

CHAPTER VIII.

TRADE.

§ 1. Introductory.

Constitutional Powers.—By the Commonwealth of Australia Constitution Act, Section 51 (i.), the power to make laws with respect to trade and commerce with other countries was conferred on the Commonwealth Parliament. Under Section 86 of the Constitution the collection and control of duties of customs and excise passed to the Executive Government of the Commonwealth on 1st January, 1901. Other references to trade and commerce are contained in Sections 87 to 95 of the Constitution (*see pp. 19-21*).

§ 2. Commonwealth Legislation affecting Oversea Trade.

1. **General.**—The Acts affecting overseas trade at present in force are:—The Customs Act 1901-1954; Customs Tariff 1933-1954; Customs Tariff (Canadian Preference) 1931 and Customs Tariff (Canadian Preference) 1934-1954; Customs Tariff (Industries Preservation) Act 1921-1936; Customs Tariff (New Zealand Preference) 1933-1954; Customs Tariff (Papua and New Guinea Preference) 1936-1950; Customs Tariff (Southern Rhodesian Preference) 1941-1948; Customs Tariff (Primage Duties) 1934-1950; Trading with the Enemy Act 1939-1952.

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

2. **The Customs Tariff.**—(i) *General.* The first Commonwealth Customs Tariff was introduced by Resolution on 8th October, 1901, from which date uniform duties came into effect throughout Australia. The tariff has since been extensively amended. The Act at present in operation is the Customs Tariff 1933-1954.

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

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

(ii) *British Preference.* British Preferential Tariff rates of duty apply to goods the produce or manufacture of the United Kingdom, provided that such goods comply with the laws and statutory regulations for the time being in force affecting the grant of preference, and that the goods have been shipped in the United Kingdom to Australia and have not been transhipped, or, if transhipped, it is proved to the satisfaction of

the Collector of Customs that the intended destination of the goods, when originally shipped from the United Kingdom, was Australia. For the purpose of the preferential tariff the following goods are deemed by Section 151A of the Customs Act 1901-1954 to be the produce or manufacture of the United Kingdom, provided the final process of their production or manufacture was performed in that country :—

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

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

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

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

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

4. *Tariff Board.*—The Tariff Board Act 1921-1953 provides for the appointment of a Tariff Board consisting of seven members, two of whom shall be administrative officers of the Department of Trade. Members of the Board are appointed for terms of not less than one year nor more than five years. The purpose of the Tariff

Board is to assist the Minister in the administration of matters relating to trade and customs. The more important matters which the Minister shall refer to the Board for inquiry and report include disputes arising out of the interpretation of any Customs or Excise Tariff; the necessity for new, increased or reduced duties; the necessity for granting bounties; any proposal for the application of the British Preferential Tariff to any part of the British Commonwealth or any foreign country; and any complaint that a manufacturer is taking undue advantage of the protection afforded him by the Tariff by charging unnecessarily high prices for his goods or acting in restraint of trade. The Minister may refer to the Board for inquiry and report the following matters:— the classification of goods under items of the Tariff that provide for admission under by-laws; the determination of the value of goods for duty; the general effect of the working of the Customs Tariff and the Excise Tariff; the fiscal and industrial effects of the Customs laws of the Commonwealth; the incidence between the rates of duty on raw materials and on finished or partly finished products; and any other matter affecting the encouragement of primary and secondary industries in relation to the Tariff.

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

5. *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 value for home consumption or at a price which is less than a reasonable price, a special dumping duty shall be collected equal to the difference between the price at which the goods were sold and the fair market value, or the difference between the price at which the goods were sold and a reasonable price. Similar provision is made for goods consigned to Australia for sale. With regard to goods exported to Australia at rates of freight less than the normal rate of freight the dumping freight duty shall be—on goods carried free—the amount payable as freight at the normal rate; and in the case of any other goods—an amount equal to the difference between the freight paid and the freight which would have been payable at the normal rate.

The Act provides that the Minister for Trade and Customs, after inquiry and report by the Tariff Board, may publish a notice in the *Commonwealth Gazette* specifying the goods upon which the special rates of duty under this Act shall thereupon be charged and collected.

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

7. *Import Controls.*—(i) *Customs (Import Licensing) Regulations.* The Customs (Import Licensing) Regulations were first promulgated in December, 1939, and were made pursuant to the Customs Act 1901–1936, Sections 52 (g) and 56. These regulations provide, *inter alia*, that the importation into the Commonwealth of any goods shall be prohibited, unless:—

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

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

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

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

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

Towards the latter half of 1954 Australia's balance of payments prospects for 1954-55 were such that the Government was forced to review import licensing policy and a general tightening of the controls was announced on 1st October, 1954. A still further reduction in overall import expenditure has operated since 1st April, 1955.

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

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

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

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

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

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

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

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

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

The Customs Tariff (Canadian Preference) 1931 and the Customs Tariff (Canadian Preference) 1934–1954 give effect to the agreement so far as Australia is concerned.

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

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

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

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

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

In May, 1956 there were 35 contracting parties to the Agreement, comprising most of the world's larger trading nations.

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

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

The contracting parties periodically hold plenary sessions to deal with questions arising out of the administration of the Agreement. The tenth session was held at Geneva in October, 1955.

§ 3. Imperial Preference in the United Kingdom.

1. *Preferential Tariff of the United Kingdom.*—Prior to 1919 the United Kingdom levied duties on a limited number of items for revenue purposes and did not extend preferential treatment to any of the Empire countries. The majority of imported goods entered the United Kingdom free of duty and, in fact, there was no scope for preferential treatment. In 1919, however, the range of revenue duties was extended and preferential rates of duty were established on eighteen items. Of these, the preferential rate on twelve items was to be equivalent to five-sixths of the full rate, on four to two-thirds of the full rate and on another (wine) to 50–70 per cent. of the full rate. The items so affected of interest to Australia at that time were currants, dried and preserved fruit, sugar, molasses and wine.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (d) *Increases in Commodity Prices.* The effective value of margins of preference which were expressed in the Australia-United Kingdom Agreement in terms of British currency ("specific margins") has been reduced in the post-war period by rises in the prices of commodities on which they were granted. The commodities affected are beef, dairy products, eggs, fresh, dried and canned fruits, honey, sugar, wine, lead and zinc, which made up about 29 per cent. of Australia's exports to the United Kingdom in 1954-55.

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

IMPERIAL PREFERENCE : CHANGES IN VALUE OF PREFERENCES.

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

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

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

§ 4. Trade Commissioner Service.

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

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

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

The Trade Commissioners Act 1933 provided for the establishment of an Australian Government Trade Commissioner Service and by the beginning of the 1939-45 War posts had been established at Wellington, Batavia (now Djakarta), Shanghai, Tokyo, Cairo, Bombay, New York and Calcutta. The Trade Commissioner Service was further expanded in 1946 and there are now 24 Trade Commissioner posts in 19 countries.

The general advantages to be derived from the appointment of Trade Commissioners may be briefly stated as follows :—(a) fostering of goodwill, (b) correction and avoidance of misunderstandings, and (c) dissemination of knowledge concerning the respective countries. Particular facilities which they are able to afford to the trading community are (a) information as to present and prospective demand for goods, (b) information as

to foreign and local competition, (c) advice as to best selling methods, (d) reports as to the standing of foreign buyers, (e) specification of articles in demand, (f) dealing with trade inquiries, (g) advice and assistance to commercial visitors regarding trade matters, (h) settlement of difficulties between exporters in Australia and buyers abroad, and (i) furnishing of information as to foreign import requirements, customs duties, trade regulations, etc.

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

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

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

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

§ 5. Method of Recording Imports and Exports.

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

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

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

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

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

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

4. *Statistical Classification of Imports and Exports.*—Statistics of overseas imports and exports from which the summary tables in this issue of the Official Year Book have been extracted were compiled according to the revised classification which came into operation on 1st July, 1945. This classification is designed to allow for the inclusion of items which become significant with varying trade conditions, and in 1954–55 provided for 2,123 separate import items and 1,089 export items.

5. *The Trade Year.*—From 1st July, 1914 the statistics relating to overseas trade have been shown according to the financial year (July to June). Prior to that date the figures related to the calendar year. A table is included in § 17 showing the total value of imports and exports in the calendar years 1951 to 1955 inclusive.

6. *Valuation.*—(i) *Imports.* The recorded value of goods imported from countries beyond Australia as shown in the following tables represents the amount on which duty is payable or would be payable if the duty were charged *ad valorem*. By Act No. 54 of 1947, which operated from 15th November, 1947, the Customs Act was amended to provide that the value for duty of goods imported into Australia should be the f.o.b. value in Australian currency instead of the British currency f.o.b. value plus 10 per cent.

Section 154 (1) of the Customs Act 1901–1954 provides that “when any duty is imposed according to value, the value for duty shall be the sum of the following :—

- (a) (i) the actual money price paid or to be paid for the goods by the Australian importer plus any special deduction, or
- (ii) the current domestic value of the goods, whichever is the higher ; and
- (b) all charges payable or ordinarily payable for placing the goods free on board at the port of export.”

“Current domestic value” is defined as “the amount for which the seller of the goods to the purchaser in Australia is selling or would be prepared to sell for cash, at the date of exportation of those goods, the same quantity of identically similar goods to any and every purchaser in the country of export for consumption in that country.” All import values shown throughout this and other chapters of this issue of the Official Year Book are therefore uniform f.o.b. values at port of shipment in Australian currency.

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

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

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

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

7. *Inclusions and Exclusions.*—(i) *Ships' Stores.* Prior to 1906, goods shipped in Australian ports on oversea vessels as ships' stores were included as exports. From 1906, ships' stores have been specially recorded as such, and omitted from the tabulation of exports. A table showing the value of these stores (including bunker coal and oil) shipped each year since 1950-51 is shown in § 12, page 306.

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

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

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

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

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

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

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

9. *Pre-Federation Records.*—In the years preceding Federation, each State independently recorded its trade, and in so doing did not distinguish other Australian States from foreign countries. As the aggregation of the records of the several States is necessarily the only available means of ascertaining the trade of Australia for comparison with later years, it is unfortunate that past records of values and the direction of imports and exports were not on uniform lines. Imports and exports for years prior to Federation may be found in issues of the Official Year Book prior to No. 41. On the introduction of the Customs Act 1901 the methods of recording values were made uniform throughout the States.

§ 6. Total Oversea Trade.

1. *Including Gold.*—The following table shows the total trade (including gold) of Australia with oversea countries from 1901 to 1954-55. To save space, the period 1901 to 1950-51 has been divided into five-year periods, and the figures shown represent the annual averages for the periods specified. Figures for individual years were published in earlier issues of the Official Year Book, but it should be borne in mind that the figures for imports in issues prior to No. 37 are in British currency.

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

TOTAL OVERSEA TRADE : AUSTRALIA.

(INCLUDING GOLD.)

Period.(a)	Value. (£'000.)			Excess of Exports (+) or Imports (-). (£'000.)	Value per Head of Population. (£.)		
	Imports.	Exports.	Total.		Imports.	Exports.	Total.
1901 to 1905 ..	35,689	51,237	86,926	+ 15,548	9.1	13.1	22.2
1906 „ 1910 ..	46,825	(b) 69,336	116,161	+ 22,511	11.0	16.3	27.3
1911 „ 1915-16 ..	66,737	74,504	141,241	+ 7,767	13.8	15.4	29.2
1916-17 to 1920-21	91,577	115,066	206,643	+ 23,489	17.4	21.9	39.3
1921-22 to 1925-26	124,404	134,545	258,949	+ 10,141	21.1	22.9	44.0
1926-27 to 1930-31	119,337	131,382	250,719	+ 12,045	18.6	20.5	39.1
1931-32 to 1935-36	73,798	120,958	194,756	+ 47,160	11.1	18.1	29.2
1936-37 to 1940-41	123,553	157,610	281,163	+ 34,057	17.8	22.7	40.5
1941-42 to 1945-46	211,514	163,955	375,469	- 47,559	29.1	22.4	51.5
1946-47 to 1950-51	449,273	571,430	1,020,703	+ 610,784	57.2	72.7	129.9
1951-52.. ..	1,053,423	675,008	1,728,431	- 378,415	123.5	79.1	202.6
1952-53.. ..	514,109	871,272	1,385,381	+ 357,163	58.9	99.7	158.6
1953-54.. ..	681,609	828,332	1,509,941	+ 146,723	76.6	93.0	169.6
1954-55.. ..	843,742	774,164	1,617,906	- 69,578	92.8	85.2	178.0

(a) The figures shown for the years 1901 to 1950-51 represent the annual averages for the periods covered. The trade for the individual years will be found in Official Year Book No. 40 and earlier issues, but it should be noted that in issues prior to No. 37 imports are shown in British currency. From 1914-15 onwards the particulars relate to financial years. (b) Prior to 1906, ships' stores were included in exports. For value of such goods shipped on overseas vessels during each of the years 1950-51 to 1954-55 see later table, § 12.

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

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

2. **Excluding Gold.**—The fluctuations in recent years in merchandise trade (including silver as merchandise) are shown more clearly in the following table, from which all gold movements have been excluded.

TOTAL OVERSEA TRADE : AUSTRALIA.
(EXCLUDING GOLD.)

Year.	Value. (£'000.)			Value per Head of Population. (£.)		
	Imports.	Exports.	Total Trade.	Imports.	Exports.	Total Trade.
1950-51..	741,412	981,796	1,723,208	89.3	118.2	207.5
1951-52..	1,050,164	668,019	1,718,183	123.1	78.4	201.5
1952-53..	510,513	850,874	1,361,387	58.4	97.5	155.9
1953-54..	678,650	814,563	1,493,213	76.3	91.5	167.8
1954-55..	841,018	760,446	1,601,464	92.5	83.7	176.2

§ 7. Direction of Oversea Trade.

1. According to Countries.—(i) *Values.* The following table shows the value of Australian imports and exports during each of the years 1952-53 to 1954-55, according to country of origin or consignment respectively.

