
Total, British Countries	117,957	89,076	97,077	84,119	94,321	111,205
Foreign Countries—						
Belgium	851					
Chile and Peru				288	223	955
China	1,426	3,514	232			
Manchuria, including Kwan- tung Peninsula	111	405	143	1		
Egypt	1,208	5,737	6,479	1,581	5,594	3,156
France	11,778	12				358
Germany	321					
Italy	188	11			1,489	2,083
Japan	5,463	5,364	852			
Netherlands	326					
Netherlands East Indies	2,041	3,057	2,901	7	29	67
Norway	64					
Pacific Islands (Foreign)	518	606	1,175	1,368	1,528	1,679
Philippine Islands	560	489	222			2
Sweden	149					
United States of America	4,939	24,348	48,685	33,543	30,934	30,766
U.S.S.R. (Russia)			930	489	142	42
Other Foreign Countries	1,774	2,424	1,093	1,661	2,422	2,958
Total, Foreign Countries	31,717	45,967	62,712	38,938	42,361	42,066
Unrecorded exports (estimated)				2,500	10,000	2,000
Total	149,674	135,043	159,789	125,557	146,682	155,271

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

There was a very marked increase in the proportion of exports to the United States of America and a decrease in the proportion to the United Kingdom, the respective percentages for which in the five years ended 1938-39 were 3.97 and 52.25.

EXPORTS FROM AUSTRALIA : PERCENTAGES TO VARIOUS COUNTRIES.

(EXCLUDING GOLD BULLION, SPECIE AND IN MATTE.)

Country of Destination.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.
United Kingdom	Per cent. 64.10	Per cent. 42.64	Per cent. 27.07	Per cent. 29.30	Per cent. 27.72	Per cent. 33.57
British Possessions—						
Canada	2.30	2.98	2.36	1.91	2.51	2.45
Ceylon	0.62	0.61	0.67	2.85	4.75	4.41
Fiji	0.51	0.61	0.66	0.95	0.68	0.73
Hong Kong	0.57	0.84	0.52	..	..	..
India	1.41	2.13	4.74	5.57	6.92	10.18
Malaya (British)	1.97	3.08	2.48	..	..	..
Mauritius	0.10	0.06	0.20	0.23	0.39	0.43
New Zealand	4.35	5.70	4.29	6.21	5.33	4.56
Papua	0.29	0.42	0.58	11.16	4.41	0.19
Union of South Africa	0.65	1.08	1.56	1.15	0.72	0.85
Other British Possessions	1.94	5.81	15.62	7.67	10.87	14.25
Total, British Possessions	14.71	23.32	33.68	37.70	36.58	38.05
Total, British Countries	78.81	65.96	60.75	67.00	64.30	71.62
Foreign Countries—						
Belgium	0.57	..	..	..	..	..
Chile and Peru .. ..	..	..	..	0.23	0.15	0.62
China	0.95	2.60	0.15	..	..	..
Manchuria, including Kwantung Peninsula	0.07	0.30	0.09	..	..	..
Egypt	0.81	4.25	4.05	1.26	3.81	2.03
France	7.87	0.01	..	..	..	0.23
Germany	0.21	..	..	..	..	..
Italy	0.13	0.01	..	..	1.02	1.34
Japan	3.65	3.97	0.53	..	..	..
Netherlands	0.22	..	..	..	..	..
Netherlands East Indies	1.36	2.26	1.82	..	0.02	0.04
Norway	0.04	..	..	..	..	..
Pacific Islands (Foreign)	0.35	0.45	0.74	1.09	1.04	1.08
Philippine Islands	0.37	0.36	0.14	..	..	..
Sweden	0.10	..	..	..	..	..
United States of America	3.30	18.03	30.47	26.72	21.09	19.82
U.S.S.R. (Russia) .. ..	..	..	0.58	0.39	0.10	0.03
Other Foreign Countries	1.19	1.80	0.68	1.32	1.65	1.90
Total, Foreign Countries	21.19	34.04	39.25	31.01	28.88	27.09
Unrecorded exports .. ..	..	..	..	1.99	6.82	1.29
Total	100	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 shown owing to dislocation of trade between countries consequent on war-time conditions.

BALANCE OF AUSTRALIAN TRADE WITH PRINCIPAL COUNTRIES.

(EXCLUDING BULLION AND SPECIE.)

British Currency Values.

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

(a) Excludes outside packages.

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

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

§ 8. Classified Summary of Australian Oversea Trade with the United Kingdom.

1. Imports.—The following table shows, according to statistical classes, the value of imports into Australia of United Kingdom origin during the years 1941-42 to 1944-45 compared with the year 1938-39:—

IMPORTS INTO AUSTRALIA OF UNITED KINGDOM ORIGIN: CLASSES.

British Currency Values.

Classes.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
I. Animal foodstuffs, etc.	300,283	12,073	1,748	5,205	871
II. Vegetable foodstuffs; non-alcoholic beverages, etc.	187,949	38,169	10,520	9,049	6,998
III. Alcoholic liquors, etc.	613,874	333,252	130,061	106,837	338,542
IV. Tobacco, etc.	19,231	25,072	180,488	8,294	8,476
V. Live animals	47,914	4,469	..	1,689	21,268
VI. Animal substances, etc.	36,266	29,462	7,577	16,272	11,672
VII. Vegetable substances, etc.	211,174	276,109	214,515	206,590	200,791
VIII. Apparel, textiles, etc.	10,033,422	18,646,582	13,313,113	13,466,230	18,459,130
IX. Oils, fats and waxes	134,837	75,214	21,799	23,304	20,454
X. Paints and varnishes	383,043	456,442	244,592	299,830	327,778
XI. Stones and minerals, etc.	278,568	276,071	228,853	190,313	149,136
XII. Metals, metal manufactures, and machinery	18,246,658	23,439,897	25,613,029	24,440,334	21,898,686
XIII. Rubber and leather, etc.	247,671	385,072	122,164	89,044	116,452
XIV. Wood and wicker, etc.	85,129	58,576	26,677	20,770	24,436
XV. Earthenware, etc.	946,220	1,788,158	791,560	661,377	989,838
XVI. Paper and stationery	2,945,640	2,430,143	1,632,663	1,893,479	2,147,375
XVII. Jewellery, etc.	275,301	494,214	185,351	136,593	120,375
XVIII. Optical, surgical, and scientific instruments	523,381	885,745	591,998	661,872	616,868
XIX. Drugs, chemicals, etc.	2,288,387	2,850,532	2,472,473	2,470,815	2,497,609
XX. Miscellaneous (a)	2,614,335	3,972,935	26,339,907	11,971,809	13,735,147
XXI. Gold and silver; and bronze specie	14,307	1,451	555	168	..
Total	40,433,590	56,470,358	72,129,652	56,671,474	61,691,880

(a) Includes Arms, Ammunition and Explosives.

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

EXPORTS FROM AUSTRALIA TO THE UNITED KINGDOM: CLASSES.

Australian Currency Values.

Classes.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
	£ A.	£ A.	£ A.	£ A.	£ A.
I. Animal foodstuffs, etc.	24,483,853	17,042,066	15,517,679	12,580,752	14,393,544
II. Vegetable foodstuffs; non-alcoholic beverages, etc.	14,369,098	4,813,498	3,617,103	2,118,102	2,836,785
III. Alcoholic liquors, etc.	906,358	64,151	24,501	79,411	283,641
IV. Tobacco, etc.	1,196	252	512	996	..
V. Live animals	1,754	..	2	..	10
VI. Animal substances, etc.	19,475,233	15,760,733	13,787,237	19,006,024	23,673,527
VII. Vegetable substances, etc.	109,770	128,880	349,856	615,814	686,356
VIII. Apparel, textiles, etc.	40,909	1,990	24,805	109,708	145,101
IX. Oils, fats and waxes	179,408	231,127	67,910	278,534	316,619
X. Paints and varnishes	3,412	..	..	..	476
XI. Stones and minerals, etc.	846,994	440,956	392,111	747,507	918,690
XII. Metals, metal manufactures, and machinery	5,291,304	3,829,280	2,510,794	3,644,661	5,361,348
XIII. Rubber and leather, etc.	422,548	369,834	279,527	261,414	452,604
XIV. Wood and wicker, etc.	206,537	26,769	5,972	5,801	114,112
XV. Earthenware, etc.	3,079	402	..	20	407
XVI. Paper and stationery	32,464	3,500	3,021	10,236	7,843
XVII. Jewellery, etc.	31,626	28,925	147	324	19,169
XVIII. Optical, surgical, and scientific instruments	16,096	450	315	819	4,070
XIX. Drugs, chemicals, etc.	108,562	143,261	76,466	44,512	72,042
XX. Miscellaneous (a)	166,862	305,232	133,886	1,165,324	2,832,513
XXI. Gold and silver; and bronze specie . . . . .	..	3,760	..	..	..
Total (b)	68,716,031	43,255,066	36,791,844	40,669,959	52,118,859

(a) Includes Arms, Ammunition and Explosives. (b) Estimated British currency value, 1938-39 £ Stg. 54,866,278 1941-42, £ Stg. 34,534,983; 1942-43, £ Stg. 29,374,725; 1943-44, £ Stg. 32,472,025; 1944-45, £ Stg. 41,611,863.

3. Imports of Principal Articles.—The following table shows the value of the principal articles imported into Australia from the United Kingdom during the years 1941-42 to 1944-45 compared with the year 1938-39. The articles are shown in the order in which they appear in the detailed classification.

PRINCIPAL COMMODITIES IMPORTED OF UNITED KINGDOM ORIGIN :
AUSTRALIA.

British Currency Values.

