

CHAPTER X.

TRADE.

§ 1. Introductory.

Constitutional Powers.—By the Commonwealth of Australia Constitution Act, section 51 (i.), the power to make laws with respect to trade and commerce with other countries was conferred on the Commonwealth Parliament. Under section 86 of the Constitution the collection and control of duties of customs and excise passed to the Executive Government of the Commonwealth on 1st January, 1901. Other references to trade and commerce are contained in sections 87 to 95 of the Constitution (*see pp. 18-19*).

§ 2. Commonwealth Legislation affecting Oversea Trade.

1. **General.**—The principal Acts affecting overseas trade at present in force are : The Customs Act 1901–1957 ; Customs Tariff 1933–1956 ; Customs Tariff (Canadian Preference) 1931 and Customs Tariff (Canadian Preference) 1934–1956 ; Customs Tariff (Industries Preservation) Act 1921–1956 ; Customs Tariff (New Zealand Preference) 1933–1954 ; Customs Tariff (Papua and New Guinea Preference) 1936–1956 ; Customs Tariff (Federation of Rhodesia and Nyasaland Preference) 1956 ; Customs Tariff (Primage Duties) 1934–1950 ; Trading with the Enemy Act 1939–1952.

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 1933–1956.

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

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

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

the intended destination of the goods, when originally shipped from the United Kingdom, was Australia. For the purpose of the preferential tariff the following goods are deemed by section 151A of the Customs Act 1901-1957 to be the produce or manufacture of the United Kingdom, provided the final process of their production or manufacture was performed in that country :—

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

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

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

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

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

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

Inquiries conducted by the Board relating to any revision of the Tariff, any proposal for a bounty, or any complaint that a manufacturer is taking undue advantage of the protection afforded him by the Tariff shall be held in public, and evidence in such inquiries shall be taken in public on oath, unless any witness objects to giving any evidence in public which the Board is satisfied is of a confidential nature, when the Board may take such evidence in private. Evidence taken by the Board in connexion with any inquiry under the Customs Tariff (Industries Preservation) Act 1921–1956 shall be taken in public on oath.

5. Industries Preservation.—The Customs Tariff (Industries Preservation) Act 1921–1956 provides that, after inquiry and report by the Tariff Board, special duties shall be collected in the following cases when the importation of the goods referred to might be detrimental to an Australian industry. In the case of goods sold for export to Australia at a price less than the fair market value for home consumption or at a price which is less than a reasonable price, a special dumping duty shall be collected equal to the difference between the price at which the goods were sold and the fair market value, or the difference between the price at which the goods were sold and a reasonable price. Similar provision is made for goods consigned to Australia for sale. With regard to goods exported to Australia at rates of freight less than the normal rate of freight the dumping freight duty shall be—on goods carried free—the amount payable as freight at the normal rate; and in the case of any other goods—an amount equal to the difference between the freight paid and the freight which would have been payable at the normal rate.

The Act 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.—(i) *Customs (Import Licensing) Regulations.* The Customs (Import Licensing) Regulations were first promulgated in December, 1939, and were made pursuant to sections 52 (g) and 56 of the Customs Act 1901–1957. New regulations embodying minor changes were implemented on 14th December, 1955. The regulations provide, *inter alia*, that the importation into the Commonwealth of any goods (not 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 regulations were at first applied only to imports from non-sterling sources, with the object of conserving non-sterling exchange and enabling priority in shipping space to be given to essential imports. However, with a subsequent decline in Australia's sterling balances in London and changes in the general war situation the restrictions were extended in December, 1941 to cover a wide range of imports from sterling countries. The position remained basically the same during the remainder of the war and in the immediate post-war period.

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

During 1951–52, following a fall in the price of wool and a large increase in the volume of imports (the product, in turn, of the wool boom of 1950–51), Australia incurred a substantial deficit on current account. Oversea reserves fell rapidly in the latter part of 1951 and early 1952, endangering Australia's external financial position to such a degree that it became necessary on 8th March, 1952 to apply the Customs (Import Licensing) Regulations to imports from all sources, with the exception of goods originating in Papua, New Guinea and Norfolk Island. By March, 1953, Australia's balance of payments had shown sufficient improvement to justify a general relaxation in the quantitative restrictions applying to goods from sources other than the dollar area and Japan, and as a consequence progressive relaxations were made operative during 1953 and the first half of 1954. The balance of payments position deteriorated rapidly from June, 1954 and, as a result, import licensing restrictions were intensified during the second half of 1954 and throughout 1955, but the decline in overseas funds continued. New and more stringent measures were therefore introduced, operative from 1st July, 1956, involving considerable variations in import licensing and aimed at creating a balance between receipts and payments in foreign currency.

Australia's trade position improved considerably during the second half of 1956 and import restrictions were progressively relaxed in the early part of 1957. A new basis of licensing was introduced as from 1st August, 1957. This involved import licensing replacement for 56 commodities, licensing being based, in general, on usage of exchange allocations for these items.

Prior to 22nd November, 1954, goods of Japanese origin were licensed on a basis quite separate from that of other non-dollar licensing. From that date until 7th July, 1957, goods of Japanese origin were, with certain exceptions, licensed for importation on the same basis as like goods originating in other non-dollar countries. Since then there has been no distinction between Japan and other non-dollar countries as regards import licensing.

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

(ii) *Customs (Prohibited Imports) Regulations.* In addition to the Import Licensing Regulations which are imposed for balance of payments reasons, section 50 of the Customs Act provides that the Governor-General may, by regulation, prohibit the importation of goods into Australia. Prohibition by regulation may be exercised by—(a) prohibiting the importation of goods completely; (b) prohibiting the importation of goods from a specified place; (c) prohibiting the importation of goods unless specified conditions or restrictions are complied with. Lists of products subject to prohibition are set out in the Customs (Prohibited Imports) Regulations. Commodities the importation of which has been prohibited under the regulations include dangerous drugs, firearms, undesirable publications and articles deleterious to public health.