COUNTRIES OF ORIGIN OR CONSIGNMENT OF AUSTRALIAN IMPORTS AND EXPORTS : VALUES.
(EXCLUDING GOLD.)
(£'000.)

Country.	Imports.			Exports.		
	1952-53.	1953-54.	1954-55.	1952-53.	1953-54.	1954-55.
British Countries—						
United Kingdom ..	214,702	331,697	378,669	347,431	295,660	285,476
Australian Territories ..	5,358	4,723	5,792	10,193	12,180	12,910
Canada ..	19,546	18,742	23,840	8,712	11,037	10,503
Ceylon ..	9,786	13,490	19,516	14,687	11,847	8,723
India ..	14,646	18,475	26,057	17,148	14,293	19,428
Malaya, Federation of ..	5,798	8,721	12,797	9,344	9,143	8,410
New Zealand ..	3,592	6,387	7,602	28,676	33,450	37,787
Singapore ..	5,858	8,599	2,492	12,794	11,288	11,600
Other British Countries ..	26,369	31,827	46,741	38,233	32,233	32,124
Total, British Countries	305,655	442,661	523,506	487,218	431,440	426,961
Foreign Countries—						
Arabian States ..	23,278	27,925	27,851	1,774	1,737	2,011
Belgium and Luxemburg ..	5,506	7,063	12,234	32,141	32,663	31,252
France ..	9,253	11,793	14,689	70,084	71,038	64,056
Germany, Federal Republic	13,582	21,365	30,838	22,366	27,076	31,823
Indonesia ..	21,544	21,972	22,529	5,064	6,585	3,702
Italy ..	5,225	11,182	11,740	44,706	51,326	35,915
Japan ..	4,692	6,545	18,422	83,958	55,680	58,573
Netherlands ..	5,954	9,618	13,081	6,356	5,578	6,857
Sweden ..	6,786	10,230	13,516	2,888	3,601	3,241
United States of America ..	85,168	73,254	10,157	57,829	55,505	52,415
Other Foreign Countries ..	23,282	34,412	49,410	36,400	72,305	43,637
Total, Foreign Countries	204,270	235,359	316,467	363,656	383,123	333,482
Country Unknown..	588	630	1,045	..	..	3
Total ..	510,513	678,650	841,018	850,874	814,563	760,446

(ii) *Proportions.* In view of the fluctuations in the total values of imports and exports, it is somewhat difficult to ascertain from the preceding table the relative importance of the various countries in the trade of Australia. A better idea of the

proportions of imports supplied by the various countries and of their relative importance as markets for Australian produce during the years 1952-53 to 1954-55 may be obtained from the following table of percentages.

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

(EXCLUDING GOLD.)

(Per Cent. of Total.)

Country.	Imports.			Exports.		
	1952-53.	1953-54.	1954-55.	1952-53.	1953-54.	1954-55.
British Countries—						
United Kingdom ..	42.06	48.88	45.03	40.83	36.33	37.54
Australian Territories ..	1.05	0.69	0.69	1.20	1.50	1.70
Canada ..	3.83	2.76	2.83	1.02	1.36	1.38
Ceylon ..	1.92	1.99	2.32	1.73	1.45	1.15
India ..	2.87	2.72	3.10	2.02	1.75	2.55
Malaya, Federation of ..	1.14	1.29	1.52	1.10	1.12	1.11
New Zealand ..	0.70	0.94	0.90	3.37	4.11	4.97
Singapore ..	1.15	1.26	0.30	1.50	1.39	1.53
Other British Countries ..	5.16	4.69	5.56	4.49	3.96	4.22
Total, British Countries	59.88	65.22	62.25	57.26	52.97	56.15
Foreign Countries—						
Arabian States ..	4.56	4.11	3.31	0.21	0.21	0.26
Belgium and Luxemburg ..	1.08	1.04	1.45	3.78	4.01	4.11
France ..	1.81	1.74	1.75	8.24	8.72	8.42
Germany, Federal Republic	2.66	3.15	3.67	2.63	3.33	4.19
Indonesia ..	4.22	3.24	2.68	0.59	0.81	0.40
Italy ..	1.02	1.65	1.40	5.25	6.30	4.72
Japan ..	0.92	0.96	2.19	9.87	6.84	7.70
Netherlands ..	1.17	1.42	1.55	0.75	0.68	0.90
Sweden ..	1.33	1.51	1.60	0.34	0.44	0.43
United States of America ..	16.68	10.80	12.15	6.80	6.81	6.89
Other Foreign Countries ..	4.55	5.07	5.88	4.28	8.88	5.74
Total, Foreign Countries	40.00	34.69	37.63	42.74	47.03	43.85
Country of origin or consignment unknown ..	0.12	0.09	0.12	..	..	..
Total ..	100.00	100.00	100.00	100.00	100.00	100.00

2. According to Currency Areas.—The following table shows the trade of Australia according to currency areas during the years 1953-54 and 1954-55.

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

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

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

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

OVERSEA TRADE OF AUSTRALIA ACCORDING TO CURRENCY AREAS.

(£'000.)

Currency Area.	1953-54.	1954-55.
STERLING.		
Imports—		
From—United Kingdom	331,701	378,669
Other Sterling Area Countries	113,362	144,319
Total	445,063	522,988
Exports—		
To—United Kingdom	300,765	285,506
Other Sterling Area Countries	129,422	144,478
Total	430,187	429,984
Excess of Exports (+) or Imports (—)	—14,876	—93,004
DOLLAR.		
Imports—		
From—United States of America	73,254	102,157
Canada	18,742	23,840
Other Dollar Area Countries	1,073	1,192
Total	93,069	127,189
Exports—		
To—United States of America	55,534	52,440
Canada	11,037	10,503
Other Dollar Area Countries	4,811	6,682
Total	71,382	69,625
Excess of Exports (+) or Imports (—)	—21,687	—57,564
OTHER NON-STERLING.		
Imports—		
From—Countries of the O.E.E.C., including dependencies	90,789	122,290
Other Countries	52,688	71,275
Total	143,477	193,565
Exports—		
To—Countries of the O.E.E.C., including dependencies	213,124	187,534
Other Countries	113,639	87,021
Total	326,763	274,555
Excess of Exports (+) or Imports (—)	+183,286	+80,990
ALL CURRENCY AREAS.		
Total Imports	681,609	843,742
Total Exports	828,332	774,164
Excess of Exports (+) or Imports (—)	+146,723	—69,578

§ 8. Trade with the United Kingdom.

1. Statistical Classes.—The following table shows, according to statistical classes, the values of imports into Australia of United Kingdom origin and of exports from Australia to the United Kingdom during each of the years 1952-53 to 1954-55.

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

Class.	Imports.			Exports.		
	1952-53.	1953-54.	1954-55.	1952-53.	1953-54.	1954-55.
I. Animal foodstuffs, etc. . .	512	1,257	1,606	81,630	71,109	80,362
II. Vegetable foodstuffs; non-alcoholic beverages, etc. . .	616	967	1,086	76,508	69,619	64,808
III. Alcoholic liquors, etc. . .	1,157	1,118	1,688	348	460	417
IV. Tobacco, etc. . .	2,859	4,386	2,219	2	..	4
V. Live animals . . .	135	168	154	4	14	9
VI. Animal substances, etc. . .	149	446	321	145,285	120,546	110,910
VII. Vegetable substances, etc. . .	819	757	710	79	168	462
VIII. Apparel, textiles, etc. . .	26,517	66,681	66,061	183	168	253
IX. Oils, fats and waxes . . .	2,255	6,153	6,009	1,049	1,799	633
X. Pigments, paints and varnishes . . .	889	2,407	2,783	5	3	17
XI. Rocks, minerals, etc. . .	234	332	483	10,074	3,466	3,704
XII. Metals, metal manufactures and machinery . . .	132,180	174,938	207,649	25,014	22,175	19,474
XIII. Rubber and leather, etc. . .	1,823	2,935	4,041	1,550	1,655	1,402
XIV. Wood and wicker, etc. . .	147	361	378	708	541	395
XV. Earthenware, etc. . .	3,526	8,602	10,100	5	4	5
XVI. Paper and stationery . . .	11,330	19,102	21,643	229	199	285
XVII. Jewellery, etc. . .	589	2,506	3,179	29	36	45
XVIII. Optical, surgical and scientific instruments . . .	2,767	4,926	5,720	157	257	137
XIX. Chemicals, drugs, fertilizers . .	5,130	9,816	14,485	683	514	380
XX. Miscellaneous (a) . . .	20,965	23,822	28,354	1,639	1,029	1,612
XXI. Gold and silver; bronze specie . . .	103	21	..	14,076	7,003	192
Total . . .	214,702	331,701	378,669	359,257	306,765	285,506

(a) Includes arms, ammunition and explosives.

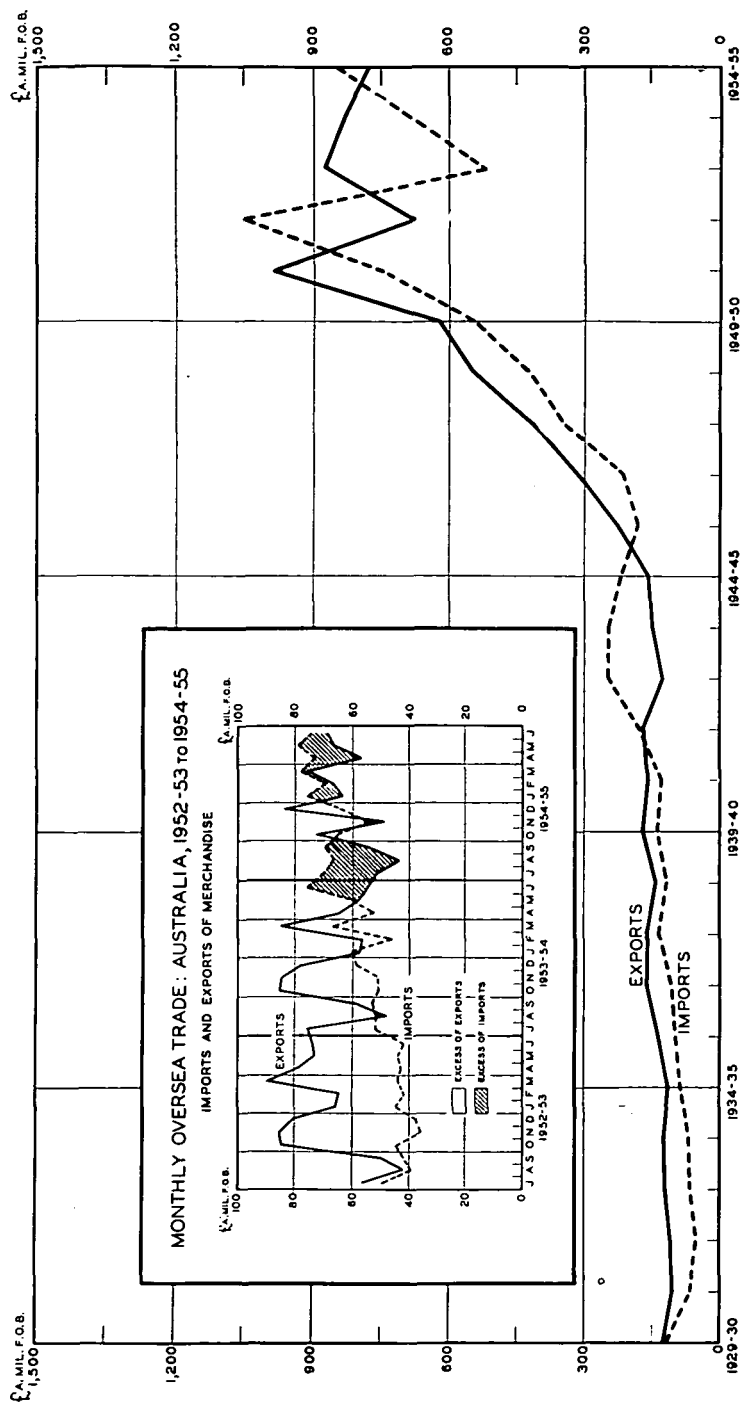
2. Imports of Principal Articles.—The following table shows the value of the principal articles imported into Australia from the United Kingdom during each of the years 1952-53 to 1954-55.

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

Article.	1952-53.	1953-54.	1954-55.	Article.	1952-53.	1953-54.	1954-55.
Arms and ammunition, military, naval and air force stores . . .	3,790	3,495	6,707	Motor vehicles, chassis, bodies and parts . .	18,419	39,269	51,270
Apparel . . .	1,822	6,179	7,114	Optical, surgical and scientific instruments . .	2,011	3,590	4,012
Carpets and carpeting . .	1,067	6,823	7,710	Paper, printing . . .	3,741	8,017	8,599
Chemicals, medicinal products, essential oils and fertilizers . . .	5,130	9,816	14,485	Piece-goods—			
Cigarettes . . .	2,764	4,296	2,137	Cotton and linen . .	8,837	22,465	21,097
Crockery . . .	1,061	3,803	4,500	Silk and rayon . . .	3,407	8,157	7,038
Cutlery and platedware . .	974	2,072	2,160	All other piece-goods . .	2,313	4,381	5,048
Electrical cable and wire, covered . . .	3,407	1,868	1,826	Prefabricated houses and buildings . . .	6,620	2,067	533
Electrical machinery and appliances . . .	18,241	18,580	20,824	Rubber and rubber manufactures . . .	1,574	2,507	3,440
Glass and glassware . . .	1,010	2,497	2,928	Sewing silks, cottons, etc. . .	1,162	2,355	2,249
Iron and steel—				Stationery and paper manufactures . . .	5,325	7,459	8,422
Plate and sheet . . .	11,260	9,327	18,134	Tools of trade . . .	1,054	2,335	2,976
Other . . .	6,701	5,744	12,971	Vehicles and parts, other than motor vehicles . .	7,920	11,424	10,789
Linoleums . . .	901	3,615	3,095	Yarns—			
Machines and machinery (except dynamo electrical)—				Cotton . . .	1,400	3,098	3,198
Agricultural . . .	2,313	2,822	3,202	Rayon . . .	4,089	6,034	5,523
Metal-working . . .	5,978	5,940	5,745	Other . . .	480	604	492
Motive power . . .	18,482	25,911	23,307	All other articles(a) . .	38,747	69,758	76,352
Other . . .	22,702	28,393	30,785				
				Total Imports . .	214,702	331,701	378,669




(a) Includes outside packages.