Article.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
Whisky	552,521	295,818	106,511	97,316	338,231
Fibres	38,569	63,760	62,605	72,336	74,171
Hides and skins	21,214	4,392	1,733	8,708	1,018
Seeds	22,949	1,622	4,489	8,052	1,599
Socks and stockings	34,724	34,918	3,151	166	1,024
Gloves	42,551	469,271	38,152	147	7,267
Hats and caps	74,957	59,118	3,430	135	1,002
Trimmings and ornaments	101,668	257,179	190,628	176,403	246,091
Other apparel and attire	446,409	457,496	171,803	48,030	132,825
Carpets and carpeting	934,428	960,770	75,612	893	26,347
Floorcloths and linoleums	472,638	583,398	42,777	2,914	395
Piece Goods—					
Canvas and duck	418,387	530,942	705,701	1,108,676	835,777
Cotton and linen	3,661,106	5,067,802	3,424,048	3,272,193	5,795,343
Silk and artificial silk	849,312	3,797,959	4,089,012	4,766,571	6,307,972
Woolen or containing wool	220,004	774,182	156,356	295,102	239,505
All other piece goods	796,862	1,526,669	953,583	673,142	416,532
Sewing silks, cottons, etc.	469,556	684,632	666,035	718,335	771,015
Bags and sacks	5,251	6,270	7,631	22,882	9,917
Yarns—					
Artificial silk	203,337	1,335,698	1,045,015	1,176,214	1,265,350
Cotton	366,072	557,304	590,794	572,340	1,064,479
Woolen	47,044	51,087	7,981	5,640	22,169
Other	42,628	42,075	16,938	23,947	29,096
Electrical machinery and appliances	2,630,965	1,815,806	1,895,089	1,927,040	2,985,766
Electrical cable and wire, covered	1,113,605	838,056	752,866	533,589	521,806
Agricultural machinery	39,950	18,001	99,946	45,304	13,773
Metal-working machinery	754,904	863,143	1,620,511	519,429	214,441
Motive-power machinery	899,085	1,374,406	1,550,790	1,412,808	1,691,243
Iron and Steel—					
Pipes and tubes	415,349	91,805	90,335	129,822	97,215
Plate and sheet	2,127,177	1,008,066	151,612	222,024	253,685
Cutlery and platedware	455,311	613,462	391,301	378,111	410,214
Tools of trade	390,664	487,438	495,458	541,954	460,172
Motor cars, chassis, bodies, and parts	2,795,593	190,411	78,533	86,944	189,169
Rubber and rubber manufactures	175,707	272,015	75,656	56,112	90,251
Crocery	403,010	738,380	410,546	353,279	564,876
Glass and glassware	290,661	659,806	274,102	228,365	317,914
Paper, printing	824,191	179,941	71,828	39,980	58,447
Stationery and paper manufactures	1,413,252	1,265,856	928,504	1,308,262	1,523,429
Cinematograph films	56,940	44,105	27,244	42,450	68,909
Drugs, chemicals, and fertilizers	2,288,387	2,850,552	2,472,473	2,470,815	2,497,609
Arms and explosives	953,406	2,763,398	24,806,077	11,137,747	12,905,083
Musical instruments, pianos, etc.	57,198	51,834	9,361	2,902	4,701
All other articles	12,526,048	22,775,615	23,563,435	22,184,395	19,236,052
Total Imports	40,433,590	56,470,358	72,129,652	56,671,474	61,691,880

4. Exports of Principal Articles of Australian Produce.—(i) Quantities. The following table shows the quantities of the principal articles of Australian produce exported to the United Kingdom during the years 1941-42 to 1944-45 compared with the year 1938-39. The articles are shown in the order in which they appear in the detailed classification.

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

Article.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
Butter centl.	2,170,515	1,049,717	1,104,751	934,453	825,048
Cheese doz.	347,991	154,498	153,009	83,945	63,210
Eggs in shell doz.	10,069,570	6,158,850			
Beef centl.	2,477,128	759,797	34,471	7,511	120,116
Lamb "	1,557,485	1,612,612	1,837,542	1,362,945	1,040,786
Mutton "	253,074	53,361	161,947	202,577	170,156
Pork "	301,204	317,170	8,702	139,482	370,045
Meats, preserved in tins "	116,553	242,269	268,336	108,925	148,973
Milk and cream "	28,806	23,965	22,455	22,145	23,956
Fruits, dried "	1,173,664	849,543	820,658	1,097,420	1,019,637
" fresh "	2,023,970				55,326
Barley "	4,027,052				
Wheat "	19,340,770	4,139,927	5,392,210	192,317	4
Flour "	2,379,151	209,601	465,827		659,899
Sugar (cane) cwt.	7,829,940	1,528,320	287,420	40	1,620
Wine gal.	3,507,410	212,585	80,538	271,651	700,514
Wool (in terms of greasy wool) centl.	4,125,467	1,987,649	1,992,134	2,496,046	3,154,665
Pearl-shell cwt.	20,877	240			
Tallow (unrefined) "	167,695	196,282	12,611	145,565	160,771
Timber, undressed, including logs (a) sup. ft.	13,188,491	1,605,288	162,594	22,705	3,199,671
Soap centl.	9,746			127	3,022

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

(ii) *Values.* The values of the principal articles of Australian produce exported to the United Kingdom during the years 1941-42 to 1944-45 compared with the year 1938-39 are given in the table hereunder:—

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

Australian Currency Values.

Article.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
	£ A.	£ A.	£ A.	£ A.	£ A.
Butter	12,127,260	6,379,686	7,004,136	6,049,502	7,355,003
Cheese	1,019,681	525,324	546,567	312,213	232,586
Eggs in shell	631,976	391,294			
Meats	10,581,318	8,626,119	7,342,013	6,093,291	6,450,514
Milk and cream	88,116	85,616	88,276	91,861	95,245
Fruits, dried	2,045,646	1,480,921	1,352,409	2,037,444	2,033,587
" fresh	1,400,613				69,158
" preserved in liquid	1,041,385			248	159,785
Barley	278,026				
Wheat	4,443,613	1,398,607	1,824,331	66,400	2
Flour	705,518	82,556	224,406		353,685
Sugar (cane)	3,685,761	992,134	208,389	57	2,490
Wine	896,659	63,172	24,501	79,136	233,903
Hides and skins	813,201	339,706	192,786	528,124	685,845
Wool	18,513,175	15,399,458	13,593,272	18,475,758	22,982,119
Pearl-shell	90,777	2,220			
Tallow (unrefined)	137,464	184,162	19,732	219,919	252,592
Leather	320,322	368,372	279,527	261,370	451,260
Timber, undressed, including logs (a)	152,394	19,521	2,033	1,035	90,280
Soap	21,489		5	636	5,914
Gold	1,990,948				
Silver	21,794	3,760			
All other articles	7,386,780	6,855,377	4,075,526	6,426,952	10,606,929
Total Exports (Australian Produce) (b)	68,393,916	43,198,005	36,777,909	40,643,946	52,060,899

(a) Excludes undressed timber not measured in super. ft. (b) Estimated British currency value—1938-39, £ Stg. 54,609,099; 1941-42, £ Stg. 34,489,425; 1942-43, £ Stg. 29,363,600; 1943-44, £ Stg. 32,450,256; 1944-45, £ Stg. 41,565,588.

§ 9. 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 1936-37 to 1940-41. The countries concerned in this trade were Borneo (British), Burma, Ceylon, China, French Indo-China, Hong Kong, India, Japan, Korea, Kwantung Peninsula, Malaya (British), Manchuria, Netherlands East Indies, Philippine Islands, Siam, Timor (Portuguese), and French and Portuguese Possessions in India. The outbreak of war with Japan in December, 1941 resulted in the cessation of trade with Eastern countries, except Ceylon and India. The export trade with Eastern countries rose substantially during 1934-35 and 1935-36 as a result of increased shipments of wool, flour, wheat and minerals. The exports in 1935-36 were valued at £25,532,518, 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. The outbreak of war in Europe with the further possibility of war with Japan resulted in substantial increases in the value of exports to Eastern countries during 1939-40 and 1940-41, particularly to Ceylon, Burma, India, Hong Kong, Malaya (British), China and Netherlands East Indies. The supply of foodstuffs, clothing, etc. to the garrison forces stationed in the countries mentioned above was largely responsible for the increase of approximately £6½ million in the value of exports during the year 1940-41 as compared with the year 1938-39.

TOTAL EXPORTS FROM AUSTRALIA TO EASTERN COUNTRIES.

Australian Currency Values.

Article.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£ A.	£ A.	£ A.	£ A.	£ A.
Biscuits	41,114	34,001	37,353	53,971	102,292
Butter	640,544	622,195	588,303	749,348	903,523
Cheese	39,647	30,914	43,555	90,695	301,420
Coal	94,821	149,964	125,740	85,181	61,661
Fruits—					
Fresh	155,093	170,947	166,076	167,618	144,187
Dried and preserved	45,116	46,121	46,981	66,350	141,715
Grain and pulse—					
Wheat	1,105,648	935,842	2,402,855	1,791,153	1,787,013
Flour	2,582,600	3,090,681	3,036,957	2,610,781	5,522,705
Other (prepared and unprepared)	129,050	101,585	70,288	525,484	228,027
Hay, chaff, and compressed fodder	25,111	13,553	16,156	21,466	27,254
Horses	126,518	97,525	85,805	56,601	64,950
Infants' and invalids' food	145,306	171,247	193,909	141,246	69,354
Iron ore	103,974	48,614	51,477		
Iron and steel (scrap)	217,112	214,463	283,302	302,468	179,546
Jams and jellies	49,178	46,143	44,651	87,978	141,123
Lard and refined animal fats	40,738	34,432	26,248	35,360	36,416
Lead, pig	138,237	80,206	13,350	194,080	168,943
Leather	173,761	181,723	134,319	221,476	359,924
Meats—					
Bacon and hams	92,952	95,437	94,640	220,741	330,117
Other meats	253,450	322,298	274,015	436,503	885,074
Milk and cream	611,021	662,234	436,472	770,997	966,756
Pearl-shell and trochus-shell	59,696	37,878	42,425	41,260	12,296
Sandalwood	106,448	36,676	42,330	52,374	61,960
Skins, hoofs, horns, bones, and sinews	185,803	339,223	176,055	136,150	28,359
Tallow (unrefined)	174,981	218,591	156,105	222,729	169,963
Timber (undressed)	148,753	143,690	62,893	72,725	34,289
Wool	7,860,278	4,367,877	4,180,914	4,605,462	5,094,295
Zinc—					
Bars, blocks, ingots, etc.	937,474	390,939	597,366	260,540	153,314
Concentrates		14,895	14,895	152,930	93,079
Other merchandise	654,608	898,231	1,393,170	2,929,251	4,316,392
Total merchandise	16,939,032	13,591,810	14,834,785	17,121,218	22,385,537
Specie, and gold and silver bullion	546,473	610,518	933,965	63,359	110
Total Exports (a)	17,485,505	14,202,328	15,768,750	17,184,577	22,385,647

(a) Estimated British currency value—1936-37, £ Stg. 13,960,483; 1937-38, £ Stg. 11,339,184; 1938-39, £ Stg. 12,571,315; 1939-40, £ Stg. 13,720,221; 1940-41, £ Stg. 17,872,772.

