

CHAPTER XIII.

TRADE.

§ 1. Introduction.

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. 18–19*).

§ 2. Commonwealth Legislation affecting Oversea Trade.

1. **General.**—The principal Acts affecting overseas trade at present in force are: The Customs Act 1901–1959; Customs Tariff 1933–1959; Customs Tariff (Canadian Preference) 1931 and Customs Tariff (Canadian Preference) 1934–1959; Customs Tariff (Industries Preservation) Act 1921–1957; Customs Tariff (New Zealand Preference) 1933–1959; Customs Tariff (Papua and New Guinea Preference) 1936–1959; Customs Tariff (Federation of Rhodesia and Nyasaland Preference) 1956–1958; Customs Tariff (Primage Duties) 1934–1958; Trading with the Enemy Act 1939–1957.

The Customs Act is 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 duty 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 1933–1959.

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 in force at the time 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 1901–1959 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 75 per cent. is represented—
 - (i) by labour or material of the United Kingdom; or
 - (ii) by labour or material of the United Kingdom and labour or material of Australia.

- (c) Goods of a class or kind not commercially produced or manufactured in Australia and of the factory or works cost of which not less than 25 per cent. (or 50 per cent. if the Minister so determines) is represented—
- (i) by labour or material of the United Kingdom; or
 - (ii) by labour or material of the United Kingdom and labour or material of Australia.

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 and United Kingdom labour and materials. In relation to specified goods, the British Preferential Tariff also applies to Ceylon, Ghana, the Federation of Malaya, Singapore, the Federation of the West Indies, 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) and countries which accord Australia reciprocal most-favoured-nation tariff treatment by reason of agreements between those countries and the United Kingdom. The Intermediate Tariff has also been extended to some countries to which Australia has no formal obligation to accord most-favoured-nation treatment. The countries and the particular tariff items to which the Intermediate Tariff applies are specified by order made in pursuance of section 9A, of the Customs Tariff 1933-1959.

(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 some goods according to the type of goods and origin thereof under the Customs Tariff (Primage Duties) 1934-1958. Other goods are exempt from primage duty. Goods the produce or manufacture of New Zealand, Norfolk Island, Fiji, Cocos Islands, Christmas Island and the Territory of Papua and New Guinea are exempt from primage duty.

4. *Tariff Board.*—The Tariff Board Act 1921-1958 provides for the appointment of a Tariff Board consisting of seven members, two, but not more than three, of whom shall be officers of the Commonwealth Public Service. Members of the Board are appointed for terms of not less than one year and not more than five years. The purpose of the Tariff Board is to advise the Government on matters relating to the protection and encouragement of Australian industry and to the Customs and Excise Tariffs.

The Chairman of the Board has the duty to ensure the efficient and orderly conduct of the business of the Board. Provision is made for the appointment of a Deputy Chairman to whom the Chairman may delegate his powers, duties and functions under the Act.

The more important matters which the Minister of State for Trade shall refer to the Board for inquiry and report include:—the necessity for new, increased, or reduced duties; the necessity for granting bounties and the effect of existing bounties; any proposal for the application of the British Preferential Tariff or the Intermediate 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. In addition the Minister may refer the following matters to the Tariff Board for inquiry and report:—the general effect of the working of the Customs Tariff and the Excise Tariff; the fiscal and industrial effects of the Customs laws on the Commonwealth; the incidence between the rates of duty on raw materials, and or finished or partly finished products; and other matters affecting the encouragement of primary and secondary industries in relation to the Tariff. The Minister of State for Customs and Excise may refer to the Tariff Board for inquiry and report, the following matters:—the classification of goods in the Customs Tariff or Excise Tariff and any matter in connexion with the interpretation of these Tariffs; the question of the value for duty of goods; whether goods not prescribed in departmental by-laws should be so prescribed; and any matter in respect of which action may be taken under the Customs Tariff (Industries Preservation) Act 1921-1957.

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 1921-1957 shall be taken in public on oath.

5. **Industries Preservation.**—The Customs Tariff (Industries Preservation) Act 1921-1957 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 an amount equal to the difference between the freight paid and the freight which would have been payable at the normal rate. In respect of goods exported to Australia upon which a subsidy, bounty or other financial assistance is paid or given directly or indirectly upon the production, manufacture, carriage or export of those goods, a countervailing duty shall be collected equal to the amount of the subsidy, bounty or other financial assistance; and in the case of any other goods—an amount equal to the difference between the freight paid and the freight which would have been payable at the normal rate.

Special duties may also be collected if dumped or subsidized goods are imported to the detriment of the trade in the Australian market of a third country.

The Act also provides for the collection of an emergency duty on goods which enter Australia under conditions which cause or threaten serious injury to Australian industries or to industries in a third country whose exports enter Australia under preferential tariff. The amount of emergency duty payable is the equivalent of the difference between the landed duty-paid cost of the goods and a reasonably competitive landed duty-paid cost.

The Act provides that the Minister for Customs and Excise may publish a notice in the *Gazette* specifying the goods upon which the special emergency duties 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.**—*Customs (Import Licensing) Regulations.* A comprehensive system of import licensing was introduced in Australia at the beginning of the second World War under the authority of the Customs (Import Licensing) Regulations, being Statutory Rules 1939 No. 163, issued under the Customs Act 1901-1936.

Between 1939 and 1945, licensing controls on imports from both sterling and non-sterling sources were progressively intensified. With the end of the War it was possible to progressively relax the restrictions and by March, 1952, goods from the non-dollar area (excluding Japan for which special provisions applied until July, 1957) were virtually free from import licensing controls.

During the financial year 1951-52, following a fall in the price of wool and a large increase in the volume of imports, Australia incurred a substantial deficit in overall payments 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.

The extension of the restrictions on 8th March, 1952, was made under the authority of the above regulations, which had continued in force after the war. Those regulations were subsequently replaced by new Customs (Import Licensing) Regulations made under the Customs Act 1901-1954 on 16th December, 1956. The new Regulations continued to provide, *inter alia*, that the importation of any goods (not being goods which are excepted from the application of the Regulations) is prohibited unless—

- (a) a licence under these Regulations to import the goods is in force; and
- (b) the conditions and restrictions (if any) to which the licence is subject are complied with.

The object of import licensing has been to limit the rate of imports to a ceiling figure, determined by the Government, in order that payments for imports do not involve an excessive drawing on Australia's overseas exchange reserves. To achieve the financial objectives of the controls, imports were divided into a number of categories to which special licensing treatment was accorded (largely by the establishment of quotas for individual importers within each category). In general, the nature of goods and their relative essentiality to the Australian economy were taken into account in determining the licensing rate for particular goods.

Since March 1952, import restrictions have been relaxed and intensified broadly in line with changes in Australia's balance of payments position.

The import controls have been administered without discrimination as to country of origin, with the exception of those relating to imports from Japan and the Dollar Area. The special restrictions against Japanese imports were removed in July, 1957, and in recent years Australia progressively removed discrimination against imports from the Dollar Area. By January 1960, approximately 95 per cent. of total imports were not subject to dollar discrimination.

In accordance with the principle of relaxing and removing controls in the light of developments in Australia's balance of payments position, large-scale licensing changes involving an almost complete abolition of controls were made as from 23rd February, 1960. As a result of these changes some 90 per cent. of total imports are exempt from control. On 1st April, 1960 timber was also added to the exempt list.

Licensing was retained on the bulk of the items which remain under control, for the purpose of providing licensing statistics which have been very useful in the administration of the Japanese Trade Agreement. They will remain under control until, after consultation with industry and commerce, suitable alternative arrangements can be made.

A few other items for which special problems exist, will be removed from control when the problems associated with them have been resolved.

In respect of most of the items which continue to be licensed, provision was also made under the recent relaxations for licensing at a higher rate.

The Government has announced its intention of removing this remaining element of licensing control as soon as possible.

The retention of control over a small field of trade does not imply any departure from the Government's policy of using the Customs Tariff and the Tariff Board machinery as the normal method of protecting economic and efficient Australian industries from import competition.

With the exception of motor vehicles of North American origin, which will be exempted from control as from 1st October, 1960, there is now no discrimination as to country of origin in the administration of import controls.

The administration of the import controls is the responsibility of the Department of Trade, although the actual issue of import licences is a function of the Department of Customs and Excise at the various ports of the Commonwealth.

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 this export control are listed in the Customs (Prohibited Exports) Regulations.

(ii) *Monetary Control—Banking Act 1959.* 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 Reserve Bank of Australia. This action is complementary to that taken under other parts of the Banking (Foreign Exchange) Regulations and under Part IV. of the *Banking Act 1959* to control the movement out of Australia of capital in the form of securities, currency and gold.

Export licences are issued subject to terms and conditions specified in the Banking (Foreign Exchange) Regulations and may be subject to such further terms and conditions as are determined or may be free from terms and conditions. On the receipt in Australia by the Reserve Bank, or by a bank acting as agent for that Bank, of advice that the foreign currency has been paid to the Reserve 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 involving exports, movements of personal effects are also 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 original United Kingdom and Australia Trade Agreement (Ottawa Agreement) was signed on 20th August, 1932. Under this agreement, Australia secured preferences in the United Kingdom market for a wide range of Australian export commodities and in return incurred obligations in respect of tariff levels and the grant of preference to United Kingdom goods.

A new Trade Agreement, designed to replace the original agreement and correct the unbalance in benefits which had emerged in the 25 years of its operation, was signed in Canberra on 26th February, 1957. Briefly, the new agreement preserved security for Australian exports in the United Kingdom market, but lowered the obligatory margins of preference which Australia extends to the United Kingdom.

(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. The 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) 1934–1959 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) 1933–1959 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 only to Southern Rhodesia, 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) *Federation of Malaya.* A trade agreement with the Federation was signed on 26th August, 1958, and came into force immediately. The agreement gives an assurance that Australia's traditional flour trade will be protected from subsidised or dumped competition. An undertaking is given that any tariff preferences Malaya accords will be extended also to Australia. Australia guaranteed free entry for natural rubber so long as the Papua-New Guinea crop is absorbed and assured the Federation that natural rubber would not be at a disadvantage compared with synthetic rubber in respect of tariff or import licensing treatment.

(vi) *Japan.* An Agreement on Commerce between the Commonwealth of Australia and Japan was signed on 6th July, 1957, in Japan. Formal ratification took place in Canberra on 4th December, 1957, following approval of the agreement by the Commonwealth Parliament and the Japanese Diet. The agreement will remain in force until 5th July, 1960, and thereafter unless prior notice of termination is given by either Government.

The agreement provides that each country shall extend most-favoured-nation treatment to the other in respect of customs duties and similar charges and import and export licensing. Japan will not be entitled to claim the benefit of preferences accorded by Australia to Commonwealth countries and dependent territories.

All Japanese goods are now entitled to the most-favoured-nation rate of duty on importation into Australia, whereas previously the general rate applied. The reductions involved have not been significant. Japan has also been placed on an equal basis with other non-dollar countries under the import licensing system. Prior to the agreement certain goods, when of Japanese origin, could be imported only within specified limits.

Australia received certain specific undertakings. Japan agreed:—

- (a) To accord Australian wool the opportunity of competing in the global quota for wool for not less than 90 per cent. of the total foreign exchange allocation for wool each year and not to restrict the total foreign exchange allocation for wool beyond the extent necessary to safeguard Japan's external financial position and balance of payments;
- (b) to take no action to vary the present level of duty on wool imports from Australia for a period of three years from date of signature;
- (c) to admit Australian wheat and barley on a competitive and non-discriminatory basis;
- (d) to accord Australian sugar the opportunity of competing for not less than 40 per cent. of the total foreign exchange allocation for sugar;
- (e) to include Australia as a permitted source of supply for beef tallow and cattle hides on the Automatic Approval (licensing) list;
- (f) to admit Australian dried skim milk on a competitive and non-discriminatory basis;
- (g) to make reasonable provision for the import of Australian dried vine fruits (raisins, currants and sultanas) in each year of the three-year period.

It was agreed that before the end of the initial three-year period of the agreement the two Governments would explore the possibility of applying the General Agreement on Tariffs and Trade between the two countries.

Provision exists for either country to suspend obligations under the agreement to the extent and for such time as may be necessary to prevent serious injury to domestic producers as a result of imports of like or directly competitive products from the other country. The Australian Government has appointed an Advisory Authority whose function is to advise the Minister for Trade whether Australian industry is threatened with serious damage as a result of the agreement.

(vii) *Other Countries.* Australia has entered into bilateral trade agreements with the Union of South Africa, 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.

(viii) *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 is one of the original contracting parties to the General Agreement on Tariffs and Trade.

The objectives of the G.A.T.T. include the expansion of world trade and the raising of living standards throughout the world. Its members work towards these objectives by the reduction of tariffs and other barriers to trade and of discrimination between countries through negotiations on a reciprocal and mutually advantageous basis. The essential features of the G.A.T.T. are the schedules of tariff concessions which its members have agreed to apply in tariff negotiations with each other, the application of most-favoured-nation treatment among its members, the avoidance of trade discrimination, a code of agreed commercial policy rules for fair international trading.

G.A.T.T. is at present being applied pursuant to the Protocol of Provisional Application under which its members apply the commercial policy rules (contained in Part II. of the Agreement) to the fullest extent consistent with legislation existing at the time of becoming members.

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 negotiations by other countries—in the latter case benefits occur through the operation under the Agreement of the most-favoured-nation principle.

In 1954–55 some of the provisions of the G.A.T.T. were revised. The revised G.A.T.T. contains tighter provisions on non-tariff barriers to trade. These barriers are in many respects more significant for some of the export items of interest to Australia. The revised G.A.T.T. also gives more freedom for countries like Australia to revise individual tariff items which had been "bound" against increase in tariff negotiations conducted under the G.A.T.T.

There are at present (October, 1959) 37 Contracting Parties to the Agreement comprising most of the world's larger trading nations. The Contracting Parties periodically hold plenary sessions to deal with questions arising out of the administration of the Agreement. The 14th Session was held at Geneva in May, 1959, and the 15th Session in Japan in October–November, 1959.

§ 3. Imperial Preference in the United Kingdom.

1. **Preferential Tariff of the United Kingdom.**—A brief summary of the preferential tariff of the United Kingdom in the years prior to 1931 was published in Official Year Book No. 43, page 328.

By 1931, 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 were those on sugar, dried fruit, 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 could 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.

In 1947 the United Kingdom and Australia adhered to the General Agreement on Tariffs and Trade, which prohibits increases in tariff preferences by either country. This rule, as is the case with the other provisions of the General Agreement, may be waived by a two-thirds majority of the signatories to the agreement.

2. **The Australia-United Kingdom Trade Agreement.**—The provisions and history of the original Australia-United Kingdom Agreement (Ottawa Agreement) were published in Official Year Book No. 43, page 329.

The major provisions of the current agreement (signed in Canberra on 26th February, 1957) which affect Australia's position in the United Kingdom market are as follows:—

- (a) Continued free entry for those Australian goods in which Australia has an active trade interest, and which were accorded free entry immediately prior to the new agreement.

- (b) A guaranteed minimum margin of preference in the United Kingdom Tariff on all items so treated in the previous agreement plus an extension of this guarantee to several items on which the margin of preference, although in force, was not bound to Australia. This latter group comprised currants, egg powder and egg pulp, jam, rice, tomato juice, pineapple juice and coconut oil. A selection of the items on which Australia receives a bound margin of preference and the extent of that preference is as follows. (all values in sterling):—Butter (15s. a cwt.); cheese (15 per cent. *ad val.*); canned peaches, pears and apricots (12 per cent. *ad val.*); raisins (8s. 6d. a cwt.); eggs in shells (1s. to 1s. 9d. a great hundred (10 dozen)); milk powder (6s. a cwt.); sweetened condensed milk (5s. a cwt.); apples (4s. 6d. a cwt. in season); honey (5s. a cwt.); flour (10 per cent. *ad val.*); light wine (2s. a gallon); heavy wine (10s. a gallon at present duty rate).
- (c) All rights under the Ottawa Agreement in respect of meat are maintained.
- (d) Australia receives an assured wheat market of at least 750,000 tons f.a.q. wheat or flour equivalent annually. Any Australian high-protein wheat sold to the United Kingdom is not counted against this obligation.
- (e) There is provision for full consultation between the two Governments on such matters as agricultural production and marketing, transport and communication, the disposal of surpluses and restrictive business practices.
- (f) The two Governments declared their intention to introduce legislation which will enable them to impose anti-dumping or countervailing duties where material injury is caused or threatened to the other party.
- (g) The agreement shall be the subject of re-negotiation between the two Governments in 1961.

3. Recent Developments affecting the Operation of the Trade Agreement.—The effect of increases in commodity prices in the post-war period has been to reduce the effective value of those preference margins which are expressed in terms of British currency ("specific margins"). The commodities affected are butter, eggs, canned apples, loganberries, pineapples, tropical fruit salad, raisins, dried apricots, sugar, lactose, and wines. The following table shows, for selected items, how the *ad valorem* incidence of specific preference margins originally negotiated in 1932 and rebound in the 1957 agreement has been reduced by increases in the average value of the commodities on which they are 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. | 1954. | 1956. | 1958. |
| Sugar, raw .. | £3 14s. 8d. a ton .. | 35.8 | 12.2 | 9.4 | 8.7 | 10.5 |
| Butter | 15s. a cwt. .. | 13.3 | 7.6 | 4.3 | 4.6 | 6.5 |
| Canned pineapple .. | 5s. a cwt. .. | 21.4 | 5.5 | 2.9 | 3.5 | 4.3 |
| Currants | 2s. a cwt. .. | 7.2 | 2.8 | 2.4 | 1.8 | 1.8 |
| Raisins | 10s. 6d. a cwt. to 1947; 8s. 6d. a cwt. from 1948 | 31.2 | 13.1 | 9.7 | 8.0 | 6.2 |
| Honey | 7s. a cwt. to 1938; 5s. a cwt. from 1939 | 19.0 | 6.8 | 5.4 | 3.8 | 4.8 |
| Milk, dried whole .. | 6s. a cwt. .. | 8.7 | 4.7 | 2.9 | 3.1 | 3.2 |
| Milk, dried skim .. | 6s. a cwt. .. | 20.1 | 7.4 | 7.0 | 7.3 | 8.6 |
| Apples | 4s. 6d. a cwt. .. | 26.4 | 9.9 | 5.9 | 5.4 | 4.8 |
| Pears | 4s. 6d. a cwt. .. | 19.5 | 6.7 | 5.3 | 4.9 | 5.1 |

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

§ 4. Trade Commissioner Service.