OVERSEA TRADE: AUSTRALIA, 1929-30 to 1954-55

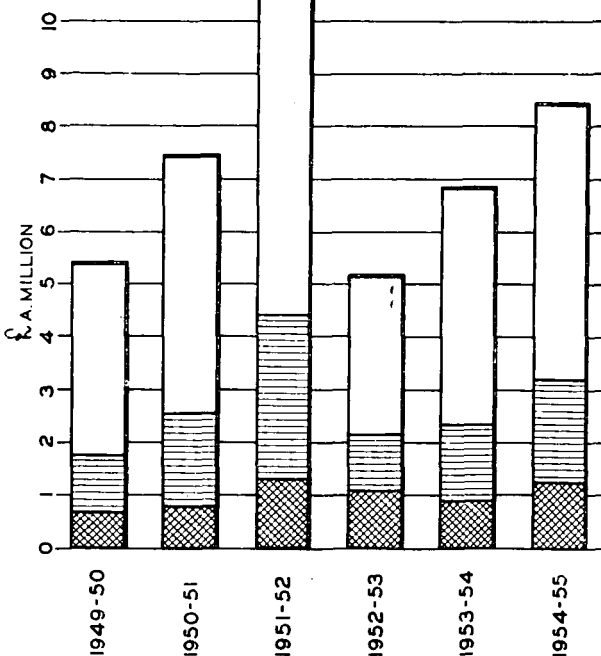


OVERSEA TRADE ACCORDING TO CURRENCY AREAS

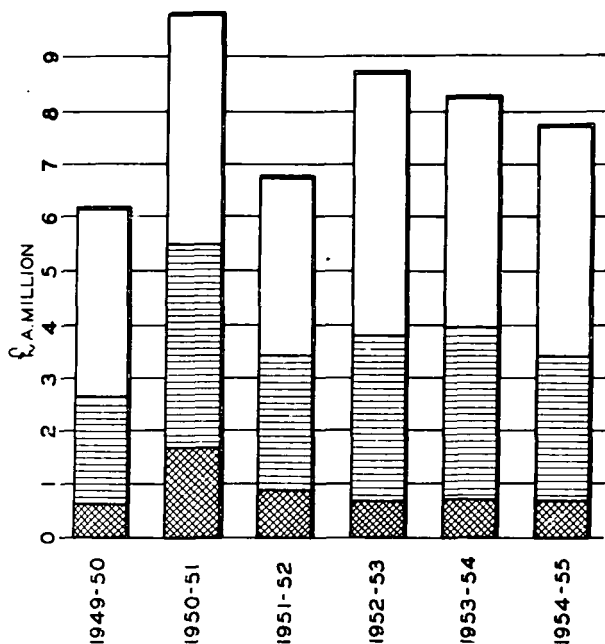
AUSTRALIA, 1949-50 TO 1954-55

 DOLLAR AREA
  OTHER NON-STERLING AREAS
  STERLING AREA

IMPORTS

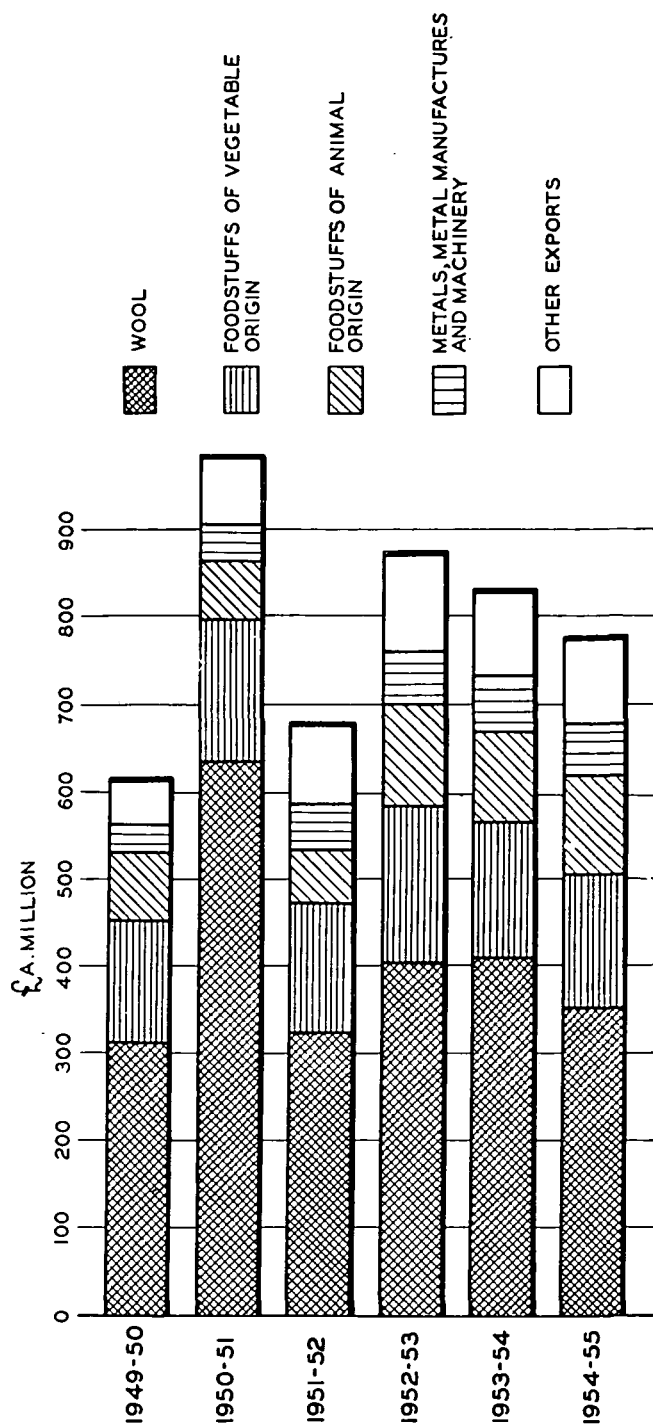


EXPORTS



EXPORTS OF PRINCIPAL COMMODITIES

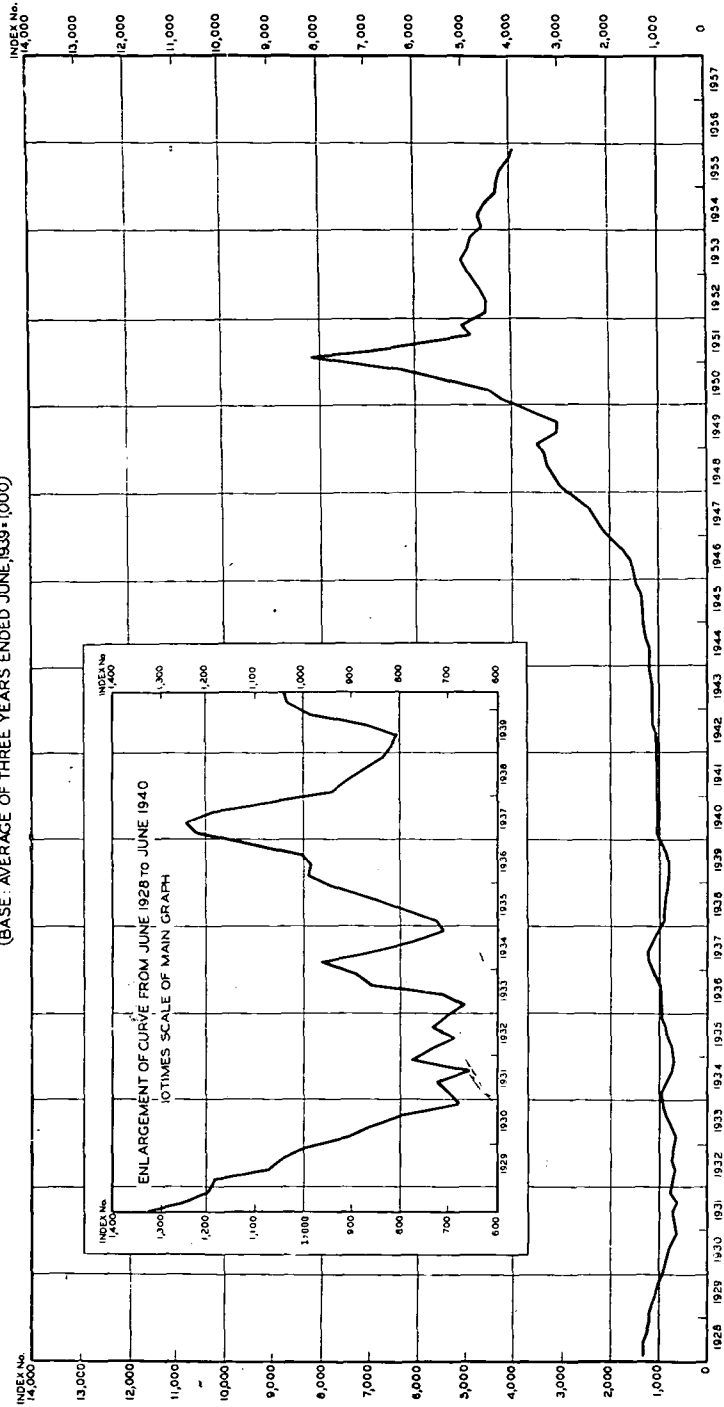
AUSTRALIA, 1949-50 TO 1954-55



EXPORT PRICE INDEX NUMBERS : AUSTRALIA, 1928 to 1955

SIMPLE AGGREGATE INDEX : FIXED WEIGHTS

(BASE: AVERAGE OF THREE YEARS ENDED JUNE 1939 = 1,000)



3. Exports of Principal Articles of Australian Produce.—The following table shows the quantities and values of the principal articles of Australian produce exported to the United Kingdom during each of the years 1952-53 to 1954-55.

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

Article.	Unit of Quantity.	Quantity.			Value. (£'000.)		
		1952-53.	1953-54.	1954-55.	1952-53.	1953-54.	1954-55.
Barley	ton	144,316	176,066	91,349	4,886	3,904	2,322
Butter	"	32,149	29,054	54,485	12,235	11,295	20,767
Cheese	"	17,644	17,935	18,098	3,832	3,692	3,666
Eggs in shell	'000 doz.	18,268	9,907	16,642	3,758	2,075	2,697
Flour	ton(a)	139,942	65,659	80,832	5,579	2,442	2,261
Fruit, dried	"	50,229	45,774	45,944	5,034	4,712	5,341
" fresh	'000 bus.	4,725	4,308	3,764	6,918	5,791	5,004
" preserved in airtight containers	ton	53,612	76,400	84,859	7,636	12,174	13,358
Gold	'000 fine oz.	712	298	2	11,725	4,773	30
Hides and skins	"				2,777	2,596	2,803
Lead bullion	ton	48,887	34,124	40,818	7,955	4,393	6,133
" pig	"	54,090	108,137	77,398	6,284	11,692	9,495
Leather	"				1,532	1,608	1,231
Meats— <i>preserved by cold process</i>	ton	66,264	164,388	93,139	7,639	15,756	16,708
Beef and veal	"	33,461	15,913	39,075	4,988	2,494	9,293
Lamb	"	31,873	17,669	8,668	2,375	1,292	927
Mutton	"		504	90		111	26
Pork	'000 lb.	54,221	38,225	9,519	3,949	2,102	396
Milk and cream	'000 fine oz.	5,954	5,772	408	2,244	2,181	158
Silver bullion	ton	358,480	534,749	435,017	16,783	23,751	18,962
Sugar (cane)	"	1,775	11,638	3,200	116	721	263
Tallow (unrefined)	'000 super ft.	8,289	5,424	3,280	566	353	290
Timber, undressed(b)	ton	588,106	308,582	512,524	18,571	9,575	13,718
Wheat	'000 gals.	689	936	505	341	453	410
Wine	'000 lb.	387,228	315,507	327,103	142,277	117,715	107,914
Wool	ton	32,157	15,264	9,002	4,744	1,461	951
Zinc bars, etc.	"				60,074	34,942	38,035
All other articles	"				7,037	6,764	
Total Exports (Australian Produce)	"				357,483	298,949	283,479

(a) 2,000 lbs.

(b) Excludes railway sleepers.

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

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

The imports into Australia have been classified under nine headings, and the trade of the United Kingdom therein is compared with that of France, Germany, Japan and the United States of America. These countries have been selected as the principal competitors in normal times with the United Kingdom for the trade of Australia under the specified headings. Totals for each of the years 1952-53 to 1954-55 are shown in the following table.