2. Destination of Exports of Merchandise.—The next table shows the destination of merchandise exported to Eastern countries during the five years ended 1940-41:—

EXPORTS OF MERCHANDISE FROM AUSTRALIA TO EASTERN COUNTRIES.

Australian Currency Values.

Country of Destination.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£ A.	£ A.	£ A.	£ A.	£ A.
China	842,963	616,520	3,022,571	1,426,185	3,513,913
Hong Kong	803,010	1,048,833	475,263	858,943	1,132,375
India, Burma and Ceylon	1,468,432	1,407,340	2,423,663	3,088,797	3,877,575
Japan	9,705,738	5,900,098	4,865,469	5,402,989	5,304,015
Malaya (British)	1,727,956	2,003,740	1,911,007	2,941,691	4,158,474
Manchuria, including Kwantung Peninsula	142,427	190,747	63,450	110,992	404,871
Netherlands East Indies	1,395,183	1,404,379	1,373,197	2,040,491	3,036,429
Philippine Islands	666,733	619,504	498,893	560,391	488,363
Thailand (Siam)	118,291	117,382	119,494	156,602	193,025
Other Eastern Countries	68,299	103,267	81,778	474,137	190,497
Total (a)	16,939,032	13,591,810	14,834,785	17,121,218	22,385,537

(a) Estimated British currency value—1936-37, £ Stg. 13,524,177; 1937-38, £ Stg. 10,851,748; 1938-39, £ Stg. 11,844,143; 1939-40, £ Stg. 13,669,635; 1940-41, £ Stg. 17,872,684.

3. Imports of Merchandise from Eastern Countries.—The values of imports into Australia from Eastern countries during the years 1936-37 to 1940-41 are shown in the following table. The principal commodities imported in 1940-41, according to the countries of origin, were:—Ceylon—Tea, £456,674; India—Bags and Sacks, £2,958,415; Cotton and Linen piecegoods, £722,076; Hessians, £672,487; Japan—Silk Piece goods, £1,048,986; Cotton and Linen Piece goods, £882,057; Raw Silk, £558,860; Netherlands East Indies—Petroleum Spirit, £2,763,583; Tea, £2,291,324; Residual Oil, £1,026,315; Petroleum crude, £654,485; Kerosene, £433,578.

IMPORTS OF MERCHANDISE INTO AUSTRALIA FROM EASTERN COUNTRIES.

British Currency Values.

Country of Origin.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
China	683,742	601,870	461,559	742,576	548,622
Hong Kong	40,143	37,022	35,567	166,884	108,957
India, Burma and Ceylon	3,986,266	3,988,581	3,736,288	6,618,161	7,669,664
Japan	4,004,465	5,349,086	4,093,191	5,794,484	3,600,304
Malaya (British)	852,282	1,022,899	902,419	1,530,402	2,117,279
Manchuria, including Kwantung Peninsula	20,853	16,106	14,887	15,274	10,256
Netherlands East Indies	6,176,385	7,530,509	7,119,785	9,829,274	8,173,584
Philippine Islands	110,231	123,466	120,774	126,018	93,404
Thailand (Siam)	2,609	6,870	3,010	3,545	2,817
Other Eastern Countries	42,039	143,047	190,109	319,940	216,480
Total	15,919,015	18,819,456	16,677,589	25,146,558	22,541,367

By comparison with footnote (a) of the previous table, the balance of trade with Eastern countries can be ascertained and shows an excess of imports into Australia during the five years under review.

§ 10. Classified Summary of Australian Oversea Trade.

1. Imports.—The following table shows, according to statistical classes, the value of imports into Australia during each of the years 1941-42 to 1944-45 compared with the year 1938-39:—

IMPORTS INTO AUSTRALIA: CLASSES. British Currency Values.

Classes.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
I. Animal foodstuffs, etc.	1,599,827	804,512	843,054	687,637	1,099,037
II. Vegetable foodstuffs; non-alcoholic beverages, etc.	3,957,780	5,377,590	6,347,945	4,608,803	5,711,169
III. Alcoholic liquors, etc.	719,967	345,403	152,094	112,156	345,932
IV. Tobacco, etc.	1,863,887	827,658	1,567,335	4,263,600	3,097,437
V. Live animals	182,809	32,011	6,313	31,414	76,523
VI. Animal substances, etc.	1,942,284	764,212	623,888	515,521	671,462
VII. Vegetable substances, etc.	2,596,939	5,208,743	4,638,171	4,878,432	6,468,027
VIII. Apparel, textiles, etc.	17,756,098	28,711,895	25,875,131	33,854,263	39,783,016
IX. Oils, fats and waxes	8,697,751	14,232,412	15,340,930	20,831,274	18,120,987
X. Paints and varnishes	580,745	688,895	447,433	439,849	491,755
XI. Stones and minerals, etc.	900,904	1,240,710	1,397,383	1,432,351	1,212,434
XII. Metals, metal manufactures, and machinery	31,274,421	62,997,629	88,075,590	94,475,705	65,942,889
XIII. Rubber and leather, etc.	1,689,598	2,773,486	1,975,832	2,661,609	1,593,817
XIV. Wood and wicker, etc.	2,079,981	735,669	473,483	612,488	1,213,508
XV. Earthenware, etc.	1,864,984	1,913,493	896,505	770,497	1,144,071
XVI. Paper and stationery	6,185,576	3,804,193	2,046,171	4,509,749	5,721,234
XVII. Jewellery, etc.	1,431,605	756,926	468,902	515,187	434,631
XVIII. Optical, surgical, and scientific instruments	1,600,583	1,898,957	1,554,692	1,518,080	1,660,874
XIX. Drugs, chemicals, etc.	5,598,553	6,101,337	5,272,355	5,855,242	5,709,390
XX. Miscellaneous (a)	6,788,858	10,140,066	54,103,494	27,452,064	25,537,313
XXI. Gold and silver; and bronze specie	2,843,202	2,649,103	2,335,538	4,195,612	2,438,587
Total	102,156,352	152,004,900	214,442,239	214,224,533	188,483,093

(a) Includes Arms, Ammunition and Explosives.

2. Exports.—In the following table the exports from Australia are shown 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.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
	£ A.	£ A.	£ A.	£ A.	£ A.
A. AUSTRALIAN PRODUCE.					
I. Animal foodstuffs, etc.	27,222,912	27,952,144	23,297,024	24,649,575	27,920,019
II. Vegetable foodstuffs; non-alcoholic beverages, etc.	25,532,970	19,632,959	16,207,154	26,440,041	28,679,708
III. Alcoholic liquors, etc.	1,158,424	2,524,263	1,297,352	1,341,991	1,820,293
IV. Tobacco, etc.	237,948	761,831	633,114	849,176	761,253
V. Live animals	197,081	97,842	52,603	46,180	50,016
VI. Animal substances, etc.	47,192,519	64,508,037	48,153,261	52,603,154	56,194,696
VII. Vegetable substances, etc.	297,864	489,436	531,046	942,244	983,419
VIII. Apparel, textiles, etc.	446,032	7,951,118	2,426,331	2,804,815	1,663,471
IX. Oils, fats and waxes	611,633	1,288,888	612,888	1,580,774	1,347,008
X. Paints and varnishes	173,399	205,017	182,103	108,686	103,022
XI. Stones and minerals, etc.	2,667,077	1,739,451	1,937,452	2,468,312	2,538,073
XII. Metals, metal manufactures, and machinery	9,510,802	17,024,596	7,957,504	7,133,273	11,281,077
XIII. Rubber and leather, etc.	745,190	1,641,627	997,791	934,854	1,006,184
XIV. Wood and wicker, etc.	1,066,288	901,468	467,274	347,404	475,596
XV. Earthenware, etc.	209,637	340,942	156,139	183,235	320,869
XVI. Paper and stationery	364,928	403,763	456,685	365,802	461,182
XVII. Jewellery, etc.	105,803	107,383	32,560	108,239	84,716
XVIII. Optical, surgical, and scientific instruments	150,709	213,246	347,555	158,983	254,515
XIX. Drugs, chemicals, etc.	717,667	1,467,745	1,048,359	1,136,741	1,521,539
XX. Miscellaneous (a)	915,711	8,205,719	14,452,494	8,324,000	12,128,839
XXI. Gold and silver; and bronze specie	15,951,167	9,393,714	3,300	3,366	9,611
Unrecorded Exports (Estimated)	..	..	2,500,000	10,000,000	2,000,000
Total (b)	135,475,761	166,851,189	122,849,989	142,521,845	151,605,108

(a) Includes Arms, Ammunition and Explosives. (b) Estimated British currency value—1938-39, £ Stg. 108,188,167; 1941-42, £ Stg. 133,228,789; 1942-43, £ Stg. 98,083,823; 1943-44, £ Stg. 113,789,895; 1944-45, £ Stg. 121,042,002.