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

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

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

9. *Trade Agreements.*—(i) *The United Kingdom.* The 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) 1934–1956 give effect to the agreement so far as Australia is concerned.

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

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

(iv) *Federation of Rhodesia and Nyasaland.* During June, 1955, a trade agreement was negotiated with the Federation. Australia's principal undertaking was to grant an exclusive tariff preference to the Federation on unmanufactured tobacco, a concession formerly accorded 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) *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.

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

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

In November, 1957 there were 37 contracting parties to the Agreement, comprising most of the world's larger trading nations.

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

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

The contracting parties periodically hold plenary sessions to deal with questions arising out of the administration of the Agreement. The twelfth session was held at Geneva in October and November, 1957.

§ 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 previous issues of the Official Year Book.

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 previous issues of the Official Year Book.

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 (7s. 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 enforce 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.	Ad Valorem Incidence. (a) (Per cent.)			
		1938.	1947.	1954.	1956.
Sugar, raw	£3 14s. 8d. a ton..	35.8	12.2	9.4	8.7
Butter	15s. a cwt.	13.3	7.6	4.3	4.6
Beef (frozen)	¾d. a lb. ..	17.3	10.3	4.3	3.6
Canned pineapple	5s. a cwt. ..	21.4	5.5	2.9	3.5
Currants	2s. a cwt. ..	7.2	2.8	2.4	1.8
Raisins	10s. 6d. a cwt. to 1947; 8s. 6d. a cwt. from 1948	31.2	13.1	9.7	8.0
Honey	7s. a cwt. to 1938; 5s. a cwt. from 1939	19.0	6.8	5.4	3.8
Milk, dried whole	6s. a cwt. ..	8.7	4.7	2.9	3.1
Milk, dried skim	6s. a cwt. ..	20.1	7.4	7.0	7.3
Apples	4s. 6d. a cwt. ..	26.4	9.9	5.9	5.4
Pears	4s. 6d. a cwt. ..	19.5	6.7	5.3	4.9

(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.

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

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

The growing importance of Australia's trade with Canada led to the appointment in 1929 of an Australian Trade Commissioner in that country. The part played by that official in the subsequent negotiations of the Trade Agreement with Canada, in the cultivation

of close and cordial relations with the Canadian authorities, and in general in focussing interest on Australia and Australian products, amply demonstrated the value of such appointments to both the Commonwealth Government and the Australian trading community.

The Trade Commissioners Act 1933 provided for the establishment of an Australian Government Trade Commissioner Service and by the beginning of the 1939-45 War posts had been established at Wellington, Batavia (now Djakarta), Shanghai, Tokyo, Cairo, Bombay, New York and Calcutta. The Trade Commissioner Service was further expanded in 1946 and in February, 1958 there were 27 Trade Commissioner posts in 20 countries.

The general advantages to be derived from the appointment of Trade Commissioners may be briefly stated as follows:—(a) fostering of goodwill, (b) correction and avoidance of misunderstandings, and (c) dissemination of knowledge concerning the respective countries. Particular facilities which they are able to afford to the trading community are (a) information as to present and prospective demand for goods, (b) information as to foreign and local competition, (c) advice as to best selling methods, (d) reports as to the standing of foreign buyers, (e) specification of articles in demand, (f) dealing with trade inquiries, (g) advice and assistance to commercial visitors regarding trade matters, (h) settlement of difficulties between exporters in Australia and buyers abroad, and (i) information as to foreign import requirements, customs duties, trade regulations, etc.

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

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

1. **Source of Statistics.**—Overseas trade statistics are compiled from documents obtained under the Customs Act 1901-1957 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 overseas 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 § 16, para. 2, which refer to imports cleared for home consumption.

4. *Statistical Classification of Imports and Exports.*—Statistics of overseas imports and exports from which the summary tables in this issue of the Official Year Book have been extracted were compiled according to the revised classification which came into operation on 1st July, 1945. This classification is designed to allow for the inclusion of items which become significant with varying trade conditions, and in 1956–57 provided for 2,264 import items and 1,072 export items.

5. *The Trade Year.*—From 1st July, 1914, the statistics relating to overseas trade have been shown according to the financial year (July to June). Prior to that date the figures related to the calendar year. A table is included in § 17 showing the total value of imports and exports in the calendar years 1953 to 1957 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 1901–1957 provides that “when any duty is imposed according to value, the value for duty shall be the sum of the following :—

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

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

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

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

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

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

7. *Inclusions and Exclusions.*—(i) *Ships' and Aircraft Stores.* Prior to 1906, goods shipped in Australian ports on overseas vessels as ships' stores were included as exports. From 1906, ships' and aircraft stores have been specially recorded as such, and omitted from the tabulation of exports. A table showing the value of these stores (including bunker coal and oil) shipped each year since 1952–53 is shown on page 356.

(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 overseas trade transactions.

(iv) *Currency.* Notes and coins of base metal are included in the overseas 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.

§ 6. Total Oversea Trade.

1. *Including Gold.*—The following table shows the total trade (including gold) of Australia with overseas countries from 1901 to 1956–57. 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	993,305	1,712,296	+	274,314	75.4	104.2	179.6

(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 1952-53 to 1956-57 see table on p. 356.