The stimulation of interest abroad in Australia's exports is an important Government activity in which the Australian Trade Commissioner Service plays a prominent part. The origin of the Service dates back to 1921, when the first Trade Commissioner was appointed to Shanghai. In the following year, a second Commissioner was appointed to Singapore. These appointments were, however, terminated shortly afterwards.

In 1929, a Trade Commissioner post was opened at Toronto. Wellington was opened five years later. The Trade Commissioners Act 1933 provided for the establishment of an Australian Government Trade Commissioner Service. In 1935 official trade representation was established at Batavia (now Djakarta), Shanghai and Tokyo. Cairo, New York and Calcutta posts were opened between 1937 and 1939 and the Singapore post was established in 1941.

After the war, the service increased steadily to take care of Australia's expanding export interests and the growing diversity of our export commodities, and in February, 1960, there were 30 Trade Commissioner posts in 21 countries. New posts are about to be opened at Accra (Ghana) and Nairobi (Kenya).

In 1957 Australia's official commercial representation overseas was extended by the introduction of a system of Government Trade Correspondents. These men, who as a rule already reside in particular centres overseas, are engaged on a part-time basis to carry out market research, arrange introductions between buyer and seller, and generally promote Australia's trade interests in the same way as Trade Commissioners. Each Trade Correspondent operates under the general direction of the nearest Trade Commissioner and acts as a point of local contact for him.

The first two Australian Trade Correspondents were appointed in 1957 at Montevideo (Uruguay) and Nairobi (Kenya). In 1958 four more were appointed at Nadi (Fiji), Honolulu, Mauritius and Mexico City. Further limited expansion of this form of official commercial representation is contemplated. The Australian Trade Correspondent at Nairobi will shortly be replaced by an Australian Government Trade Commissioner.

Trade Commissioners and, to a lesser extent, Trade Correspondents, are responsible for commercial intelligence in their territories. Particular facilities provided for Australian exporters and export organizations include the following:—

- (a) Surveys of market prospects;
- (b) Advice on selling and advertising methods;
- (c) Arranging introductions with buyers and agents;
- (d) Providing reports on the standing of oversea firms;
- (e) Advice and assistance to business visitors;
- (f) Helping to organize and carry through trade missions, trade displays, newspaper supplements and other promotion and publicity media;
- (g) Providing information on import duties, import licensing, economic conditions, quarantine and sanitary requirements and other factors affecting the entry and sale of goods.
- (h) Helping to attract desirable investment.

In some countries, Trade Commissioners also participate in inter-governmental negotiations in the economic and commercial fields. In certain countries where there is no diplomatic or consular mission (the Federation of West Indies, Hong Kong, the Federation of Rhodesia and Nyasaland and Sweden) he is called upon to act as the Australian representative.

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 overseas trade representation is shown in Chapter XXX.—Miscellaneous.

§ 5. Export Payment Insurance Corporation.

The Export Payment Insurance Corporation Act No. 32 of 1956, established the Corporation with the objective of protecting Australian exporters against risks of loss arising from non-payment of their overseas accounts.

The Corporation is charged to be self-supporting, that is, over a period it is to operate at neither a profit nor a loss. It operates on principles similar to those of any other form of insurance in as much as in return for payment of a premium the exporter can claim on the Corporation in the event of non-payment by his buyer for any of the reasons set out in his policy. There is no overlap with normal insurance facilities since the Corporation does not cover risks which can normally be insured with commercial insurers.

The main risks of loss against which the Corporation insures are the "commercial" risks of the insolvency or protracted default of the buyer and "political" risks. The latter include exchange transfer delays; the imposition of Government regulations which prevent the import of goods into the buyer's country; war or revolution in the buyer's country; and generally any other cause not being within the control of the exporter or the buyer, and which arises from events occurring outside Australia. Prior to December, 1959, the Corporation could extend cover only to 85 per cent. for all types of risks insured. From that time, however, cover on the "political" risks was increased to a maximum of 90 per cent. for the amount of loss in the pre-shipment period and a maximum of 95 per cent. in the post-shipment period. The cover for "commercial" risks remains at 85 per cent.

The initial capital of the Corporation was £500,000 and the maximum liability limit of the Corporation was £25,000,000. In April, 1959, these limits were doubled to £1,000,000 and £50,000,000 respectively to enable the Corporation to meet fully the demands of the Australian exporters for this facility.

The Corporation itself does not provide finance for exporters, but the stated policy of the trading banks is that E.P.I.C. guarantees considerably reduce the risks involved in the export trade, and this can assist the exporter in obtaining such finance as he requires.

Since the first policy was issued in September, 1957, Australian exporters have made increasing use of the facilities of the Corporation. On 31st December, 1959, the Corporation had policies current to the value of over £26,000,000—an increase of over £10,000,000 on the figure for 31st December, 1958. The Corporation has issued policies covering exports to over 100 countries, and has insured a wide range of Australian exports.

Consultative Council. A Consultative Council of leading figures in the fields of insurance, commerce and industry has been appointed to advise the Corporation on its activities.

§ 6. Method of Recording Imports and Exports.

1. *Source of Statistics.*—Overseas trade statistics are compiled from documents obtained under the Customs Act 1901–1959 and supplied to this Bureau by the Department of Customs and Excise.

2. *Customs Area.*—The Customs Area, to which all overseas trade statistics issued by this Bureau apply, is the whole area of the Commonwealth of Australia. Non-contiguous territories are treated as outside countries, and trade transactions between Australia and these non-contiguous territories are part of the overseas trade of Australia. Such transactions are shown separately, i.e., the trade of Australia with each particular country is separately recorded and tabulated.

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 Statistical Office of the United Nations 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 § 17, para. 2, which refer to imports cleared for home consumption.

4. **Statistical Classification of Imports and Exports.**—Statistics of oversea imports and exports from which the summary tables in this issue of the Official Year Book have been extracted were compiled according to 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 1958–59 provided for over 2,000 import items and over 1,000 export items.

5. **The Trade Year.**—From 1st July, 1914, the statistics relating to oversea trade have been shown according to the financial year (July to June). Prior to that date, the figures related to the calendar year. A table is included in § 18 showing the total value of imports and exports in the calendar years 1955 to 1959 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*. Since 15th November, 1947, the value for duty of goods imported into Australia has been 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 1901–1959 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 oversea 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 oversea 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' and Aircraft Stores.* Prior to 1906, goods shipped in Australian ports on oversea vessels as ships' stores were included as exports. From 1906, ships' and subsequently aircraft stores have been specially recorded as such, and omitted from the tabulation of exports. A table showing the value of these stores shipped each year since 1954–55 is shown on page 497.

(ii) *Outside Packages.* Outside packages (containers, crates, etc.) have always been included as a separate item in the tabulation of imports but, except for 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 arrived directly 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.

§ 7. Total Oversea Trade.

1. Including Gold.—The following table shows the total trade (including gold) of Australia with oversea countries from 1901 to 1958–59. 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 the individual years were published in Official Year Book No. 40 and earlier issues, but it should be borne in mind that the figures for imports in issues prior to No. 37 were 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.

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 to 1910 .. | 46,825 | (b) 69,336 | 116,161 | + 22,511 | 11.0 | 16.3 | 27.3 |
| 1911 to 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 | + 122,157 | 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 |
| 1955-56 | 821,088 | 781,864 | 1,602,952 | - 39,224 | 88.1 | 83.9 | 172.0 |
| 1956-57 | 718,991 | 992,906 | 1,711,897 | + 273,915 | 75.4 | 104.1 | 179.5 |
| 1957-58 | 791,940 | 817,946 | 1,609,886 | + 26,006 | 81.3 | 83.9 | 165.2 |
| 1958-59 | 796,599 | 811,463 | 1,608,062 | + 14,864 | 80.0 | 81.5 | 161.5 |

(a) The figures shown for the years 1901 to 1950-51 represent the annual averages for the periods covered. See text above. From 1914-15 onwards the particulars relate to financial years. (b) Prior to 1906, ships' stores were included in exports. For the value of such goods shipped on overseas vessels and aircraft during each of the years 1954-55 to 1958-59 see Table on p. 497.

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.

A graph showing the overseas trade of Australia from 1933-34 to 1958-59 appears on page 487.

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.

OVERSEA TRADE: AUSTRALIA.

(EXCLUDING GOLD.)

| Year. | Value. (£'000.) | | | Value per Head of Population.(£) | | |
|--------------|-----------------|----------|-----------|----------------------------------|----------|--------|
| | Imports. | Exports. | Total. | Imports. | Exports. | Total. |
| 1954-55.. .. | 841,018 | 760,446 | 1,601,464 | 92.5 | 83.7 | 176.2 |
| 1955-56.. .. | 818,343 | 773,540 | 1,591,883 | 87.9 | 83.0 | 170.9 |
| 1956-57.. .. | 716,720 | 978,679 | 1,695,399 | 75.2 | 102.6 | 177.8 |
| 1957-58.. .. | 789,308 | 811,594 | 1,600,902 | 81.0 | 83.3 | 164.3 |
| 1958-59.. .. | 794,422 | 808,184 | 1,602,606 | 79.8 | 81.2 | 161.0 |

§ 8. 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 1956-57 to 1958-59, 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. | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 1956-57. | 1957-58. | 1958-59. | 1956-57. | 1957-58. | 1958-59. |
| <i>Commonwealth Countries—</i> | | | | | | |
| United Kingdom | 296,251 | 325,007 | 307,436 | 277,475 | 221,406 | 256,935 |
| Australian Territories .. | 8,031 | 8,717 | 10,420 | 16,589 | 16,661 | 16,698 |
| Canada | 22,157 | 23,046 | 23,173 | 10,681 | 14,133 | 16,460 |
| Ceylon | 9,863 | 8,772 | 10,457 | 10,582 | 5,939 | 5,899 |
| India | 24,509 | 23,416 | 21,005 | 28,580 | 11,689 | 10,080 |
| Malaya, Federation of .. | 10,875 | 10,708 | 11,482 | 9,088 | 11,420 | 13,167 |
| New Zealand | 11,593 | 12,372 | 12,219 | 50,945 | 55,402 | 49,603 |
| Singapore | 873 | 912 | 1,322 | 14,129 | 12,548 | 9,855 |
| Other Commonwealth Countries | 36,625 | 37,550 | 39,810 | 40,468 | 41,406 | 43,236 |
| <i>Total, Commonwealth Countries</i> | <i>420,777</i> | <i>450,500</i> | <i>437,324</i> | <i>458,537</i> | <i>390,604</i> | <i>421,933</i> |
| <i>Foreign Countries—</i> | | | | | | |
| Arabian States | 23,449 | 29,289 | 29,467 | 3,174 | 2,614 | 2,852 |
| Belgium-Luxemburg | 7,462 | 6,543 | 6,731 | 35,039 | 28,111 | 23,571 |
| France | 9,297 | 10,333 | 11,724 | 91,974 | 69,841 | 46,661 |
| Germany, Federal Republic of | 31,079 | 41,516 | 42,954 | 46,948 | 33,128 | 28,905 |
| Indonesia | 26,356 | 28,089 | 31,475 | 6,820 | 4,051 | 2,137 |
| Italy | 9,112 | 10,768 | 9,720 | 52,953 | 46,344 | 32,244 |
| Japan | 12,884 | 23,815 | 29,949 | 138,877 | 102,717 | 102,311 |
| Netherlands | 10,555 | 11,073 | 12,978 | 5,547 | 5,622 | 8,468 |
| Sweden | 11,510 | 11,700 | 12,229 | 2,440 | 4,014 | 2,677 |
| United States of America .. | 95,544 | 104,453 | 108,503 | 66,097 | 45,366 | 60,725 |
| Other Foreign Countries .. | 57,333 | 60,659 | 60,806 | 65,952 | 73,554 | 70,216 |
| <i>Total, Foreign Countries</i> | <i>294,581</i> | <i>338,238</i> | <i>356,536</i> | <i>515,821</i> | <i>415,362</i> | <i>380,767</i> |
| <i>Country unknown</i> | <i>1,362</i> | <i>570</i> | <i>562</i> | <i>4,321</i> | <i>5,628</i> | <i>5,484</i> |
| Total | 716,720 | 789,308 | 794,422 | 978,679 | 811,594 | 808,184 |

(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 exports during the years 1956-57 to 1958-59 may be obtained from the following table.

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

(EXCLUDING GOLD.)

(Per Cent. of Total.)

| Country. | Imports. | | | Exports. | | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1956-57. | 1957-58. | 1958-59. | 1956-57. | 1957-58. | 1958-59. |
| <i>Commonwealth Countries—</i> | | | | | | |
| United Kingdom | 41.33 | 41.18 | 38.70 | 28.35 | 27.28 | 31.79 |
| Australian Territories .. | 1.04 | 1.00 | 1.31 | 1.64 | 2.05 | 2.07 |
| Canada | 3.09 | 2.92 | 2.92 | 1.09 | 1.74 | 2.04 |
| Ceylon | 1.38 | 1.11 | 1.32 | 1.08 | 0.73 | 0.73 |
| India | 3.41 | 2.97 | 2.64 | 2.92 | 1.44 | 1.25 |
| Malaya, Federation of .. | 1.52 | 1.36 | 1.45 | 0.93 | 1.41 | 1.63 |
| New Zealand | 1.62 | 1.57 | 1.54 | 5.21 | 6.83 | 6.14 |
| Singapore | 0.12 | 0.11 | 0.17 | 1.44 | 1.55 | 1.22 |
| Other Commonwealth Countries | 5.20 | 4.86 | 5.00 | 4.19 | 5.10 | 5.34 |
| <i>Total, Commonwealth Countries</i> | <i>58.71</i> | <i>57.08</i> | <i>55.05</i> | <i>46.85</i> | <i>48.13</i> | <i>52.21</i> |
| <i>Foreign Countries—</i> | | | | | | |
| Arabian States | 3.27 | 3.71 | 3.71 | 0.32 | 0.32 | 0.35 |
| Belgium-Luxemburg .. | 1.04 | 0.84 | 0.85 | 3.58 | 3.46 | 2.92 |
| France | 1.30 | 1.30 | 1.48 | 9.40 | 8.61 | 5.77 |
| Germany, Federal Republic of | 4.34 | 5.26 | 5.41 | 4.80 | 4.08 | 3.58 |
| Indonesia | 3.68 | 3.56 | 3.96 | 0.70 | 0.50 | 0.26 |
| Italy | 1.27 | 1.36 | 1.22 | 5.41 | 5.71 | 3.99 |
| Japan | 1.80 | 3.02 | 3.77 | 14.19 | 12.66 | 12.66 |
| Netherlands | 1.47 | 1.40 | 1.63 | 0.57 | 0.69 | 1.05 |
| Sweden | 1.60 | 1.48 | 1.54 | 0.25 | 0.49 | 0.33 |
| United States of America .. | 13.33 | 13.23 | 13.66 | 6.75 | 5.59 | 7.51 |
| Other Foreign Countries .. | 8.00 | 7.69 | 7.65 | 6.74 | 9.07 | 8.69 |
| <i>Total, Foreign Countries</i> .. | <i>41.10</i> | <i>42.85</i> | <i>44.88</i> | <i>52.71</i> | <i>51.18</i> | <i>47.11</i> |
| <i>Country unknown</i> | <i>0.19</i> | <i>0.07</i> | <i>0.07</i> | <i>0.44</i> | <i>0.69</i> | <i>0.68</i> |
| Total | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

2. According to Monetary Groups.—The following table shows the trade of Australia according to monetary groups during the years 1957-58 and 1958-59.

The sterling group 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 group 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 E.E.C. group consists of non-sterling members of the European Economic Community, namely Belgium, France, Italy and the Netherlands together with their associated states and dependencies and the Federated Republic of Germany. Prior to 1958-59 this group was included in the O.E.E.C. group.

The O.E.E.C. group in the following table comprises the following non-sterling members of the Organization for European Economic Co-operation, namely Norway, Portugal and their dependencies, Austria, Denmark, Greece, Spain, Sweden, Switzerland and Turkey.

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, Indonesia, Thailand, Brazil and Chile.

OVERSEA TRADE OF AUSTRALIA ACCORDING TO MONETARY GROUPS.

(INCLUDING GOLD.)

(£'000.)

| Monetary Group. | 1957-58. | 1958-59. |
|--|-----------|-----------|
| STERLING. | | |
| Imports— | | |
| From—United Kingdom | 325,007 | 307,437 |
| Other Countries | 127,344 | 134,025 |
| Total | 452,351 | 441,462 |
| Exports— | | |
| To—United Kingdom | 221,421 | 256,935 |
| Other Countries | 164,784 | 155,267 |
| Total | 386,205 | 412,202 |
| Excess of Exports (+) or Imports (—) | —66,146 | —29,260 |
| DOLLAR. | | |
| Imports— | | |
| From—United States of America | 104,453 | 108,503 |
| Canada | 23,046 | 23,173 |
| Other Countries | 3,567 | 4,647 |
| Total | 131,066 | 136,323 |
| Exports— | | |
| To—United States of America | 45,404 | 60,731 |
| Canada | 14,133 | 16,460 |
| Other Countries | 10,782 | 10,475 |
| Total | 70,319 | 87,666 |
| Excess of Exports (+) or Imports (—) | —60,747 | —48,657 |
| OTHER NON-STERLING. | | |
| Imports— | | |
| From—Countries of the E.E.C., including dependencies | } 115,248 | { 85,613 |
| Countries of the O.E.E.C., including dependencies(a) | | |
| Other Countries | | |
| Total | 208,523 | 218,814 |
| Exports— | | |
| To—Countries of the E.E.C., including dependencies | } 201,417 | { 145,082 |
| Countries of the O.E.E.C., including dependencies(a) | | |
| Other Countries | | |
| Total | 361,422 | 311,595 |
| Excess of Exports (+) or Imports (—) | +152,899 | +92,781 |
| ALL MONETARY GROUPS. | | |
| Total Imports | 791,940 | 796,599 |
| Total Exports | 817,946 | 811,463 |
| Excess of Exports (+) or Imports (—) | +26,006 | +14,864 |

(a) Excludes those member countries in E.E.C. group above.