EXPORTS FROM AUSTRALIA : CLASSES—*continued.**Australian Currency Values.*

Classes.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
B. OTHER PRODUCE : RE-EXPORTS.					
	£ A.	£ A.	£ A.	£ A.	£ A.
I. Animal foodstuffs, etc. ..	28,537	28,660	148,355	196,297	196,053
II. Vegetable foodstuffs; non-alcoholic beverages, etc. ..	66,886	200,351	136,668	177,303	171,050
III. Alcoholic liquors, etc. ..	42,820	121,746	23,337	12,391	14,591
IV. Tobacco, etc. ..	112,997	79,417	43,492	22,745	58,407
V. Live animals ..	19,687	16,330	4,154	2,715	724
VI. Animal substances, etc. ..	136,279	15,074	15,699	22,552	12,492
VII. Vegetable substances, etc. ..	9,092	22,048	11,720	8,732	4,377
VIII. Apparel, textiles, etc. ..	222,819	352,591	173,090	123,435	657,184
IX. Oils, fats and waxes ..	101,711	378,416	1,570,395	2,861,018	2,051,608
X. Paints and varnishes ..	4,853	4,120	2,287	687	1,047
XI. Stones and minerals, etc. ..	2,443	825	4,141	3,644	8,359
XII. Metals, metal manufactures, and machinery ..	547,549	306,468	216,505	172,552	117,646
XIII. Rubber and leather, etc. ..	10,873	3,118	2,534	3,154	1,184
XIV. Wood and wicker, etc. ..	42,987	18,453	12,516	5,444	10,670
XV. Earthenware, etc. ..	9,428	11,523	7,837	9,209	3,806
XVI. Paper and stationery ..	128,388	40,937	19,889	9,411	12,316
XVII. Jewellery, etc. ..	74,188	38,268	6,898	5,531	5,004
XVIII. Optical, surgical, and scientific instruments ..	234,004	93,545	34,896	25,687	19,826
XIX. Drugs, chemicals, etc. ..	48,518	46,921	57,643	65,862	57,280
XX. Miscellaneous (a) ..	104,647	92,212	213,688	424,976	262,735
XXI. Gold and silver; and bronze specie ..	3,011,845	255,072	1,503	6,400	..
Total (b) ..	5,020,551	2,126,095	2,707,249	4,159,805	3,666,381

(a) Includes Arms, Ammunition and Explosives. (b) Estimated British currency value—1938-39, £ Stg. 4,013,205; 1941-42, £ Stg. 1,697,887; 1942-43, £ Stg. 2,161,476; 1943-44, £ Stg. 3,321,202; 1944-45, £ Stg. 2,927,250.

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

	£ A.	£ A.	£ A.	£ A.	£ A.
I. Animal foodstuffs, etc. ..	27,251,449	27,980,804	23,445,379	24,845,872	28,116,074
II. Vegetable foodstuffs; non-alcoholic beverages, etc. ..	25,599,856	19,833,310	16,343,822	26,617,344	28,850,758
III. Alcoholic liquors, etc. ..	1,201,244	2,646,009	1,320,689	1,354,382	1,834,884
IV. Tobacco, etc. ..	350,945	841,248	676,606	862,921	819,662
V. Live animals ..	216,768	114,172	56,757	48,895	50,740
VI. Animal substances, etc. ..	47,328,798	64,523,111	48,168,960	52,625,706	56,207,188
VII. Vegetable substances, etc. ..	306,956	511,484	542,766	950,976	987,796
VIII. Apparel, textiles, etc. ..	668,851	8,303,709	2,599,421	2,928,250	2,320,655
IX. Oils, fats and waxes ..	713,344	1,667,304	2,183,283	4,441,792	3,308,616
X. Paints and varnishes ..	178,252	209,137	184,390	109,373	104,069
XI. Stones and minerals, etc. ..	2,669,520	1,740,276	1,941,593	2,471,956	2,546,432
XII. Metals, metal manufactures, and machinery ..	10,058,351	17,331,064	7,274,009	7,305,825	11,308,723
XIII. Rubber and leather, etc. ..	756,063	1,644,745	1,000,325	938,008	1,007,368
XIV. Wood and wicker, etc. ..	1,109,275	919,921	479,790	352,848	486,266
XV. Earthenware, etc. ..	219,065	352,465	163,976	192,504	324,675
XVI. Paper and stationery ..	493,316	444,700	476,574	375,213	473,490
XVII. Jewellery, etc. ..	179,991	145,651	39,458	113,770	89,728
XVIII. Optical, surgical, and scientific instruments ..	384,713	306,791	382,451	184,670	274,341
XIX. Drugs, chemicals, etc. ..	766,185	1,514,666	1,106,004	1,202,603	1,578,819
XX. Miscellaneous (a) ..	1,080,358	8,297,931	14,666,182	8,748,976	12,391,594
XXI. Gold and silver; and bronze specie ..	18,963,012	9,648,786	4,803	9,766	9,611
Unrecorded Exports (Estimated) ..	..	..	2,500,000	10,000,000	2,000,000
Total (b) ..	140,496,312	168,977,284	125,557,238	146,681,650	155,271,489

(a) Includes Arms, Ammunition and Explosives. (b) Estimated British currency value—1938-39, £ Stg. 112,201,372; 1941-42, £ Stg. 134,926,676; 1942-43, £ Stg. 100,245,299; 1943-44, £ Stg. 117,111,097; 1944-45, £ Stg. 123,969,252.

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 years 1941-42 to 1944-45 compared with the year 1938-39. The articles are shown in the order in which they appear in the detailed classification.

PRINCIPAL COMMODITIES IMPORTED : AUSTRALIA.

British Currency Values.

Article.		1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
Fish, preserved in tins	lb.	28,902,983	4,558,049	10,801,275	13,024,425	12,439,213
	£	946,276	225,514	523,863	486,102	643,689
Tea	lb.	49,530,941	44,681,479	48,407,727	42,958,891	44,238,428
	£	2,482,883	3,919,448	3,971,206	3,287,509	3,601,706
Whisky	gal.	523,346	205,126	67,904	65,459	219,190
	£	553,537	299,780	107,527	101,328	339,301
Tobacco and preparations thereof	£	1,363,887	827,658	1,567,335	4,263,600	3,097,437
Copra	cwt.	484,181	624,282	328,532	431,347	313,293
	£	175,076	225,563	318,308	417,396	270,583
Fibres	£	897,755	2,360,409	1,784,392	1,620,058	2,448,665
Hides and skins	£	695,673	324,318	493,820	369,994	399,761
Pulp for paper-making	ton	37,704	41,422	32,469	32,951	37,944
	£	321,547	852,276	588,451	653,028	785,057
Seeds	£	515,679	818,189	1,132,668	1,232,142	1,571,647
Socks and stockings	£	43,508	35,001	31,156	8,953	1,515
Gloves	£	368,464	475,404	38,127	147	20,069
Hats and caps	£	170,422	114,205	4,333	12,009	178,004
Trimmings and ornaments	£	385,995	299,288	350,013	326,985	283,976
Other apparel and attire	£	887,459	1,020,148	379,781	825,608	1,164,473
Carpets and carpeting	£	1,099,728	1,138,911	98,838	1,929	46,664
Floorcloths and linoleums	£	562,394	662,389	45,972	7,044	395
Piece Goods—						
Canvas and duck	£	569,588	901,112	1,417,828	2,991,791	1,264,909
Cotton and linen	£	4,326,030	7,923,903	8,052,350	11,990,293	16,948,893
Silk and artificial silk	£	2,624,118	4,111,091	4,150,336	4,839,661	6,505,335
Woolen or containing wool	£	282,262	786,244	162,193	308,132	376,824
All other piece goods	£	1,578,337	2,890,844	2,469,170	3,894,834	2,909,892
Sewing silks, cottons, etc.	£	502,789	693,176	672,404	719,101	771,370
Bags and sacks	£	1,509,618	3,458,512	3,702,088	3,040,705	5,331,044
Yarns—						
Artificial silk	£	534,328	1,351,188	1,045,015	1,176,271	1,269,571
Cotton	£	394,328	714,825	1,085,182	945,063	1,607,773
Woolen	£	48,414	51,090	8,193	5,703	23,944
Other	£	62,760	57,242	39,087	59,877	84,344
Oils, in bulk—						
Kerosene	gal.	54,714,472	62,854,142	58,279,376	63,995,268	90,976,998
	£	660,898	956,332	889,749	1,067,177	1,479,110
Lubricating (mineral)	gal.	15,519,442	24,380,072	27,478,909	49,061,640	20,359,430
	£	780,861	1,717,118	2,274,088	4,265,995	1,974,421
Petroleum, including crude	gal.	399,517,906	314,768,980	347,250,441	372,387,781	287,284,365
	£	5,658,530	7,974,908	8,489,235	9,940,118	7,432,633
Residual and solar	gal.	130,288,368	242,164,327	287,042,166	373,814,644	416,031,131
	£	930,675	2,784,176	3,134,324	4,777,502	6,372,152
Electrical machinery and appliances	£	3,678,755	2,622,279	3,064,195	3,835,952	5,784,029
Electrical cable and wire, covered	cwt.	258,064	200,045	144,197	115,944	99,342
	£	1,234,413	1,029,403	964,403	1,014,763	662,235
Agricultural machinery	£	207,479	33,425	109,905	157,339	179,082
Metal-working machinery	£	1,322,911	3,739,367	6,682,539	4,404,597	1,043,182
Motive-power machinery	£	2,495,285	4,255,282	8,472,284	8,229,462	10,140,171
Iron and steel—						
Pipes and tubes	£	451,144	108,872	196,646	193,068	118,218
Plate and sheet	£	2,614,283	5,869,203	3,666,063	4,230,012	4,473,805
Cutlery and platedware	£	524,487	633,958	426,350	491,920	483,187
Tools of trade	£	852,395	927,715	1,165,353	1,346,838	1,444,402
Motor cars, chassis, bodies, and parts	£	7,523,854	5,936,625	9,131,649	12,174,181	8,929,084
Rubber and rubber manufactures	£	1,545,366	2,641,104	1,920,797	2,611,994	1,555,030
Timber, undressed, including logs (a)	sup. ft.	348,093,462	60,699,972	33,074,997	44,738,329	85,989,258
	£	1,480,987	479,671	329,517	470,222	929,064
Crocery	£	559,176	740,709	410,989	356,083	570,137
Glass and glassware	£	800,470	741,461	262,468	222,688	355,585
Paper, printing	£	2,710,334	1,077,006	1,16,634	887,642	1,916,506
Stationery and paper manufactures	£	1,008,629	1,410,131	1,047,573	1,632,242	1,958,217
Cinematograph films	lin. ft.	73,859,662	85,203,968	44,830,634	48,613,360	65,724,616
	£	565,455	532,653	369,342	292,192	475,775
Drugs, chemicals, and fertilizers	£	5,598,553	6,101,337	5,272,355	5,855,242	5,709,390
Arms and explosives	£	1,080,108	5,623,128	47,607,497	18,104,334	20,518,281
Musical instruments, pianos, etc.	£	175,761	54,436	10,152	5,339	9,677
All other articles	£	31,883,688	57,476,753	74,219,656	84,072,375	51,932,879
Total Imports	£	102,156,352	152,004,900	214,442,239	214,224,533	188,483,095

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

4. Exports of Principal Articles of Australian Produce.—(i) Quantities. The following table shows the quantities of the principal articles of Australian produce exported during the years 1941-42 to 1944-45 compared with the year 1938-39. The articles are shown in the order in which they appear in the detailed classification.