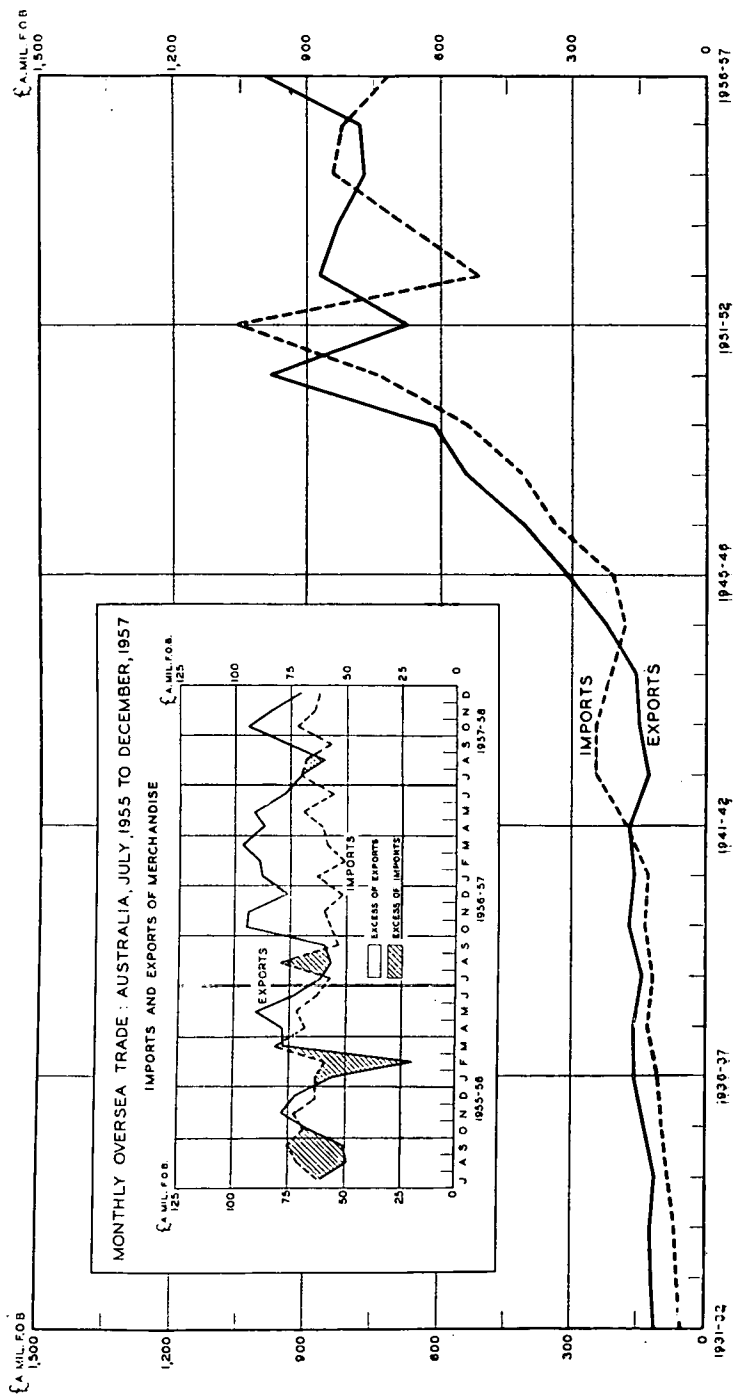
In issues of the Official Year Book prior to No. 23, fluctuations in the value of the overseas trade of Australia for earlier years were treated in some detail. The enhanced prices ruling for commodities and the peculiar conditions affecting Australian trade were responsible for the high value of imports 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 1931-32 to 1956-57 appears on the next page.




