

CHAPTER VI.—TRANSPORT AND COMMUNICATION.

E. MOTOR VEHICLES.

5. Motor Vehicles Registered, p. 197.—Motor vehicles registered at 30th June, 1933, were as follow :—

MOTOR VEHICLES REGISTERED AT 30th JUNE, 1933.

State or Territory.	Motor Cars.	Commercial Vehicles.	Motor Cycles.	All Vehicles.	
				No.	Per 1,000 of Population.
New South Wales (a) ..	152,717	46,399	23,354	222,470	85.5
Victoria	124,609	31,554	23,439	179,602	98.7
Queensland	(b) 81,492	(c) ..	7,725	89,217	94.1
South Australia ..	39,036	12,073	8,520	59,629	102.6
Western Australia ..	27,710	12,885	5,992	46,587	106.1
Tasmania	11,557	2,457	3,741	17,755	78.0
North Australia ..	369	206	39	614	} 139.9
Central Australia ..	42	20	4	66	
Federal Capital Territory ..	967	243	82	1,292	144.4
Australia	438,499	105,837	72,896	617,232	93.1

(a) Approximate figures only, on account of Annual and Quarterly Registration Certificates.
 (b) Includes Commercial Vehicles. (c) Included under Motor Cars.

CHAPTER VII.—TRADE.

§ 2. Commonwealth Legislation affecting Oversea Trade, pp. 224-226.

THE OTTAWA CONFERENCE, 1932.

The Imperial Economic Conference opened at Ottawa, on the 21st July, 1932, and continued until the 20th August. Delegates were present from the United Kingdom, Canada, Australia, New Zealand, Union of South Africa, Irish Free State, Newfoundland, India and Southern Rhodesia.

The Commonwealth of Australia was represented by the Rt. Hon. S. M. Bruce, C.H., M.C., M.P., Minister without portfolio, and the Hon. H. S. Gullett, M.P., Minister of State for Trade and Customs. The delegates were accompanied by an official staff of advisers and business consultants.

An official report of the Conference has been issued, together with a supplementary volume, showing the texts of the Trade Agreements concluded during the Conference.

Subjects considered by the Conference were in five principal divisions, and included—
 (a) Matters relating to the Promotion of Trade within the British Commonwealth ;
 (b) Matters relating to Customs Administration ; (c) Matters relating to Commercial Relations with Foreign Countries ; (d) Matters relating to Monetary and Financial Questions ; and (e) Matters relating to Methods of Economic Co-operation.

Under division (a) "Promotion of Trade within the Commonwealth," Trade Agreements were drawn up for the extension of mutual trade by means of reciprocal preferential tariffs. In regard to these Agreements the Conference adopted the following resolution :—

"The nations of the British Commonwealth having entered into certain Agreements with one another for the extension of mutual trade by means of reciprocal preferential tariffs, this Conference takes note of these Agreements, and records its conviction :—

That by the lowering or removal of barriers among themselves provided for in these Agreements the flow of trade between the various countries of the Empire will be facilitated, and that by the consequent increase of purchasing power of their peoples the trade of the world will also be stimulated and increased ;

Further, that this Conference regards the conclusion of these Agreements as a step forward which should in the future lead to further progress in the same direction and which will utilize protective duties to ensure that the resources and industries of the Empire are developed on sound economic lines."

The Trade Agreement between the Government of the United Kingdom and the Government of the Commonwealth of Australia was signed on the 20th August, 1932.