A graph showing the oversea trade of Australia according to monetary groups for the years 1953-54 to 1958-59 will be found on page 488.

§ 9. Trade with the United Kingdom.

1. **Statistical Classes.**—The following table shows, according to statistical classes, the value of imports into Australia of United Kingdom origin and of exports from Australia to the United Kingdom during each of the years 1956-57 to 1958-59.

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

| Class. | Imports. | | | Exports. | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | 1956-57. | 1957-58. | 1958-59. | 1956-57. | 1957-58. | 1958-59. |
| I. Foodstuffs of animal origin, etc. | 1,030 | 1,443 | 1,276 | 64,764 | 55,718 | 88,027 |
| II. Foodstuffs of vegetable origin; non-alcoholic beverages, etc. | 352 | 649 | 794 | 57,881 | 55,023 | 63,578 |
| III. Alcoholic liquors, etc. .. | 1,467 | 1,796 | 1,932 | 688 | 616 | 746 |
| IV. Tobacco, etc. .. | 417 | 453 | 395 | 76 | 104 | 1 |
| V. Live animals and birds .. | 138 | 204 | 175 | 8 | 18 | 18 |
| VI. Animal substances, etc. .. | 367 | 388 | 565 | 120,397 | 82,105 | 75,303 |
| VII. Vegetable substances, etc. .. | 1,103 | 1,660 | 1,663 | 1,125 | 116 | 110 |
| VIII. Apparel, textiles, etc. .. | 41,560 | 46,973 | 36,947 | 199 | 217 | 259 |
| IX. Oils, fats and waxes .. | 1,327 | 1,054 | 1,745 | 1,726 | 2,077 | 1,774 |
| X. Pigments, paints and varnishes | 3,438 | 4,326 | 3,876 | 4 | 3 | 15 |
| XI. Rocks, minerals, etc. .. | 463 | 538 | 687 | 3,859 | 3,932 | 3,192 |
| XII. Metals, metal manufactures and machinery .. | 170,153 | 176,870 | 168,120 | 19,878 | 14,364 | 16,182 |
| XIII. Rubber and leather, etc. .. | 2,773 | 2,945 | 2,715 | 1,961 | 2,309 | 2,520 |
| XIV. Wood and wicker, etc. .. | 299 | 354 | 367 | 531 | 687 | 440 |
| XV. Earthenware, etc. .. | 6,733 | 7,289 | 7,599 | 14 | 6 | 20 |
| XVI. Paper and stationery .. | 20,217 | 21,573 | 21,680 | 318 | 543 | 307 |
| XVII. Jewellery, etc. .. | 1,892 | 2,560 | 2,736 | 70 | 74 | 90 |
| XVIII. Optical, surgical and scientific instruments .. | 5,057 | 5,517 | 5,618 | 173 | 331 | 360 |
| XIX. Chemicals, medicinal products, essential oils, fertilizers .. | 14,414 | 18,515 | 18,954 | 309 | 333 | 484 |
| XX. Miscellaneous .. | (a)23,051 | (a)29,899 | (a)29,591 | 1,656 | 1,624 | 2,200 |
| XXI. Gold and silver; brnze specie .. | .. | 1 | 2 | 1,839 | 1,221 | 1,309 |
| Total .. | 296,251 | 325,007 | 307,437 | 277,476 | 221,421 | 256,935 |

(a) Includes outside packages.

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 1956-57 to 1958-59.

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

| Article. | 1956-57. | 1957-58. | 1958-59. | Article. | 1956-57. | 1957-58. | 1958-59. |
|--|----------|----------|----------|---|----------------|----------------|----------------|
| Arms and ammunition, military, naval and air force stores .. | 3,418 | 4,412 | 4,643 | Optical, surgical and scientific instruments .. | 3,728 | 3,803 | 3,953 |
| Apparel .. | 3,102 | 4,526 | 3,981 | Paper, printing .. | 7,381 | 6,801 | 6,597 |
| Carpets .. | 3,445 | 4,005 | 3,885 | Piece-goods— | | | |
| Chemicals, medicinal products, essential oils and fertilizers .. | 14,398 | 18,466 | 18,954 | Cotton and linen .. | 12,279 | 13,202 | 9,325 |
| Cigarettes .. | 348 | 295 | 284 | Silk and rayon(a) .. | 2,657 | 2,564 | 1,998 |
| Crockery .. | 2,334 | 2,434 | 2,650 | All other piece-goods .. | 4,226 | 4,529 | 4,230 |
| Cutlery .. | 1,643 | 1,595 | 1,240 | Prefabricated houses and buildings .. | 325 | 113 | 23 |
| Electrical cable and wire, covered .. | 721 | 786 | 716 | Rubber and rubber manufactures .. | 2,267 | 2,412 | 2,047 |
| Electrical machinery and appliances .. | 24,223 | 23,683 | 21,161 | Sewing silks, cottons, etc. .. | 2,427 | 2,218 | 2,263 |
| Glass and glassware .. | 2,929 | 3,130 | 3,193 | Stationery and paper manufactures .. | 8,790 | 9,952 | 10,264 |
| Iron and steel— | | | | Tools of trade .. | 2,254 | 2,276 | 2,073 |
| Plate and sheet .. | 13,886 | 10,415 | 8,912 | Vehicles, parts and accessories .. | 39,823 | 44,342 | 44,860 |
| Other .. | 6,625 | 5,374 | 4,910 | Yarns— | | | |
| Linoleums .. | 2,259 | 2,319 | 2,196 | Cotton .. | 2,763 | 3,676 | 2,867 |
| Machines and machinery (except dynamo electrical)— | | | | Rayon .. | 5,989 | 6,900 | 3,634 |
| Agricultural .. | 2,097 | 1,444 | 1,780 | Other .. | 479 | 481 | 339 |
| Metal-working .. | 6,585 | 5,718 | 5,851 | All other articles(b) .. | 61,069 | 74,561 | 75,392 |
| Motive-power .. | 24,772 | 24,043 | 19,981 | | | | |
| Other .. | 27,009 | 34,532 | 33,235 | Total Imports .. | 296,251 | 325,007 | 307,437 |

(a) Includes tyre cord fabric.

(b) Includes outside packages.

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 1956–57 to 1958–59.

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

| Article. | Unit of Quantity. | Quantity. | | | Value. (£'000.) | | |
|---|-------------------|-----------|-----------|-----------|-----------------|----------------|----------------|
| | | 1956–57. | 1957–58. | 1958–59. | 1956–57. | 1957–58. | 1958–59. |
| Barley | ton | 59,950 | 54,517 | 84,173 | 1,269 | 1,090 | 2,123 |
| Butter | .. | 62,553 | 41,509 | 69,119 | 20,085 | 12,271 | 22,105 |
| Cheese | .. | 13,934 | 5,793 | 11,574 | 2,382 | 750 | 3,519 |
| Eggs in shell | '000 doz. | 6,852 | 5,195 | 1,805 | 1,238 | 745 | 271 |
| Flour | ton(a) | 80,735 | 43,156 | 45,548 | 2,230 | 1,280 | 1,316 |
| Fruit, dried | ton | 24,322 | 36,309 | 39,760 | 3,791 | 5,795 | 7,002 |
| " fresh | '000 bus. | 3,307 | 4,904 | 4,364 | 4,871 | 7,975 | 5,973 |
| " preserved in airtight containers | ton | 52,380 | 67,965 | 77,594 | 8,829 | 11,334 | 11,543 |
| Gold | '000 fine oz. | .. | 1 | .. | 1 | 15 | .. |
| Hides and skins | .. | .. | .. | .. | 2,725 | 2,311 | 1,957 |
| Lead bullion | ton | 53,531 | 48,546 | 59,691 | 8,264 | 5,582 | 6,218 |
| " pig | .. | 54,541 | 58,274 | 70,112 | 7,481 | 5,634 | 5,852 |
| Leather | .. | .. | .. | .. | 1,921 | 2,269 | 2,497 |
| Meats preserved by cold process— | | | | | | | |
| Beef and veal | ton | 115,391 | 96,600 | 152,918 | 17,007 | 15,084 | 30,915 |
| Lamb | .. | 19,634 | 24,664 | 33,941 | 3,754 | 5,144 | 6,686 |
| Mutton | .. | 6,830 | 11,024 | 13,099 | 867 | 1,166 | 1,776 |
| Pork | .. | 167 | 274 | 239 | 64 | 74 | 59 |
| Meats, tinned | .. | 38,990 | 45,785 | 41,107 | 10,104 | 11,421 | 10,769 |
| Milk and cream | '000 lb. | 19,890 | 9,769 | 50,256 | 932 | 460 | 1,894 |
| Silver bullion | '000 fine oz. | 4,444 | 3,037 | 3,300 | 1,830 | 1,201 | 1,300 |
| Sugar (cane) | ton | 367,488 | 358,487 | 346,268 | 16,616 | 17,850 | 15,364 |
| Tallow, inedible | .. | 9,153 | 4,485 | 6,793 | 707 | 353 | 524 |
| Timber, undressed(b) | '000 super ft. | 2,790 | 3,087 | 1,465 | 183 | 188 | 101 |
| Wheat | ton | 715,165 | 262,284 | 568,551 | 16,767 | 6,980 | 14,708 |
| Wine, fermented | '000 gal. | 1,308 | 1,106 | 1,333 | 675 | 602 | 723 |
| Wool | '000 lb. | 331,876 | 271,653 | 331,125 | 117,372 | 79,583 | 73,082 |
| Zinc bars, etc. | ton | 10,103 | 3,801 | 7,651 | 1,190 | 307 | 684 |
| All other articles | .. | .. | .. | .. | 21,806 | 21,909 | 24,467 |
| Total Exports (Australian Produce) .. | .. | .. | .. | .. | 274,961 | 219,373 | 253,428 |

(a) 2,000 lb.

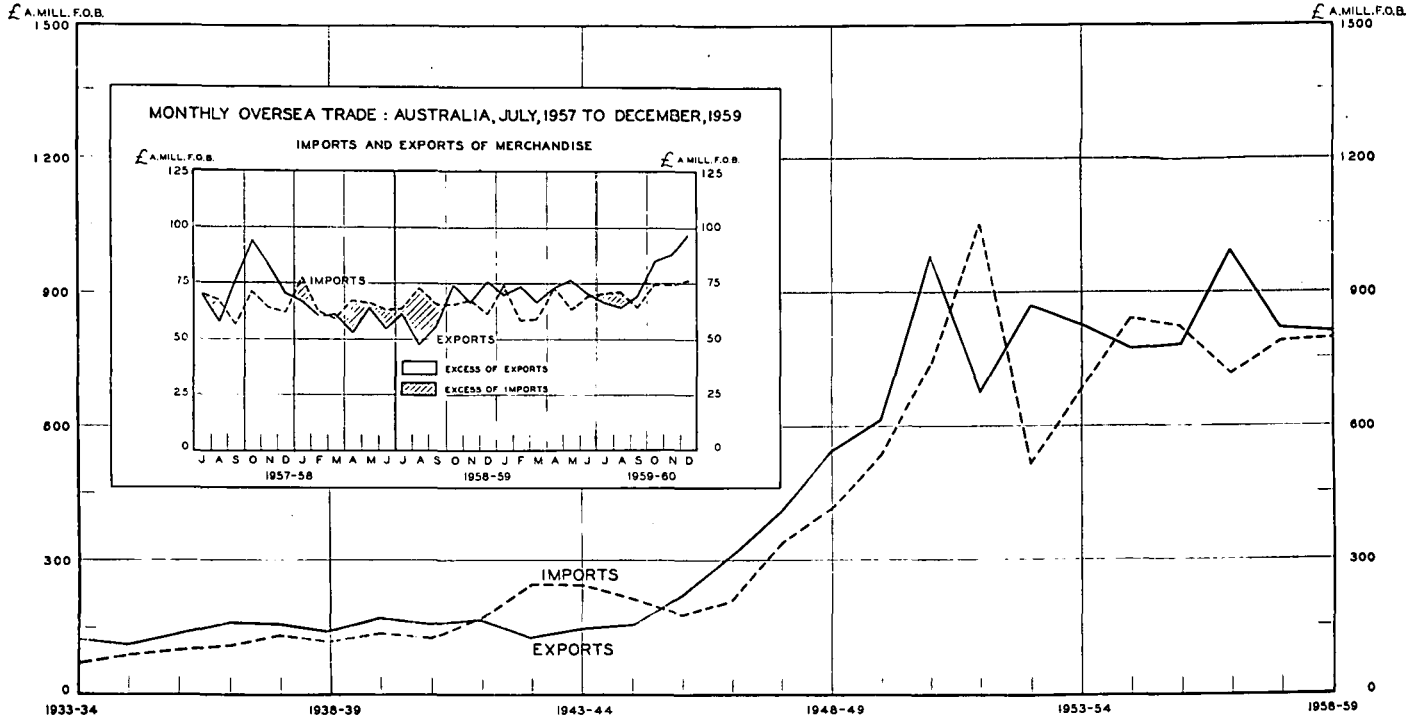
(b) Excludes railway sleepers.

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. Imports into Australia include many commodities, such as tea, rice, raw coffee, unmanufactured tobacco, petroleum products, copra, timber, etc., which the United Kingdom cannot supply. These items, in addition to others not available from that country, have therefore been omitted from the following table.

The imports into Australia have been classified under nine headings, and the trade of the United Kingdom therein is compared with that of France, Federal Republic of 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 1956–57 to 1958–59 are shown in the following table.

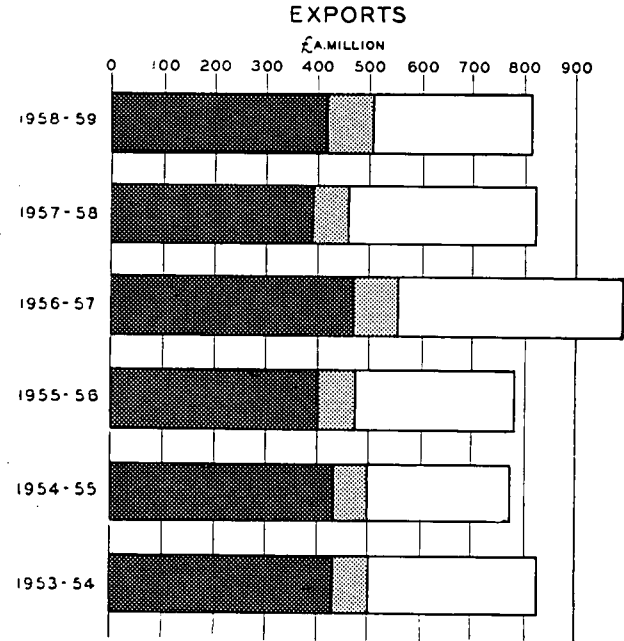
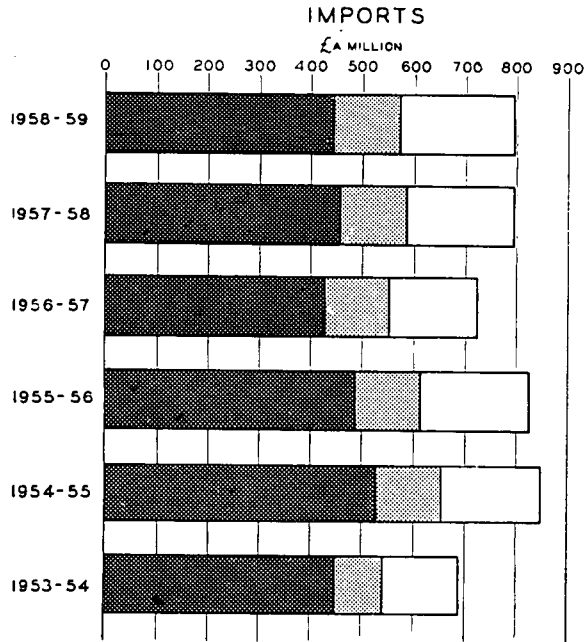
OVERSEA TRADE : AUSTRALIA, 1933-34 TO 1958-59