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, 1931-32 TO 1956-57

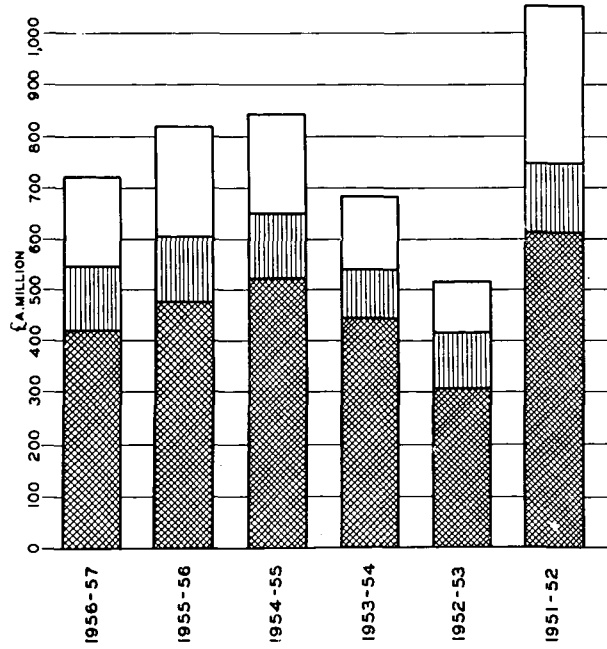


OVERSEA TRADE ACCORDING TO MONETARY AREAS

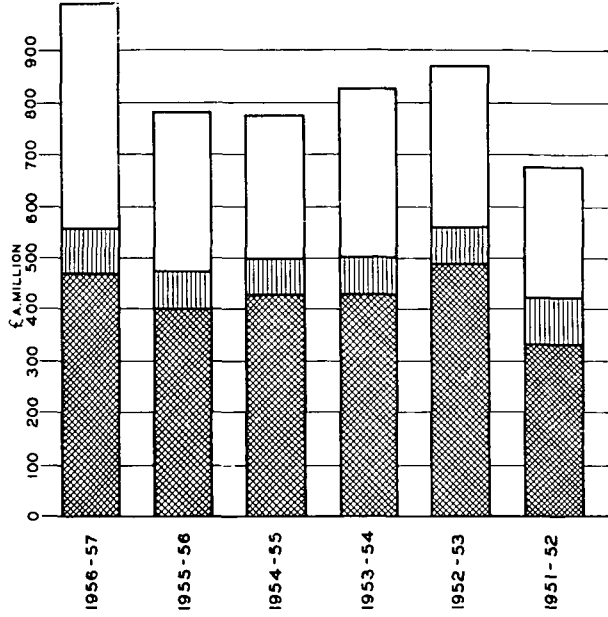
AUSTRALIA, 1951-52 TO 1956-57

 STERLING AREA
  DOLLAR AREA
  OTHER NON-STERLING AREAS

IMPORTS

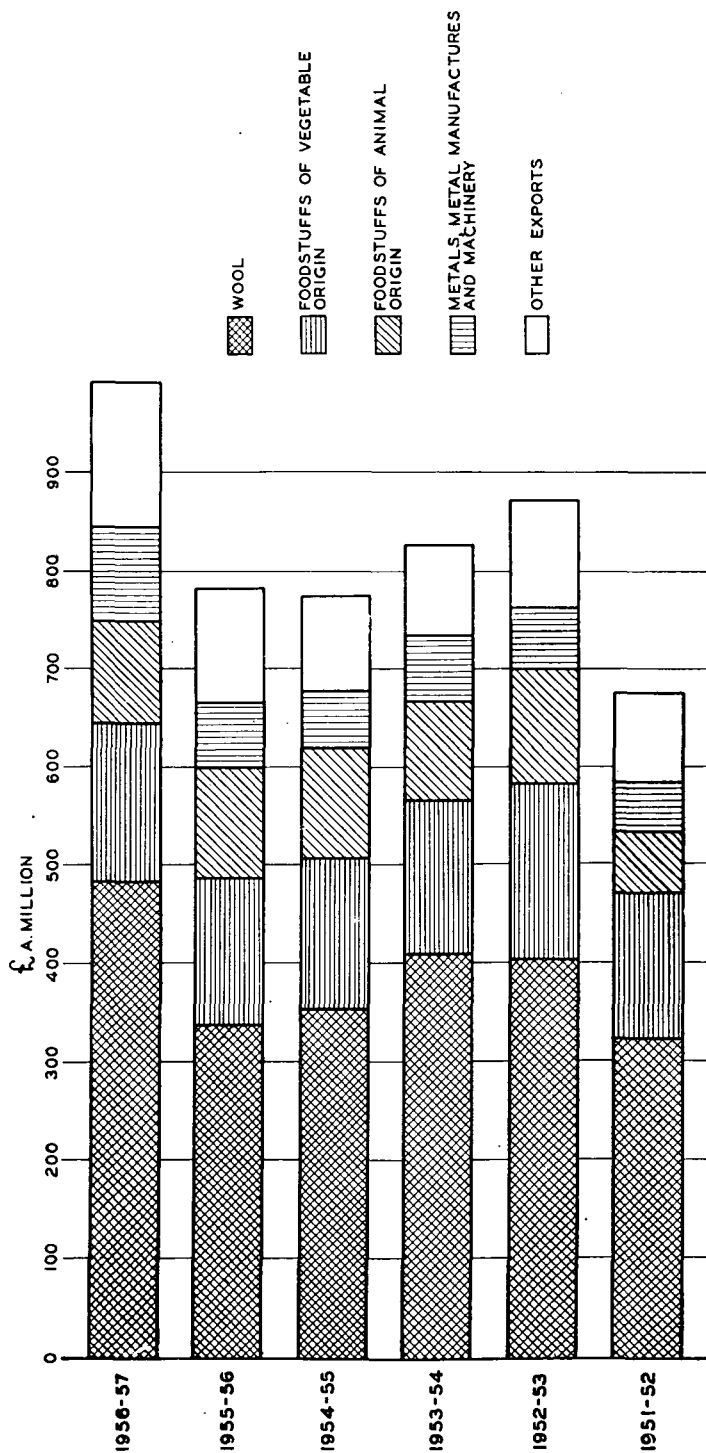


EXPORTS



EXPORTS OF PRINCIPAL COMMODITIES

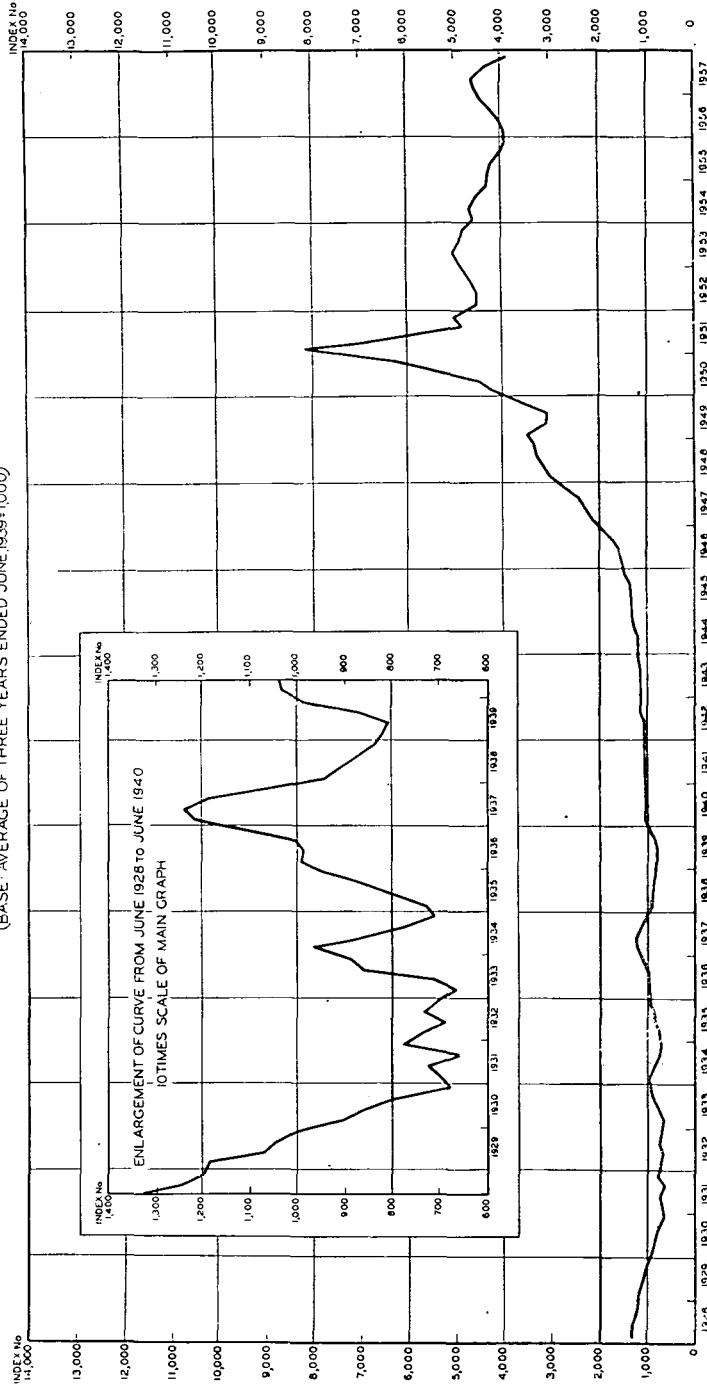
AUSTRALIA, 1951-52 TO 1956-57



EXPORT PRICE INDEX NUMBERS : AUSTRALIA, 1928 TO 1957

SIMPLE AGGREGATE INDEX - FIXED WEIGHTS

(BASE: AVERAGE OF THREE YEARS ENDED JUNE 1929 = 1000)



OVERSEA TRADE : AUSTRALIA.

(EXCLUDING GOLD.)

Year.	Value. (£'000.)			Value per Head of Population.(£)		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
1952-53	510,513	850,874	1,361,387	58.4	97.5	155.9
1953-54	678,650	814,563	1,493,213	76.3	91.5	167.8
1954-55	841,018	760,446	1,601,464	92.5	83.7	176.2
1955-56	818,343	773,540	1,591,883	87.9	83.0	170.9
1956-57	716,720	979,078	1,695,798	75.2	102.7	177.9

§ 7. Direction of Oversea Trade.

1. According to Countries.—(i) *Values.* The following table shows the value of Australian imports and exports during each of the years 1954-55 to 1956-57, 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.		
	1954-55.	1955-56.	1956-57.	1954-55.	1955-56.	1956-57.
<i>Commonwealth Countries—</i>						
United Kingdom	378,669	355,912	296,251	285,476	257,334	277,549
Australian Territories	5,795	6,859	7,422	12,979	15,102	16,013