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

Nature of Imports.	Year.	United Kingdom.	France.	Germany. (a)	Japan.	United States of America.	All Countries.
Foodstuffs of animal origin	1952-53	511	..	85	31	451	3,100
	1953-54	1,257	7	130	358	148	5,853
	1954-55	1,607	7	357	739	91	7,303
Yarns and manufactured fibres, textiles and apparel	1952-53	26,517	1,280	1,091	771	338	48,243
	1953-54	66,681	3,963	2,882	4,735	669	113,805
	1954-55	66,061	5,073	3,875	9,026	524	126,752
Metals, metal manufactures and machinery	1952-53	132,180	3,107	8,892	1,956	53,895	225,092
	1953-54	174,938	2,977	10,590	191	39,577	252,182
	1954-55	207,649	5,404	14,333	4,044	57,949	324,140
Rubber and leather and manufactures thereof, and substitutes therefor	1952-53	1,823	76	26	..	770	9,036
	1953-54	2,935	94	87	1	565	12,390
	1954-55	4,041	283	171	22	860	17,825
Earthenware, cement, china, glass and stoneware	1952-53	3,526	115	93	399	336	6,010
	1953-54	8,602	171	275	228	410	12,095
	1954-55	10,100	341	676	671	522	15,517
Pulp, paper and board: paper manufactures and stationery	1952-53	11,330	72	156	3	1,057	22,432
	1953-54	19,102	77	528	8	1,048	34,097
	1954-55	21,643	221	816	1,464	1,528	46,410
Sporting material, toys, fancy goods, jewellery and timepieces.	1952-53	588	47	270	4	16	2,391
	1953-54	2,506	132	1,345	122	24	7,688
	1954-55	3,179	181	2,392	611	19	10,442
Optical, surgical and scientific instruments, etc.; photographic goods, n.e.i.	1952-53	2,767	66	225	23	1,344	5,155
	1953-54	4,926	112	891	42	1,386	8,522
	1954-55	5,720	153	1,722	148	1,688	10,841
Chemicals, medicinal and pharmaceutical products, essential oils and fertilizers	1952-53	5,130	415	709	67	1,248	12,222
	1953-54	9,816	851	2,133	128	1,453	19,606
	1954-55	14,485	1,032	3,333	371	2,250	27,941
Total, above-mentioned imports	1952-53	184,372	5,178	11,547	3,254	59,455	334,581
	1953-54	290,763	8,384	18,861	5,813	45,270	466,238
	1954-55	334,485	12,695	27,675	17,096	65,431	587,171
Total imports (less bullion and specie)	1952-53b	214,599	9,253	13,582	4,692	85,166	510,342
	1953-54b	331,680	11,793	21,365	6,544	73,453	678,590
	1954-55b	378,669	14,689	30,838	18,422	102,157	840,972

(a) Federal Republic.

(b) Includes outside packages.

The principal classes of competitive imports are metals, metal manufactures and machinery (value £324,140,000 in 1954-55) and manufactured fibres, textiles and apparel (value £126,752,000 in 1954-55). The value of goods included in these two groups represented 76.8 per cent. of the total value of competitive commodities during 1954-55. In 1954-55 the United Kingdom supplied 57.0 per cent. of the total value of competitive goods.

§ 9. Trade with Eastern Countries.

1. **Merchandise Trade according to Countries.**—The values of imports into Australia from Eastern countries during the years 1952-53 to 1954-55 are shown in the following table. The principal commodities imported in 1954-55 according to countries of origin were :—Borneo (British)—crude petroleum, £14,022,000; Ceylon—tea, £18,099,000; India—bags and sacks, £11,534,000, cotton and linen piece-goods, £4,247,000, hessian, £2,333,000 and cotton fibres, £835,000; Malaya—crude rubber, £9,712,000; Japan—cotton and linen piece-goods, £7,045,000; Indonesia—petroleum spirit, £10,664,000, residual and solar oil, £4,016,000, kerosene, £4,437,000.

MERCHANDISE TRADE WITH EASTERN COUNTRIES : AUSTRALIA.
(£'000.)

Country.	Imports.			Exports.		
	1952-53.	1953-54.	1954-55.	1952-53.	1953-54.	1954-55.
British Countries—						
Borneo	5,998	8,439	15,522	778	960	927
Ceylon	9,786	13,490	19,516	14,687	11,447	6,552
Hong Kong	521	1,717	7,369	4,855	4,950	5,535
India	14,646	18,475	26,057	17,148	14,293	19,426
Malaya, Federation of ..	5,798	8,721	12,797	9,344	9,143	8,440
Pakistan	2,268	3,706	2,253	4,524	3,287	2,947
Singapore	5,858	8,599	2,492	12,794	11,288	11,600
Foreign Countries—						
Bhutan and Nepal .. ..	..	..	..	..	1	..
Burma	9	18	11	920	1,689	1,788
China	1,408	1,983	1,732	681	2,192	2,705
Formosa	54	137	100	740	444	546
French Associated States and Dependencies—						
Cambodia .. ..	..	..	..	..	..	3
India (French) .. ..	..	..	..	26	16	10
Laos	1	..	7	526	598	70
Vietnam .. ..	..	1	9	19	34	2
Indonesia	21,544	21,972	22,529	5,064	6,585	3,702
Japan	4,692	6,545	18,422	83,958	55,689	58,573
Korea	4	3	4	4,210	2,586	970
Philippines	53	82	115	501	1,039	1,709
Portuguese Dependencies—						
India (Portuguese) .. ..	..	..	..	92	212	69
Macao .. ..	..	2	..	16	2	..
Timor	18	29	58	35	34	39
Thailand	37	35	76	1,224	1,244	1,157
Total	(a) 72,695	(a) 93,954	(a) 124,069	162,151	127,739	126,742

(a) Includes outside packages.

The balance of trade with Eastern countries shows an excess of exports from Australia during each of the years 1952-53 to 1954-55.

2. Exports of Principal Articles.—The following table shows the value of exports of Australian produce and re-exports from Australia to Eastern countries for each of the years 1952-53 to 1954-55. The countries concerned in this trade are Borneo (British), Ceylon, Hong Kong, India, Federation of Malaya, Pakistan, Singapore, Burma, China and the Chinese dependencies of Kwantung and Manchuria, Formosa, the French Associated States (Cambodia, Laos and Vietnam) and French dependencies in India, Republic of Indonesia, Japan, Korea, Philippines Republic, the Portuguese dependencies in India, Macao and Timor, and Thailand.

TOTAL EXPORTS FROM AUSTRALIA TO EASTERN COUNTRIES.
(£'000.)

Article.	1952-53.	1953-54.	1954-55.	Article.	1952-53.	1953-54.	1954-55.
Army stores	3,508	2,052	1,123	Meats	3,712	3,443	3,726
Butter	2,819	2,354	2,193	Metals and metal manufactures except zinc bars, etc.	2,202	6,597	2,729
Cheese	921	825	790	Milk and cream	6,307	6,215	6,731
Fruit—				Sugar (raw)	813	673	5,741
Dried or preserved	244	294	336	Tallow, inedible	1,045	1,094	1,135
Fresh	1,207	1,196	1,201	Wool	63,089	47,317	51,287
Grain and cereals—				Zinc bars, blocks, etc. ..	1,292	2,242	2,432
Flour (wheaten), plain white	25,975	22,707	13,853	Other merchandise	15,227	8,541	8,251
Wheat	15,832	8,058	15,150	Total Merchandise ..	162,151	127,739	126,742
Other (prepared and unprepared)	14,153	9,667	5,091	Gold and silver; bronze specie .. ..	..	5,624	15,825
Infants' and invalids' foods	1,722	1,540	1,263	Total Exports	162,151	133,363	142,567
Leather	628	657	791				
Machines and machinery ..	1,455	2,200	2,919				

§ 10. Oversea Trade at Principal Ports.

The following table shows the value of overseas imports and exports at the principal ports of Australia during the year 1954-55, together with the totals for each State.

OVERSEA TRADE AT PRINCIPAL PORTS, 1954-55.

(£'000.)

Port.	Imports.	Exports.	Port.	Imports.	Exports.
NEW SOUTH WALES.			SOUTH AUSTRALIA.		
Sydney	326,193	195,817	Port Adelaide, including		
Newcastle, including Port Stephens	9,497	21,594	Adelaide	61,635	65,341
Port Kembla	10,406	2,777	Port Pirie	1,290	22,108
Other		469	Port Lincoln	705	3,479
Total	346,096	220,657	Wallerawang	558	2,762
			Other	116	1,389
			Total	64,804	90,779
VICTORIA.			WESTERN AUSTRALIA.		
Melbourne	270,334	194,857	Fremantle, including Perth	49,677	55,640
Geelong	26,508	18,423	Geraldton	165	5,977
Portland	652	3,292	Bunbury	206	2,994
Total	297,494	216,572	Other	600	3,896
			Total	50,648	68,507
QUEENSLAND.			TASMANIA.		
Brisbane	60,854	98,042	Hobart	10,413	10,560
Townsville	3,041	20,446	Devonport	628	758
Calms	2,457	8,578	Launceston	2,337	5,026
Mackay	607	8,399	Burnie	1,751	2,409
Rockhampton	641	6,190	Total	15,129	18,762
Bowen		5,796			
Gladstone	1,144	3,898	NORTHERN TERRITORY.		
Maryborough	40	3,129	Darwin	688	104
Other	8	5	Grand Total	843,742	774,164
Total	68,883	154,483			

§ 11. Classified Summary of Australian Oversea Trade.

1. Statistical Classes.—(i) *Imports and Exports.* The following table shows, according to statistical classes, the value of Australian imports and exports during each of the years 1952-53 to 1954-55.

OVERSEA TRADE : CLASSES.

(£'000.)

Class.	Imports.			Exports.		
	1952-53.	1953-54.	1954-55.	1952-53.	1953-54.	1954-55.
I. Animal foodstuffs, etc.	3,100	5,853	7,304	116,478	102,684	112,546
II. Vegetable foodstuffs; non-alcoholic beverages, etc.	18,495	25,702	35,925	181,376	154,938	152,600
III. Alcoholic liquors, etc.	1,215	1,328	2,028	1,518	1,657	1,716
IV. Tobacco, etc.	15,507	17,800	17,316	264	282	348
V. Live animals	458	570	693	742	700	1,031
VI. Animal substances, etc.	1,945	4,437	4,108	424,602	431,670	374,690
VII. Vegetable substances, etc.	14,547	18,240	19,461	850	1,280	1,831
VIII. Apparel, textiles, etc.	48,243	113,805	126,752	1,752	2,268	2,758
IX. Oils, fats and waxes	74,272	83,401	96,918	5,273	5,680	6,588
X. Pigments, paints and varnishes	1,864	5,272	5,900	608	927	922
XI. Rocks, minerals, etc.	6,377	5,946	8,234	22,267	16,236	17,052
XII. Metals, metal manufactures and machinery	225,992	252,182	324,140	61,368	66,128	59,108
XIII. Rubber and leather, etc.	9,036	12,390	17,825	2,864	3,249	3,196
XIV. Wood and wicker, etc.	6,232	11,875	17,459	4,080	3,283	2,316
XV. Earthenware, etc.	6,010	12,095	15,518	710	1,008	1,161
XVI. Paper and stationery	22,431	34,097	46,410	1,938	2,169	2,560
XVII. Jewellery, etc.	2,391	7,688	10,442	497	558	570
XVIII. Optical, surgical and scientific instruments	5,155	8,522	10,841	1,234	1,592	1,253
XIX. Chemicals, drugs, fertilizers	12,222	19,606	27,941	5,150	3,999	4,505
XX. Miscellaneous (a)	34,850	37,682	45,757	14,837	11,599	11,290
XXI. Gold and silver; bronze specie	3,767	3,010	2,770	22,774	16,466	16,123
Total	514,109	681,609	813,742	871,272	828,332	774,164

(a) Includes arms, ammunition and explosives.

(ii) *Exports—Australian Produce and Re-exports.* In the following table the exports from Australia of (a) Australian produce and (b) re-exports are shown according to statistical classes for each of the years 1952-53 to 1954-55.

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

Class.	Australian Produce.			Re-exports.		
	1952-53.	1953-54.	1954-55.	1952-53.	1953-54.	1954-55.
I. Animal foodstuffs, etc. . .	116,402	102,625	112,488	76	59	58
II. Vegetable foodstuffs; non-alcoholic beverages, etc. . .	181,009	154,671	152,078	367	264	522
III. Alcoholic liquors, etc. . .	1,457	1,633	1,607	61	24	19
IV. Tobacco, etc. . .	226	260	264	38	13	84
V. Live animals . . .	703	661	958	39	39	73
VI. Animal substances, etc. . .	424,479	431,332	374,399	123	288	291
VII. Vegetable substances, etc. . .	829	1,241	1,760	21	39	62
VIII. Apparel, textiles, etc. . .	1,428	2,003	2,494	324	265	264
IX. Oils, fats and waxes . . .	4,439	5,207	6,029	834	482	559
X. Pigments, paints and varnishes . . .	690	850	891	8	77	31
XI. Rocks, minerals, etc. . .	22,077	16,174	16,861	190	62	191
XII. Metals, metal manufactures and machinery . . .	57,858	61,889	55,193	3,570	4,239	3,915
XIII. Rubber and leather, etc. . .	2,820	3,198	3,172	44	51	24
XIV. Wood and wicker, etc. . .	3,997	3,199	2,185	83	84	131
XV. Earthenware, etc. . .	676	983	1,136	34	25	25
XVI. Paper and stationery . . .	1,833	2,087	2,444	105	82	116
XVII. Jewellery, etc. . .	364	439	460	133	119	110
XVIII. Optical, surgical and scientific instruments . . .	910	1,101	870	324	491	383
XIX. Chemicals, drugs, fertilizers . . .	4,925	3,823	4,309	225	196	196
XX. Miscellaneous (a) . . .	13,512	10,267	10,068	1,375	1,332	1,222
XXI. Gold and silver; bronze specie . . .	22,657	16,422	16,118	117	44	5
Total . . .	863,291	820,057	765,883	7,981	8,275	8,281

(a) Includes arms, ammunition and explosives.

2. *Imports of Principal Articles.*—The next table shows the quantity, where available, and the value of the principal articles imported into Australia during each of the years 1952-53 to 1954-55.

PRINCIPAL ARTICLES IMPORTED : AUSTRALIA.