PRINCIPAL COMMODITIES EXPORTED : QUANTITIES, AUSTRALIA.

Article.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
Butter centil.	2,295,428	1,303,472	1,243,207	1,042,265	937,391
Cheese " "	359,236	314,573	259,643	329,748	335,138
Eggs in shell doz.	10,144,344	6,306,532	394,600	361,885	520,910
Beef centil.	2,719,638	1,172,565	226,289	474,470	612,097
Lamb " "	1,583,327	1,643,010	1,842,404	1,415,593	1,087,725
Mutton " "	281,558	106,389	194,411	300,105	379,176
Pork " "	307,164	342,404	19,970	160,172	398,818
Milk and cream " "	191,039	756,411	591,359	392,487	468,711
Fruits, dried " "	1,681,270	1,474,391	1,322,707	1,717,046	1,752,577
fresh " "	2,752,381	225,453	133,284	135,081	179,297
Barley " "	1,309,084	517,194	255,691	498,976	99,736
Wheat " "	37,877,414	13,387,573	13,526,462	20,195,075	19,434,870
Flour " "	14,501,304	8,273,681	6,834,379	11,810,882	11,194,989
Sugar (cane) cwt.	8,860,280	3,975,760	1,326,640	1,916,520	2,280,220
Wine gal.	3,719,401	1,393,539	817,015	1,245,299	1,550,948
Tobacco, manufactured centil.	9,665	11,234	10,853	15,905	13,485
Wool (in terms of greasy wool) sup. ft.	9,469,604	9,373,758	6,300,774	6,074,213	6,736,588
Pearl-shell cwt.	52,532	36,846	645	51	401
Sandalwood " "	32,962	15,195	40	..	..
Tallow (unrefined) " "	562,500	669,032	99,148	590,681	421,584
Coal ton	382,085	241,004	254,043	157,741	189,198
Concentrates cwt.	5,916,685	3,385,529	4,779,504	5,881,512	4,982,482
Copper " "	21,555	2,763	1,423	3,158	3,597
Lead " "	4,099,919	5,287,642	2,986,858	2,531,491	4,811,224
Zinc—bar, block, dust " "	892,630	464,251	483,259	1,014,731	1,203,580
Tin—ingots " "	29,431	3,487	3,029	6,038	9,680
Timber, undressed, including logs (a) sup. ft.	77,833,352	50,390,704	20,785,684	12,149,083	14,471,849
Soap centil.	49,871	78,998	58,557	107,762	99,779

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

(ii) Values. The values of the principal articles of Australian produce exported during the years 1941-42 to 1944-45 compared with the year 1938-39 are given in the following table :—

PRINCIPAL COMMODITIES EXPORTED : VALUES, AUSTRALIA.

Australian Currency Values.

Article.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
	£ A.	£ A.	£ A.	£ A.	£ A.
Butter	12,891,837	8,124,975	8,085,660	6,870,852	8,249,506
Cheese	1,073,931	1,428,111	1,225,184	1,953,958	1,975,113
Eggs in shell	638,159	402,795	33,385	32,552	51,551
Meats	11,776,637	14,094,013	10,895,860	13,063,349	14,094,530
Milk and cream	791,011	2,059,355	1,858,137	1,447,698	1,780,297
Fruits, dried	2,864,676	2,567,621	2,276,642	3,204,493	3,571,171
fresh	2,022,874	238,048	191,129	315,329	318,351
preserved in liquid	1,267,070	908,250	280,625	530,214	508,108
Barley	341,935	171,600	63,846	205,790	57,277
Wheat	8,734,974	4,644,793	4,884,310	8,264,235	9,752,156
Flour	4,540,210	4,191,382	3,194,440	6,699,299	6,731,717
Sugar (cane)	4,177,584	2,636,403	1,001,331	1,523,786	1,853,628
Wine	981,143	497,586	292,433	422,842	595,278
Tobacco, manufactured	225,025	382,827	395,073	512,839	474,438
Hides and skins	4,094,754	5,981,589	3,705,014	6,730,053	6,591,200
Wool	42,629,461	58,040,901	44,318,188	45,767,369	49,386,611
Pearl-shell	244,266	252,766	7,525	489	5,198
Sandalwood	42,330	23,272	80	..	..
Tallow (unrefined)	483,034	841,719	186,147	903,978	669,490
Coal	347,054	259,093	295,533	182,354	223,677
Concentrates	1,846,931	1,026,769	1,282,262	1,701,648	1,753,509
Copper	15,656	17,859	9,107	24,259	26,312
Lead	4,266,566	6,311,293	3,446,057	3,158,313	5,556,418
Zinc—bar, block, slabs, ingots	887,421	522,091	551,333	1,203,499	1,879,193
Tin Ingots	370,137	56,713	56,467	113,796	181,430
Leather	626,198	766,861	570,477	499,715	559,070
Timber, undressed, including logs (a)	926,504	700,014	419,140	269,664	356,512
Soap	74,594	247,364	177,250	341,487	277,649
Gold	14,958,633	8,933,637	..	4	..
Silver	992,486	459,937	3,287	2,322	9,485
All other articles	10,342,670	40,061,462	30,334,457	26,485,668	32,115,333
Unrecorded Exports (Estimated)	..	..	2,500,000	10,000,000	2,000,000
Total Exports (Australian Produce)	..	..	..	..	..
(b)	135,475,761	166,851,189	122,849,989	142,521,845	151,605,108

(a) Excludes undressed timber not measured in super. ft. (b) Estimated British currency values—see page 356.

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 seven years grouped under the headings—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 (a)
	Free Goods.	Dutiable Goods.	Total Merchandise.		
	£ Stg.	£ Stg.	£ Stg.		
1938-39	40,665,193	58,647,957	99,313,150	2,843,202	102,156,352
1939-40	50,294,728	65,380,777	115,675,505	4,120,670	119,796,175
1940-41	62,600,283	46,049,773	108,650,056	3,267,458	111,917,514
1941-42	99,180,381	50,175,416	149,355,797	2,649,103	152,004,900
1942-43	174,842,130	37,264,571	212,106,701	2,335,538	214,442,239
1943-44	172,891,762	37,137,159	210,028,921	4,195,612	214,224,533
1944-45	149,807,414	36,237,094	186,044,508	2,438,587	188,483,095

(a) Estimated Australian currency value—1938-39, £A.127,950,831; 1939-40, £A.150,044,709; 1940-41, £A.140,176,686; 1941-42, £A.190,386,137; 1942-43, £A.268,588,904; 1943-44, £A.268,316,228; 1944-45, £A.236,075,076.

6. Exports of Merchandise, Specie and Bullion.—The next table shows the recorded value of exports from Australia during each of the last seven 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.
	Australian Produce.	Other Produce.	Total.	Australian Produce.	Other Produce.	Total.	
	£	£	£	£	£	£	
1938-39 (a)	119,524,594	2,008,706	121,533,300	15,951,167	3,011,845	18,963,012	140,496,312
(b)	93,428,818	1,603,757	97,032,575	12,759,349	2,409,448	15,168,797	112,201,372
1939-40 (a)	146,894,316	1,855,242	148,749,558	19,997,604	1,685,836	21,683,500	170,433,058
(b)	117,280,891	1,481,231	118,762,122	15,996,663	1,348,600	17,345,323	136,107,445
1940-41 (a)	132,783,856	1,953,721	134,737,577	21,927,326	498,964	22,426,290	157,163,867
(b)	106,015,055	1,559,857	107,574,912	17,541,376	399,167	17,940,543	125,515,455
1941-42 (a)	157,457,475	1,871,023	159,328,498	9,393,714	255,072	9,648,786	168,977,284
(b)	125,714,550	1,493,811	127,208,381	7,514,239	204,056	7,718,295	134,926,676
1942-43 (a)	125,846,680	2,705,716	125,552,435	3,300	1,503	4,803	125,557,238
(b)	98,081,188	2,160,276	100,241,464	2,635	1,200	3,835	100,245,299
1943-44 (a)	142,518,479	4,153,405	146,671,884	3,366	6,400	9,766	146,681,650
(b)	113,787,208	3,316,002	117,103,300	2,687	5,110	7,797	117,111,097
1944-45 (a)	151,595,497	3,666,381	155,261,878	9,611	..	9,611	155,271,489
(b)	121,034,329	2,927,250	123,961,579	7,673	..	7,673	123,969,252

(a) Australian currency values.

(b) British currency values.

7. Imports in Tariff Divisions.—In the following table the imports into Australia during the years 1941-42 to 1944-45 compared with the year 1938-39 have been classified in accordance with the sixteen divisions of the Customs Tariff.

IMPORTS IN TARIFF DIVISIONS : AUSTRALIA.

British Currency Values.