According to the Agreement, the Government of the United Kingdom agreed to the following Articles :—

(1.) The Government to undertake that Orders shall be made in accordance with the provisions of Section 4 of the Import Duties Act, 1932, which will ensure the continuance after the 15th November, 1932, of entry free of duty into the United Kingdom of Australian goods which comply with the laws and statutory regulations for the time being in force affecting the grant of Imperial preference and which by virtue of that Act are now free of duty, subject, however, to the reservations set forth in Schedule A as follows :—As regards eggs, poultry, butter, cheese and other milk products, free entry for produce of Australia will be continued for three years certain. The Government of the United Kingdom reserve to themselves the right after the expiration of the three years, if they consider it necessary in the interests of the United Kingdom producer to do so, to review the basis of preference, so far as relates to the articles enumerated and after notifying the Commonwealth Government either to impose a preferential duty on produce of Australia, or, in consultation, to bring such produce within any system which may be put into operation for the quantitative regulation of supplies from all sources in the United Kingdom.

(2.) The Government to invite Parliament to pass the legislation to impose on the foreign goods specified in Schedule B the duties of customs shown in that Schedule in place of the duties (if any) now leviable.

The commodities and rates of duty specified in Schedule B are as follow :—Wheat, in grain, 2s. per quarter ; butter, 15s. per cwt. ; cheese, 15 per cent. ad valorem ; apples, raw, and pears, raw, 4s. 6d. per cwt. ; apples, canned, 3s. 6d. per cwt., in addition to the duty on sugar content ; other canned fruits, 15 per cent. ad valorem in addition to the duty on sugar content ; dried fruits, now dutiable at 7s., 10s. 6d. per cwt. ; eggs in shell—(a) not exceeding 14 lb. in weight per great 100, 1s. per great 100 ; (b) over 14 lb., but not exceeding 17 lb., 1s. 6d. per great 100 ; (c) over 17 lb. 1s. 9d. per great 100 ; condensed milk, whole, sweetened, 5s. per cwt., in addition to duty on sugar content ; condensed milk, whole, not sweetened, 6s. per cwt. ; milk powder and other preserved milk, not sweetened, 6s. per cwt. ; honey, 7s. per cwt. ; copper, unwrought, refined or not, in ingots, bars, blocks, etc., 2d. per lb. ; oranges, raw, 3s. 6d. per cwt. from 1st April to 30th November ; grape fruit, raw, 5s. per cwt. from 1st April to 30th November ; grapes (other than hothouse) 1½d. per lb. from 1st February to 30th June.

(3.) The Government to invite Parliament to pass the legislation necessary to secure to Australian goods of the kinds specified in Schedule C which comply with the law and statutory regulations for the time being in force affecting the granting of Imperial preference, the margins of preference specified therein over similar foreign goods.

Schedule C—Wine not exceeding 27 degrees of proof spirit—Margin of preference—2s. per gallon.

(4.) The Government undertake that the general ad valorem duty of 10 per cent. imposed by Section 1 of the Import Duties Act, 1932, on the foreign goods specified in Schedule D shall not be reduced except with the consent of the Government of the Commonwealth of Australia.

The goods specified in Schedule D are as follow :—Leather, tallow, canned meat, zinc, lead, barley, wheat flour, macaroni, dried peas, dressed poultry, casein, eucalyptus oil, meat extracts and essences, copra, sugar of milk, sausage casings, wattle bark, asbestos, and dried fruits, other than currants, not specified in Schedule B.

(5.) The duties provided in this Agreement on foreign wheat in grain, copper, lead and zinc on importation into the United Kingdom are conditional in each case on Empire producers of wheat in grain, copper, lead and zinc respectively continuing to offer those commodities on first sale in the United Kingdom at prices not exceeding the world price.

(6.) The Government in the United Kingdom and the Commonwealth Government agree that arrangements shall be made for the regulation of imports of frozen mutton and lamb and frozen and chilled beef into the United Kingdom in accordance with the declaration of the Government of the United Kingdom in Schedule H.

The Declaration by the Government of the United Kingdom (Schedule H) provides, *inter alia*, that, owing to the present wholesale price of meat being at a level which had resulted in grave depression in the live stock industries of the United Kingdom and the Dominions, it is essential to take whatever steps may appear feasible to raise the wholesale prices of meat in the United Kingdom market to such a level as will maintain efficient production.