OVERSEA TRADE ACCORDING TO MONETARY AREAS

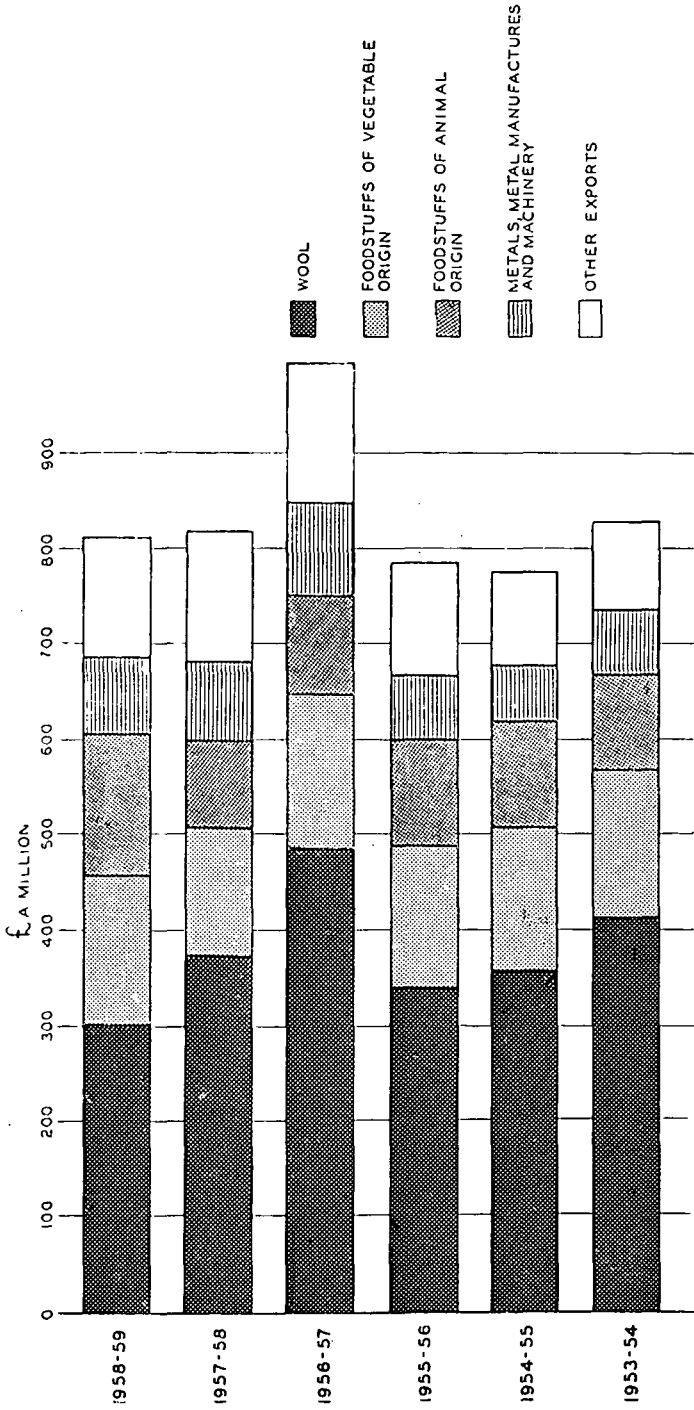
AUSTRALIA, 1953-54 TO 1958-59

■ STERLING AREA ▨ DOLLAR AREA □ OTHER NON-STERLING AREAS



EXPORTS OF PRINCIPAL COMMODITIES

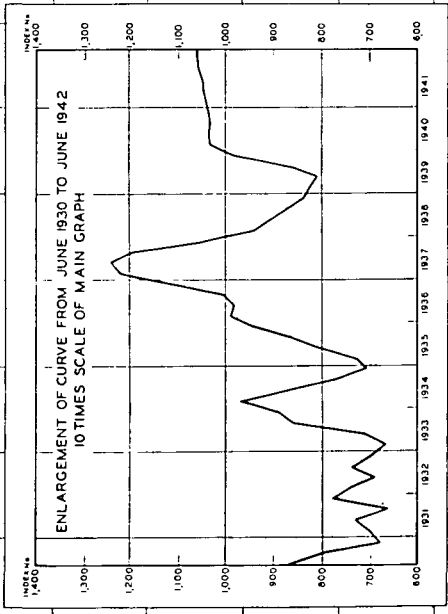
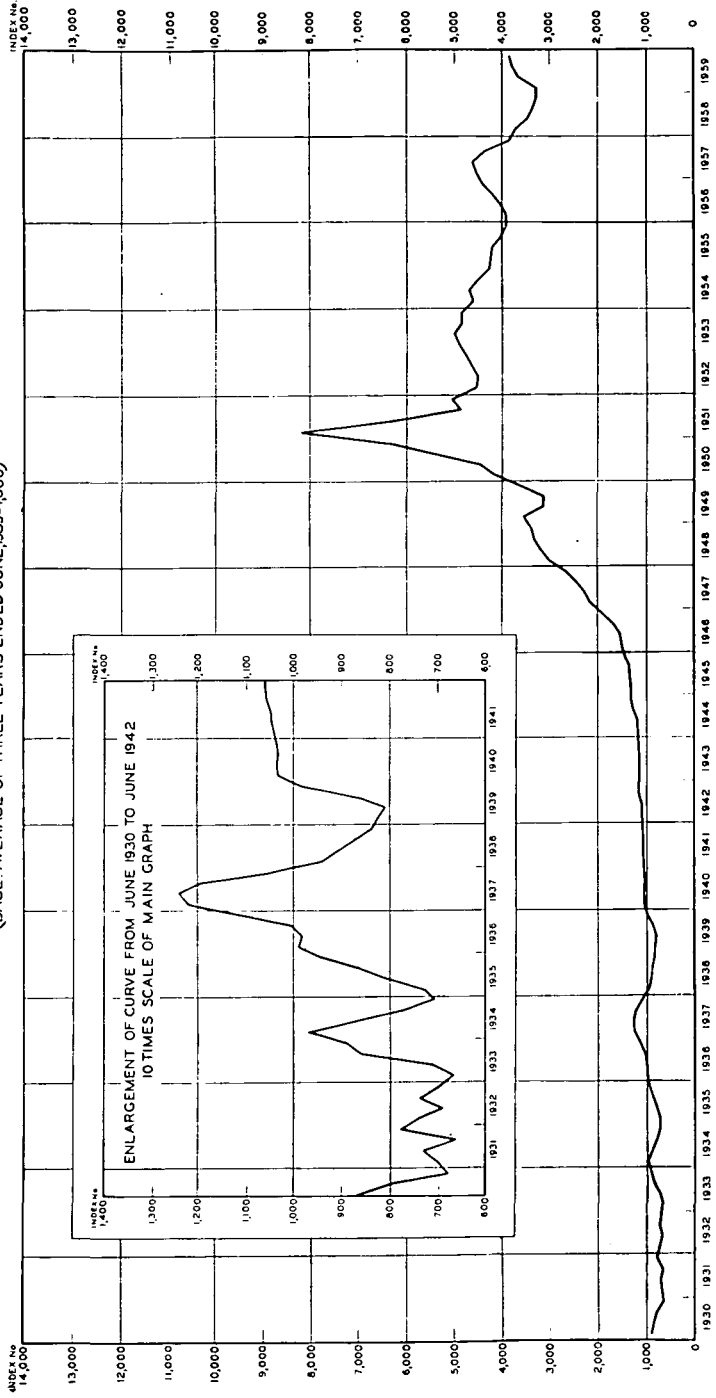
AUSTRALIA, 1953-54 TO 1958-59



EXPORT PRICE INDEX NUMBERS : AUSTRALIA, 1930 to 1959

SIMPLE AGGREGATIVE INDEX : FIXED WEIGHTS

(BASE: AVERAGE OF THREE YEARS ENDED JUNE 1939 = 1000)



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

| Nature of Imports. | Year. | United Kingdom. | France. | Federal Republic of Germany. | Japan. | United States of America. | All Countries. |
|--|-----------|-----------------|---------|------------------------------|--------|---------------------------|----------------|
| Foodstuffs of animal origin | { 1956-57 | 1,031 | 6 | 171 | 999 | 139 | 5,689 |
| | { 1957-58 | 1,442 | 5 | 180 | 1,368 | 934 | 8,395 |
| | { 1958-59 | 1,276 | .. | 189 | 1,552 | 594 | 7,834 |
| Yarns and manufactured fibres, textiles and apparel | { 1956-57 | 41,560 | 2,636 | 3,574 | 7,227 | 505 | 91,354 |
| | { 1957-58 | 46,973 | 3,191 | 4,909 | 15,722 | 771 | 108,499 |
| | { 1958-59 | 36,947 | 2,294 | 3,980 | 18,423 | 799 | 96,973 |
| Metals, metal manufactures and machinery | { 1956-57 | 170,153 | 3,368 | 14,172 | 1,309 | 49,245 | 265,247 |
| | { 1957-58 | 176,870 | 3,524 | 20,832 | 1,284 | 51,208 | 282,404 |
| | { 1958-59 | 168,120 | 5,579 | 23,204 | 2,387 | 58,815 | 292,936 |
| Rubber and leather and manufactures thereof, and substitutes therefor | { 1956-57 | 2,773 | 198 | 114 | 21 | 3,280 | 17,384 |
| | { 1957-58 | 2,945 | 226 | 144 | 28 | 4,119 | 17,406 |
| | { 1958-59 | 2,714 | 305 | 134 | .. | 3,892 | 17,677 |
| Earthenware, cement, china, glass and stoneware | { 1956-57 | 6,732 | 391 | 657 | 946 | 784 | 12,188 |
| | { 1957-58 | 7,289 | 372 | 642 | 1,331 | 811 | 13,347 |
| | { 1958-59 | 7,599 | 576 | 695 | 1,686 | 1,064 | 14,360 |
| Pulp, paper and board; paper manufactures and stationery | { 1956-57 | 20,217 | 46 | 784 | 164 | 1,962 | 41,793 |
| | { 1957-58 | 21,574 | 77 | 818 | 268 | 2,101 | 45,089 |
| | { 1958-59 | 21,680 | 143 | 925 | 449 | 2,815 | 48,219 |
| Sporting material, toys, fancy goods, jewellery and time-pieces | { 1956-57 | 1,892 | 98 | 1,385 | 580 | 39 | 6,783 |
| | { 1957-58 | 2,560 | 138 | 1,555 | 988 | 28 | 8,459 |
| | { 1958-59 | 2,736 | 126 | 1,293 | 1,477 | 17 | 8,726 |
| Optical, surgical and scientific instruments, etc.; photographic goods, n.e.i. | { 1956-57 | 5,057 | 79 | 1,338 | 241 | 2,128 | 9,943 |
| | { 1957-58 | 5,517 | 97 | 2,133 | 601 | 2,228 | 12,134 |
| | { 1958-59 | 5,618 | 97 | 1,898 | 728 | 2,563 | 12,305 |
| Chemicals, medicinal and pharmaceutical products, essential oils and fertilizers | { 1956-57 | 14,414 | 1,254 | 4,391 | 182 | 2,032 | 30,445 |
| | { 1957-58 | 18,515 | 1,244 | 4,506 | 728 | 3,516 | 37,549 |
| | { 1958-59 | 18,954 | 1,127 | 5,103 | 826 | 4,596 | 39,855 |
| Total, competitive imports | { 1956-57 | 263,829 | 8,076 | 26,586 | 11,669 | 60,114 | 480,826 |
| | { 1957-58 | 283,685 | 8,874 | 35,719 | 22,318 | 65,716 | 533,282 |
| | { 1958-59 | 265,644 | 10,247 | 37,421 | 27,528 | 75,155 | 538,885 |
| Total imports (less bullion and specie) (a) | { 1956-57 | 296,251 | 9,297 | 31,079 | 12,884 | 95,544 | 716,682 |
| | { 1957-58 | 325,006 | 10,332 | 41,516 | 23,815 | 104,453 | 789,261 |
| | { 1958-59 | 307,435 | 11,724 | 42,954 | 29,949 | 108,503 | 794,388 |

(a) Includes outside packages.

The principal classes of competitive imports are metals, metal manufactures and machinery (value £292,936,000 in 1958-59) and manufactured fibres, textiles and apparel (value £96,973,000 in 1958-59). The value of goods included in these two groups represented 72.4 per cent. of the total value of competitive commodities during 1958-59. In 1958-59, the United Kingdom supplied 49.3 per cent. of the total value of competitive goods.

§ 10. Trade with Eastern Countries.

1. **Merchandise Trade According to Countries.**—The values of imports from and exports to Eastern countries during the years 1956-57 to 1958-59 are shown in the following table. The principal commodities imported in 1958-59 according to countries of origin were:—Borneo (British)—crude petroleum, £8,519,000, timber, hardwood, £2,094,000; Ceylon—tea, £9,150,000; India—bags and sacks, £6,836,000, cotton and linen piece-goods, £4,147,000,

hessian, £2,719,000, tea, £1,117,000 and petroleum, £1,141,000; Malaya—crude rubber £6,896,000, latex, £1,364,000, timber, £1,524,000 and tin, £1,055,000; Japan—metals and metal manufactures, £1,455,000, cotton and linen piece-goods, £13,756,000, other textiles, £3,175,000, tinned fish, £1,449,000; Indonesia—petroleum spirit, £5,231,000, kerosene, £2,439,000, crude petroleum, £15,568,000, residual and solar oil, £532,000 and tea, £4,223,000.

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

| Country. | Imports.(a) | | | Exports. | | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 1956-57. | 1957-58. | 1958-59. | 1956-57. | 1957-58. | 1958-59. |
| <i>Commonwealth Countries—</i> | | | | | | |
| Borneo | 15,224 | 13,222 | 13,000 | 1,027 | 1,009 | 996 |
| Ceylon | 9,863 | 8,772 | 10,457 | 9,819 | 5,939 | 5,832 |
| Hong Kong | 2,806 | 3,345 | 3,959 | 9,412 | 6,344 | 8,675 |
| India | 24,509 | 23,416 | 21,005 | 28,580 | 11,689 | 10,080 |
| Malaya, Federation of | 10,875 | 10,708 | 11,482 | 9,088 | 11,420 | 13,167 |
| Pakistan | 1,200 | 799 | 2,094 | 6,744 | 5,170 | 1,532 |
| Singapore | 873 | 912 | 1,322 | 14,129 | 12,548 | 9,855 |
| <i>Foreign Countries—</i> | | | | | | |
| Burma | 14 | 16 | 51 | 2,467 | 1,525 | 1,448 |
| Cambodia | 1 | 1 | 5 | 40 | 38 | 29 |
| China (Mainland) | 2,115 | 3,114 | 3,574 | 6,438 | 9,768 | 13,567 |
| Formosa | 45 | 63 | 49 | 575 | 503 | 1,070 |
| Indonesia | 26,356 | 28,089 | 31,475 | 6,820 | 4,051 | 2,137 |
| Japan | 12,884 | 23,815 | 29,949 | 138,877 | 102,717 | 102,311 |
| Korea, North | .. | 3 | .. | .. | .. | 30 |
| Korea, Republic of | 6 | 1 | 3 | 1,125 | 1,557 | 2,963 |
| Laos | .. | .. | .. | 204 | 15 | 5 |
| Nepal | .. | .. | 3 | .. | .. | .. |
| Philippines | 186 | 176 | 153 | 3,812 | 4,873 | 4,157 |
| <i>Portuguese Dependencies—</i> | | | | | | |
| India (Portuguese) | .. | .. | .. | 139 | 139 | 170 |
| Macao | .. | 35 | 1 | 1 | 3 | 1 |
| Timor | 24 | 17 | 18 | 33 | 220 | 49 |
| Thailand | 242 | 198 | 207 | 1,631 | 1,627 | 1,783 |
| Viet-Nam, North | 1 | 4 | 1 | 14 | 128 | 37 |
| Viet-Nam, South | .. | .. | .. | .. | 102 | 454 |
| Total | 107,224 | 116,706 | 128,808 | 240,975 | 181,385 | 180,348 |

(a) Includes outside packages.

The balance of trade with Eastern countries shows an excess of exports from Australia during each of the years 1956-57 to 1958-59.

2. **Exports of Principal Articles.**—The following table shows the value of exports (including re-exports) from Australia to Eastern countries for each of the years 1956-57 to 1958-59. The countries concerned in this trade are listed in the previous table.

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

| Article. | 1956-57. | 1957-58. | 1958-59. | Article. | 1956-57. | 1957-58. | 1958-59. |
|--|----------|----------|----------|--|----------------|----------------|----------------|
| Animal (except marine) oils and fats | 2,424 | 2,470 | 2,558 | Meats | 5,380 | 4,309 | 2,998 |
| Army stores | 1,037 | 1,021 | 2,265 | Metals and metal manufactures except zinc bars, etc. | 22,596 | 14,391 | 15,468 |
| Butter | 2,299 | 1,688 | 1,634 | Milk and cream | 6,910 | 6,024 | 5,992 |
| Cheese | 860 | 397 | 397 | Sugar (raw) | 3,913 | 7,209 | 6,264 |
| Fruit, fresh or preserved | 1,481 | 1,293 | 1,399 | Wool | 115,657 | 88,749 | 83,025 |
| <i>Grain and cereals—</i> | | | | Zinc bars, blocks, etc. | 2,354 | 2,153 | 2,710 |
| Flour (wheat), plain white | 14,498 | 7,147 | 8,347 | Other merchandise | 21,714 | 21,934 | 24,344 |
| Wheat | 23,978 | 10,577 | 9,482 | Total Merchandise | 240,975 | 181,385 | 180,348 |
| Other (prepared and unprepared) | 9,489 | 5,782 | 8,336 | Gold and silver; bronze specie | 14,783 | 6,231 | 3,291 |
| Infants' and invalids' foods | 2,155 | 2,115 | 1,918 | Total Exports | 255,758 | 187,616 | 183,639 |
| Leather | 814 | 798 | 841 | | | | |
| Machines and machinery | 3,416 | 3,328 | 2,370 | | | | |

§ 11. Oversea Trade at Principal Ports.

The following table shows the value of oversea imports and exports at the principal ports of Australia during the year 1958-59, and the totals for each State and Territory.

OVERSEA TRADE AT PRINCIPAL PORTS, 1958-59.
(£'000.)

| Port. | Imports. | Exports. | Port. | Imports. | Exports. |
|--|----------|----------|--|----------|----------|
| NEW SOUTH WALES. | | | SOUTH AUSTRALIA. | | |
| Sydney, including Botany Bay | 339,616 | 181,729 | Port Adelaide, including Adelaide | 44,185 | 58,953 |
| Newcastle, including Port Stephens | 7,350 | 28,617 | Port Pirie | 350 | 17,713 |
| Port Kembla | 5,746 | 10,921 | Port Lincoln | 540 | 4,395 |
| Other | .. | 105 | Walleroo | 269 | 6,231 |
| Total | 352,712 | 221,372 | Other | 2 | 3,624 |
| VICTORIA. | | | WESTERN AUSTRALIA. | | |
| Melbourne | 261,578 | 200,181 | Fremantle, including Perth and Kwinana | 43,801 | 67,553 |
| Geelong | 28,805 | 16,852 | Geraldton | 279 | 6,022 |
| Portland | 914 | 2,518 | Bunbury | 325 | 5,122 |
| Total | 291,297 | 219,551 | Albany | 496 | 6,097 |
| QUEENSLAND. | | | TASMANIA. | | |
| Brisbane | 43,541 | 100,282 | Hobart | 8,047 | 13,640 |
| Townsville | 1,857 | 26,858 | Launceston | 2,603 | 4,863 |
| Mackay | 267 | 13,201 | Burnie | 2,089 | 2,767 |
| Cairns | 1,360 | 10,861 | Devonport | 655 | 704 |
| Bowen | 1 | 4,278 | Total | 13,394 | 21,974 |
| Rockhampton | 309 | 6,700 | NORTHERN TERRITORY. | | |
| Gladstone | 375 | 5,245 | Darwin | 1,059 | 360 |
| Maryborough | 20 | 2,501 | AUSTRALIAN CAPITAL TERRITORY. | | |
| Other | 7 | 72 | Canberra | 68 | .. |
| Total | 47,737 | 169,998 | Grand Total | 796,599 | 811,463 |

§ 12. 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 1956-57 to 1958-59.