Article.	Unit of Quantity.	Quantity.			Value (£'000).		
		1952-53.	1953-54.	1954-55.	1952-53.	1953-54.	1954-55.
Apparel—							
Blouses, skirts, costumes, etc. . .	doz. prs.	103,239	396,031	510,301	122	556	1,178
Gloves . . .					464	1,464	1,627
Hats and caps . . .					407	973	939
Men's and boys' outer clothing . . .					171	495	722
Socks and stockings . . .					150	925	1,143
Trimmings and ornaments . . .					1,506	4,933	5,383
Other apparel and attire . . .					703	2,060	2,591
Arms and explosives, military stores, etc. . .					4,983	4,694	9,463
Bags and sacks . . .					6,730	6,086	11,643
Carpets and carpeting . . .					1,199	7,251	8,606
Crockery etc. . .					1,114	4,046	5,171
Drugs, fertilizers and chemicals . . .					12,222	19,606	27,941
Electrical machinery and appliances . . .					23,054	24,027	26,872
Fibres . . .					9,648	12,365	12,288
Glass and glassware . . .					2,116	4,726	6,105
Iron and steel—							
Pipes, tubes and fittings . . .	cwt.	509,992	493,979	685,129	2,319	2,862	2,603
Plate and sheet . . .	cwt.	3,975,080	2,909,901	6,670,808	19,035	13,486	29,583
Other . . .					9,716	5,148	17,768
Machines and machinery (except dynamo electrical)—							
Agricultural . . .					3,833	4,325	5,043
Metal-working . . .					9,060	8,204	8,635
Motive power . . .					33,585	41,062	41,221
Other . . .					42,991	46,418	53,105

PRINCIPAL ARTICLES IMPORTED: AUSTRALIA—continued.

Article.	Unit of Quantity.	Quantity.			Value. (£'000.)		
		1952-53.	1953-54.	1954-55.	1952-53.	1953-54.	1954-55.
Motor vehicles, chassis, bodies and parts .. .. .	..	..	..	..	30,354	53,957	72,242
Oils—	..	..	..	..	..	..	..
Linseed	'000 gal.	1,487	3,567	3,636	818	1,585	1,386
Petroleum and shale—	..	..	..	..	..	..	..
Kerosene	'000 gal.	126,946	136,729	150,735	6,459	6,041	7,705
Lubricating (mineral)	'000 gal.	24,746	26,094	43,885	4,096	3,436	5,509
Petroleum and shale spirit	'000 gal.	635,451	689,104	603,715	37,033	39,938	34,052
Residual and solar	'000 gal.	424,505	472,023	377,021	15,173	16,923	13,807
Paper, printing .. .. .	..	..	..	..	8,531	13,104	19,218
Piece-goods—	'000 sq. yds.	..	..	..	..	..	..
Canvas and duck .. .. .	..	4,379	7,631	8,211	1,294	1,263	1,398
Cotton and linen .. .. .	..	..	..	..	13,478	40,481	42,921
Silk and rayon .. .. .	..	..	..	..	6,974	15,182	16,707
Woolen and containing wool .. .. .	..	..	..	..	300	1,299	1,703
All other piece-goods .. .. .	..	..	..	..	3,389	6,412	6,926
Plastic materials .. .. .	..	..	..	..	2,034	4,984	5,851
Prefabricated houses and buildings .. .. .	..	..	..	..	11,185	4,476	880
Rubber and rubber manufactures .. .. .	..	..	..	..	8,715	11,827	17,032
Stationery and paper manufactures .. .. .	..	..	..	..	6,335	9,065	10,516
Tea	'000 lb.	58,808	58,533	65,212	11,663	13,647	21,743
Timber, undressed, including logs <i>a</i>	'000 sup. ft.	114,134	244,595	332,123	4,739	9,572	13,265
Yarns—	..	..	..	..	..	..	..
Cotton	'000 lb.	2,574	6,369	6,411	1,434	3,143	3,255
Rayon	'000 lb.	12,617	24,377	18,392	5,687	10,236	8,990
Woolen	'000 lb.	66	119	157	105	221	207
Other	'000 lb.	1,511	1,802	1,513	469	406	387
All other articles .. .. .	..	..	..	..	148,78	197,715	258,412
Total Imports .. .. .	..	..	..	..	514,109	681,609	843,742

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

3. Exports of Principal Articles of Australian Produce.—The following table shows the quantities and values of the principal articles of Australian produce exported during each of the years 1952-53 to 1954-55.

EXPORTS OF PRINCIPAL ARTICLES OF AUSTRALIAN PRODUCE.

Article.	Unit of Quantity.	Quantity.			Value. (£'000.)		
		1952-53.	1953-54.	1954-55.	1952-53.	1953-54.	1954-55.
Arms, ammunition, military, naval and air force stores .. .. .	..	..	..	..	5,467	3,927	3,299
Barley	ton	496,403	601,536	421,174	19,245	14,870	10,357
Butter .. .. .	..	49,298	39,299	62,507	20,075	16,052	24,589
Cheese .. .. .	..	23,663	22,749	22,117	5,851	5,329	5,057
Drugs, fertilizers and chemicals .. .. .	..	..	..	..	4,925	3,803	4,309
Flour	ton	776,446	679,704	585,374	37,417	29,682	20,305
Fruit—	..	..	..	..	..	..	..
Dried .. .. .	..	72,268	65,314	71,177	8,028	7,393	8,435
Fresh	'000 bus.	6,157	6,596	6,284	9,407	9,384	8,771
Preserved in airtight containers	ton	63,956	88,937	96,337	9,298	14,184	15,245
Gold	'000 fine oz.	1,244	871	864	20,297	13,737	13,717
Hides and skins .. .. .	..	..	..	..	20,118	19,422	19,674
Lead, pig	ton	141,999	170,207	140,256	17,168	18,550	17,182
Machines and machinery (except dynamo electrical) .. .. .	..	..	..	..	5,943	6,744	8,789
Meats— mainly sold frozen .. .. .	..	..	..	..	..	..	..
Beef and veal	ton	85,427	141,508	123,392	13,765	22,046	21,899
Lamb .. .. .	..	38,424	19,688	42,403	5,971	3,297	10,191
Mutton .. .. .	..	36,060	24,817	15,094	2,790	1,964	1,626
Pork .. .. .	..	1,542	1,231	2,908	472	462	781
Milk and cream	'000 lb.	150,302	117,143	105,285	11,960	9,675	8,306
Ores and concentrates	ton	356,978	427,683	383,457	19,605	13,017	14,292
Sugar (cane) .. .. .	..	459,354	706,796	737,150	21,654	31,592	31,146
Wheat .. .. .	..	1,593,963	965,338	1,691,063	51,970	30,957	45,222
Wool (a)	'000 lb.	1,174,469	1,168,204	1,144,560	402,905	410,431	353,106
All other articles .. .. .	..	1,232	135,519	119,505	148,870	133,521	119,585
Total Exports (Australian Produce) .. .. .	..	..	..	..	863,291	820,057	765,883

(a) Quantity in terms of greasy wool.

4. Imports of Merchandise, Specie and Bullion.—The table hereunder shows the value of imports into Australia during each of the years 1950–51 to 1954–55, 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.

(£'000.)

Year.	Merchandise.			Specie and Bullion.	Total Imports.
	Free Goods.	Dutiable Goods.	Total Merchandise.		
1950–51 ..	366,229	375,149	741,378	2,493	743,871
1951–52 ..	554,959	494,792	1,049,751	3,672	1,053,423
1952–53 ..	301,870	208,472	510,342	3,767	514,109
1953–54 ..	317,850	360,740	678,590	3,010	681,609
1954–55 ..	399,063	441,909	840,972	2,770	843,742

5. Exports of Merchandise, Specie and Bullion.—The next table shows the recorded value of exports from Australia during each of the years 1950–51 to 1954–55, grouped under the headings—Merchandise, and Specie and Bullion. The exports of Australian produce and re-exports are shown separately :—

EXPORTS OF MERCHANDISE, SPECIE AND BULLION : AUSTRALIA.

(£'000.)

Year.	Merchandise.			Specie and Bullion.			Total.
	Australian Produce.	Re-exports.	Total.	Australian Produce.	Re-exports.	Total.	
1950–51 ..	972,933	6,163	979,096	2,682	18	2,700	981,796
1951–52 ..	657,344	7,896	665,240	9,716	52	9,768	675,008
1952–53 ..	840,634	7,864	848,498	22,657	117	22,774	871,272
1953–54 ..	803,635	8,231	811,866	16,422	44	16,466	828,332
1954–55 ..	749,765	8,276	758,041	16,117	6	16,123	774,164

6. Imports in Tariff Divisions.—Imports into Australia classified in accordance with the sixteen divisions of the Customs Tariff, for each of the years 1945–46 to 1954–55, will be found in *Oversea Trade Bulletin*, 1954–55, page 523.

7. Imports and Net Customs Revenue.—The percentage of net Customs revenue, omitting primage, collected to the total value of all merchandise imported in each of the years 1950–51 to 1954–55 was as follows :—1950–51, 11.3 per cent. ; 1951–52, 10.0 per cent. ; 1952–53, 12.6 per cent. ; 1953–54, 12.8 per cent. ; and 1954–55, 11.1 per cent. Primage duty was in force during these years and if this is added to net Customs revenue the percentages become :—1950–51, 12.4 per cent. ; 1951–52, 10.9 per cent. ; 1952–53, 13.8 per cent. ; 1953–54, 14.0 per cent. ; and 1954–55, 12.1 per cent. The percentages of net Customs revenue, omitting primage, on the total value of dutiable goods only were : 1950–51, 22.4 per cent. ; 1951–52, 21.1 per cent. ; 1952–53, 31.0 per cent. ; 1953–54, 24.0 per cent. ; and 1954–55, 21.1 per cent. The calculations are based on Australian currency values and on the assumption that the value of clearances approximated to the value of imports during the same period.

§ 12. Ships' Stores.

Prior to 1906, goods shipped in Australian ports on board oversea vessels as ships' stores were included in the general exports. From 1906, ships' stores have been specially recorded as such, and have been omitted from the export figures. The value of these stores shipped each year during the period 1950-51 to 1954-55, with fuel oils separate, is shown in the following table :—

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

Item.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Fuel Oils ..	4,635	5,532	6,460	5,674	6,925
All Stores (including Fuel Oils)	9,358	10,478	11,696	10,266	13,181

In addition to fuel oils, the principal items of ships' stores supplied to oversea vessels in 1954-55 were :—Meats, £1,536,395 ; fruit and vegetables, £551,357 ; oils, other than fuel, £402,462 ; eggs, £195,557 ; butter, £176,265 ; fish, £160,810 ; ale, porter, beer, etc., £149,254 ; coal, £111,625 ; milk and cream, £110,858 ; rice, £90,767.

§ 13. Movement of Specie and Bullion.

1. Imports and Exports.—The following table shows the values of gold and silver specie and bullion and of bronze specie imported into and exported from Australia during each of the years 1952-53 to 1954-55.

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

Item.	Imports.			Exports.		
	1952-53.	1953-54.	1954-55.	1952-53.	1953-54.	1954-55.
Gold—Specie ..	..	3,537	2,948	..	..	1,000
Bullion	3,595,970	2,955,517	2,720,834	20,397,933	13,769,222	13,716,622
Total ..	3,595,970	2,959,054	2,723,782	20,397,933	13,769,222	13,717,622
Silver—Specie	118,205	29,353	11,814	114,429	103,416	47,763
Bullion	36,017	29,929	34,429	2,245,606	2,592,377	2,356,908
Total ..	154,222	59,282	46,243	2,360,035	2,695,793	2,404,671
Bronze—Specie	16,785	217	..	16,384	903	909
Total— Australian Pro- duce ..	..	..	..	22,657,249	16,422,354	16,117,547
Re-exports ..	..	..	..	117,103	43,564	5,655
Grand Total	3,766,977	3,018,553	2,770,025	22,774,352	16,465,918	16,123,202

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 1954-55 :—

**IMPORTS AND EXPORTS OF SPECIE AND BULLION BY COUNTRIES : AUSTRALIA.
1954-55.**

(£.)

Country.	Imports.			Exports.		
	Specie.	Bullion.	Total.	Specie.	Bullion.	Total.
Australia (re-imported) ..	13,111	..	13,111	..	..	..
United Kingdom ..	69	23	92	3,831	188,041	191,872
Australian Territories—						
Nauru ..	..	..	..	1,473	..	1,473
New Guinea ..	..	1,152,674	1,152,674	22,220	..	22,220
Norfolk Island ..	..	..	..	300	..	300
Papua ..	..	10,574	10,574	9,292	..	9,292
Ceylon ..	..	..	..	..	2,171,562	2,171,562
Hong Kong ..	..	..	..	..	11,780,079	11,780,079
New Zealand ..	641	448,977	449,618	4,295	34,316	38,611
Pacific Islands (British)—						
Fiji ..	..	1,142,894	1,142,894	..	661	661
Gilbert and Ellice Islands ..	..	..	..	6,075	..	6,075
New Hebrides ..	..	..	..	560	..	560
Solomon Islands ..	..	..	..	1,605	..	1,605
Total, British Countries	13,821	2,755,142	2,768,963	49,651	14,174,659	14,224,310
France ..	..	100	100	..	..	..
Peru ..	3	..	3	..	..	..
Macao ..	..	..	..	..	1,873,544	1,873,544
United States of America ..	938	..	938	21	25,327	25,348
Total, Foreign Countries	941	100	1,041	21	1,898,871	1,898,892
Origin unknown ..	..	21	21	..	..	..
Grand Total	14,762	2,755,263	2,770,025	49,672	16,073,530	16,123,202

§ 14. Exports according to Industries.

1. Classification.—The following table provides an analysis of the exports of Australian produce, according to the main classes of industry in which the goods were produced, for each of the years 1952-53 to 1954-55. The index numbers based on the year 1913 show the variations in the total recorded value only of exports in each industrial group, and have not been adjusted either for price changes or in accordance with the variation of the Australian £ in relation to sterling.