With a view to the earliest possible improvement of the position, the Government in the United Kingdom will, during the currency of the Ottawa Agreement, arrange for the regulation of importations of meat into the United Kingdom. The policy of the Government in relation to meat production is, first, to secure development of home production, and, secondly, to give to the Dominions an expanding share of imports into the United Kingdom.

In order to co-operate in the carrying out of this policy the Commonwealth Government agrees to limit the export of frozen mutton and lamb to the United Kingdom for the year 1933 to an amount equivalent to the total imports from Australia during the year ended 30th June, 1932, in consideration of the United Kingdom Government—

- (a) Arranging for the regulation of the importation of foreign meat in accordance with an agreed programme between the Governments, and including within its scope frozen mutton and lamb, and frozen beef and chilled beef.
- (b) Arranging, as soon as possible after receiving the report of the Commission on the re-organization of the pig industry in the United Kingdom, for the quantitative regulation of the supplies of bacon and hams coming on to the United Kingdom market.
- (c) Undertaking that no restriction will be placed upon the importation of any meat from Australia during the period named in the agreed programme.

During the year 1933 the two Governments, in consultation, will consider the best means of ensuring an improved price situation and the more orderly marketing of supplies. Should no permanent policy be agreed upon as the result of the consultation, the Government in the United Kingdom undertakes, after the expiry of the period named in the agreed programme and during the remainder of the Agreement concluded at Ottawa :—

- (a) To arrange for the continuance, unless otherwise agreed between the Governments concerned, of the regulation of the imports of foreign meat at the rates in force at the end of the period named in the agreed programme.
- (b) In any action affecting the imports of meat into the United Kingdom which the United Kingdom Government may take on behalf of United Kingdom agriculture, to the policy of giving to the Dominions an expanding share of imports into the United Kingdom.

The Declaration provides that should it appear that, after inquiry, at any time, in consequence of a restriction upon foreign imports, the supplies of meat of any kind are inadequate to meet the requirements of consumers in the United Kingdom, then the Government may remove any such restriction until supplies are again adequate.

The Agreed Programme.—Statement showing the maximum quantities of foreign meat to be imported into the United Kingdom during each quarter of the period 1st January, 1933, to 30th June, 1934, expressed as percentages of the quantities imported in the corresponding quarters of the twelve months ended 30th June, 1932.

The percentages fixed were as follow :—Frozen mutton and lamb—First quarter, 90 per cent. reducing by 5 per cent. each quarter, to 65 per cent. in last quarter ; frozen beef (carcasses and boned beef), similar percentages ; chilled beef—100 per cent.

The Commonwealth Government recognizing the interrelation of all meat products, and that the object of the above regulation of imports into the United Kingdom is to raise the price level of frozen meat, undertakes to use its best endeavours to ensure that during the year 1933 the exports of frozen beef from Australia to the United Kingdom shall not be increased to an extent exceeding 10 per cent. of the quantities exported for the year ending 30th June, 1932.

(7.) The Government of the United Kingdom will invite the Governments of the non-self-governing Colonies and Protectorates to accord to Australia any preference which may for the time being be accorded to any other part of the British Empire, with the exception of preferences accorded by Northern Rhodesia to the Union of South Africa, Southern Rhodesia, and Territories of the South African High Commission, and further will invite the Governments of the Colonies and Protectorates shown in Schedule E to accord to Australia new or additional preferences on the commodities and at the rates shown therein.