Tariff Division.	Imports.				
	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
I. Ale, Spirits, and Beverages ..	914,006	495,378	498,894	594,646	986,636
II. Tobacco and preparations thereof ..	1,863,887	912,784	1,567,335	4,263,600	3,097,437
III. Sugar ..	40,034	74,792	19,496	20,421	15,205
IV. Agricultural Products and Groceries ..	6,331,568	7,359,973	8,363,958	6,338,304	8,099,147
V. Textiles, Felts and Furs, and Manufactures thereof, and Attire ..	15,921,221	25,353,237	22,654,712	30,246,107	35,977,525
VI. Metals and Machinery	22,168,275	29,022,093	55,457,451	44,854,948	44,111,515
VII. Oils, Paints, and Varnishes ..	9,559,838	13,779,610	15,647,293	21,840,964	18,869,153
VIII. Earthenware, Cement, China, Glass, and Stone ..	2,308,556	2,429,076	1,449,961	1,296,533	1,524,130
IX. Drugs and Chemicals	4,035,376	4,570,606	4,552,383	4,179,488	4,079,530
X. Wood, Wicker, and Cane ..	2,114,721	753,210	497,597	612,486	1,218,434
XI. Jewellery, and Fancy Goods ..	2,045,947	1,546,211	1,135,112	1,183,156	1,287,472
XII. Hides, Leather, and Rubber ..	1,875,175	2,944,848	2,172,509	2,860,141	1,833,989
XIII. Paper and Stationery	6,473,254	4,781,139	2,732,963	5,301,682	6,632,124
XIV. Vehicles ..	9,263,302	22,800,931	51,757,340	60,461,054	36,205,220
XV. Musical Instruments	285,638	54,436	10,152	5,329	9,677
XVI. Miscellaneous	10,400,018	29,565,187	39,088,769	22,780,692	18,943,379
— Free Goods not specially mentioned in Tariff ..	3,712,334	2,912,286	4,500,776	3,189,370	3,153,935
Total Merchandise ..	99,313,150	149,355,797	212,106,701	210,028,921	186,044,508
Specie and Bullion ..	2,843,202	2,649,103	2,335,538	4,195,612	2,438,587
Grand Total ..	102,156,352	152,004,900	214,442,239	214,224,533	188,483,095

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:—1938-39, 21.9 per cent.; 1941-42, 11.1 per cent.; 1942-43, 6.7 per cent.; 1943-44, 6.6 per cent.; and 1944-45, 7.9 per cent. Primage duty was in force during these years and adding this to net Customs revenue, the percentages were as follows:—1938-39, 25.0 per cent.; 1941-42, 12.7 per cent.; 1942-43, 7.5 per cent.; 1943-44, 7.5 per cent.; and 1944-45, 8.9 per cent. The percentages of net Customs revenue, omitting primage on the total value of dutiable goods only were—1938-39, 36.9 per cent.; 1941-42, 32.9 per cent.; 1942-43, 37.6 per cent.; 1943-44, 37.3 per cent.; and 1944-45, 40.8 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)	26,842 (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	10.8	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	17.0	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. (b)

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

(b) Excludes primage duty.

§ 11. Ships' Stores.

Prior to 1906 goods shipped in Australian ports on board oversea vessels as ships' stores were included in the general exports. From 1906, ships' stores have been specially recorded as such, and have been omitted from the export figures. The value of these stores shipped each year during the period 1935-36 to 1944-45, 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.
1935-36 ..	562,927	1,808,291	1940-41 ..	1,674,133	3,528,555
1936-37 ..	493,327	1,740,437	1941-42 ..	3,395,337	5,791,983
1937-38 ..	610,080	2,091,249	1942-43 ..	3,833,414	6,016,334
1938-39 ..	606,515	2,105,619	1943-44 ..	6,078,800	8,478,714
1939-40 ..	921,144	2,539,848	1944-45 ..	8,229,307	11,373,252

(a) Estimated British currency value—1935-36, £ Stg. 1,443,745; 1936-37, £ Stg. 1,389,570; 1937-38, £ Stg. 1,660,660; 1938-39, £ Stg. 1,681,133; 1939-40, £ Stg. 2,027,823; 1940-41, £ Stg. 2,817,210; 1941-42, £ Stg. 4,624,338; 1942-43, £ Stg. 4,803,460; 1943-44, £ Stg. 6,769,432; 1944-45, £ Stg. 9,080,441.

In addition to fuel oils, the principal items of ships' stores supplied to oversea vessels in 1944-45 were—Bunker coal, £A.382,505; meats, £A.549,164; tobacco and cigarettes, £A.111,334; vegetables, £A.139,578; ale, beer and porter, £A.213,661; butter, £A.64,151; and fish, £A.59,137.

The net Customs duty collected on ships' stores carried to Australia on oversea vessels and consumed in Australian waters amounted in 1944-45 to £A.15,963.

§ 12. 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 1939-40 to 1944-45.

IMPORTS AND EXPORTS, SPECIE AND BULLION: AUSTRALIA.

Items.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.
IMPORTS.						
	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.	£ Stg.
Gold—Specie ..	4,106	..	21	..	..	..
Bullion ..	4,076,281	3,208,211	2,615,086	1,287,324	1,284,318	1,131,931
Total ..	4,080,387	3,208,211	2,615,107	1,287,324	1,284,318	1,131,931
Silver—Specie ..	13,366	29,920	18,705	991,540	2,752,046	1,306,278
Bullion ..	26,877	29,220	15,213	2,299	843	378
Total ..	40,243	59,140	33,918	993,839	2,752,889	1,306,656
Bronze—Specie ..	40	107	78	54,375	158,405	..
Grand Total (a)	4,120,670	3,267,458	2,649,103	2,335,538	4,195,612	2,438,587

(a) Estimated Australian currency value—1939-40, £A.5,161,139; 1940-41, £A.4,092,489; 1941-42, £A.3,318,001; 1942-43, £A.2,925,261; 1943-44, £A.5,255,004; 1944-45, £A.3,054,330.

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

Items.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.
EXPORTS.						
	£A.	£A.	£A.	£A.	£A.	£A.
Gold—Specie ..	172,933	105,688	10	..	4	..
Bullion ..	20,585,796	22,014,825	9,188,233	..	..	..
Total ..	20,758,729	22,120,513	9,188,243	..	4	..
Silver—Specie ..	7,454	4,485	17,979	3,513	8,722	9,485
Bullion ..	916,819	301,248	442,424	1,277	..	..
Total ..	924,273	305,733	460,403	4,790	8,722	9,485
Bronze—Specie ..	498	44	140	13	1,040	126
Total—						
Australian Pro- duce ..	19,997,664	21,927,326	9,393,714	3,300	3,366	9,611
Other Produce ..	1,685,836	498,964	255,072	1,503	6,400	..
Grand Total(a)	21,683,500	22,426,290	9,648,786	4,803	9,766	9,611

(a) Estimated British currency value—1939-40, £ Stg. 17,345,323; 1940-41, £ Stg. 17,940,543; 1941-42, £ Stg. 7,718,295; 1942-43, £ Stg. 3,835; 1943-44, £ Stg. 7,797; 1944-45, £ Stg. 7,673.

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 1944-45:—

IMPORTS AND EXPORTS OF SPECIE AND BULLION BY COUNTRIES: AUSTRALIA, 1944-45.

Country.	Imports.			Exports.		
	Specie.	Bullion.	Total.	Specie.	Bullion.	Total.
	£ Stg.	£ Stg.	£ Stg.	£A.	£A.	£A.
Australia (a) ..	2,978	..	2,978	..	..	..
Ceylon ..	..	..	..	40	..	40
New Zealand ..	3,300	1,132,175	1,135,475	..	..	..
Pacific Islands—						
Fiji ..	..	134	134	3,500	..	3,500
Norfolk Island ..	..	..	..	253	..	253
Total, British Countries ..	6,278	1,132,309	1,138,587	3,793	..	3,793
Netherlands East Indies ..	..	..	..	125	..	125
Pacific Islands— New Hebrides ..	..	..	..	5,693	..	5,693
United States of America ..	1,300,000	..	1,300,000	..	..	..
Total, Foreign Countries ..	1,300,000	..	1,300,000	5,818	..	5,818
Grand Total ..	1,306,278	1,132,309	2,438,587 (b)	9,611	..	9,611 (c)

(a) Australian produce reimported. (b) Estimated Australian currency value—£A. 3,054,330.
(c) Estimated British currency value—£ Stg. 7,673.

§ 13. 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 1942-43, 1943-44 and 1944-45 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 342 of this chapter which shows the value of exports of Australian produce according to industrial groups from 1920-21 onward.

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

Industrial Group.	1913.(a)		1942-43.		1943-44.		1944-45.	
	£A.'000.	Index No.	£A.'000.	Index No.	£A.'000.	Index No.	£A.'000.	Index No.
Agriculture ..	10,678	100	14,846	139	25,476	239	27,982	262
Pastoral ..	42,057	100	59,234	141	66,649	158	71,229	169
Dairy and Farm- yard ..	3,855	100	12,406	322	11,456	297	13,587	352
Mines and Quarries ^b	21,926	100	13,923	63	13,904	63	17,067	78
Fisheries ..	425	100	97	23	125	29	56	13
Forestry ..	1,106	100	454	41	294	27	389	35
Total, Primary Produce ..	80,047	100	100,960	126	117,904	147	130,310	163
Manufacturing ..	2,305	100	32,376	1405	31,732	1377	28,201	1223
Total ..	82,352	100	133,336	162	149,636	182	158,511	192
			(c)		(c)		(c)	

(a) Base year. (b) Australian production of gold substituted for exports of gold each year. (c) Estimated British currency value in £ Stg. '000—1942-43, £ Stg. 106,456, index-number, 129; 1943-44, £ Stg. 119,470, index-number, 145; 1944-45, £ Stg. 126,556, index-number, 154.

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 representing in 1913 51.1 per cent. of the total exports, as compared with 44.4 per cent. in 1942-43; 44.5 per cent. in 1943-44; and 44.9 per cent. in 1944-45.

Exports of agricultural produce rank next in importance. From 13.0 per cent. of the total exports in 1913, agricultural produce decreased to 11.1 per cent. in 1942-43 but increased to 17.0 per cent. in 1943-44 and again to 17.7 per cent. in 1944-45.

According to value, exports of dairy and farmyard produce increased from 4.7 per cent. in 1913 to 9.3 per cent. in 1942-43, declined in 1943-44 to 7.6 per cent., but increased again to 8.6 per cent. in 1944-45. 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 1944-45 representing 10.8 per cent. of the total exports. The manufacturing groups of exports, which represented 2.8 per cent. in 1913, increased to 17.8 per cent. in 1944-45.

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, 1933-34 to 1942-43, 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 : 1933-34 TO 1942-43.**

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	848,060	17.08	265,134	18.59	31.26
Pastoral	1,021,820	20.58	670,735	47.04	65.64
Dairy and Farmyard	561,769	11.31	136,157	9.55	24.24
Mining	309,644	6.24	198,739	13.94	64.18
Forestry and Fisheries	143,628	2.89	12,179	0.85	8.48
Total, Primary Produce.. .. .	2,884,921	58.10	1,282,944	89.97	44.47
Manufacturing	2,080,273	41.90	143,085	10.03	(a)6.88
Total	4,965,194	100.00	1,426,029	100.00	28.72

(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.

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.