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

Industrial Group.	1952-53.		1953-54.		1954-55.	
	£'000.	Index No.(a)	£'000.	Index No.(a)	£'000.	Index No.(a)
Agriculture	176,516	1,653	153,415	1,437	150,449	1,409
Pastoral	489,321	1,163	490,136	1,165	437,174	1,039
Dairy and Farmyard	50,347	1,306	43,317	1,124	46,802	1,214
Mines and Quarries(b)	69,960	319	62,880	287	58,933	269
Fisheries	2,526	594	2,690	633	3,134	737
Forestry	3,807	344	3,054	276	1,910	173
Total, Primary Produce	792,477	990	755,402	944	698,402	872
Manufacturing	67,474	2,927	67,182	2,915	70,703	3,067
Total	859,951	1,044	822,674	999	769,105	934

(a) Base of each group : 1913 = 100.
of gold each year.

(b) Australian production of gold substituted for exports

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 the 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 56.8 per cent. of the total exports in 1954-55, compared with 43.7 per cent. in 1938-39.

Exports of agricultural produce rank next in importance. In 1954-55 they represented 19.6 per cent. of total exports, compared with 19.5 per cent. in 1938-39.

According to value, exports of dairy and farmyard produce decreased from 11.6 per cent. in 1938-39 to 6.1 per cent. in 1954-55. Exports of mine and quarry products in 1938-39 represented 17.7 per cent. of the total but in 1954-55 only 7.7 per cent. The manufacturing group of exports, which represented 6.4 per cent. in 1938-39, had increased to 15.7 per cent. in 1945-46. In 1954-55 this group represented 9.2 per cent. of total exports.

§ 15. Australian Index of Export Prices.

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

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

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

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

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

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

The data on which both series are based differ from those utilized in the old series of annual index numbers. The most important change was the use of actual (or calculated) export parities, based on actual price quotations, in place of the "unit-values" declared at the Customs.

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

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

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

The purpose of this index is to provide comparisons, over a limited number of years, of the level of prices of those commodities normally exported from Australia, making no allowance for any benefit or disadvantage accruing from variations during the period in the relative proportions of the different kinds of exports.

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

From July, 1936 the weights were revised, and are now based on the average annual exports (production, in the case of gold) during the three years 1933-34 to 1935-36. The break of continuity has been bridged by the usual method of splicing. Consideration is being given to adopting weights for a post-war period.

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

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

EXPORT PRICE INDEX : COMMODITIES AND WEIGHTING SYSTEM.

(FROM 1ST JULY, 1936.)

Item.	Unit of Quantity.	"Quantity Multipliers".	Percentage Distribution of Aggregative Value.			
			Base Period 1936-37 to 1938-39.		Year 1951-52.	
			Excluding Gold.	Including Gold.	Excluding Gold.	Including Gold.
Wool	lb.	975,000,000	49.05	45.63	55.89	54.37
Wheat (a)	bushel	101,000,000	18.34	17.06	16.16	15.72
Butter	cwt.	2,140,000	12.21	11.36	7.19	6.90
Metals—						
Silver	oz.	7,300,000	0.68	0.64	0.52	0.50
	(standard)					
Copper	ton	3,600	0.20	0.20	0.21	0.20
Tin	"	1,300	0.31	0.28	0.27	0.26
Zinc	"	99,000	2.05	1.90	3.96	3.86
Lead	"	208,500	4.10	3.81	7.07	6.88
Meats—						
Beef	lb.	182,000,000	2.56	2.38	1.74	1.69
Lamb	"	138,000,000	3.56	3.31	1.56	1.52
Mutton	"	44,000,000	0.58	0.54	0.23	0.22
Pork	"	16,000,000	0.43	0.40	0.26	0.25
Sugar	ton	305,000	2.58	2.40	2.43	2.37
Dried Fruits—						
Sultanas	"	38,200	1.45	1.35	0.86	0.84
Lexias	"	3,000	0.12	0.11	0.07	0.07
Currants	"	13,400	0.37	0.35	0.25	0.24
Tallow	cwt.	600,000	0.69	0.64	0.63	0.61
Hides—						
Cattle	lb.	28,000,000	0.64	0.59	0.63	0.62
Calf	"	1,800,000	0.08	0.07	0.07	0.07
Gold	fine oz.	937,000	..	6.98	..	2.72
			100.00	100.00	100.00	100.00

(a) Includes "wheat equivalent" of flour.

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

(iii) *Prices.* The adoption of current market prices (as distinct from the former average unit export values) in the present indexes permitted the use of standards for each commodity. All export parities are calculated from price quotations from the most reliable and representative sources available. In most cases, the prices used are those at which current sales are being effected. In recent years, however, great difficulty has been experienced in obtaining appropriate current market price data for some commodities. It has become impossible to adhere to a common principle. Actual (or calculated) export parities currently prevailing, priced at f.o.b. Australian ports, are still used whenever possible. However, since dual or multiple price systems have become operative for some exports, the prices used in the index for wheat (from July, 1945 to September, 1951) and for certain metals represent average actual realizations for current *shipments*. From October, 1951 to July, 1953, the prices used for wheat are the estimated average realizations after weighting prices of quota and non-quota wheat. Prices adopted for months since August, 1953 are derived from available information of current sales. Notes on earlier prices used for wheat were given on pages 508 and 509 of Official Year Book No. 38. Current market prices used for the main commodities are:—

(a) the price for wool is a weighted average (based on clean scoured prices) of representative types at Sydney auctions, expressed in terms of pence per lb., greasy:

(b) where contracts exist between the Australian and the United Kingdom Governments for certain commodities and when most of the exports of such items are sold at these rates, contract prices are used ; and

(c) for those metals which are at present not actually exported, Australian export parities are estimated on the basis of the prices ruling in London.

(iv) *Index Numbers.* The following table shows export price index numbers for Australia for individual commodities, groups of commodities, and all groups combined for each financial year from 1936-37 to 1954-55 and monthly for the year 1954-55.

EXPORT PRICE INDEXES : AUSTRALIA.

SIMPLE AGGREGATIVE INDEX ; FIXED WEIGHTS.

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

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

Period.	Wool.	Wheat. (a)	Butter.	Metals. (b)	Meats. (c)	Sugar.	Dried Fruits. (d)	Tallow.	Hides. (e)	Gold. (f)	All Groups.	
											Ex- cluding Gold.	In- cluding Gold.
Percentage Dis- tribution of Base Aggregate— (g) (h)	45.63 49.05	17.06 18.34	11.36 12.21	6.83 7.34	6.63 7.13	2.40 2.58	1.81 1.94	0.64 0.69	0.66 0.72	6.98	100.00	100.00
1936-37	122	123	92	120	98	104	103	122	113	99	110	115
1937-38	99	111	107	96	106	92	103	100	100	98	102	102
1938-39	79	66	101	84	96	104	94	78	87	103	82	83
1939-40	98	82	108	92	102	126	94	76	120	118	96	98
1940-41	101	102	110	95	103	137	95	82	98	121	103	104
1941-42	101	105	110	101	109	137	106	114	133	120	105	106
1942-43	117	106	114	100	112	152	112	119	145	119	114	114
1943-44	117	116	114	113	113	159	121	123	151	119	117	117
1944-45	117	154	147	129	122	172	128	151	147	120	130	130
1945-46	117	213	147	196	123	213	137	161	152	122	148	146
1946-47	173	305	173	308	139	264	152	361	334	122	209	203
1947-48	287	420	193	372	146	320	157	436	364	122	296	283
1948-49	365	413	233	478	171	343	162	499	421	122	348	332
1949-50	473	400	250	421	196	369	176	400	479	164	399	383
1950-51	999	432	271	689	209	410	226	356	752	176	690	654
1951-52	564	436	291	811	263	464	302	451	486	184	495	473
1952-53	616	445	313	504	314	501	297	358	369	186	505	483
1953-54	615	411	325	450	338	479	287	321	336	179	496	474
1954-55	538	357	313	511	(i) 345	445	267	(i) 349	218	178	(i) 450	(i) 431
1954-55—												
July	(j) 622	350	313	475	340	448	278	354	264	178	490	468
August	566	358	313	475	340	448	262	350	254	178	461	442
September	566	355	313	498	340	448	261	350	224	178	462	442
October	536	356	313	524	340	468	260	350	216	178	450	431
November	513	358	313	518	340	468	261	350	204	179	439	421
December	532	359	313	512	385	468	263	350	197	178	451	432
January	520	360	313	516	(i) 371	430	266	(i) 350	200	178	(i) 444	(i) 426
February	528	356	313	522	(i) 349	430	267	(i) 350	200	178	(i) 416	(i) 427
March	528	356	313	523	(i) 329	430	270	(i) 350	212	178	(i) 445	(i) 426
April	520	354	313	525	(i) 326	434	271	(i) 350	223	178	(i) 441	(i) 422
May	520	354	313	520	(i) 334	434	268	(i) 345	216	178	(i) 441	(i) 422
June	505	353	313	528	(i) 345	434	279	(i) 342	212	178	(i) 435	(i) 417

(a) See notes above in para. 4 (iii), p. 310. (b) Non-ferrous—silver, copper, tin, zinc, lead. (c) Beef, lamb mutton, pork. (d) Sultanias, lextas, currants. (e) Cattle hides, calf skins. (f) Where Australian gold has been sold on the overseas premium markets such price has been used in the index. (g) For "All Groups (including Gold)"—applicable from 1936-37. (h) For "All Groups (excluding Gold)"—applicable from 1936-37. (i) Subject to revision. (j) Nominal.

A graph showing index numbers for All Groups (including Gold) appears on page 298.

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

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

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

Period.	1947-48.			1948-49.			1949-50.			1950-51.		
	Wool.	Other Groups.	All Groups.	Wool.	Other Groups.	All Groups.	Wool.	Other Groups.	All Groups.	Wool.	Other Groups.	All Groups.
July ..	(a) 196	255	228	(a) 351	316	332	(a) 339	277	305	(a) 592	333	451
August ..	241	258	251	(a) 351	313	330	(a) 347	284	313	864	340	579
September ..	249	261	255	355	308	329	339	292	314	890	355	599
October ..	260	262	261	328	314	320	302	305	345	890	360	602
November ..	275	268	271	366	313	337	419	305	357	965	366	639
December ..	(a) 275	274	275	400	308	350	456	307	375	973	366	643
January ..	313	286	298	400	310	351	562	310	425	1,252	368	771
February ..	328	291	308	411	305	353	536	315	416	1,339	369	811
March ..	(a) 302	296	299	(a) 411	304	353	524	316	411	1,437	377	860
April ..	313	300	306	332	294	311	(a) 554	324	429	1,094	384	708
May ..	332	305	317	336	291	311	611	328	457	973	385	653
June ..	362	309	333	339	288	311	592	331	450	717	383	535
Average of Year	287	280	283	365	305	332	473	308	383	999	365	654

Period.	1951-52.			1952-53.			1953-54.			1954-55.		
	Wool.	Other Groups.	All Groups.	Wool.	Other Groups.	All Groups.	Wool.	Other Groups.	All Groups.	Wool.	Other Groups.	All Groups.
July ..	(a) 717	406	544	(a) 566	381	465	(a) 641	360	493	(a) 622	338	468
August ..	551	400	468	(a) 566	380	465	(a) 634	367	481	566	338	442
September ..	498	406	445	551	379	457	626	365	484	566	339	442
October ..	686	403	532	588	370	469	634	363	486	536	344	431
November ..	603	398	492	588	368	469	634	366	485	513	343	421
December ..	581	403	484	618	376	486	611	358	473	532	348	432
January ..	566	402	477	618	376	486	603	354	468	520	(b) 346	(b) 426
February ..	520	402	456	626	371	487	581	350	455	528	(b) 343	(b) 427
March ..	460	400	427	656	360	500	581	351	456	528	(b) 347	(b) 426
April ..	475	397	432	671	363	503	(a) 596	348	461	520	(b) 340	(b) 422
May ..	543	385	457	701	361	516	618	346	470	520	(b) 340	(b) 422
June ..	566	376	463	641	363	490	622	346	472	505	(b) 343	(b) 417
Average of Year	564	397	473	616	371	483	615	356	474	538	(b) 342	(b) 431

(a) Nominal.

(b) Subject to revision.

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

For any given month, the procedure is to multiply the price of each commodity in that month, and its price in the corresponding month of the previous year, by the quantity exported during the given month. A comparison of the resulting aggregates gives one possible measure of the change in prices over the period; i.e., the change assuming that the proportions of the different kinds of exports whose prices are to be measured were the same as their proportions in the given month. Another possible measure is given by assuming that the proportions of the different kinds of exports in the given month 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 involves merely the cumulative addition of the aggregates computed for the individual months, and extraction of the index numbers as explained above.

Index numbers computed on this basis are shown in the following table for the years 1953-54 and 1954-55 :—

MONTHLY EXPORT PRICE INDEX (CHANGING WEIGHTS) : AUSTRALIA.

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

Month.	Month stated compared with same month of preceding year.				Period of trade year ending in month stated compared with same period of preceding year.			
	1953-54.		1954-55.		1953-54.		1954-55.	
	Ex-cluding Wool.	In-cluding Wool.	Ex-cluding Wool.	In-cluding Wool.	Ex-cluding Wool.	In-cluding Wool.	Ex-cluding Wool.	In-cluding Wool.
July	98	108	92	95	98	108	92	95
August	98	104	94	93	98	106	93	94
September	95	105	96	93	97	106	94	94
October	99	105	97	88	98	106	95	92
November	99	105	97	86	98	106	95	90
December	97	98	99	91	98	104	96	90
January	94	96	98	91	97	103	96	90
February	94	93	99	94	97	102	96	91
March	94	90	100	94	97	100	97	91
April	95	90	98	90	97	99	97	91
May	93	90	99	89	96	98	97	91
June	93	96	100	87	96	98	97	91

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

§ 16. External Trade of Australia and other Countries.