Schedule E.—The countries to be invited to accord preference and the commodities affected are as follows :—The Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Jamaica, Leeward Islands, Trinidad and Tobago, and the Windward Islands—butter ; The Bahamas—brandy and wine ; Barbados, British Guiana, Trinidad—brandy ; Barbados, Jamaica and Trinidad—condensed and powdered milk ; Bermuda—canned meat, canned fruit and vegetables ; British Guiana and Trinidad—wines ; Jamaica—biscuits (unsweetened), canned meat, fruit (dried), jams, jellies and preserved fruit ; Ceylon—bacon and ham, biscuits, brandy, canned fruit and vegetables, cheese, fruits (fresh), condensed and powdered milk, and wines ; Cyprus—butter, cheese and timber ; The Federated and Unfederated Malay States—brandy, butter (frozen and tinned), canned fruit and vegetables, confectionery, condensed and powdered milk, and wines ; Hong Kong—brandy ; Malta—biscuits, brandy, flour and condensed and powdered milk ; Mauritius—bacon and ham, cheese ; Straits Settlements—brandy and wine.

By the Agreement the Government of the Commonwealth of Australia agrees—

(8.) To invite Parliament to pass the legislation making the tariff changes necessary to give effect to the preference formula set forth in Part I. of Schedule F, subject to the exceptions indicated in Part II. of that Schedule, and further undertakes that existing preferential margins which exceed those laid down in this formula shall be maintained subject, however, to the right of the Government in the Commonwealth to reduce the existing margins of preference in the case of goods of the kinds specified in Part III. of that Schedule to an extent not exceeding the amounts shown therein.

Schedule F (Part I.).—Subject to the exceptions enumerated in Part II., goods produced or manufactured in the United Kingdom, and imported into Australia shall, on compliance with the regulations for the time being in force governing the entry of goods at preferential rates of duty, enjoy preferences in accordance with the following formula :—

- (a) When goods the produce or manufacture of the United Kingdom are free of duty, or are liable to duties of customs not exceeding 19 per cent. ad valorem, the difference between the British Preferential Tariff rate and the rate upon similar goods from the most favoured foreign country shall be at least 15 per cent. ad valorem.

- (b) When goods the produce or manufacture of the United Kingdom are liable to duties of customs exceeding 19 per cent. ad valorem, and not exceeding 29 per cent. ad valorem, the difference between the British Preferential Tariff rate and the rate upon similar goods from the most favoured foreign country shall be at least $17\frac{1}{2}$ per cent. ad valorem.
- (c) When goods the produce or manufacture of the United Kingdom are liable to duties of customs exceeding 29 per cent. ad valorem, the difference between the British Preferential Tariff and the rate upon similar goods from the most favoured foreign country shall be at least 20 per cent. ad valorem, provided that in no case shall this margin be applied so as to result in a rate of duty exceeding 75 per cent. ad valorem.

The above formula shall not apply in the case of goods of a class or kind not commercially produced or manufactured in the United Kingdom, or in the case of particular goods in respect of which it may be agreed that its application is unnecessary. The formula also shall not apply to certain goods, shown in Schedules attached to the Agreement, it being understood that the existing preference shall be maintained except where otherwise indicated in the Schedules.

Part II. of Schedule F shows the minimum margin of preference to be accorded to certain specified goods, while Part III. shows the maximum amount of reduction in preference to be made on goods specified. The Schedules are too lengthy to be given in this statement.

(9.) To undertake that protection by tariffs shall be afforded only to those industries which are reasonably assured of sound opportunities for success.

(10.) To undertake that during the currency of this Agreement the Tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of such principle special consideration may be given to the case of industries not fully established.

(11.) To undertake that a review shall be made as soon as practicable by the Australian Tariff Board of existing protective duties in accordance with the principles laid down in Article 10 hereof, and that after the receipt of the report and recommendation of the Tariff Board the Commonwealth Parliament shall be invited to vary, wherever necessary, the tariff on goods of United Kingdom origin in such manner as to give effect to such principles.

(12.) To undertake that no new protective duty shall be imposed, and no existing duty shall be increased on United Kingdom goods to an amount in excess of the recommendation of the Tariff Tribunal.

(13.) To undertake that United Kingdom producers shall be entitled to full rights of audience before the Tariff Board when it has under consideration matters arising under Articles 11 and 12.