TOTAL OVERSEA TRADE, AUSTRALIA: CLASSES.
(£'000.)

| Class. | Imports. | | | Exports. | | |
|---|-----------|-----------|-----------|----------|----------|----------|
| | 1956-57. | 1957-58. | 1958-59. | 1956-57. | 1957-58. | 1958-59. |
| I. Foodstuffs of animal origin, etc. | 5,689 | 8,395 | 7,834 | 101,944 | 92,007 | 146,568 |
| II. Foodstuffs of vegetable origin; non-alcoholic beverages, etc. | 25,815 | 26,560 | 27,841 | 163,160 | 133,102 | 155,693 |
| III. Alcoholic liquors, etc. | 1,684 | 2,125 | 2,292 | 1,954 | 1,891 | 2,083 |
| IV. Tobacco, etc. | 14,235 | 15,453 | 14,510 | 482 | 707 | 461 |
| V. Live animals and birds | 755 | 721 | 551 | 1,636 | 1,843 | 1,242 |
| VI. Animal substances, etc. | 3,841 | 4,212 | 3,866 | 510,346 | 400,605 | 327,152 |
| VII. Vegetable substances, etc. | 19,238 | 19,424 | 19,809 | 2,863 | 1,076 | 993 |
| VIII. Apparel, textiles, etc. | 91,354 | 108,499 | 96,973 | 2,731 | 2,718 | 2,449 |
| IX. Oils, fats and waxes | 95,546 | 101,722 | 104,479 | 17,331 | 22,846 | 22,586 |
| X. Pigments, paints and varnishes | 6,500 | 7,595 | 6,766 | 1,087 | 897 | 912 |
| XI. Rocks, minerals, etc. | 5,638 | 7,320 | 7,165 | 31,279 | 28,099 | 21,252 |
| XII. Metals, metal manufactures and machinery | 265,247 | 282,404 | 292,937 | 97,426 | 81,606 | 81,606 |
| XIII. Rubber and leather, etc. | 17,384 | 17,406 | 17,677 | 3,925 | 4,385 | 4,596 |
| XIV. Wood and wicker, etc. | 17,137 | 16,737 | 15,482 | 3,737 | 4,535 | 4,350 |
| XV. Earthenware, etc. | 12,188 | 13,347 | 14,360 | 1,109 | 1,105 | 959 |
| XVI. Paper and stationery | 41,793 | 45,089 | 48,219 | 2,842 | 2,985 | 2,678 |
| XVII. Jewellery, etc. | 6,783 | 8,459 | 8,726 | 674 | 747 | 905 |
| XVIII. Optical, surgical and scientific instruments | 9,943 | 12,134 | 12,305 | 1,112 | 1,630 | 1,772 |
| XIX. Chemicals, medicinal products, essential oils, fertilizers | 30,445 | 37,549 | 39,855 | 5,590 | 6,517 | 7,468 |
| XX. Miscellaneous | (a)45,467 | (a)54,110 | (a)52,741 | 21,770 | 21,001 | 20,980 |
| XXI. Gold and silver; bronze specie | 2,309 | 2,679 | 2,211 | 19,908 | 7,644 | 4,758 |
| Total | 718,991 | 791,940 | 796,599 | 992,906 | 817,946 | 811,463 |

(a) Includes outside packages.

(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 1956–57 to 1958–59.

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

| Class. | Australian Produce. | | | Re-exports. | | |
|---|---------------------|----------------|----------------|---------------|---------------|---------------|
| | 1956–57. | 1957–58. | 1958–59. | 1956–57. | 1957–58. | 1958–59. |
| I. Foodstuffs of animal origin, etc. | 101,895 | 91,976 | 146,526 | 49 | 31 | 42 |
| II. Foodstuffs of vegetable origin; non-alcoholic beverages, etc. | 162,821 | 132,677 | 155,211 | 339 | 425 | 482 |
| III. Alcoholic liquors, etc. . . | 1,943 | 1,884 | 2,071 | 11 | 7 | 12 |
| IV. Tobacco, etc. | 369 | 509 | 355 | 113 | 198 | 106 |
| V. Live animals | 1,521 | 1,694 | 1,180 | 115 | 149 | 62 |
| VI. Animal substances, etc. . . | 510,203 | 400,534 | 327,001 | 143 | 71 | 151 |
| VII. Vegetable substances, etc. . | 2,831 | 1,055 | 975 | 32 | 21 | 18 |
| VIII. Apparel, textiles, etc. . . | 2,522 | 2,480 | 2,234 | 209 | 238 | 215 |
| IX. Oils, fats and waxes | 16,726 | 22,157 | 21,070 | 605 | 689 | 1,516 |
| X. Pigments, paints and varnishes | 1,020 | 868 | 876 | 67 | 29 | 36 |
| XI. Rocks, minerals, etc. . . . | 31,097 | 28,022 | 21,032 | 182 | 77 | 220 |
| XII. Metals, metal manufactures and machinery | 93,049 | 76,774 | 76,266 | 4,377 | 4,832 | 5,340 |
| XIII. Rubber and leather, etc. . . | 3,855 | 4,345 | 4,557 | 70 | 40 | 39 |
| XIV. Wood and wicker, etc. . . . | 3,638 | 4,453 | 4,268 | 99 | 82 | 82 |
| XV. Earthenware, etc. | 1,078 | 1,083 | 918 | 31 | 22 | 41 |
| XVI. Paper and stationery | 2,674 | 2,828 | 2,511 | 168 | 157 | 167 |
| XVII. Jewellery, etc. | 587 | 651 | 777 | 87 | 96 | 128 |
| XVIII. Optical, surgical and scientific instruments | 873 | 1,450 | 1,450 | 239 | 180 | 322 |
| XIX. Chemicals, medicinal products, essential oils, fertilizers | 5,371 | 6,251 | 7,126 | 219 | 266 | 342 |
| XX. Miscellaneous | 15,275 | 13,835 | 13,683 | 6,495 | 7,166 | 7,297 |
| XXI. Gold and silver; bronze specie | 19,896 | 7,627 | 4,744 | 12 | 17 | 14 |
| Total | 979,244 | 803,153 | 794,831 | 13,662 | 14,793 | 16,632 |

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 1956–57 to 1958–59.

PRINCIPAL ARTICLES IMPORTED: AUSTRALIA.

| Article. | Unit of Quantity. | Quantity. | | | Value. (£'000.) | | |
|---|-------------------|-----------|-----------|-----------|-----------------|----------|----------|
| | | 1956–57. | 1957–58. | 1958–59. | 1956–57. | 1957–58. | 1958–59. |
| Apparel— | | | | | | | |
| Blouses, skirts, costumes, etc. . . | doz. prs. | 332,871 | 484,196 | 431,704 | 377 | 733 | 906 |
| Gloves | .. | .. | .. | .. | 892 | 1,327 | 1,092 |
| Headwear | .. | .. | .. | .. | 741 | 846 | 716 |
| Men's and boys' outer clothing . . | .. | .. | .. | .. | 270 | 467 | 411 |
| Socks and stockings | .. | .. | .. | .. | 231 | 377 | 338 |
| Trimmings and ornaments | .. | .. | .. | .. | 3,511 | 4,371 | 3,731 |
| Other apparel and attire | .. | .. | .. | .. | 1,610 | 2,187 | 1,985 |
| Arms, explosives, military stores, etc. | | | | | | | |
| Bags and sacks | .. | .. | .. | .. | 4,606 | 5,446 | 5,645 |
| Carpets and carpeting | .. | .. | .. | .. | 10,088 | 8,191 | 8,204 |
| Chemicals, drugs, fertilizers . . . | .. | .. | .. | .. | 4,484 | 5,076 | 4,732 |
| Crockery, etc. | .. | .. | .. | .. | 30,445 | 37,549 | 39,855 |
| Electrical machinery and appliances | .. | .. | .. | .. | 3,276 | 3,546 | 3,873 |
| Fibres | .. | .. | .. | .. | 34,785 | 36,410 | 35,797 |
| Glass and glassware | .. | .. | .. | .. | 12,333 | 12,582 | 13,078 |
| Iron and steel— | | | | | | | |
| Pipes, tubes and fittings | cwt. | 276,090 | 362,722 | 310,473 | 5,772 | 6,198 | 6,470 |
| Plate and sheet | .. | .. | .. | .. | 1,480 | 2,108 | 1,777 |
| Other | .. | 3,231,512 | 2,109,090 | 1,825,442 | 18,080 | 12,366 | 11,204 |
| Machines and machinery (except dynamo electrical)— | | | | | | | |
| Agricultural | .. | .. | .. | .. | 10,984 | 8,004 | 8,677 |
| Metal-working | .. | .. | .. | .. | 3,375 | 2,766 | 3,326 |
| Motive power | .. | .. | .. | .. | 11,230 | 11,119 | 11,735 |
| Other | .. | .. | .. | .. | 38,494 | 39,715 | 34,757 |
| | .. | .. | .. | .. | 46,683 | 59,742 | 64,913 |

PRINCIPAL ARTICLES IMPORTED: AUSTRALIA—continued.

| Article. | Unit of Quantity. | Quantity. | | | Value. (£'000.) | | |
|---|-------------------|-----------|----------|----------|-----------------|----------------|----------------|
| | | 1956-57. | 1957-58. | 1958-59. | 1956-57. | 1957-58. | 1958-59. |
| Motor vehicles, chassis, bodies and parts | .. | .. | .. | .. | 52,648 | 59,227 | 66,579 |
| Oils— | | | | | | | |
| Linseed | '000 gal. | 2,292 | 2,797 | 2,537 | 1,586 | 1,617 | 1,482 |
| Petroleum and shale— | | | | | | | |
| Crude (a) | mill. gal. | 2,119 | 2,421 | 2,531 | 58,496 | 68,521 | 69,911 |
| Kerosene | '000 gal. | 123,961 | 104,508 | 97,676 | 6,795 | 5,625 | 5,352 |
| Lubricating (mineral) | .. | 42,292 | 39,447 | 46,698 | 6,166 | 5,643 | 6,244 |
| Petroleum and shale spirit | .. | 193,274 | 179,030 | 234,360 | 12,577 | 11,004 | 13,743 |
| Residual and solar | .. | 37,417 | 28,442 | 16,365 | 1,716 | 1,472 | 846 |
| Paper, printing | .. | .. | .. | .. | 16,235 | 16,762 | 17,139 |
| Piece-goods— | | | | | | | |
| Canvas and duck | '000 sq. yds. | 7,962 | 7,021 | 7,153 | 1,108 | 951 | 915 |
| Cotton and linen | .. | .. | .. | .. | 32,125 | 41,992 | 39,070 |
| Silk and man-made fibre-yarn | .. | .. | .. | .. | 7,729 | 8,657 | 7,617 |
| Woolen and containing wool | .. | .. | .. | .. | 1,036 | 1,482 | 1,305 |
| All other piece-goods | .. | .. | .. | .. | 5,929 | 7,806 | 7,890 |
| Plastics materials | .. | .. | .. | .. | 5,901 | 9,510 | 8,603 |
| Prefabricated houses and buildings | .. | .. | .. | .. | 479 | 124 | 41 |
| Rubber and rubber manufactures | .. | .. | .. | .. | 16,711 | 16,636 | 16,783 |
| Stationery and paper manufactures | .. | .. | .. | .. | 11,213 | 12,922 | 13,929 |
| Tea | '000 lb. | 61,504 | 55,762 | 62,423 | 14,723 | 12,132 | 15,085 |
| Timber, undressed, including logs(b) | '000 sup. ft. | 311,210 | 304,814 | 307,311 | 13,434 | 12,748 | 11,964 |
| Yarns— | | | | | | | |
| Cotton | '000 lb. | 5,998 | 8,038 | 6,843 | 2,802 | 3,703 | 2,935 |
| Man-made fibres | .. | 16,191 | 18,394 | 12,521 | 8,770 | 10,260 | 5,539 |
| Woolen | .. | 123 | 147 | 124 | 171 | 203 | 135 |
| Other | .. | 1,961 | 1,322 | 1,867 | 497 | 563 | 483 |
| All other articles | .. | .. | .. | .. | 196,397 | 221,254 | 219,787 |
| Total Imports | .. | .. | .. | .. | 718,991 | 791,940 | 796,599 |

(a) Includes once-run distillate.
super. feet.

(b) Excludes dunnage and undressed timber not measured in

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 1956-57 to 1958-59.

EXPORTS OF PRINCIPAL ARTICLES OF AUSTRALIAN PRODUCE.

| Article. | Unit of Quantity. | Quantity. | | | Value. (£'000.) | | |
|--|-------------------|-----------|-----------|-----------|-----------------|----------------|----------------|
| | | 1956-57. | 1957-58. | 1958-59. | 1956-57. | 1957-58. | 1958-59. |
| Arms, ammunition, military, naval and air force stores | .. | .. | .. | .. | 1,568 | 1,357 | 1,947 |
| Barley | ton | 591,548 | 430,017 | 667,945 | 12,745 | 9,474 | 16,898 |
| Butter | .. | 76,265 | 50,794 | 77,316 | 25,824 | 15,639 | 24,956 |
| Cheese | .. | 17,025 | 9,230 | 14,411 | 3,860 | 1,854 | 4,467 |
| Chemicals, drugs, fertilizers | .. | .. | .. | .. | 5,371 | 6,251 | 7,125 |
| Flour, Wheat, plain white | ton(a) | 749,712 | 459,677 | 447,198 | 21,669 | 14,349 | 13,331 |
| Fruit— | | | | | | | |
| Dried | .. | 46,301 | 60,299 | 77,309 | 6,586 | 9,142 | 12,743 |
| Fresh, including frozen | '000 bus. | 5,678 | 7,992 | 6,559 | 8,585 | 13,060 | 9,413 |
| Preserved in airtight containers | ton | 59,818 | 73,732 | 87,511 | 10,078 | 12,357 | 12,950 |
| Gold | .. | .. | .. | .. | 14,227 | 6,353 | 3,279 |
| Hides and skins | .. | .. | .. | .. | 24,229 | 25,353 | 23,525 |
| Lead, pig | ton | 167,380 | 164,061 | 143,828 | 22,915 | 15,820 | 12,561 |
| Machines and machinery (except dynamo electrical) | .. | .. | .. | .. | 7,934 | 9,635 | 6,915 |
| Meats preserved by cold process— | | | | | | | |
| Beef and veal | ton | 149,400 | 125,895 | 227,822 | 23,271 | 21,571 | 55,485 |
| Lamb | .. | 23,778 | 28,729 | 40,711 | 4,773 | 6,132 | 8,151 |
| Mutton | .. | 10,273 | 18,870 | 33,326 | 1,322 | 2,253 | 5,851 |
| Pork | .. | 642 | 960 | 835 | 271 | 318 | 274 |
| Meats, tinned | .. | 50,103 | 58,854 | 56,719 | 13,174 | 15,100 | 15,434 |
| Milk and cream | '000 lb. | 132,880 | 103,371 | 130,406 | 9,645 | 8,076 | 9,131 |
| Ores and concentrates | ton | 637,380 | 670,230 | 630,679 | 26,337 | 21,737 | 16,948 |
| Sugar (cane) | .. | 675,282 | 707,804 | 802,971 | 28,780 | 34,996 | 32,163 |
| Wheat | .. | 2,440,355 | 1,060,055 | 1,463,337 | 60,058 | 28,493 | 38,381 |
| Wool (b) | '000 lb. | 1,407,529 | 1,197,446 | 1,314,229 | 483,704 | 373,397 | 302,212 |
| All other articles | .. | .. | .. | .. | 162,318 | 150,436 | 160,691 |
| Total Exports (Australian Produce) | .. | .. | .. | .. | 979,244 | 803,153 | 794,831 |

(a) 2,000 lb.

(b) Quantity in terms of greasy wool.

A graph showing exports in principal commodity groups in each of the years 1953-54 to 1958-59 will be found on page 489.

4. **Imports of Merchandise and Bullion and Specie.**—The table hereunder shows the value of imports into Australia during each of the years 1954-55 to 1958-59, grouped under the headings—Merchandise, and Bullion and Specie. The imports of merchandise are shown under the sub-headings of “ free ” and “ dutiable ” goods.

IMPORTS OF MERCHANDISE AND BULLION AND SPECIE: AUSTRALIA.
(£'000.)

| Year. | Merchandise. | | | Bullion and Specie. | Total Imports. |
|--------------|--------------|-----------------|---------|---------------------|----------------|
| | Free Goods. | Dutiable Goods. | Total. | | |
| 1954-55.. .. | 399,063 | 441,909 | 840,972 | 2,770 | 843,742 |
| 1955-56.. .. | 421,208 | 397,085 | 818,293 | 2,795 | 821,088 |
| 1956-57.. .. | 403,496 | 313,186 | 716,682 | 2,309 | 718,991 |
| 1957-58.. .. | 426,206 | 363,055 | 789,261 | 2,679 | 791,940 |
| 1958-59.. .. | 464,274 | 330,114 | 794,388 | 2,211 | 796,599 |

5. **Exports of Merchandise and Bullion and Specie.**—The next table shows the value of exports from Australia during each of the years 1954-55 to 1958-59, grouped under the headings—Merchandise, and Bullion and Specie. The exports of Australian produce and re-exports are shown separately.