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

2. *"Special Trade" of Various Countries.*—In the following table the figures, which represent Australian currency values, relate as nearly as possible to imports cleared for consumption in the various countries specified, and to exports of their domestic products. It is to be noted, however, that these figures do not invariably denote the same thing throughout, since, in the United Kingdom and other manufacturing countries, raw or partly manufactured materials are imported as for home consumption, and, after undergoing some process of manufacture or further modification, are re-exported as domestic production. Nevertheless, a comparison of this character reveals approximately the extent of the external trade which otherwise would not be manifest. The countries listed below are not necessarily all the important trading countries of the world, but those important countries for which comparable statistics are available.

IMPORTS CLEARED FOR HOME CONSUMPTION, AND EXPORTS OF DOMESTIC PRODUCTS (MERCHANDISE ONLY) : VARIOUS COUNTRIES, 1953.

Country.	Trade. (£A. Million).			Trade per Head of Population. (£A.)		
	Imports Cleared. c.i.f.	Exports. f.o.b.	Total.	Imports Cleared.	Exports.	Total.
United States of America ..	44,886.0	6,972.4	11,858.4	30.6	43.7	74.3
United Kingdom ..	64,189.5	3,234.0	7,423.5	82.8	63.9	146.7
Canada ..	21,987.8	1,892.5	3,880.3	134.5	128.0	262.5
Germany, Federal Republic of ..	1,694.5	1,966.7	3,661.2	34.6	40.1	74.7
France ..	1,789.6	1,690.7	3,480.3	41.8	39.4	81.2
Belgium-Luxemburg ..	1,074.9	1,006.0	2,080.9	122.5	114.6	237.1
Netherlands ..	1,066.8	966.4	2,033.2	101.7	92.1	193.8
Italy ..	1,073.7	667.2	1,740.9	22.5	14.0	36.5
Australia ..	(a) 567.2	872.6	1,439.8	64.3	99.0	163.3
Sweden ..	704.6	659.2	1,363.8	98.3	91.9	190.2
Switzerland ..	519.2	530.4	1,049.6	106.5	108.8	215.3
Denmark ..	447.4	400.1	847.5	102.4	91.6	194.0
Indonesia ..	345.8	376.4	722.2	4.3	4.7	9.0
Norway ..	408.1	227.6	635.7	121.5	67.8	189.3
Austria ..	243.2	241.7	484.9	35.0	34.8	69.8
Spain ..	266.4	216.7	483.1	9.3	7.6	16.9
Turkey ..	238.7	177.5	416.2	10.6	7.9	18.5
Egypt ..	223.8	175.2	399.0	10.2	8.0	18.2
Chile ..	149.8	184.0	333.8	24.7	30.3	55.0
Greece ..	173.4	82.5	255.9	22.2	10.6	32.8

(a) f.o.b.

(b) Covers goods imported as distinct from imports cleared for home consumption.

§ 17. Oversea Trade in Calendar Years.

For the purpose of comparison with countries which record overseas trade in calendar years the following table has been compiled to show Australian imports and exports for each of the calendar years 1951 to 1955 :—

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

Year.	Merchandise.		Bullion and Specie.		Total.	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
1951.. ..	940,300	906,769	1,768	3,069	942,068	909,838
1952.. ..	767,846	751,099	4,916	20,920	772,762	772,019
1953.. ..	577,128	880,003	2,620	20,165	579,748	900,258
1954.. ..	751,949	736,301	3,341	12,127	755,290	748,428
1955(a) ..	863,019	779,237	2,391	20,357	865,410	799,594

(a) Subject to revision.

§ 18. Excise.

Although excise goods have no immediate bearing on overseas trade, the rates of excise duty are in some cases related to the import duty on similar goods. Moreover, as the Excise Acts are administered by the Department of Customs and Excise, it is convenient to publish here the quantities of Australian produce on which excise duty has been paid. Particulars of Customs and Excise Revenue are shown in Chapter XX.—Public Finance. The following table shows the quantities of spirits, beer, tobacco, etc., on which excise duty was paid in Australia during the years 1953-54 and 1954-55.

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

Article.	1953-54.	1954-55.	Article.	1953-54.	1954-55.
Spirits—	proof gallons.	proof gallons.	Tobacco	lb. 22,546,529	lb. 21,059,763
Brandy	376,291	581,864	Cigars—		
Gin	327,674	363,934	Hand-made	41,099	35,907
Whisky	344,392	355,416	Machine-made	105,801	107,503
Rum	544,526	627,014	Total Cigars ..	146,900	143,410
Liqueurs	50,641	66,610	Cigarettes (Machine-made) ..	17,769,856	22,378,896
Other	53	226			
Total Spirits (Potable) ..	1,643,577	1,995,064	Cigarette Tubes and Papers	60 papers or tubes. 147,009,600	60 papers or tubes. 138,089,418
Spirits for—			Coal	tons. 17,367,524	tons. 18,011,070
Fortifying Wine ..	2,049,135	1,979,775			
Industrial or Scientific purposes ..	198,742	214,906	Matches	gross of boxes. 3,334,542	gross of boxes. 3,374,542
Making Vinegar ..	108,120	114,280			
Manufacture of—			Petrol	gallons. 156,838,024	gallons. 164,461,008
Essences	104,876	104,168			
Scents and Toilet Preparations ..	65,324	61,722	Playing Cards ..	doz. packs. 106,084	doz. packs. 100,970
	gallons.	gallons.			
Amylic Alcohol and Fusel Oil	12	..			
Beer	198,330,340	213,151,945			

§ 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 relevant statistics 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.

Interstate trade statistics are published in detail for Queensland and Western Australia by the Government Statisticians in those States. Detailed statistics are also available for Tasmania, prepared by the Deputy Commonwealth Statistician in that State. The Government Statist for South Australia publishes some figures for that State, made up from the records of Western Australia and Tasmania and from various other sources. The statistics of interstate trade for New South Wales and Victoria are very meagre. The Melbourne Harbour Trust publishes, in its annual report, the quantities of various commodities of interstate trade loaded and discharged in the Port of Melbourne. The trade with individual States is not disclosed.

§ 20. The Australian Balance of Payments.

1. *General.*—Estimates of the Australian balance of payments are of particular importance as an aid to the analysis of Australian economic conditions in view of the marked effect which fluctuations in international commerce tend to exercise on the level of activity in the Australian economy.

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

The estimates used on this occasion have been revised in comparison with those presented in Official Year Book No. 41. Particulars of revisions and changes, together with more detailed estimates, will be found in the mimeographed publication "The Australian Balance of Payments, 1950-51 to 1954-55" and in the Appendix.

2. Australia's Balance of Payments on Current Account.—The table below presents estimates of Australia's balance of payments on current account for the years 1952-53 to 1954-55.

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

Particulars.	1952-53.	1953-54.	1954-55. (d)
CREDITS.			
1. Exports f.o.b.	846.2	811.7	763.0
2. Gold Production (b)	16.4	16.8	16.5
3. Transportation—			
(i) Freight Earnings of Australian Ships	2.6	2.9	3.0
(ii) Port Expenditure of Oversea Ships	45.8	49.1	58.5
4. Foreign Travel	18.4	52.0	61.5
5. Income from Investment	4.3	2.5	3.2
6. Government Transactions	15.4	18.0	18.0
7. Miscellaneous	8.8	6.5	7.2
8. Donations and Reparations—			
(i) Immigrants' Funds and Household Effects	6.7	9.9	10.1
(ii) Other	12.3	11.0	12.8
	4.2	4.6	5.3
9. TOTAL CREDITS	16.5	15.6	18.1
	962.7	933.0	897.6
DEBITS.			
10. Imports f.o.b.	511.1	683.0	846.0
11. Transportation and Marine Insurance—			
(i) Freight on Imports	77.3	69.0	90.0
(ii) Other Transportation	10.2	10.6	12.7
(iii) Marine Insurance Premiums and Claims (net) (c)	0.7	1.4	2.0
12. Foreign Travel	88.2	81.0	104.7
13. Income from Investment—	18.4	16.7	23.0
(i) Public Authority Interest	18.5	18.4	18.1
(ii) I.B.R.D. and I.M.F. Interest and Charges	1.7	2.7	3.4
(iii) Direct Investment	23.8	31.8	33.5
(iv) Portfolio Investment	8.1	8.3	9.0
(v) Undistributed Income	18.2	30.0	30.0 (d)
14. Government Transactions—	70.3	91.2	94.0
(i) Defence Expenditure	25.2	14.4	13.9
(ii) Expenditure in New Guinea and Papua	4.2	7.0	9.5
(iii) Other	13.1	11.7	13.6
15. Miscellaneous	42.5	33.1	37.0
16. Donations and Reparations—	17.0	22.8	24.3
(i) Personal Remittances	12.4	13.2	13.7
(ii) U.N.K.R.A., U.N.I.C.E.F., etc., and Colombo Plan	3.5	2.2	2.7
(iii) Other	8.3	8.3	8.0
17. TOTAL DEBITS	24.2	23.7	24.4
	771.7	951.5	1153.4
BALANCE ON CURRENT ACCOUNT	191.0	-17.0	-255.8

(a) Preliminary. (b) Includes gold sold on the premium market valued at the price obtained.
(c) Total marine insurance premiums payable on Australian imports (whether payable in Australia or overseas) were £2.6 million in 1952-53, £3.4 million in 1953-54 and £4.3 million in 1954-55.
(d) Provisional estimate only.

The record of the post-war years has been one of considerable balance of payments instability. The balance of payments on current account, after a deficit of £47 million in 1946-47, improved to a small favourable balance of £4 million in 1947-48 and this was increased to £32 million in 1948-49. However, a deficit of £43 million occurred in

1949-50, followed by a favourable balance of £104 million in 1950-51. A sharp adverse movement of £687 million, due almost entirely to a decrease in exports and an increase in imports (including freight charges), produced an unfavourable balance of £583 million in 1951-52. Increased exports accompanied by a large reduction in imports (import restrictions were imposed in March, 1952) produced a favourable balance of £191 million in 1952-53. A decrease of £34 million in exports and an increase in imports (plus freight) of £164 million (import restrictions were being progressively relaxed) was largely responsible for the unfavourable current balance of £18 million in 1953-54.

There was a further deterioration in 1954-55, resulting in a deficit of £256 million in the balance on current account. Exports fell by £49 million due mainly to a fall of £58 million in exports of wool and sheepskins (partially offset by a rise of £8 million in exports of foodstuffs). Imports increased by £163 million, increases occurring in all classes of commodities.

Invisible credits rose by £13 million between 1953-54 and 1954-55. This was due mainly to an increase of £9 million in expenditure of oversea ships in Australian ports and an increase of £2.5 million in donations and reparations. Invisible debits rose by £38 million between 1953-54 and 1954-55, mainly as the result of increases of £21 million in freight on imports and £6 million in foreign travel. Other items increased to a smaller extent.

The Commonwealth Statistician's Index of Export Prices (excluding gold) which stood at 505 in 1952-53 fell by 2 per cent. to 496 in 1953-54 and by a further 9 per cent. to 450 in 1954-55. The index of the price of wool fell slightly from 616 in 1952-53 to 615 in 1953-54 and fell sharply by 13 per cent. to 538 in 1954-55.

The Index of Australian Import Prices prepared by the Commonwealth Bank of Australia has been revised since the publication of Official Year Book No. 41. Details of this revision may be obtained from the Statistical Bulletin published by the Commonwealth Bank. This index recorded a steady increase in the post-war years up to 1951-52 but fell by 5 per cent. between 1951-52 and 1952-53. A further fall of 2 per cent. was recorded between 1952-53 and 1953-54 but this trend was reversed when the index rose by 1 per cent. between 1953-54 and 1954-55.

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

3. Australia's Balance of Payments on Capital Account.—The table on page 318 sets out estimates of Australia's balance of payments on capital account for the years 1952-53 to 1954-55.

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

In practice it is necessary to introduce a "balancing item" (see item 21 in the table on page 318) in the capital account in order to make that account balance at the same figure as the current account. This balancing item is to a certain extent due to errors and omissions in other sections of the estimates but it is believed to be due mainly to movements in short-term funds and to timing differences between the statistical recording of exports and imports and the crediting or debiting of the payments for these transactions against Australia's international reserves.

AUSTRALIA : BALANCE OF PAYMENTS ON CAPITAL ACCOUNT.

(£A. million.)

Particulars.	1952-53.	1953-54.	1954-55. (a)
INCREASE IN ASSETS.			
1. New Zealand Public Debt Domiciled in Australia ..	..	-0.1	..
2. Direct Investment Overseas—			
(i) Branches—			
(ii) Unremitted Profits	0.8	0.6	(a) 0.5
(ii) Other	-0.2	-2.2	(b) ..
(ii) Subsidiaries—			
(i) Undistributed Profits	1.7	2.2	(a) 2.5
(ii) Other	3.0	2.3	(b) ..
3. Portfolio Investment Overseas	-0.3	-1.1	-0.3
4. Private Investment in Foreign Government Securities ..	-0.1	..	..
5. Investment in Joint Organization, etc.	-1.0	..	..
6. Other Official Transactions	-5.3	3.3	-3.6
7. Monetary Gold Holdings	-0.2	7.0	5.3
8. Foreign Exchange Holdings	188.9	2.5	-147.7
9. TOTAL INCREASE IN ASSETS	187.3	14.5	-143.3
INCREASE IN LIABILITIES.			
10. Public Authority Debt—			
(i) Commonwealth—Long-term	-0.6	-3.3	1.3
(ii) Commonwealth—Short-term	-0.3	-0.3	-0.3
(iii) States—Long-term	-1.3	-6.2	-3.6
(iv) States—Short-term .. .. .	..	..	4.0
(v) Local Authorities	-0.3	-0.3	-0.3
11. Discounts and Cash Bonuses on the Conversion of Public Debt	-0.3	-0.1	..
12. Dollars received from I.B.R.D.	17.9	21.5	23.6
13. Dollars received from I.M.F. (net)	13.4	-10.7	-11.6
14. Australian Currency Holdings of Foreign Banks	-7.4	-0.5	-0.5
15. Joint Organization Investments, etc., in Australia ..	-2.2	..	..
16. Direct Investment in Australian Companies—			
(i) Branches—			
(ii) Unremitted Profits	-0.5	3.3	(b) 3.0
(ii) Other	4.8	12.0	(c) ..
(ii) Subsidiaries—			
(i) Undistributed Profits	18.7	26.7	(b) 27.0
(ii) Other	-1.5	19.5	(c) ..
17. Portfolio Investment in Australian Companies	2.9	1.4	(c) ..
18. Investment in Public Authority Securities domiciled in Australia	-5.5	-4.6	(c) ..
19. Net Oversea Remittances of Life Offices operating in Australia	-4.3	-6.4	(c) ..
20. Adjusting Item for New Guinea and Papua transactions ..	2.1	-1.0	1.0
21. Balancing Item	-39.3	-18.6	68.9
22. TOTAL INCREASE IN LIABILITIES	-3.7	32.4	112.5
23. NET INCREASE IN ASSETS	191.0	-17.9	-255.8

(a) Preliminary. (b) Provisional estimate only. (c) Not available—included in balancing item.