§ 14. 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 1914-19 War however, the relative importance of different exports changed considerably. By about 1930 it began to appear that the change was great enough to throw some doubt on the accuracy of the index. It was published with increasing reluctance until 1929-30, after which it was withdrawn from publication.

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

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

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

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

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

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

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

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

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

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

Item.	Unit of Quantity.	Quantity "Multipliers" for New Index-numbers.	Percentage Value Weights if applied to 1943-44.
1. Wheat (and wheat equivalent of flour) ..	Bushel	101,000,000	16.83
2. Sultanas	Ton	38,200	1.36
3. Lexias	"	3,000	0.11
4. Currants	"	13,400	0.39
5. Sugar (cane)	"	305,000	3.27
6. Wool (as in the grease)	lb.	975,000,000	45.40
7. Tallow	Cwt.	600,000	0.68
8. Cattle hides	lb.	28,000,000	0.75
9. Calfskins	"	1,800,000	0.10
10. Beef (frozen)	"	182,000,000	2.54
11. Lamb (frozen)	"	138,000,000	2.95
12. Mutton (frozen)	"	44,000,000	0.54
13. Pork (frozen)	"	16,000,000	0.38
14. Butter	Cwt.	2,140,000	11.05
15. Silver	Oz.	7,300,000	0.63
	(standard)		
16. Copper	Ton	3,600	0.16
17. Tin	"	1,300	0.29
18. Zinc	"	99,000	1.74
19. Lead	"	208,500	3.75
20. Gold (production)	Oz.	937,000	7.08
	(fine)		
			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 1943-44, i.e., the average prices for that year multiplied by the "quantity multipliers."

The monthly index-numbers of export prices for the period January, 1935 to December, 1945 are set out in the following table:—

MONTHLY EXPORT PRICE INDEX : AUSTRALIA.

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

Month.	1935.	1936.	1937.	1938.	1939.	1940.	1941.	1942.	1943.	1944.	1945.
January ..	737	981	1,216	959	830	1,031	1,036	1,063	1,143	1,176	1,311
February ..	721	990	1,187	935	827	1,031	1,043	1,062	1,141	1,175	1,307
March ..	717	993	1,256	928	807	1,033	1,048	1,062	1,147	1,176	1,314
April ..	769	1,004	1,271	918	801	1,034	1,048	1,063	1,147	1,178	1,326
May ..	818	1,004	1,249	921	801	1,036	1,047	1,064	1,147	1,192	1,319
June ..	829	949	1,202	886	823	1,037	1,048	1,058	1,147	1,196	1,335
July ..	834	977	1,212	902	835	1,034	1,049	1,139	1,148	1,234	1,342
August ..	844	1,022	1,210	872	830	1,031	1,051	1,138	1,157	1,255	1,338
September ..	907	1,004	1,145	840	942	1,033	1,052	1,139	1,152	1,279	1,355
October ..	952	1,042	1,118	849	977	1,034	1,056	1,136	1,159	1,305	1,360
November ..	942	1,135	1,019	834	980	1,036	1,061	1,138	1,172	1,294	1,360
December ..	935	1,169	1,012	822	986	1,034	1,061	1,136	1,175	1,295	1,497
Average	834	1,023	1,173	888	872	1,033	1,050	1,100	1,153	1,229	1,347

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

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

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

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

* Up to 1941-42, Professor Irving Fisher's "Ideal" Formula, No. 353 was used, but from 1942-43 the "Edgeworth-Marshall", No. 2153 was substituted, which on Fisher's own assertion gives practically identical results, and satisfies all the requirements of his "Ideal" Index.

Index numbers computed on this basis are shown in the following table for the years 1943-44 and 1944-45 :—

MONTHLY EXPORT PRICE INDEX (CHANGING WEIGHTS) : AUSTRALIA.

(Base : Weighted Average Price Level in corresponding months of preceding year = 1,000.)

Month.	1943-44.		1944-45.	
	Month stated compared with same month of preceding year.	Period of trade year ending in month stated compared with same period of preceding year.	Month stated compared with same month of preceding year.	Period of trade year ending in month stated compared with same period of preceding year.
July	1,009	1,009	1,040	1,040
August	1,022	1,014	1,076	1,058
September	1,014	1,014	1,103	1,073
October	1,021	1,016	1,152	1,092
November	1,024	1,017	1,118	1,097
December	1,025	1,019	1,111	1,100
January	1,022	1,019	1,105	1,101
February	1,025	1,020	1,091	1,100
March	1,026	1,021	1,112	1,101
April	1,025	1,021	1,109	1,102
May	1,045	1,023	1,078	1,100
June	1,050	1,025	1,078	1,098

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

§ 15. External Trade of Australia and other Countries.

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

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

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

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

Country.	Trade.			Trade per Inhabitant.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£'000,000	£'000,000	£'000,000	£ s. d.	£ s. d.	£ s. d.
	Stg.	Stg.	Stg.	Stg.	Stg.	Stg.
Australia (a) ..	115.7	118.8	234.5	16 10 8	16 19 6	33 10 2
United Kingdom	885.5	439.5	1,325.0	18 12 1	9 4 8	27 16 9
Canada ..	165.2	203.5	368.7	14 13 8	18 1 7	32 15 3
India ..	124.0	145.1	269.1	0 6 9	0 7 11	0 14 8
New Zealand ..	39.5	44.8	84.3	25 13 2	29 2 3	54 15 5
Union of South Africa ..	90.4	33.9	124.3	8 18 0	3 6 8	12 4 8
Argentine Republic ..	93.7	110.0	203.7	7 4 7	8 9 8	15 14 3
Belgium ..	135.4	150.1	285.5	16 2 11	17 18 0	34 0 11
China ..	36.0	27.7	63.7	0 1 7	0 1 3	0 2 10
Manchuria ..	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.

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

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

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

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

the United States of America. These countries have been selected as the principal competitors 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 the war years are not comparable.

AUSTRALIAN IMPORTS OF PRODUCTS OF VARIOUS COUNTRIES: VALUE.

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	548	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	489,483	3,223,969	280,505	17,292,354
	1936-37	11,074,231	248,517	523,529	2,358,056	119,571	18,059,604
	1937-38	12,288,251	336,375	607,471	3,204,718	187,856	21,016,945
	1938-39	10,933,422	411,056	503,713	2,545,081	181,766	17,756,098
Metals, metal manufactures, and machinery	1913 ..	13,905,483	217,148	2,380,152	7,657	3,817,705	21,670,212
	1935-36	13,550,189	30,267	1,043,439	286,280	6,848,650	25,206,625
	1936-37	16,142,408	42,731	1,345,057	248,435	6,061,105	27,277,464
	1937-38	21,274,615	63,465	1,636,328	187,350	9,360,634	37,280,001
	1938-39	18,246,658	53,404	1,449,405	167,570	6,886,329	31,274,422
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	6,609,669
	1938-39	2,945,640	51,572	316,741	88,448	372,572	6,185,570
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	127,922	193,592	71,047	1,194,566
	1936-37	243,601	26,891	153,485	197,094	83,846	1,256,235
	1937-38	275,796	29,130	178,755	208,609	132,078	1,581,455
	1938-39	275,301	31,330	172,867	175,305	121,981	1,211,805
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	1,902,253	215,782	352,333	175,803	622,350	4,370,127
	1936-37	1,880,665	203,572	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	88,325	1,185,812
	1936-37	241,252	5,200	35,409	42,193	83,039	1,831,914
	1937-38	253,378	4,674	29,398	50,165	121,323	1,915,442
	1938-39	247,671	4,979	47,374	38,215	114,235	1,689,598
Total, above-mentioned imports	1913 ..	32,155,498	1,089,017	5,882,627	683,629	5,982,659	55,082,613
	1935-36	30,162,108	641,995	2,422,228	4,293,151	8,558,718	83,344,586
	1936-37	34,373,352	657,163	2,953,387	3,305,064	7,564,163	62,790,923
	1937-38	41,327,173	754,530	3,418,903	4,377,597	11,922,308	78,047,898
	1938-39	35,897,456	825,176	3,176,232	3,421,939	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	13,901,326	83,518,869
	1936-37	38,559,366	865,919	3,596,584	4,004,465	12,959,149	90,591,580
	1937-38	46,226,172	964,554	4,170,624	5,349,086	17,758,684	111,733,254
	1938-39	40,419,283	1,028,133	4,131,212	4,993,191	14,647,305	99,313,150

Stated as percentages the figures in the preceding table are shown below.
Particulars for the war years are not comparable.

AUSTRALIAN IMPORTS OF PRODUCTS OF VARIOUS COUNTRIES : PERCENTAGES.

Nature of Imports.	Year.	United Kingdom.	France.	Germany.	Japan.	United States.	All Countries
		%	%	%	%	%	%
Foodstuffs of animal origin	1913 ..	31.77	0.33	1.27	0.74	30.52	100
	1935-36	17.50	0.09	0.00	4.58	15.30	100
	1936-37	18.61	0.08	0.08	4.05	16.62	100
	1937-38	18.30	0.07	0.11	13.97	16.05	100
	1938-39	18.77	0.06	0.03	10.98	16.86	100
Spirituous and alcoholic liquors	1913 ..	63.04	17.64	7.37	0.09	0.14	100
	1935-36	86.57	7.14	0.30	0.00	0.24	100
	1936-37	84.92	8.37	0.36	0.01	0.05	100
	1937-38	86.03	7.26	0.47	0.00	0.13	100
	1938-39	85.26	8.15	0.60	0.02	0.16	100
Apparel, textiles, and manufactured fibres	1913 ..	61.48	4.82	8.59	2.39	3.13	100
	1935-36	54.80	1.50	2.83	18.64	1.62	100
	1936-37	61.32	1.37	2.89	13.06	0.66	100
	1937-38	58.47	1.60	2.89	15.25	0.89	100
	1938-39	56.51	2.32	2.84	14.33	1.59	100
Metals, metal manufactures, and machinery	1913 ..	64.17	1.00	10.98	0.04	17.62	100
	1935-36	53.76	0.12	4.14	1.14	27.17	100
	1936-37	59.17	0.16	4.93	0.91	22.22	100
	1937-38	56.80	0.17	4.39	0.50	25.11	100
	1938-39	52.51	0.15	4.17	0.48	19.82	100
Paper and stationery	1913 ..	57.41	0.70	8.50	0.34	12.88	100
	1935-36	57.64	1.00	3.93	1.49	5.52	100
	1936-37	51.27	0.96	3.95	1.39	5.36	100
	1937-38	50.95	0.78	3.97	2.16	5.90	100
	1938-39	47.62	0.83	5.12	1.43	6.02	100
Jewellery, timepieces, 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	4.33	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	15.84	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 being 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 subsequent 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 when apparel, textiles, and drugs, chemicals and fertilizers were the most important imports from France.