EXPORTS OF MERCHANDISE AND BULLION AND SPECIE: AUSTRALIA.
(£'000.)

| Year. | Merchandise. | | | Bullion and Specie. | | | Total Exports. |
|---------------|---------------------|-------------|---------|---------------------|-------------|--------|----------------|
| | Australian Produce. | Re-exports. | Total. | Australian Produce. | Re-exports. | Total. | |
| 1954-55 | 749,765 | 8,276 | 758,041 | 16,118 | 5 | 16,123 | 774,164 |
| 1955-56 | 757,100 | 13,737 | 770,837 | 10,990 | 37 | 11,027 | 781,864 |
| 1956-57 | 959,348 | 13,650 | 972,998 | 19,896 | 12 | 19,908 | 992,906 |
| 1957-58 | 795,527 | 14,776 | 810,303 | 7,626 | 17 | 7,643 | 817,946 |
| 1958-59 | 790,087 | 16,618 | 806,705 | 4,744 | 14 | 4,758 | 811,463 |

6. **Imports and Net Customs Revenue.**—The percentage of net Customs revenue, excluding net primage, collected to the total value of all merchandise imported in each of the years 1954-55 to 1958-59 was as follows:—1954-55, 11.0 per cent.; 1955-56, 9.7 per cent.; 1956-57, 8.9 per cent.; 1957-58, 8.8 per cent., and 1958-59, 8.8 per cent. Primage duty was in force during these years and if this is added to net Customs revenue the percentages become:—1954-55, 12.0 per cent.; 1955-56, 10.7 per cent.; 1956-57, 9.6 per cent.; 1957-58, 9.1 per cent., and 1958-59, 9.0 per cent. The percentages of net Customs revenue, excluding primage, to the total value of dutiable goods only were: 1954-55, 20.9 per cent.; 1955-56, 20.1 per cent.; 1956-57, 20.4 per cent.; 1957-58, 19.1 per cent. and 1958-59, 21.0 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.

§ 13. Ships' and Aircraft 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' and subsequently aircraft stores have been specially recorded as such, and have been omitted from the export figures. The value of these stores during each of the years 1954-55 to 1958-59, with oils separate, is shown in the following table:—

VALUE OF STORES LOADED ON OVERSEA SHIPS AND AIRCRAFT: AUSTRALIA.
(£'000.)

| Item. | 1954-55. | 1955-56. | 1956-57. | 1957-58. | 1958-59. |
|--------------------------------|----------|----------|----------|----------|----------|
| Oils | 7,328 | 7,970 | 9,059 | 8,383 | 6,704 |
| All Stores (including oils) .. | 13,181 | 13,539 | 14,208 | 12,798 | 10,876 |

In addition to oils, the principal items supplied to oversea ships and aircraft in 1958-59 were:—Meats, £1,344,163; fruit and vegetables, £373,036; eggs, £166,772; butter, £92,542; ale, porter, beer, etc., £249,086; sea food, £137,793; coal, £37,808; flour, £49,376; rice, £22,521; milk and cream, £37,013.

§ 14. Movement of Bullion and Specie.

1. **Imports and Exports.**—The following table shows the values of gold and silver bullion and specie and of bronze specie imported into and exported from Australia during each of the years 1956-57 to 1958-59.

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

| Item. | Imports. | | | Exports. | | |
|--------------------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|
| | 1956-57. | 1957-58. | 1958-59. | 1956-57. | 1957-58. | 1958-59. |
| Gold—Bullion .. | 2,270,632 | 2,631,443 | 2,175,729 | 14,225,889 | 6,352,070 | 3,276,087 |
| Specie .. | 66 | 707 | 942 | 1,282 | .. | 3,000 |
| <i>Total</i> .. | <i>2,270,698</i> | <i>2,632,150</i> | <i>2,176,671</i> | <i>14,227,171</i> | <i>6,352,070</i> | <i>3,279,087</i> |
| Silver—Bullion .. | 29,334 | 34,319 | 24,493 | 5,594,400 | 1,219,187 | 1,400,219 |
| Specie .. | 8,578 | 11,784 | 9,320 | 86,009 | 71,552 | 77,996 |
| <i>Total</i> .. | <i>37,912</i> | <i>46,103</i> | <i>33,813</i> | <i>5,680,409</i> | <i>1,290,739</i> | <i>1,478,215</i> |
| Bronze—Specie .. | 623 | 425 | 337 | 670 | 734 | 396 |
| Total— Australian Pro- duce .. | .. | .. | .. | 19,896,015 | 7,626,405 | 4,743,943 |
| Re-exports .. | .. | .. | .. | 12,235 | 17,138 | 13,755 |
| Grand Total .. | 2,309,233 | 2,678,678 | 2,210,821 | 19,908,250 | 7,643,543 | 4,757,698 |

2. Imports and Exports by Countries.—The next table shows the imports and exports of bullion and specie from and to various countries during the year 1958–59:—

**IMPORTS AND EXPORTS OF BULLION AND SPECIE BY COUNTRIES:
AUSTRALIA, 1958-59.**

(£.)

| Country. | Imports. | | | Exports. | | |
|--|------------------|---------------|------------------|------------------|---------------|------------------|
| | Bullion. | Specie. | Total. | Bullion. | Specie. | Total. |
| <i>Commonwealth Countries—</i> | | | | | | |
| Australia (re-imported) .. | .. | 7,562 | 7,562 | .. | .. | .. |
| United Kingdom .. | .. | 1,577 | 1,577 | 1,300,390 | 8,229 | 1,308,619 |
| <i>Australian Territories—</i> | | | | | | |
| Christmas Is. .. | .. | .. | .. | .. | 61 | 61 |
| Nauru .. | .. | .. | .. | .. | 1,686 | 1,686 |
| New Guinea .. | 656,383 | .. | 656,383 | 355 | 40,793 | 41,148 |
| Norfolk Is. .. | .. | .. | .. | .. | 112 | 112 |
| Papua .. | .. | .. | .. | .. | 16,849 | 16,849 |
| Ceylon .. | .. | .. | .. | 66,701 | .. | 66,701 |
| Hong Kong .. | .. | .. | .. | 3,224,040 | .. | 3,224,040 |
| New Zealand .. | 262,869 | 1,400 | 264,269 | 74,748 | 3,429 | 78,177 |
| <i>Pacific Islands (British)—</i> | | | | | | |
| Fiji .. | 1,280,595 | .. | 1,280,595 | 3,693 | .. | 3,693 |
| Gilbert and Ellice Is. .. | .. | .. | .. | .. | 3,000 | 3,000 |
| New Hebrides .. | .. | .. | .. | .. | 3,660 | 3,660 |
| Solomon Is. .. | 375 | .. | 375 | .. | 613 | 613 |
| South Africa, Union of .. | .. | .. | .. | .. | 456 | 456 |
| <i>Total Commonwealth Countries ..</i> | <i>2,200,222</i> | <i>10,539</i> | <i>2,210,761</i> | <i>4,669,927</i> | <i>78,888</i> | <i>4,748,815</i> |
| <i>Foreign Countries—</i> | | | | | | |
| France .. | .. | 60 | 60 | .. | .. | .. |
| Germany, Federal Republic of .. | .. | .. | .. | 50 | .. | 50 |
| United States of America .. | .. | .. | .. | 6,329 | 2,504 | 8,833 |
| <i>Total, Foreign Countries</i> | <i>..</i> | <i>60</i> | <i>60</i> | <i>6,379</i> | <i>2,504</i> | <i>8,883</i> |
| Grand Total .. | 2,200,222 | 10,599 | 2,210,821 | 4,676,306 | 81,392 | 4,757,698 |

§ 15. Exports According to Industries.

1. Classification.—The following table provides an analysis of the total recorded value of Australian exports for the years 1956–57 to 1958–59. This analysis is designed to show fluctuations in the value of exports of Australian produce dissected according to the main industry of their origin, although any such classification is necessarily arbitrary in some respects.

EXPORTS OF AUSTRALIAN PRODUCE ACCORDING TO INDUSTRIAL GROUPS.

| Industrial Group. | Value. (£'000.) | | | Proportion of Value of Exports of Australian Produce (excluding Gold). (Per cent.) | | |
|--|-----------------|----------|----------|--|----------|----------|
| | 1956-57. | 1957-58. | 1958-59. | 1956-57. | 1957-58. | 1958-59. |
| Agriculture, Horticulture and Viticulture— | | | | | | |
| Unprocessed | 91,455 | 56,495 | 77,991 | 9.5 | 7.1 | 9.8 |
| Processed | 73,705 | 77,028 | 78,213 | 7.6 | 9.7 | 9.9 |
| Total | 165,160 | 133,523 | 156,204 | 17.1 | 16.8 | 19.7 |
| Pastoral— | | | | | | |
| Unprocessed | 486,237 | 388,386 | 366,510 | 50.4 | 48.7 | 46.3 |
| Processed | 81,192 | 74,384 | 67,044 | 8.4 | 9.3 | 8.5 |
| Total | 567,429 | 462,770 | 433,554 | 58.8 | 58.0 | 54.8 |
| Dairy and Farmyard— | | | | | | |
| Unprocessed | 3,495 | 3,442 | 2,019 | 0.4 | 0.4 | 0.3 |
| Processed | 44,344 | 30,274 | 41,681 | 4.6 | 3.8 | 5.2 |
| Total | 47,839 | 33,716 | 43,700 | 5.0 | 4.2 | 5.5 |
| Mines and Quarries (other than Gold)— | | | | | | |
| Unprocessed | 27,763 | 25,552 | 19,230 | 2.9 | 3.2 | 2.4 |
| Processed | 51,330 | 32,296 | 32,750 | 5.3 | 4.1 | 4.1 |
| Total (a) | 79,093 | 57,848 | 51,980 | 8.2 | 7.3 | 6.5 |
| Fisheries— | | | | | | |
| Unprocessed | 4,011 | 3,961 | 4,322 | 0.4 | 0.5 | 0.5 |
| Processed | 1,635 | 1,789 | 1,249 | 0.2 | 0.2 | 0.2 |
| Total | 5,646 | 5,750 | 5,571 | 0.6 | 0.7 | 0.7 |
| Forestry— | | | | | | |
| Unprocessed | 963 | 740 | 522 | 0.1 | 0.1 | 0.1 |
| Processed | 3,167 | 3,932 | 3,866 | 0.3 | 0.5 | 0.5 |
| Total | 4,130 | 4,672 | 4,388 | 0.4 | 0.6 | 0.6 |
| Total Primary Produce— | | | | | | |
| Unprocessed | 613,924 | 478,576 | 470,594 | 63.7 | 60.0 | 59.4 |
| Processed | 255,373 | 219,703 | 224,803 | 26.4 | 27.6 | 28.4 |
| Total | 869,297 | 698,279 | 695,397 | 90.1 | 87.6 | 87.8 |
| Manufactures | 73,969 | 72,583 | 70,988 | 7.7 | 9.2 | 9.0 |
| Refined Petroleum Oils | 10,097 | 15,385 | 14,702 | 1.0 | 1.9 | 1.9 |
| Unclassified | 11,654 | 10,554 | 10,465 | 1.2 | 1.3 | 1.3 |
| Total Australian Produce (excluding Gold) | 965,017 | 796,801 | 791,552 | 100.0 | 100.0 | 100.0 |
| Re-exports (excluding Gold) | 13,662 | 14,793 | 16,632 | .. | .. | .. |
| Gold Exports(a) | 14,227 | 6,352 | 3,279 | .. | .. | .. |
| Total Recorded Value of Exports | 992,906 | 817,946 | 811,463 | .. | .. | .. |

(a) The value of refined newly-won gold was £16,599,179 in 1956-57, £17,301,072 in 1957-58 and £16,644,752 in 1958-59.

2. **Relative Importance of Industrial Groups.**—In the year 1958-59, Australian produce (other than gold) exported amounted to approximately £792 million. Of this, £695 million or 88 per cent. was mainly produce of primary industries, comprising £470 million of unprocessed produce and £225 million of goods which had been processed in some degree before export. The values of the principal individual items of processed primary produce exported were:—Raw sugar, £32,163,000; flour, etc., £14,001,000; canned fruit, £12,950,000; dried fruit, £12,743,000; wool (scoured, tops, etc.), £38,010,000; canned meats, £15,434,000; butter, £24,956,000; milk (condensed, dried, etc.), £10,234,000; pig lead, £12,561,000; lead bullion, £6,218,000; zinc bars, blocks, etc., £3,884,000; copper ingots, £5,348,000; and undressed timber, £3,358,000.

The value of manufactures exported as classified above was £71 million, or approximately 9 per cent. of Australian produce (other than gold) exported in 1958-59. The values of principal individual items here included were:—Manufactures of metal, £40,693,000; implements and machinery, £6,915,000; drugs and chemicals, £5,705,000, and paper and stationery, £2,511,000.

The items enumerated indicate the arbitrariness of the line necessarily drawn between primary produce and manufactures in any classification of this kind. The value of processed primary products exported includes some element of value added by the simpler processes of manufacture, while the value shown for manufactures exported necessarily includes the value of raw materials (primary produce) used in those manufactures.

Refined petroleum oils exported are shown separately, as they consist of imported crude oils refined in Australia and re-exported in the refined form. The values of principal individual items shown as "unclassified" in 1958-59 were:—Individual consignments of less than £50 in value, £3,946,000; and military equipment and stores and supplies for Australian projects overseas, £3,779,000.

§ 16. 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 the 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 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 the year concerned. 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 varied 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 and the other using 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 together with gold production.

4. **The Fixed Weights Index.**—(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 variations during the period in the 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; and 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" (Weights). | Percentage Distribution of Total Aggregate. | | | |
|-----------------|-------------------|-----------------------------------|---|-----------------|-----------------|-----------------|
| | | | Base Period (1936-37 to 1938-39). | | 1958-59. | |
| | | | Excluding Gold. | Including Gold. | Excluding Gold. | Including Gold. |
| Wool | lb. | 975,000,000 | 49.05 | 45.63 | 50.61 | 48.76 |
| Wheat (a) | bushel | 101,000,000 | 18.34 | 17.06 | 18.27 | 17.60 |
| Butter | cwt. | 2,140,000 | 12.21 | 11.36 | 8.01 | 7.72 |
| Metals— | | | | | | |
| Silver | oz. | 7,300,000 | 0.68 | 0.64 | } 8.07 | } 7.78 |
| | (standard) | | | | | |
| Copper | ton | 3,600 | 0.20 | 0.20 | | |
| Tin | " | 1,300 | 0.31 | 0.28 | | |
| Zinc | " | 99,000 | 2.05 | 1.90 | | |
| Lead | " | 208,500 | 4.10 | 3.81 | | |
| Meats— | | | | | | |
| Beef | lb. | 182,000,000 | 2.56 | 2.38 | } 8.01 | } 7.70 |
| Lamb | " | 138,000,000 | 3.56 | 3.31 | | |
| Mutton | " | 44,000,000 | 0.58 | 0.54 | | |
| Pork | " | 16,000,000 | 0.43 | 0.40 | | |
| Sugar | ton | 305,000 | 2.58 | 2.40 | 3.52 | 3.39 |
| Dried Fruits— | | | | | | |
| Sultanas | " | 38,200 | 1.45 | 1.35 | } 2.11 | } 2.04 |
| Raisins | " | 3,000 | 0.12 | 0.11 | | |
| Currants | " | 13,400 | 0.37 | 0.35 | | |
| Tallow | cwt. | 600,000 | 0.69 | 0.64 | 0.72 | 0.70 |
| Hides— | | | | | | |
| Cattle | lb. | 28,000,000 | 0.64 | 0.59 | } 0.68 | } 0.65 |
| Calf | " | 1,800,000 | 0.08 | 0.07 | | |
| Gold | fine oz. | 937,000 | .. | 6.98 | .. | 3.66 |
| | | | 100.00 | 100.00 | 100.00 | 100.00 |

(a) Includes "wheat equivalent" of flour.

The percentage distributions of the "Total Aggregate" 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 or groups, and secondly, as regards the effect on the indexes as a whole of the percentage price variations for each commodity or group.

(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.

(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 1958-59 and monthly from July, 1958 to January, 1960.

EXPORT PRICE INDEX: AUSTRALIA.

SIMPLE AGGREGATIVE INDEX: FIXED WEIGHTS.

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

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

| Period. | Wool. | Wheat. | Butter. | Metals. (a) | Meats. (b) | Sugar. | Dried Fruits. (c) | Tallow. | Hides. (d) | Gold. | All Groups. | |
|--|----------------|----------------|----------------|----------------|---------------|--------------|-------------------------|--------------|---------------|------------|-------------------------|-------------------------|
| | | | | | | | | | | | Ex- cluding Gold. | In- cluding Gold. |
| Percentage Dis- tribution of Base Aggregate (1936-37 to 1938-39) | 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 | 116 | 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 | 344 | 445 | 267 | 349 | 218 | 178 | 450 | 431 |
| 1955-56 .. | 464 | 324 | 320 | 562 | 355 | 450 | 286 | 353 | 238 | 178 | 414 | 397 |
| 1956-57 .. | 578 | 327 | 250 | 545 | 368 | 501 | 319 | 357 | 240 | 178 | 464 | 444 |
| 1957-58 .. | 471 | 357 | 218 | 398 | 333 | 518 | 341 | 368 | 240 | 178 | 400 | 385 |
| 1958-59 .. | 362 | 350 | 230 | 386 | 394 | 475 | (e) 382 | 367 | 335 | 178 | (e) 351 | (e) 339 |
| 1958-59— | | | | | | | | | | | | |
| July .. | (f) 400 | 366 | 178 | 371 | 351 | 481 | 351 | 384 | 228 | 178 | 361 | 348 |
| August .. | 354 | 369 | 190 | 369 | 370 | 477 | 363 | 375 | 234 | 178 | 342 | 330 |
| September .. | 354 | 363 | 190 | 372 | 393 | 476 | 370 | 383 | 250 | 178 | 343 | 332 |
| October .. | 336 | 363 | 195 | 391 | 405 | 473 | 385 | 382 | 270 | 178 | 337 | 326 |
| November .. | 339 | 355 | 222 | 404 | 407 | 477 | 390 | 378 | 273 | 178 | 342 | 330 |
| December .. | 328 | 353 | 242 | 389 | 404 | 470 | 391 | 375 | 285 | 178 | 337 | 326 |
| January .. | 321 | 347 | 250 | 390 | 408 | 490 | (f) 391 | 372 | 287 | 178 | 334 | 323 |
| February .. | 339 | 336 | 250 | 384 | 387 | 474 | (f) 391 | 360 | 341 | 178 | 339 | 328 |
| March .. | 347 | 336 | 249 | 385 | 382 | 477 | (f) 391 | 357 | 428 | 178 | 343 | 331 |
| April .. | 415 | 337 | 249 | 382 | 393 | 473 | (e) 387 | 348 | 521 | 178 | (e) 377 | (e) 364 |
| May .. | 415 | 339 | 262 | 396 | 402 | 477 | (e) 388 | 347 | 456 | 178 | (e) 381 | (e) 367 |
| June .. | 400 | 336 | 287 | 401 | 429 | 458 | (e) 387 | 341 | 452 | 178 | (e) 378 | (e) 364 |
| 1959-60— | | | | | | | | | | | | |
| July .. | (f) 407 | 332 | 312 | 402 | 439 | 437 | (e) 387 | 327 | 464 | 178 | (e) 384 | (e) 370 |
| August .. | 445 | 340 | 336 | 418 | 411 | 461 | (e) 365 | 324 | 461 | 178 | (e) 406 | (e) 390 |
| September .. | 430 | 331 | 350 | 420 | 376 | 438 | (e) 360 | 309 | 440 | 178 | (e) 396 | (e) 380 |
| October .. | 430 | 330 | 359 | 431 | (g) | 440 | (e) 359 | 307 | 395 | 178 | (e) 398 | (e) 382 |
| November .. | 422 | 333 | 367 | 437 | (g) | 458 | (e) 358 | 304 | 312 | 178 | (e) 395 | (e) 380 |
| December .. | 437 | 333 | 367 | 436 | (g) | 458 | (e) 356 | 307 | 334 | 178 | (e) 405 | (e) 389 |
| January .. | (e) 437 | 333 | 355 | 435 | (g) | 455 | (e) 327 | 300 | 345 | 178 | (e) 405 | (e) 389 |

(a) Silver, copper, tin, zinc, lead. (b) Beef, lamb, mutton, pork. Guaranteed minimum prices are used when operative. (c) Sultanas, raisins, currants. (d) Cattle hides, calf skins. (e) Preliminary. (f) Nominal. (g) Actual prices realized not yet fully known; provisional series are included in "All Groups" indexes.