Canada	23,840	23,306	22,157	10,503	10,911	10,681
Ceylon	19,516	8,632	9,863	8,723	8,687	10,582
India	26,057	23,469	24,509	19,428	12,159	28,580
Malaya, Federation of	12,797	16,229	10,875	8,410	9,337	9,088
New Zealand	7,601	8,254	11,593	37,787	40,920	50,945
Singapore	2,492	1,453	873	11,600	12,100	14,129
Other Commonwealth Countries	46,531	32,123	37,234	31,371	30,195	41,044
<i>Total, Commonwealth Countries</i>	<i>523,298</i>	<i>476,237</i>	<i>420,777</i>	<i>426,277</i>	<i>396,745</i>	<i>458,611</i>
<i>Foreign Countries—</i>						
Arabian States	27,851	28,607	23,449	2,011	2,039	3,174
Belgium-Luxemburg	12,234	11,578	7,462	31,252	26,173	35,161
France	14,689	15,626	9,297	64,056	67,314	91,974
Germany, Federal Republic of	30,838	34,998	31,079	31,823	36,431	46,948
Indonesia	22,529	22,401	26,356	3,702	6,705	6,820
Italy	11,740	11,821	9,112	35,915	34,621	52,953
Japan	18,422	22,592	12,884	58,573	86,490	139,010
Netherlands	13,081	13,233	10,555	6,857	6,192	5,547
Sweden	13,516	12,048	11,510	3,241	3,483	2,440
United States of America	102,157	98,790	95,544	52,415	54,998	66,097
Other Foreign Countries	49,618	69,335	57,333	44,321	52,337	66,022
<i>Total, Foreign Countries</i>	<i>316,675</i>	<i>341,029</i>	<i>294,581</i>	<i>334,166</i>	<i>376,783</i>	<i>516,146</i>
<i>Country unknown</i>	<i>1,045</i>	<i>1,077</i>	<i>1,362</i>	<i>3</i>	<i>12</i>	<i>4,321</i>
<i>Total</i>	<i>841,018</i>	<i>818,343</i>	<i>716,720</i>	<i>760,446</i>	<i>773,540</i>	<i>979,078</i>