(14.) To undertake in so far as concerns goods the produce or manufacture of the United Kingdom :—

- (a) to repeal as soon as practicable the Proclamation published in *Commonwealth Gazette* No. 46 of 19th May, 1932, prohibiting the importation of certain goods ;
- (b) to remove as soon as practicable the surcharges imposed by resolution introduced into the Parliament on the 24th May, 1932 ; and
- (c) to reduce or remove primage duty as soon as the finances of Australia will allow.

(15.) To undertake to accord to the non-self-governing Colonies and Protectorates and the Mandated Territories of Tanganyika, the Cameroons under British Mandate and Togoland under British Mandate, preferences on the commodities and at the rates shown in Schedule G of the Agreement and any preferences for the time being accorded to the United Kingdom if the Government in the United Kingdom so request.

Provided that the Commonwealth Government shall not be bound to accord any preferences to any Colony or Protectorate which, not being precluded by international obligations from according preferences, either (i) accords to Australia no preferences, or (ii) accords to some other part of the Empire (in the case of Northern Rhodesia, excepting the Union of South Africa, Southern Rhodesia, and the territories of the South African High Commission) preferences not accorded to Australia.

Schedule G.—The commodities on which preferences may be accorded are:—Asphalt, bitumen and natural pitch; dry gums; essential oils, bananas, cocoa (raw), fruit juices, fruits preserved in liquid or partly preserved or pulped. coco-nuts (whole), plumbago and graphite, sago and tapioca, spirits—bitters and rum, sponges, timber (logs), tobacco, unmanufactured for cigars, tobacco, manufactured, cigars, and unground spices.

(16.) The Agreement is to be regarded as coming into effect as from the date hereof (20th August, 1932), subject to the necessary legislative or other action being taken as soon as may be practicable hereafter. It shall remain in force for a period of five years, and if not denounced six months before the end of that period shall continue in force thereafter until a date six months after notice of denunciation has been given by either party.

In the event of circumstances arising which, in the judgment of the Governments concerned, necessitate a variation in the terms of the Agreement, the proposal to vary those terms shall form the subject of consultation between the two Governments.

§ 5. Balance of Payments, p. 234.

Australian Balance of Payments, 1928–29 to 1932–33.

1. **General.**—In the following tables, tentative estimates have been made of the main items entering into the Australian balance of international payments during the five years ending in June, 1933. While insufficient direct statistical data are available to provide a completely accurate presentation of the position, it is possible, by resorting to indirect methods of estimation, to narrow the range of uncertainty. Additional data are constantly becoming available, however, while the methods of estimation adopted are susceptible of gradual improvement. The conclusions reached at this stage of the investigation, therefore, must be regarded as first approximations rather than as final results pretending to a substantial degree of accuracy.

The calculations have been carried out in terms of English sterling throughout. For the more important items, the figures for 1932–33 will require little revision. In a few cases, items of minor significance have been estimated in 1932–33 on the basis of the previous year's figures, with an allowance for known tendencies. Figures thus subject to material revision have been marked with an asterisk.

2. **The Balance of International Payments.**—The form in which the items entering into the balance of payments have been set out approximates fairly closely to that used by the League of Nations in its annual volumes on *Balances of Payments*, though modifications have been introduced, especially in the "Summary Tables", in order to present the results more clearly to the general reader.

The individual credit and debit "current" items appear in the first statement (A), and are followed by a statement (B) of the inward and outward movements of capital, so far as they can be traced. The totals of these statements are then set out in the "Summary Tables", in which is included a statement of monetary gold movements (C). The final statement of the balance of payments brings together A, B and C, at the end of the "Summary Tables".

If the information contained in the primary statements were both accurate and exhaustive, the balances on current account and the monetary movement of gold should be exactly offset by contra balances on capital account each year. In practice, differences inevitably appear, on account of errors of estimation, omissions and time-lags. The discrepancies attributable to time-lags will be greater, of course, the greater are the fluctuations in the total volume of transactions. During the five years at present considered these fluctuations have been unparalleled in their violence.