NOTE.—Minus sign (—) denotes decrease.

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

Items 5 and 15 record transactions on capital account between Australia and the Joint Organization (Wool). The assets item consists of the share of Joint Organization profits on the sale of Australian wool accruing each year (less any disbursements of profits to Australia) and the liabilities item is the change in Joint Organization investments in Australia each year. Joint Organization transactions ended in 1952-53.

Item 10 records movements in public authority debt domiciled overseas between 1952-53 and 1954-55. A small repayment of this debt (due mainly to sinking fund operations) was made in 1952-53, but in 1953-54 there was a substantial net reduction

of £10.1 million. This net reduction consisted of the redemption of \$30 million (£13.4 million) of securities domiciled in New York, a reduction of £2.8 million of other debt from sinking fund operations and an increase of £6.1 million following the negotiation of a loan from Switzerland.

A net increase of £1.1 million occurred in 1954-55. Net redemptions in New York were \$15 million (£6.7 million) while a second loan of £6.1 million was received from Switzerland. After allowing for the appropriate portion of the redemption just mentioned and for other sinking fund transactions State debt domiciled overseas increased by £0.4 million (net). The movement included loans extended to South Australia by the Export-Import Bank, Washington, and by the United Kingdom Atomic Energy Commission, to assist in the development of uranium projects.

Item 12 records drawings of \$40 million in 1952-53, \$48 million in 1953-54 and \$53 million in 1954-55 under loans made to Australia by the International Bank for Reconstruction and Development.

Item 13 shows the changes in Australia's liability in respect of purchases of dollars from the International Monetary Fund. In 1949-50, \$20 million (£8.9 million) were purchased from the Fund and a second purchase of \$30 million (£13.4 million) was made in 1952-53. In 1953-54 repayment of these purchases was commenced with instalments totalling \$24 million (£10.7 million) and repayment was completed in 1954-55 with further instalments of \$26 million (£11.6 million).

Australia's international reserves (items 7 and 8) rose by £189 million during 1952-53. A small increase of £10 million was recorded in 1953-54 but reserves fell by £142 million in 1954-55 to a level of £428.3 million at the end of June, 1955.

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

The transactions included in this group resulted in a net outflow of funds of £45 million in 1952-53. This was the first recorded outflow in the post-war period and was to some extent due to delayed payments for part of the record total of imports which arrived in 1951-52. In 1953-54 this group of transactions resulted in a small inflow of £4 million while in 1954-55 there was an apparent inflow of £69 million.

Other items in capital account are of minor importance.

4. Australia's Balance of Payments on Current Account—Various Countries and Monetary Areas.—There was a deterioration of £209 million between 1952-53 and 1953-54 in Australia's balance on current account. This was largely accounted for by a deterioration of £186 million for the sterling area and £25 million for the "other" non-sterling area, while there was a favourable movement of £2 million in the balance for the dollar area. The balance on current account with the United Kingdom decreased by £172 million due to a 15 per cent. fall in the value of exports and a 55 per cent. rise in the value of imports. The small improvement in the balance with the dollar area was due to the reduced flow of imports from the United States of America and a rise in exports to Canada and other dollar area countries.

Between 1953-54 and 1954-55 there was a further deterioration in Australia's balance on current account. The movement affected all the countries and monetary areas shown in the table with the exception of countries included in "Other Dollar Area". Exports to countries of the Organization for European Economic Co-operation (see page 292) declined by £22.6 million, principally as a result of the fall in wool prices, while imports increased by £30.5 million. As a result Australia's current account balance with this area fell from a credit of £105.8 million in 1953-54 to a credit of £53.4 million in 1954-55. Exports to other non-dollar, non-sterling countries also fell in 1954-55, while imports increased, and whereas in 1953-54 Australia had a credit balance of £45.4 million with these countries, in 1954-55 this had changed to a debit balance of £2.4 million.

* Items 2 (i) (ii), 2 (ii) (ii), 3, 4, 16 (i) (ii), 16 (ii) (ii), 17, 18, 19 and 21.

Exports to the sterling and dollar areas remained relatively unchanged between 1953-54 and 1954-55 but imports from the United Kingdom and "other" sterling area countries rose by £45.5 million and £31.8 million respectively. There was a similar movement in imports from the United States of America; these increased by £30.8 million in 1954-55. In addition the "invisible" deficits with the sterling and dollar areas continued to grow larger. In 1953-54 Australia's deficits on current account with the sterling and dollar areas were £111.6 million and £74.3 million respectively and in 1954-55 deficits of £207.3 million with the sterling area and £116.0 million with the dollar area were recorded. These changes in 1954-55 reflect mainly the fall in wool prices and increased imports from all sources following the progressive easing of import licensing.

AUSTRALIA: BALANCE OF PAYMENTS ON CURRENT ACCOUNT, VARIOUS COUNTRIES AND MONETARY AREAS.(a)
(£A. million.)

Particulars.	Gold Production.	Sterling Area.		Dollar Area.			Other Non-Sterling.		Total.
		United Kingdom.	Other.	U.S.A.	Canada.	Other.	O.E.E.C.	Other. (b)	
1952-53.									
Exports, f.o.b.	..	347.2	130.5	57.9	8.7	2.2	191.6	108.1	846.2
Imports, f.o.b.	..	-215.1	-87.9	-85.5	-19.5	-2.2	-59.2	-41.7	-511.1
Invisibles (net)	16.4	-69.3	-30.5	-32.3	-5.6	-0.2	-7.4	-15.2	-144.1
Balance on Current Account	16.4	62.8	12.1	-59.9	-16.4	-0.2	125.0	51.2	191.0
		74.9		-76.5			176.2		
1953-54.									
Exports, f.o.b.	..	295.8	125.7	55.7	11.0	4.6	208.3	110.6	811.7
Imports, f.o.b.	..	-332.7	-110.3	-76.7	-18.7	-1.1	-90.8	-52.7	-683.0
Invisibles (net)	16.8	-71.9	-18.2	-41.0	-8.3	0.2	-11.7	-12.5	-146.6
Balance on Current Account	16.8	-108.8	-2.8	-62.0	-16.0	3.7	105.8	45.4	-17.9
		-111.6		-74.3			151.2		
1954-55.									
Exports, f.o.b.	..	289.0	132.1	52.7	10.5	6.4	185.7	86.6	763.0
Imports, f.o.b.	..	-378.2	-142.1	-107.5	-23.8	-1.3	-121.3	-71.8	-846.0
Invisibles (net)	16.5	-80.5	-27.6	-47.3	-6.8	1.1	-11.0	-17.2	-172.8
Balance on Current Account	16.5	-169.7	-37.6	-102.1	-20.1	6.2	53.4	-2.4	-225.8
		-207.3		-116.0			51.0		

(a) For a list of the countries included in each monetary area see page 292.

(b) Includes international bodies.

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

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

The table on page 322 gives a detailed estimate in respect of dollar currency transactions. This table includes the trade statistics and invisible items included in the former table, but in addition it includes in "Other items (net)" (see item 16 in table on

page 322) several items which make allowance for the fact that not all Australian transactions with the dollar area involve dollar receipts or payments and that some dollar receipts or payments are involved in Australian transactions with countries outside the dollar area, and with international bodies.

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

In 1952-53 Australia's balance of payments on current account with the dollar area disclosed a deficit of \$125 million. In 1953-54 the deficit increased to \$164 million and in 1954-55 there was another sharp deterioration to a deficit of \$242 million.

Principally as a result of reduced imports from the United States of America there was an improvement of \$30 million in Australia's trade balance with the dollar area between 1952-53 and 1953-54. This improvement was more than offset by a deterioration in the invisible balance. Contributing factors were increases of \$23.4 million and \$10.1 million in two investment income items (remitted profits and dividends (item 11) and undistributed income (item 12)) and a fall in item 16 (other items—net) from net receipts of \$46.3 million in 1952-53 to net receipts of \$2.4 million in 1953-54. This latter movement was due principally to a decline in Australian gold sales on the premium market and to an unfavourable movement in the difference between the c.i.f. value of direct imports of petroleum from the dollar area and the estimated dollar component of all Australian petroleum imports.

On investment account, \$32 million of securities domiciled in New York were redeemed in 1953-54, compared with comparatively small sinking fund redemptions in 1952-53. Private capital inflow fell to \$9 million in 1953-54 compared with \$37 million in 1952-53.

The balance on investment account was plus \$15 million in 1953-54 and this, combined with an unfavourable current account balance of \$164 million, led to a dollar deficit of \$149 million in 1953-54—\$86 million greater than in 1952-53. In 1953-54 this deficit was financed by loans of \$24 million (net) from international institutions and drawings of \$97 million on the Sterling Area Dollar Pool.

Exports to the dollar area fell only slightly between 1953-54 and 1954-55 but there was a substantial rise in imports from the United States of America and Canada, with the result that the trade deficit with dollar countries increased to \$141 million.

The unfavourable invisible balance which had grown larger in 1953-54 fell slightly in 1954-55. Important movements in invisibles were confined to freight, which rose from \$22.8 million to \$31.5 million as a result of greatly increased imports, and receipts from "other items (net)", which rose by \$15.9 million.

The investment account shows that \$11 million of securities domiciled in New York were redeemed during 1954-55. Although this represents a high rate of redemption compared with most years it was considerably less than in 1953-54 when securities to the value of \$32 million were redeemed. Private capital inflow (including errors and omissions) was estimated at \$80 million in 1954-55 compared with \$9 million in the previous year. Together with undistributed income, provisionally estimated at \$38 million, this large inflow more than offset the deterioration of \$78 million which occurred in Australia's balance on current account in 1954-55 and Australia's dollar deficit, which was \$149 million in 1953-54, was reduced to \$135 million in 1954-55.

The final section of the table shows how Australia's dollar deficit was financed. In 1954-55 Australia received \$27 million (net) from international institutions. This was \$3 million greater than in the previous year. However, Australia's dollar balances which were run down by \$28 million in 1953-54 increased by \$11 million in 1954-55. Australia's estimated drawings from the Sterling Area Dollar Pool, which were \$97 million in 1953-54, increased by \$22 million to \$119 million in 1954-55.

AUSTRALIA: BALANCE OF PAYMENTS WITH THE DOLLAR AREA.

(United States \$ million.)

Particulars.	1952-53.	1953-54.	1954-55. (a)
CURRENT ACCOUNT.			
Merchandise Trade.			
1. Merchandise exports, f.o.b., to United States of America and Canada	+ 149	+ 150	+ 142
2. Merchandise imports, f.o.b., from United States of America and Canada	- 235	- 214	- 294
3. Trade balance with United States of America and Canada ..	- 86	- 64	- 152
4. Trade balance with other American account countries ..	..	+ 8	+ 11
5. TRADE BALANCE WITH THE DOLLAR AREA	- 86	- 56	- 141
Other Current Transactions.			
6. Freight on imports	-34.0	-22.8	-31.3
7. Other transportation	- 2.0	- 2.2	- 4.2
8. Expenditure by Australian travellers	- 3.0	- 2.8	- 3.4
9. Expenses of Australian companies in North America	- 2.2	- 3.4	- 5.3
10. Film remittances	- 4.5	- 5.4	- 5.8
11. Profits and dividends remitted	- 7.2	-30.6	-27.6
12. Undistributed income accruing to companies incorporated in the dollar area	-28.2	-38.3	(b) -38.1
13. Public authority interest payments	- 8.0	- 7.6	- 6.7
14. Other miscellaneous debits	-10.5	-12.9	-15.2
15. Miscellaneous credits	+14.3	+16.1	+17.1
16. Other items (net)	+46.3	+ 2.4	+18.3
17. INVISIBLE BALANCE WITH THE DOLLAR AREA	- 39	- 108	- 101
18. BALANCE ON CURRENT ACCOUNT (5 + 17)	- 125	- 164	- 242
INVESTMENT ACCOUNT.			
19. Increase in debt of public authorities	- 3	- 32	- 11
20. Undistributed income (see item 12)	+ 28	+ 38	(b) + 38
21. Identified private capital inflow	- 24	+ 6	..
22. Balancing item	+ 61	+ 3	+ 80
23. BALANCE ON INVESTMENT ACCOUNT	+ 62	+ 15	+ 107
24. DOLLAR SURPLUS OR DEFICIT (18 + 23)	- 63	- 149	- 135
DOLLAR FINANCING.			
25. Dollar purchases from I.M.F. (net)	+ 30	- 24	- 26
26. Dollar loans from I.B.R.D.	+ 40	+ 48	+ 53
27. Gold sales to United Kingdom .. .. .	..	..	..
28. Estimated dollar drawings from (+) or contributions to (-) Sterling Area Dollar Pool	+ 12	+ 97	+ 119
29. Movement in Australian dollar balances (increase -) ..	- 19	+ 28	- 11
30. TOTAL	+ 63	+ 149	+ 135

(a) Preliminary.

(b) Provisional estimate only.

NOTE.—Minus sign (—) denotes debit; plus sign (+) denotes credit.