The proportion of the competitive 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 were manufactured metals and machinery, apparel and textiles, and drugs and chemicals.

§ 17. Oversea Trade in Calendar Years.

For the purpose of comparison with countries which record oversea trade in calendar years the following table has been compiled to show Australian imports and exports for each quarter of the calendar years 1941 to 1945:—

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.						
1941 ..	23,520	{ (R) 33,335 (S) 26,615 }	732	{ (R) 6,179 (S) 4,943 }	24,252	{ (R) 39,514 (S) 31,558 }
1942 ..	27,177	{ (R) 35,632 (S) 28,449 }	798	{ (R) 39 (S) 31 }	27,975	{ (R) 35,671 (S) 28,480 }
1943 ..	57,781	{ (R) 33,381 (S) 26,651 }	710	{ (R) 2 (S) 2 }	58,491	{ (R) 33,383 (S) 26,653 }
1944 ..	52,078	{ (R) 36,349 (S) 29,021 }	439	{ (R) 1 (S) 1 }	52,517	{ (R) 36,350 (S) 29,022 }
1945 ..	46,855	{ (R) 35,243 (S) 28,139 }	487	{ (R) 2 (S) 1 }	47,342	{ (R) 35,245 (S) 28,140 }

(R) Recorded values, Australian currency.

(S) Estimated British currency values.

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.

1941 ..	27,554	{ (R) 34,108 (S) 27,232 }	644	{ (R) 4,481 (S) 3,584 }	28,198	{ (R) 38,589 (S) 30,816 }
1942 ..	37,194	{ (R) 43,259 (S) 34,538 }	274	{ (R) 13 (S) 11 }	37,468	{ (R) 43,272 (S) 34,549 }
1943 ..	56,445	{ (R) 29,895 (S) 23,868 }	410	{ (R) .. (S) .. }	56,855	{ (R) 29,895 (S) 23,868 }
1944 ..	40,463	{ (R) 32,520 (S) 25,964 }	788	{ (R) 1 (S) 1 }	41,251	{ (R) 32,521 (S) 25,965 }
1945 ..	48,221	{ (R) 39,139 (S) 31,249 }	327	{ (R) 2 (S) 1 }	48,548	{ (R) 39,141 (S) 31,250 }

QUARTER ENDED SEPTEMBER.

1941 ..	35,337	{ (R) 33,603 (S) 26,828 }	834	{ (R) 4,468 (S) 3,574 }	36,171	{ (R) 38,071 (S) 30,402 }
1942 ..	46,389	{ (R) 29,576 (S) 23,614 }	710	{ (R) 2 (S) 2 }	47,099	{ (R) 29,578 (S) 23,616 }
1943 ..	58,377	{ (R) 33,050 (S) 26,388 }	378	{ (R) .. (S) .. }	58,755	{ (R) 33,050 (S) 26,388 }
1944 ..	47,208	{ (R) 39,409 (S) 31,464 }	588	{ (R) 4 (S) 3 }	47,796	{ (R) 39,413 (S) 31,467 }
1945 ..	44,265	{ (R) 38,506 (S) 30,743 }	735	{ (R) 2 (S) 2 }	45,000	{ (R) 38,508 (S) 30,745 }

QUARTER ENDED DECEMBER.

1941 ..	33,554	{ (R) 34,190 (S) 27,297 }	743	{ (R) 5,128 (S) 4,103 }	34,297	{ (R) 39,318 (S) 31,400 }
1942 ..	51,492	{ (R) 30,201 (S) 24,112 }	505	{ (R) .. (S) .. }	51,997	{ (R) 30,201 (S) 24,112 }
1943 ..	59,111	{ (R) 34,753 (S) 27,747 }	2,591	{ (R) 8 (S) 6 }	61,702	{ (R) 34,761 (S) 27,753 }
1944 ..	43,761	{ (R) 39,470 (S) 31,513 }	1,037	{ (R) 3 (S) 2 }	44,798	{ (R) 39,473 (S) 31,515 }
1945 ..	38,580	{ (R) 41,269 (S) 32,949 }	186	{ (R) 423 (S) 338 }	38,766	{ (R) 41,692 (S) 33,287 }

(R) Recorded values, Australian currency.

(S) Estimated British currency values.

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.
TOTAL FOR YEAR.(a)						
1941 ..	119,965	{ (R) 135,236 (S) 107,972 }	2,953	{ (R) 20,256 (S) 16,204 }	122,918	{ (R) 155,492 (S) 124,176 }
1942 ..	162,252	{ (R) 138,668 (S) 110,713 }	2,287	{ (R) 54 (S) 44 }	164,539	{ (R) 138,722 (S) 110,757 }
1943 ..	231,714	{ (R) 131,079 (S) 104,654 }	4,089	{ (R) 10 (S) 8 }	235,803	{ (R) 131,089 (S) 104,662 }
1944 ..	183,510	{ (R) 147,748 (S) 117,962 }	2,852	{ (R) 9 (S) 7 }	186,362	{ (R) 147,757 (S) 117,969 }
1945 ..	177,921	{ (R) 154,157 (S) 123,080 }	1,735	{ (R) 429 (S) 342 }	179,656	{ (R) 154,586 (S) 123,422 }

(R) Recorded values, Australian currency.

(S) Estimated British currency values.

(a) Excludes estimated unrecorded exports, £A.'000, 1942-43, 2,500; 1943-44, 10,000; and 1944-45, 2,000.

§ 18. Excise.

Although excise goods have no immediate bearing on overseas trade the rates of excise duty are in some cases related to the import duty on similar goods. Moreover as the Excise Acts are administered by the Department of 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 XVIII. "Public Finance". The following table shows the quantities of spirits, beer, tobacco, etc. on which excise duty was paid in Australia during the years 1941-42 to 1944-45 as compared with the year 1938-39.

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

Article.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
	Proof gal.	Proof gal.	Proof gal.	Proof gal.	Proof gal.
Spirits—					
Brandy	198,583	219,391	241,501	304,213	326,993
Gin	269,118	278,693	370,535	460,819	491,046
Whisky	157,705	264,196	384,001	394,857	371,688
Rum	347,648	339,045	360,465	336,008	304,686
Liqueurs	5,705	15,872	27,064	37,842	41,278
Spirits, n.e.i. ..	170	203	258	220	424
Spirits for Industrial or Scientific Purposes ..	114,129	149,661	184,681	211,138	207,366
Spirits for Fortifying Wine	770,997	1,187,167	1,655,594	1,581,048	1,759,546
Spirits for making Vinegar	17,965	26,234	53,620	69,015	70,305
	gal.	gal.	gal.	gal.	gal.
Amylic Alcohol and Fusel Oil	23	27	82	129	36
Methylated Spirit .. ..	..	2,010,613	2,915,782	3,341,131	3,511,612

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

Article.	1938-39.	1941-42.	1942-43.	1943-44.	1944-45.
	proof gal.	proof gal.	proof gal.	proof gal.	proof gal.
Spirits for the manufacture of Essences	57,376	79,641	65,539	72,556	89,398
Spirits for the Manufacture of Scents, etc.	47,778	71,504	85,247	123,117	115,190
	gal.	gal.	gal.	gal.	gal.
Beer	83,904,645	98,125,882	90,407,477	94,323,856	94,578,430
	lb.	lb.	lb.	lb.	lb.
Tobacco — Manufactured, n.e.i.	15,734,675	16,815,279	17,512,696	16,641,335	15,219,618
Tobacco—Hand-made	41,774	7,874	119	..	..
Tobacco—Unmanufactured, etc.	5,604,256	5,527,032	4,480	..	..
Total, Tobacco	21,380,705	22,350,185	17,517,295	16,641,335	15,219,618
	lb.	lb.	lb.	lb.	lb.
Cigars—Machine-made	71,051	77,454	58,508	48,151	38,212
Cigars—Hand-made	187,450	181,561	115,195	86,468	77,418
Total, Cigars	258,501	259,015	173,703	134,619	115,630
	lb.	lb.	lb.	lb.	lb.
Cigarettes—Machine-made ..	6,891,144	7,886,965	7,962,605	7,980,175	7,413,219
Cigarettes—Hand-made	114	..	..	..	..
Total, Cigarettes	6,891,258	7,886,965	7,962,605	7,980,175	7,413,219
	..	..	lb.	lb.	lb.
Snuff .. .. .	..	..	400	585	662
	60 papers or tubes.	60 papers or tubes.	60 papers or tubes.	60 papers or tubes.	60 papers or tubes.
Cigarette Tubes and Papers	101,977,824	112,019,581	116,623,753	120,223,568	109,594,422
	gross of boxes.	gross of boxes.	gross of boxes.	gross of boxes.	gross of boxes.
Matches	3,278,759	3,201,516	3,159,028	2,998,769	2,989,582
	gal.	gal.	gal.	gal.	gal.
Petrol	27,878,912	36,537,649	14,139,033	10,399,209	9,324,996
	doz. packs.	doz. packs.	doz. packs.	doz. packs.	doz. packs.
Playing Cards	117,412	124,912	93,313	88,761	87,836
	..	lb.	lb.	lb.	lb.
Carbonic Acid Gas .. .. .	..	6,481,334	6,786,719	6,278,607	6,421,510
Dry Batteries and Cells .. ..	..	2,665,157	4,351,109	2,908,705	3,635,369
Saccharin .. .. .	..	..	1,887	7,366	4,779

§ 19. Interstate Trade.

Prior to the federation of the Australian Colonies (now States), each Colony published statistics of its trade with the other Colonies. A similar record was continued by the Commonwealth Government under the provisions of the Constitution (Section 93). On the expiry of the "book-keeping" period, these records were discontinued as from 13th September, 1910, and the 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.