(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 1954-55 to 1956-57 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.		
	1954-55.	1955-56.	1956-57.	1954-55.	1955-56.	1956-57.
<i>Commonwealth Countries—</i>						
United Kingdom	45.03	43.49	41.33	37.54	33.27	28.35
Australian Territories ..	0.69	0.84	1.04	1.71	1.95	1.64
Canada	2.83	2.85	3.09	1.38	1.41	1.09
Ceylon	2.32	1.05	1.38	1.15	1.12	1.08
India	3.10	2.87	3.41	2.55	1.57	2.92
Malaya, Federation of ..	1.52	1.98	1.52	1.11	1.21	0.93
New Zealand	0.90	1.01	1.62	4.97	5.29	5.20
Singapore	0.30	0.18	0.12	1.53	1.57	1.44
Other Commonwealth Countries	5.53	3.93	5.20	4.12	3.90	4.19
<i>Total, Commonwealth Countries</i>	<i>62.22</i>	<i>58.20</i>	<i>58.71</i>	<i>56.06</i>	<i>51.29</i>	<i>46.84</i>
<i>Foreign Countries—</i>						
Arabian States	3.31	3.50	3.27	0.26	0.26	0.32
Belgium-Luxemburg	1.45	1.42	1.04	4.11	3.38	3.59
France	1.75	1.91	1.30	8.42	8.70	9.39
Germany, Federal Republic of	3.67	4.28	4.34	4.19	4.71	4.80
Indonesia	2.68	2.74	3.68	0.49	0.87	0.70
Italy	1.40	1.44	1.27	4.72	4.48	5.41
Japan	2.19	2.76	1.80	7.70	11.18	14.20
Netherlands	1.55	1.62	1.47	0.90	0.80	0.57
Sweden	1.60	1.47	1.60	0.43	0.45	0.25
United States of America ..	12.15	12.07	13.33	6.89	7.11	6.75
Other Foreign Countries ..	5.91	8.46	8.00	5.83	6.77	6.74
<i>Total, Foreign Countries</i>	<i>37.66</i>	<i>41.67</i>	<i>41.10</i>	<i>43.94</i>	<i>48.71</i>	<i>52.72</i>
<i>Country unknown</i>	<i>0.12</i>	<i>0.13</i>	<i>0.19</i>	<i>..</i>	<i>..</i>	<i>0.44</i>
Total	100.00	100.00	100.00	100.00	100.00	100.00

2. According to Monetary Areas.—The following table shows the trade of Australia according to monetary areas during the years 1955-56 and 1956-57.

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

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

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

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

OVERSEA TRADE OF AUSTRALIA ACCORDING TO MONETARY AREAS.
(INCLUDING GOLD.)
(£'000.)

Monetary Area.	1955-56.	1956-57.
STERLING.		
Imports—		
From—United Kingdom	355,912	296,251
Other Sterling Area Countries	123,990	126,623
Total	479,902	422,874
Exports—		
To—United Kingdom	257,414	277,550
Other Sterling Area Countries	141,478	191,812
Total	398,892	469,362
Excess of Exports (+) or Imports (—)	—81,010	+46,488
DOLLAR.		
Imports—		
From—United States of America	98,790	95,544
Canada	23,305	22,157
Other Dollar Area Countries	4,432	4,804
Total	126,527	122,505
Exports—		
To—United States of America	55,004	66,111
Canada	10,911	10,681
Other Dollar Area Countries	7,481	9,342
Total	73,396	86,134
Excess of Exports (+) or Imports (—)	—53,131	—36,371
OTHER NON-STERLING.		
Imports—		
From—Countries of the O.E.E.C., including dependencies	125,823	108,960
Other Countries	88,836	64,652
Total	214,659	173,612
Exports—		
To—Countries of the O.E.E.C., including dependencies	187,461	250,160
Other Countries	122,115	187,649
Total	309,576	437,809
Excess of Exports (+) or Imports (—)	+94,917	+264,197
ALL MONETARY AREAS.		
Total Imports	821,088	718,991
Total Exports	781,864	993,305
Excess of Exports (+) or Imports (—)	—39,224	+274,314

A graph showing the overseas trade of Australia according to monetary areas for the years 1951-52 to 1956-57 will be found on page 342.

§ 8. 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 1954-55 to 1956-57.

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

Class.	Imports.			Exports.		
	1954-55.	1955-56.	1956-57.	1954-55.	1955-56.	1956-57.
I. Animal foodstuffs, etc. ..	1,599	1,408	1,031	80,362	80,161	64,764
II. Vegetable foodstuffs ; non-alcoholic beverages, etc. ..	1,085	1,031	352	64,808	57,396	57,881
III. Alcoholic liquors, etc. ..	1,688	1,742	1,467	417	432	688
IV. Tobacco, etc. ..	2,219	875	417	4	22	76
V. Live animals ..	154	224	138	9	2	8
VI. Animal substances, etc. ..	321	395	367	110,910	86,039	120,397
VII. Vegetable substances, etc. ..	765	830	1,103	473	867	1,125
VIII. Apparel, textiles, etc. ..	66,061	51,672	41,560	253	194	199
IX. Oils, fats and waxes ..	6,009	883	1,327	633	2,218	1,726
X. Pigments, paints and varnishes ..	2,783	3,145	3,454	17	27	4
XI. Rocks, minerals, etc. ..	483	485	463	3,704	4,633	3,859
XII. Metals, metal manufactures and machinery ..	205,282	203,334	170,153	19,474	19,809	19,952
XIII. Rubber and leather, etc. ..	4,041	3,540	2,773	1,402	1,654	1,961
XIV. Wood and wicker, etc. ..	378	368	299	395	534	531
XV. Earthenware, etc. ..	10,115	8,495	6,732	5	15	14
XVI. Paper and stationery ..	21,643	22,644	20,217	285	282	318
XVII. Jewellery, etc. ..	3,179	2,914	1,892	45	60	70
XVIII. Optical, surgical and scientific instruments ..	5,705	5,607	5,057	137	79	173
XIX. Chemicals, medicinal products, essential oils, fertilizers ..	14,430	14,581	14,398	369	488	309
XX. Miscellaneous ..	(a)30,729	(a)31,739	(a)23,051	1,612	2,269	1,656
XXI. Gold and silver ; bronze specie ..	..	..	..	192	233	1,839
Total	378,669	355,912	296,251	285,506	257,414	277,550

(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 1954-55 to 1956-57.