A graph showing index numbers for All Groups (including Gold) appears on page 490.

The group indexes in the table above show 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 effect on the "All Groups" Index of movements in prices of the other components. For this reason "Wool" and "All Groups Excluding Wool" are shown separately in the table following. The movement of the weighted average index for "All Groups Excluding Wool" contrasts with the pronounced fluctuations in prices of wool.

EXPORT PRICE INDEX: WOOL AND "OTHER GROUPS", AUSTRALIA.

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

| Period. | Wool. | Other Groups. | All Groups. | Period. | Wool. | Other Groups. | All Groups. |
|-------------|---------|---------------|-------------|-------------|---------|---------------|-------------|
| 1945-46 .. | 117 | 171 | 146 | 1956-57— | | | |
| 1946-47 .. | 173 | 228 | 203 | July .. | 490 | 330 | 403 |
| 1947-48 .. | 287 | 280 | 283 | August .. | 520 | 330 | 417 |
| 1948-49 .. | 365 | 305 | 332 | September.. | 566 | 336 | 441 |
| 1949-50 .. | 473 | 308 | 383 | October .. | 551 | 332 | 432 |
| 1950-51 .. | 999 | 365 | 654 | November.. | 581 | 331 | 445 |
| 1951-52 .. | 564 | 397 | 473 | December.. | 588 | 329 | 447 |
| 1952-53 .. | 616 | 371 | 483 | January .. | 596 | 330 | 451 |
| 1953-54 .. | 615 | 356 | 474 | February .. | 611 | 330 | 458 |
| 1954-55 .. | 538 | 342 | 431 | March .. | 596 | 329 | 451 |
| 1955-56 .. | 464 | 342 | 397 | April .. | 618 | 331 | 462 |
| 1956-57 .. | 578 | 331 | 444 | May .. | 626 | 333 | 467 |
| 1957-58 .. | 471 | 313 | 385 | June .. | 596 | 332 | 452 |
| 1958-59 .. | 362 | (a) 320 | (a) 339 | | | | |
| 1953-54— | | | | 1957-58— | | | |
| July .. | (b) 641 | 369 | 493 | July .. | (b) 596 | 327 | 450 |
| August .. | (b) 634 | 367 | 488 | August .. | 551 | 331 | 431 |
| September.. | 626 | 365 | 484 | September.. | 543 | 328 | 426 |
| October .. | 634 | 363 | 486 | October .. | 498 | 323 | 403 |
| November.. | 634 | 360 | 485 | November.. | 483 | 315 | 391 |
| December .. | 611 | 358 | 473 | December.. | 445 | 305 | 369 |
| January .. | 603 | 354 | 468 | January .. | 453 | 306 | 373 |
| February .. | 581 | 350 | 455 | February .. | 468 | 303 | 378 |
| March .. | 581 | 351 | 456 | March .. | 422 | 304 | 358 |
| April .. | (b) 596 | 348 | 461 | April .. | 400 | 301 | 346 |
| May .. | 618 | 346 | 470 | May .. | 392 | 303 | 344 |
| June .. | 622 | 346 | 472 | June .. | 400 | 306 | 348 |
| 1954-55— | | | | 1958-59— | | | |
| July .. | (b) 622 | 338 | 468 | July .. | (b) 400 | 304 | 348 |
| August .. | 566 | 338 | 442 | August .. | 354 | 310 | 330 |
| September.. | 566 | 339 | 442 | September.. | 354 | 312 | 332 |
| October .. | 536 | 344 | 431 | October .. | 336 | 318 | 326 |
| November.. | 513 | 343 | 421 | November.. | 339 | 323 | 330 |
| December .. | 532 | 348 | 432 | December.. | 328 | 324 | 326 |
| January .. | 520 | 345 | 425 | January .. | 321 | 325 | 323 |
| February .. | 528 | 342 | 427 | February .. | 339 | 318 | 328 |
| March .. | 528 | 341 | 426 | March .. | 347 | 319 | 331 |
| April .. | 520 | 340 | 422 | April .. | 415 | (a) 321 | (a) 364 |
| May .. | 520 | 340 | 422 | May .. | 415 | (a) 327 | (a) 367 |
| June .. | 505 | 343 | 417 | June .. | 400 | (a) 334 | (a) 364 |
| 1955-56— | | | | 1959-60— | | | |
| July .. | (b) 505 | 347 | 419 | July .. | (b) 407 | (a) 338 | (a) 370 |
| August .. | 453 | 347 | 395 | August .. | 445 | (a) 344 | (a) 390 |
| September.. | 437 | 347 | 388 | September.. | 430 | (a) 339 | (a) 380 |
| October .. | 437 | 351 | 390 | October .. | 430 | (a) 343 | (a) 382 |
| November.. | 437 | 352 | 391 | November.. | 422 | (a) 344 | (a) 380 |
| December .. | 453 | 352 | 398 | December.. | 437 | (a) 349 | (a) 389 |
| January .. | 460 | 349 | 400 | January .. | (a) 437 | (a) 349 | (a) 389 |
| February .. | 460 | 340 | 395 | | | | |
| March .. | 453 | 335 | 388 | | | | |
| April .. | 468 | 325 | 390 | | | | |
| May .. | 498 | 323 | 403 | | | | |
| June .. | (b) 505 | 331 | 411 | | | | |

(a) Preliminary.

(b) Nominal.

5. The Changing Weights Index.—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 prices ruling in particular months. The changing weights index numbers, shown below, take account of this factor. In computing these, the "quantity multipliers" are the quantities actually exported (sold, in some cases) 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 were 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 is 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 the whole or portion of a 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 months July, 1958 to January, 1960 and for trade year periods ending in those months:—

EXPORT PRICE INDEX: CHANGING WEIGHTS.
(Base: Corresponding month (or period) 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. | |
|-------------------|--|-----------------|--|-----------------|
| | All Groups, Excluding Wool. | All Groups. (a) | All Groups, Excluding Wool. | All Groups. (a) |
| 1958-59— | | | | |
| July | 93 | 90 | 93 | 90 |
| August | 93 | 80 | 93 | 83 |
| September | 97 | 76 | 95 | 79 |
| October | 100 | 78 | 96 | 79 |
| November | 106 | 81 | 98 | 79 |
| December | 114 | 87 | 100 | 81 |
| January | 114 | 86 | 102 | 81 |
| February | 110 | 83 | 103 | 81 |
| March | 107 | 90 | 103 | 82 |
| April | (b) 112 | (b) 107 | (b) 104 | (b) 84 |
| May | (b) 112 | (b) 108 | (b) 104 | (b) 86 |
| June | (b) 112 | (b) 104 | (b) 105 | (b) 87 |
| 1959-60— | | | | |
| July | (b) 114 | (b) 113 | (b) 114 | (b) 113 |
| August | (b) 111 | (b) 117 | (b) 113 | (b) 115 |
| September | (b) 111 | (b) 117 | (b) 112 | (b) 116 |
| October | (b) 109 | (b) 120 | (b) 111 | (b) 118 |
| November | (b) 107 | (b) 117 | (b) 110 | (b) 118 |
| December | (b) 109 | (b) 122 | (b) 110 | (b) 118 |
| January | (b) 105 | (b) 122 | (b) 109 | (b) 119 |

(a) For certain months a nominal price is used for wool as indicated in the preceding two tables.
(b) Preliminary.

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

§ 17. 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.

2. *“Special Trade” of Various Countries.*—In the following table the figures, which are expressed in Australian currency, 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(a)): VARIOUS COUNTRIES, 1958.

| 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 | (b) 5,765.2 | 7,900.4 | 13,665.6 | 33.0 | 45.2 | 78.2 |
| United Kingdom .. | (c) 4,512.1 | 3,964.3 | 8,476.4 | 87.3 | 76.7 | 164.0 |
| Germany, Federal Republic of .. | 3,286.2 | 3,931.7 | 7,217.9 | 63.0 | 75.4 | 138.4 |
| France .. | 2,501.8 | 2,284.8 | 4,786.6 | 56.2 | 51.3 | 107.5 |
| Canada .. | (b) 2,388.8 | 2,267.9 | 4,656.7 | 140.1 | 133.0 | 273.1 |
| Netherlands .. | 1,618.3 | 1,436.6 | 3,054.9 | 144.7 | 128.4 | 273.1 |
| Belgium-Luxemburg .. | 1,396.9 | 1,359.8 | 2,756.7 | 154.3 | 150.2 | 304.5 |
| Japan .. | (d) 1,354.0 | 1,283.9 | 2,637.9 | 14.8 | 14.0 | 28.8 |
| Italy .. | 1,414.7 | 1,132.1 | 2,546.8 | 29.0 | 23.2 | 52.2 |
| Sweden .. | (d) 1,056.3 | 932.1 | 1,988.4 | 142.5 | 125.7 | 268.2 |
| Australia(e) .. | (b) 779.2 | 791.6 | 1,570.8 | 78.3 | 79.5 | 157.8 |
| Switzerland .. | 761.6 | 687.1 | 1,448.7 | 146.9 | 132.5 | 279.4 |
| Denmark .. | (d) 609.8 | 575.0 | 1,184.8 | 135.1 | 127.4 | 262.5 |
| Norway .. | (d) 584.4 | 331.7 | 916.1 | 165.7 | 94.1 | 259.8 |
| Austria .. | 479.5 | 409.8 | 889.3 | 68.3 | 58.4 | 126.7 |
| Spain .. | 379.0 | 217.0 | 596.0 | 12.8 | 7.3 | 20.1 |
| Indonesia .. | 229.0 | 337.1 | 566.1 | 2.6 | 3.9 | 6.5 |
| Egypt .. | 305.4 | 209.8 | 515.2 | 12.3 | 8.5 | 20.8 |
| Chile .. | 185.3 | 173.7 | 359.0 | 25.4 | 23.8 | 49.2 |
| Greece .. | 252.2 | 103.6 | 355.8 | 30.9 | 12.7 | 43.6 |
| Turkey .. | 140.6 | 110.3 | 250.9 | 5.4 | 4.2 | 9.6 |

(a) Includes silver. (b) f.o.b. (c) Covers goods imported less goods re-exported.
 (d) Covers goods imported as distinct from goods cleared for home consumption. (e) Year ended June, 1959.

§ 18. Oversea Trade in Calendar Years.

For the purpose of comparison with countries which record oversea trade in calendar years, the following table has been compiled to show Australian imports and exports for each of the calendar years 1955 to 1959.

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

| Year. | Merchandise. | | Bullion and Specie. | | Total. | |
|---------------|--------------|----------|---------------------|----------|----------|----------|
| | Imports. | Exports. | Imports. | Exports. | Imports. | Exports. |
| 1955 | 862,547 | 777,640 | 2,480 | 20,320 | 865,027 | 797,960 |
| 1956 | 764,597 | 823,422 | 3,235 | 22,236 | 767,832 | 845,658 |
| 1957 | 751,543 | 981,694 | 2,509 | 13,891 | 754,052 | 995,585 |
| 1958 | 792,891 | 738,913 | 2,541 | 4,083 | 795,432 | 742,996 |
| 1959(a) | 827,653 | 898,623 | 2,174 | 3,339 | 829,827 | 901,962 |

(a) Subject to revision.

§ 19. Excise.

Although excise goods have no immediate bearing on overseas trade, the rate of excise duty is 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 XXI.—Public Finance. The following table shows the quantities of spirits, beer, tobacco, etc., on which excise duty was paid in Australia during the years 1957–58 and 1958–59.

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

| Article. | 1957–58. | 1958–59. | Article. | 1957–58. | 1958–59. |
|---|----------------|----------------|----------------------------------|------------------------|------------------------------|
| | proof gallons. | proof gallons. | | lb. | lb. |
| | | | Tobacco | 18,109,744 | 16,561,594 |
| | | | Snuff | 535 | 865 |
| Spirits— | | | Cigars— | | |
| Brandy | 702,745 | 753,881 | Hand-made | 19,571 | 16,491 |
| Gin | 353,957 | 353,706 | Machine-made | 99,000 | 94,150 |
| Whisky | 403,526 | 467,762 | Total Cigars | 118,571 | 110,641 |
| Rum | 513,111 | 570,755 | Cigarettes— | | |
| Liqueurs | 57,854 | 58,008 | Hand-made | 32,185,864 | 34,991,739 |
| Other | 17,989 | 24,831 | Machine-made | | |
| Total Spirits (Potable) | 2,049,182 | 2,228,943 | Total Cigarettes | 32,185,864 | 34,991,739 |
| Spirits for— | | | | 60 papers or tubes. | 60 papers or tubes. |
| Fortifying Wine | 2,219,771 | 2,194,626 | Cigarette Papers and Tubes | 118,240,926 | 111,245,931 |
| Industrial or Scientific purposes | 234,544 | 235,059 | Coal | tons. 17,691,705 | tons. 17,335,395 |
| Manufacture of— | | | | gross boxes. 3,337,788 | per 8,640 matches. 3,362,949 |
| Essences | 104,984 | 98,485 | Matches | | |
| Scents and Toilet Preparations | 64,257 | 64,396 | | gallons. 871,265,708 | gallons. 918,682,463 |
| Vinegar | 139,711 | 147,998 | Petrol | | |
| gallons. | | gallons. | Playing Cards | doz. packs. 93,650 | doz. packs. 96,771 |
| Beer | 215,637,916 | 214,800,013 | | | |

§ 20. 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 last 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. A detailed collection for Queensland was re-introduced from July, 1953.

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 now published in detail for Queensland, Western Australia and Tasmania, prepared by the Deputy Commonwealth Statisticians in those States. The Deputy Commonwealth Statistician in South Australia publishes some figures for that State, made up from the records of Western Australia and Tasmania. 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.

§ 21. The Australian Balance of Payments.

1. **Introduction.**—Defining the balance of payments, the International Monetary Fund, in the second edition of its *Balance of Payments Manual* states "[It] . . . is a systematic record of all economic transactions during the period between residents of [a] country and residents of other countries." In a broad sense, therefore, statistics of the balance of payments summarize in money terms the economic relations existing between a national economy and the rest of the world, and are pre-requisite to any attempt to examine the influence of external factors on the domestic economy.

The Australian economy is subject to large fluctuations in the level of export income and is affected in important respects by movements of oversea capital. As a result, balance of payments estimates have always assumed a particular importance in Australia. Between 1948-49 and 1958-59, for example, the value of exports was equivalent to 21 per cent. of national income, fluctuating between 31 per cent. of national income in 1950-51, the year of record wool prices, and 16 per cent. in 1958-59, a year of relatively low wool prices.

Official balance of payments estimates for Australia were first published for the years 1928-29 to 1930-31 as an appendix to Official Year Book No. 24. Prior to that the only estimates published by this Bureau related to the balance of trade, with some reference to international transactions. Since 1930-31, estimates of the balance of payments have been published each year, except during the war period 1939 to 1945. From the first half of the year 1950-51, statistics of the balance of payments have been issued twice yearly in the mimeographed publication *The Australian Balance of Payments*. This publication brings the estimates forward to the end of the most recent financial year or half year and together with a printed volume *The Australian Balance of Payments, 1928-29 to 1951-52* provides also (i) a description of the various items included in the official estimates, (ii) an indication of the sources from which the estimates are derived, and (iii) an explanation of the methods used in making them. The following paragraphs contain a brief description of the concepts adopted and a summary of the transactions for the years 1956-57 to 1958-59.

The form of the Australian balance of payments closely follows the pattern set out by the International Monetary Fund for the presentation of balance of payments statistics, although modifications have been introduced to accord with Australian conditions.

In the definitions adopted by the International Monetary Fund a basic distinction is drawn between "current" transactions and "capital" transactions. Current transactions consist of all transactions involving the transfer of ownership of goods or the rendering of services between residents of one country and residents of another country. Also included are items such as donations, reparations, etc. Capital transactions consist of all transactions involving the transfer of money, claims to money, and titles to investments, between residents of one country and those of another country.

This distinction is maintained in the Australian balance of payments accounts. Thus, transactions involving the transfer of the ownership of goods, i.e., imports and exports, and services, such as freight and insurance, investment income, etc., are included in current account, while predominantly financial transactions are included in capital account.

By definition, and because of the method of constructing the accounts, the balance of payments on current account is always equivalent to the balance on capital account. In practice, however, there are "errors and omissions" in the estimates. These are referred to as the "balancing item". This item includes errors and omissions in the estimates made for all items in both current and capital accounts, short term financing transactions and other timing differences between the statistical recording of items such as imports, exports, transportation items, changes in share ownership, etc. and the crediting and debiting of payments for these transactions against Australia's international reserves.

2. **Current Account.**—The balance of payments on current account is constructed in the form of a series of credit and debit entries, the former comprising all transactions which result in receipts of foreign exchange and the latter all those resulting in payments in foreign exchange.