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

Article.	1954-55.	1955-56.	1956-57.	Article.	1954-55.	1955-56.	1956-57.
Arms and ammunition, military, naval and air force stores ..	6,707	5,205	3,418	Motor vehicles, chassis, bodies and parts ..	58,743	56,004	35,704
Apparel ..	7,114	5,164	3,102	Optical, surgical and scientific instruments ..	4,012	4,025	3,728
Carpets and carpeting ..	7,710	5,976	3,445	Paper, printing ..	8,599	8,848	7,381
Chemicals, medicinal products, essential oils and fertilizers ..	14,430	14,581	14,398	Piece-goods—	21,097	14,565	12,279
Cigarettes ..	2,137	802	348	Cotton and linen ..	7,038	4,544	2,657
Crockery ..	4,500	3,314	2,334	Silk and rayon ..	5,048	5,000	4,226
Cutlery and platedware ..	2,160	2,052	1,643	All other piece-goods ..	5,048	5,000	4,226
Electrical cable and wire, covered ..	1,826	1,828	722	Prefabricated houses and buildings ..	533	806	325
Electrical machinery and appliances ..	20,824	25,980	24,222	Rubber and rubber manufactures ..	3,440	2,938	2,267
Glass and glassware ..	2,928	2,976	2,929	Sewing silks, cottons, etc. ..	2,249	2,095	2,427
Iron and steel—	18,134	14,423	13,886	Stationery and paper manufactures ..	8,422	9,208	8,790
Plate and sheet ..	12,971	10,147	6,625	Tools of trade ..	2,976	2,728	2,254
Other ..	3,095	2,934	2,259	Vehicles and parts, other than motor vehicles ..	4,573	4,775	4,119
Linoleums ..	3,202	3,487	2,097	Yarns—	3,198	2,446	2,763
Machines and machinery (except dynamo electrical)—	5,745	5,401	6,585	Cotton ..	5,523	5,868	5,989
Agricultural ..	23,307	25,730	24,772	Rayon ..	492	474	479
Metal-working ..	30,785	27,688	27,009	Other ..	75,151	73,900	61,069
Motive-power ..	..	..	..	All other articles(a) ..	..	..	..
Other ..	..	..	..	Total Imports ..	378,669	355,912	296,251

(a) 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 1954-55 to 1956-57.

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

Article.	Unit of Quantity.	Quantity.			Value.(£'000.)		
		1954-55.	1955-56.	1956-57.	1954-55.	1955-56.	1956-57.
Barley	ton	91,349	71,897	59,950	2,322	1,441	1,269
Butter	"	54,485	72,420	62,553	20,767	24,464	20,085
Cheese	"	18,098	13,630	13,934	3,666	2,231	2,382
Eggs in shell	'000 doz.	16,642	12,902	6,852	2,697	2,115	1,238
Flour	ton(a)	80,832	67,079	80,735	2,261	1,767	2,230
Fruit, dried	ton	45,944	37,549	24,322	5,341	4,763	3,791
" fresh	'000 bus.	3,764	3,869	3,307	5,004	5,047	4,871
" preserved in airtight containers	ton	84,859	84,542	52,380	13,358	14,100	8,829
Gold	'000 fine oz.	2	5	..	30	80	1
Hides and skins .. .. .	"	..	..	..	2,803	2,745	2,725
Lead bullion	ton	40,818	29,812	53,531	6,133	4,639	8,338
" pig	"	77,398	85,089	54,541	9,495	11,368	7,481
Leather .. .. .	"	..	..	..	1,231	1,642	1,921
Meats preserved by cold process—							
Beef and veal	ton	98,139	112,347	115,391	16,708	17,247	17,007
Lamb	"	39,075	32,683	19,634	9,293	6,967	3,754
Mutton	"	8,608	10,757	6,830	931	1,342	867
Pork	"	1,890	450	167	446	128	64
Meats, tinned	"	53,122	49,134	38,990	17,584	15,427	10,104
Milk and cream	'000 lb.	9,519	24,550	19,890	396	955	932
Silver bullion	'000 fine oz.	408	348	4,444	158	141	1,830
Sugar (cane)	ton	435,017	327,127	367,488	18,962	13,909	16,616
Tallow (unrefined)	ton	3,200	11,445	9,153	263	884	707
Timber, undressed(b)	'000 super ft.	3,280	1,412	2,790	190	95	183
Wheat	ton	512,524	548,030	715,165	13,718	12,783	16,767
Wine	'000 gal.	865	896	1,308	410	422	675
Wool	'000 lb.	327,163	300,852	331,876	107,914	83,088	117,372
Zinc bars, etc.	ton	9,002	9,896	10,103	951	1,181	1,190
All other articles .. .. .	"	..	..	..	20,447	23,412	21,806
Total Exports (Australian Produce) ..	..	..	..	..	283,479	254,383	275,035

(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 computation following.

The imports into Australia have been classified under nine headings, and the trade of the United Kingdom therein is compared with that of France, Germany, Japan and the United States of America. These countries have been selected as the principal competitors in normal times with the United Kingdom for the trade of Australia under the specified headings. Totals for each of the years 1954-55 to 1956-57 are shown in the following table.