Within the current account the most important single relationship is the balance of trade—the difference between the value of exports and the value of imports as adjusted for balance of payments purposes. The balance of trade showed surpluses of £260.2 million in 1956–57, £20.4 million in 1957–58 and £13.8 million in 1958–59.

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

| Particulars. | 1956–57. | 1957–58. | 1958–59.(a) |
|---|----------------|----------------|----------------|
| CREDITS. | | | |
| 1. Exports f.o.b. | 977.7 | 810.4 | 810.2 |
| 2. Gold Production | 16.0 | 16.3 | 16.5 |
| 3. Transportation— | | | |
| Oversea ships | 63.4 | 64.2 | 70.0 |
| Other | 8.1 | 7.3 | 8.2 |
| | 71.5 | 71.5 | 78.2 |
| 4. Travel | 9.0 | 7.5 | 8.0 |
| 5. Income from Investment— | | | |
| Undistributed Income | 3.3 | 4.3 | 2.4 |
| Other | 22.5 | 30.2 | 22.1 |
| | 25.8 | 34.5 | 24.5 |
| 6. Government | 15.7 | 19.0 | 19.3 |
| 7. Miscellaneous | 7.5 | 7.7 | 8.7 |
| 8. Donations, etc.— | | | |
| Immigrants' Funds, etc. | 16.1 | 17.4 | 19.6 |
| Other | 6.3 | 7.3 | 7.4 |
| | 22.4 | 24.7 | 27.0 |
| <i>Total Credits</i> | <u>1,145.6</u> | <u>991.6</u> | <u>992.4</u> |
| DEBITS. | | | |
| 9. Imports f.o.b. | 717.5 | 790.0 | 796.4 |
| 10. Transportation— | | | |
| Freight | 108.0 | 119.0 | 114.0 |
| Other | 14.6 | 15.0 | 15.2 |
| | 122.6 | 134.0 | 129.2 |
| 11. Travel | 22.2 | 27.7 | 28.6 |
| 12. Income from Investment— | | | |
| Public Authority Interest | 22.7 | 22.8 | 25.1 |
| Portfolio Investment | 8.0 | 6.3 | 11.6 |
| Direct Investment | 37.7 | 48.9 | 48.3 |
| Undistributed Income | 44.7 | 39.7 | 58.7 |
| | 113.1 | 117.7 | 143.7 |
| 13. Government— | | | |
| Defence | 4.4 | 11.5 | 12.6 |
| Papua and New Guinea | 11.5 | 12.5 | 13.5 |
| Other | 12.4 | 13.7 | 14.6 |
| | 28.3 | 37.7 | 40.7 |
| 14. Miscellaneous | 21.3 | 28.2 | 31.9 |
| 15. Donations, etc.— | | | |
| Personal | 18.2 | 16.8 | 15.2 |
| Colombo Plan, etc. | 4.5 | 4.8 | 4.8 |
| Other | 8.5 | 8.9 | 8.8 |
| | 31.2 | 30.5 | 28.8 |
| <i>Total Debits</i> | <u>1,056.2</u> | <u>1,165.8</u> | <u>1,199.3</u> |
| Balance on Current Account | <u>+89.4</u> | <u>-174.2</u> | <u>-206.9</u> |

(a) Preliminary. For revised figures see Appendix.

NOTE.—Total marine insurance premiums payable on Australian imports (whether payable in Australia or overseas) were £3.7 million in 1956–57, £4.1 million in 1957–58 and £4.2 million in 1958–59.

When current account invisible transactions are taken into consideration, the trade surplus in 1956-57 was reduced to £89.4 million. In 1957-58 and again in 1958-59, the effect of including current account invisible transactions was to change small surpluses in the trade balance into substantial deficits for all current account transactions—these deficits amounted to £174.2 million in 1957-58 and £206.9 million in 1958-59, respectively.

The most important of these invisible transactions are the transportation items, which appear on both the debit and credit sides of current account. The principal component on the debit side is freight—mainly freight on imports into Australia (£108 million in 1956-57, £119 million in 1957-58 and £114 million in 1958-59)—and on the credit side, expenditure of overseas ships in Australian ports (£63.4 million in 1956-57, £64.2 million in 1957-58 and £70.0 million in 1958-59).

The item next in importance after the transportation items is income from investment. The debit entries under this item include interest, dividends, rents, etc. payable overseas, while the credit entries include similar details of amounts receivable by Australian residents. These items also include undistributed income, for which, since no actual monetary payment occurs, is compensated for by a corresponding entry in capital account showing an increase in the value of overseas or Australian investment respectively. Investment income debits were £113.1 million in 1956-57, £117.7 million in 1957-58 and £143.7 million in 1958-59. Credits in the same periods were £25.8 million, £34.5 million and £24.5 million respectively.

The remaining items are much smaller than the two groups already mentioned. Government transactions debits in these years were in the vicinity of £30-40 million each year and credits about £20 million. Debits on account of donations etc., were about £30 million, with credits of approximately £25 million a year.

One item of some conceptual importance is Australian gold production (less industrial absorption), which constitutes an immediate addition to Australia's reserves of gold and foreign currency. A separate entry is shown as a credit in current account. At the same time exports of gold are excluded from recorded trade figures.

3. Capital Account.—The capital account shows the annual movements in items which are regarded as Australian overseas assets and those which are regarded as Australian overseas liabilities.

On the assets side, by far the most important item is Australia's holdings of monetary gold and foreign exchange, usually referred to as international reserves. These reserves increased by £211.5 million in 1956-57, but decreased by £41.1 million in 1957-58 and by £9 million in 1958-59.

On the liabilities side, the most important items are public authority debt and direct investment in Australian companies.

In recent years loans resulting in net inflows of £3.1 million in 1956-57, £13.2 million in 1957-58 and £2.2 million in 1958-59 have been negotiated with the International Bank.

In 1956-57 official loans other than from the International Bank showed a reduction in total of £33.4 million. This was due mainly to the repatriation to Australia of £32.6 million of the Reserve Bank's holdings of Australian Government securities originally floated in London and taken up by the Note Issue Department of the Bank in 1931. An offsetting entry appears in Item 3. Apart from the International Bank Loan referred to above loan operations overseas resulted in a small outflow in 1957-58. In 1958-59, however, there was a substantial net inflow of £32.6 million from official borrowing operations on the London and New York markets.

In 1958-59 under Item 2 there is an increase of £44.6 million in assets. This shows the effect of arrangements which raised Australia's quota in the International Monetary Fund from \$200 million to \$300 million. A gold payment of £11.2 million was made to the I.M.F. in respect of 25 per cent. of the additional quota and the remaining 75 per cent. is offset in Item 8. Item 8 also includes payment of £6.3 million related to Australia's initial subscription to the I.M.F. and £3.1 million made available to the International Bank for use in its loan operations. In all, these transactions represented transfers in respect of subscriptions of £20.6 million in gold and foreign currency to the I.M.F. and the International Bank during the year.

The inflow, due to direct investment in Australian companies over the period shown was much greater than for official borrowing overseas and showed less variation. Excluding life offices, direct investment in Australian companies amounted to £86.8 million in 1956-57 and £90.1 million in 1957-58. Preliminary details for 1958-59 show a total of £98.7 million for the year. The amounts shown for these years included undistributed income of £44.7 million, £39.7 million and £58.7 million in the three years respectively.

Portfolio investment from overseas amounted to £11.1 million in 1956-57, £7.9 million in 1957-58 and £19.4 million in 1958-59.

As mentioned above, the balance on capital account is identical with the balance on current account, and the movement in international reserves reflects the combined movement of current and capital items. In practice, however, there is an unexplained residue which

is included in the table below as the balancing item. This item includes errors and omissions in the estimates made for all items in both current and capital accounts, short term financing transactions and other timing differences between the statistical recording of items such as imports, exports, transportation items, changes in share ownership, etc. and the crediting and debiting of payments for these transactions against Australia's international reserves. Substantial movements towards the end of the financial year in the pattern of exports and in the rate of portfolio investment in Australian industrial securities suggest that these timing factors might have been of more than usual importance in 1958-59.

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

| Particulars. | 1956-57. | 1957-58. | 1958-59.(a) |
|---|---------------|---------------|--------------|
| CHANGE IN ASSETS. | | | |
| 1. Gold and Foreign Exchange | 211.5 | - 41.1 | - 9.0 |
| 2. Subscriptions to I.M.F., I.B.R.D. and I.F.C. | 1.0 | .. | 44.6 |
| 3. Other Official Transactions | - 35.6 | 1.3 | - 6.2 |
| 4. Marketing Authorities | - 4.4 | - 2.1 | 6.0 |
| 5. Portfolio Investment | - 0.9 | - 2.3 | - 2.8 |
| 6. Direct investment— | | | |
| Branches—Unremitted Profits | 0.7 | 0.7 | 1.0 |
| —Other | 6.8 | 1.9 | 4.1 |
| Subsidiaries—Undistributed Profits | 2.6 | 3.6 | 1.4 |
| —Other | 0.8 | 1.5 | 3.7 |
| <i>Total—Change in Assets</i> | <i>182.5</i> | <i>- 36.5</i> | <i>42.8</i> |
| CHANGE IN LIABILITIES. | | | |
| 7. Official Loans— | | | |
| I.B.R.D. | 3.1 | 13.2 | 2.2 |
| Other Commonwealth | 3.2 | 0.7 | 11.3 |
| States | - 33.4 | 2.1 | 22.2 |
| Other | - 3.3 | - 3.6 | - 0.2 |
| Discounts and Bonuses | 0.1 | .. | - 0.7 |
| 8. Other I.M.F. and I.B.R.D. | - 1.0 | - 3.1 | 23.9 |
| 9. Australian Currency held by Foreign Banks | 0.3 | - 0.2 | - 1.0 |
| 10. Portfolio Investment— | | | |
| Government Securities | - 1.4 | - 2.1 | - 4.2 |
| Companies, etc. | 11.1 | 7.9 | 19.4 |
| 11. Direct Investment— | | | |
| Branches—Unremitted Profits | 7.5 | 2.2 | 7.4 |
| —Other | 8.3 | 7.0 | 12.9 |
| Subsidiaries—Undistributed Profits | 37.2 | 37.5 | 51.3 |
| —Other | 33.8 | 43.4 | 27.1 |
| 12. Life Assurance Offices | - 1.1 | - 4.8 | - 5.0 |
| 13. Balancing Item | 28.7 | 37.5 | 83.1 |
| <i>Total—Change in Liabilities</i> | <i>93.1</i> | <i>137.7</i> | <i>249.7</i> |
| Balance on Capital Account | - 89.4 | 174.2 | 206.9 |

(a) Preliminary. For revised figures see Appendix.

NOTE.—Minus sign (—) denotes decrease.

4. **Balance of Payments on Current Account—Monetary Groups.** Estimates are also made of Australia's current account transactions with various countries. With the exception of "dollar" countries, however, sufficient information is not yet available for the completion of regional capital accounts.

The table below shows the balance on current account in each of the years 1956-57 to 1958-59 for sterling and non-sterling countries. The latter include summaries for "dollar" countries, the European Economic Community and for "other" countries of the Organization for European Economic Cooperation (excluding the United Kingdom).

BALANCE OF PAYMENTS ON CURRENT ACCOUNT: AUSTRALIA
BY MONETARY GROUP.(a)
 (£A. million.)

| Particulars. | 1956-57. | 1957-58. | 1958-59.(b) |
|------------------------------------|----------|----------|-------------|
| Exports f.o.b.— | | | |
| Sterling— | | | |
| United Kingdom | 277.4 | 221.2 | 261.5 |
| Other | 175.8 | 157.6 | 149.6 |
| Non-Sterling— | | | |
| Dollar | 86.1 | 70.2 | 87.5 |
| E.E.C. (c) | 238.6 | 187.9 | 142.7 |
| Other O.E.E.C. | 12.2 | 13.5 | 14.4 |
| Other | 187.6 | 160.0 | 154.5 |
| Total | 977.7 | 810.4 | 810.2 |
| Imports f.o.b.— | | | |
| Sterling— | | | |
| United Kingdom | — 295.9 | — 324.6 | — 309.6 |
| Other | — 123.5 | — 124.7 | — 131.8 |
| Non-Sterling— | | | |
| Dollar | — 124.0 | — 132.4 | — 136.3 |
| E.E.C. (c) | — 70.7 | — 82.1 | — 85.5 |
| Other O.E.E.C. | — 29.9 | — 33.0 | — 32.5 |
| Other | — 73.5 | — 93.2 | — 100.7 |
| Total | — 717.5 | — 790.0 | — 796.4 |
| Invisibles— | | | |
| Sterling— | | | |
| United Kingdom | — 56.0 | — 59.2 | — 70.4 |
| Other | — 32.0 | — 40.7 | — 38.5 |
| Non-Sterling— | | | |
| Dollar | — 61.0 | — 67.1 | — 87.4 |
| E.E.C. (c) | — 16.2 | — 15.5 | — 15.0 |
| Other O.E.E.C. | 2.6 | — 1.6 | — 1.0 |
| Other | — 17.8 | — 19.8 | — 17.7 |
| International Agencies | — 6.4 | — 7.0 | — 7.2 |
| Gold Production | 16.0 | 16.3 | 16.5 |
| Total | — 170.8 | — 194.6 | — 220.7 |
| Balance on Current Account— | | | |
| Sterling— | | | |
| United Kingdom | — 74.5 | — 162.6 | — 118.5 |
| Other | 20.3 | — 7.8 | — 20.7 |
| Non-Sterling— | | | |
| Dollar | — 98.9 | — 129.3 | — 136.2 |
| E.E.C. (c) | 151.7 | 90.3 | 42.2 |
| Other O.E.E.C. | — 15.1 | — 21.1 | — 19.1 |
| Other | 96.3 | 47.0 | 36.1 |
| International Agencies | — 6.4 | — 7.0 | — 7.2 |
| Gold Production | 16.0 | 16.3 | 16.5 |
| Total | 89.4 | — 174.2 | — 206.9 |

(a) For a list of the countries included in each monetary area see page 483. (b) Preliminary. For revised figures see Appendix. (c) European Economic Community, effective from 1st January, 1958.

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

5. Balance of Payments with "Dollar" Countries. The following table shows a more detailed dissection of Australia's balance on current account with the dollar area. In addition to direct transactions with "dollar" countries, it shows all current account transactions which involve the receipt or payment of dollars (Item 9). Finally, details of investment and financing items, corresponding to a capital account, are shown, including the receipt and repayment of dollar loans from the International Bank and drawings on the International Monetary Fund.

Details of dollar financing transactions for 1958-59 may not be strictly comparable with those of previous periods due to events following the move to convertibility of non-resident sterling towards the end of 1958. As a result the estimates for some items shown in 1958-59 are incomplete.

BALANCE OF PAYMENTS WITH THE DOLLAR AREA: AUSTRALIA.
(£A. million.)

| Particulars. | 1956-57. | 1957-58. | 1958-59.(a) |
|---|---------------|---------------|---------------|
| CURRENT ACCOUNT. | | | |
| <i>Credits with Dollar Area—</i> | | | |
| 1. Exports f.o.b. | 86.1 | 70.2 | 87.5 |
| 2. Transportation | 3.1 | 3.9 | 4.3 |
| 3. Other | 6.0 | 11.0 | 10.7 |
| Total credits | 95.2 | 85.1 | 102.5 |
| <i>Debits with Dollar Area—</i> | | | |
| 4. Imports f.o.b. | 124.0 | 132.4 | 136.3 |
| 5. Transportation— | | | |
| Freight | 19.6 | 19.6 | 19.9 |
| Other (incl. Marine Insurance) | 1.2 | 1.6 | 2.0 |
| 6. Investment Income— | | | |
| Public Authorities Interest | 2.7 | 3.0 | 4.1 |
| Undistributed Income | 19.5 | 19.0 | 30.6 |
| Dividends, Profits, etc. | 12.9 | 16.0 | 15.7 |
| 7. Miscellaneous— | | | |
| Travel | 2.3 | 4.1 | 4.1 |
| Business Expenses | 2.3 | 2.3 | 3.3 |
| Film Rentals | 2.6 | 3.6 | 3.1 |
| Other | 7.0 | 12.8 | 19.6 |
| Total debits | 194.1 | 214.4 | 238.7 |
| 8. Balance with Dollar Area | - 98.9 | -129.3 | -136.2 |
| 9. Other current transactions | 12.4 | - 2.2 | - 12.2 |
| Balance on Current Account | - 86.5 | -131.5 | -148.4 |
| INVESTMENT AND FINANCING ACCOUNT. | | | |
| 10. Gold sales to the United Kingdom | 25.0 | .. | .. |
| 11. Net purchase of dollars from the United Kingdom | 23.2 | 70.3 | 69.1 |
| 12. Increase (-) in Aust. dollar balances | - 4.9 | - 0.3 | - 5.1 |
| 13. Official loans— | | | |
| I.B.R.D. | 3.1 | 13.2 | 2.2 |
| Other | 0.1 | 9.1 | 16.4 |
| 14. I.M.F. and I.F.C. | - 1.0 | .. | .. |
| 15. Identified private capital— | | | |
| Undistributed income (net) | 19.6 | 19.2 | 30.6 |
| Other | 7.0 | 5.8 | 13.2 |
| 16. Balancing Item | 14.4 | 14.2 | 22.0 |
| Balance on Investment and Financing Account | 86.5 | 131.5 | 148.4 |

(a) Preliminary. For revised figures see Appendix.

NOTE.—In current account, - indicates debit items. In investment account, - indicates net decreases in liabilities or net increases in assets.

6. **Conclusion.**—Construction of the estimates of the Australian balance of payments involves the systematic assembly of much intricate data, from a variety of sources of which the following are the more important:—(i) Statistics of exports and imports, obtained in the first place from Australian trade statistics; (ii) information on particular invisible and capital items, obtained by regular inquiry from private organizations and government departments; (iii) details of many important receipts and payments of foreign exchange, provided by the banking system; (iv) information on dividends remitted, undistributed income and movements of private investment in companies, provided by statistics of oversea investment collected by this Bureau; and (v) information on international reserves, supplied by the Reserve Bank.