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	{ 1954-55	1,599	7	132	739	81	7,034
	{ 1955-56	1,408	11	201	1,801	82	7,566
	{ 1956-57	1,031	6	171	999	139	5,689
Yarns and manufactured fibres, textiles and apparel	{ 1954-55	66,061	5,073	3,875	9,026	524	126,752
	{ 1955-56	51,672	5,105	4,821	9,097	563	111,320
	{ 1956-57	41,560	2,636	3,574	7,227	505	91,313
Metals, metal manufactures and machinery	{ 1954-55	205,282	5,390	13,300	4,044	56,687	319,169
	{ 1955-56	203,334	6,274	15,995	7,202	54,986	322,068
	{ 1956-57	170,153	3,368	14,172	1,309	49,245	265,247
Rubber and leather and manufactures thereof, and substitutes thereof	{ 1954-55	4,041	283	171	22	860	17,825
	{ 1955-56	3,540	217	152	25	3,083	22,821
	{ 1956-57	2,773	198	114	21	3,280	17,384
Earthenware, cement, china, glass and stoneware	{ 1954-55	10,115	345	707	680	528	15,589
	{ 1955-56	8,495	419	889	1,218	475	14,291
	{ 1956-57	6,732	391	657	946	784	12,188
Pulp, paper and board; paper manufactures and stationery	{ 1954-55	21,643	221	816	1,464	1,528	46,410
	{ 1955-56	22,644	238	859	242	1,504	44,225
	{ 1956-57	20,217	46	784	164	1,962	42,078
Sporting material, toys, fancy goods, jewellery and timepieces	{ 1954-55	3,179	181	2,392	611	19	10,442
	{ 1955-56	2,914	128	2,245	920	17	10,069
	{ 1956-57	1,892	98	1,385	580	39	6,783
Optical, surgical and scientific instruments, etc.; photographic goods, n.e.i.	{ 1954-55	5,705	148	1,691	139	1,682	10,770
	{ 1955-56	5,607	134	1,686	292	1,864	10,803
	{ 1956-57	5,057	79	1,338	241	2,146	9,990
Chemicals, medicinal and pharmaceutical products, essential oils and fertilizers	{ 1954-55	14,430	1,032	3,333	371	2,242	27,781
	{ 1955-56	14,581	1,095	3,747	253	2,373	29,855
	{ 1956-57	14,398	1,254	4,391	182	2,032	30,429
Total, competitive imports	{ 1954-55	332,055	12,680	26,417	17,096	64,151	581,772
	{ 1955-56	314,195	13,621	30,595	21,050	64,952	573,018
	{ 1956-57	263,813	8,676	26,586	11,669	60,132	481,101
Total imports (less bullion and specie) (a)	{ 1954-55	378,669	14,689	30,838	18,422	102,156	840,972
	{ 1955-56	355,913	15,626	34,998	22,592	98,790	818,293
	{ 1956-57	296,251	9,297	31,079	12,884	95,544	716,682

(a) Includes outside packages.

The principal classes of competitive imports are metals, metal manufactures and machinery (value £265,247,000 in 1956-57) and manufactured fibres, textiles and apparel (value £91,313,000 in 1956-57). The value of goods included in these two groups represented 74.1 per cent. of the total value of competitive commodities during 1956-57. In 1956-57 the United Kingdom supplied 54.8 per cent. of the total value of competitive goods.

§ 9. Trade with Eastern Countries.

1. **Merchandise Trade according to Countries.**—The values of imports from and exports to Eastern countries during the years 1954-55 to 1956-57 are shown in the following table. The principal commodities imported in 1956-57 according to countries of origin were:—Borneo (British)—crude petroleum, £13,157,000; Ceylon—tea, £8,732,000; India—bags and

sacks, £9,811,000, cotton and linen piece-goods, £4,036,000, hessian, £2,556,000 and cotton fibres, £643,000; Malaya—crude rubber, £6,720,000, timber, £1,268,000; Japan—metals and metal manufactures, £1,222,000, cotton and linen piece-goods, £5,654,000, other textiles, £1,141,000, tinned fish, £990,000; Indonesia—petroleum spirit, £3,419,000, kerosene, £3,641,000, crude petroleum, £10,761,000, residual and solar oil, £821,000, tea, £3,897,000.

MERCHANDISE TRADE WITH EASTERN COUNTRIES : AUSTRALIA.

(£'000.)

Country.	Imports.(a)			Exports.		
	1954-55.	1955-56.	1956-57.	1954-55.	1955-56.	1956-57.
<i>Commonwealth Countries—</i>						
Borneo	15,522	9,801	15,224	927	1,042	1,027
Ceylon	19,516	8,632	9,863	6,552	6,257	9,819
Hong Kong	2,369	2,775	2,806	5,535	5,927	9,412
India	26,057	23,469	24,509	19,428	12,159	28,580
Malaya, Federation of	12,797	16,229	10,875	8,410	9,337	9,088
Pakistan	2,253	2,006	1,200	2,947	1,816	6,744
Singapore	2,492	1,453	873	11,600	12,100	14,129
<i>Foreign Countries—</i>						
Bhutan and Nepal .. .. .	..	3	..	..	..	..
Burma	11	60	14	1,788	2,040	2,467
China (Mainland)	1,732	2,275	2,115	2,705	2,701	6,438
Formosa	100	83	45	546	828	575
<i>French Associated States—</i>						
Cambodia .. .. .	..	1	1	3	66	40
Laos	7	..	..	70	351	204
Vietnam	9	1	1	2	15	14
Indonesia	22,529	22,401	26,356	3,702	6,705	6,820
Japan	18,422	22,592	12,884	58,573	86,490	139,010
Korea, Republic of	4	2	6	970	516	1,125
Philippines	115	121	186	1,709	2,190	3,812
<i>Portuguese Dependencies—</i>						
India (Portuguese) .. .. .	..	..	..	69	76	139
Macao .. .. .	..	1	..	..	2	1
Timor	58	37	24	39	24	33
Thailand	76	167	242	1,157	1,353	1,631
Total	124,069	112,109	107,224	126,732	151,995	241,108

(a) Includes outside packages.

The balance of trade with Eastern countries shows an excess of exports from Australia during each of the years 1954-55 to 1956-57.

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 1954-55 to 1956-57. The countries concerned in this trade are listed in the previous table.

TOTAL EXPORTS FROM AUSTRALIA TO EASTERN COUNTRIES.

(£'000.)

Article.	1954-55.	1955-56.	1956-57.	Article.	1954-55.	1955-56.	1956-57.
Animal (except marine) oils and fats	2,321	1,997	2,424	Meats	3,726	3,556	5,380
Army stores	1,123	2,472	1,037	Metals and metal manufactures except zinc bars, etc.	2,729	3,553	22,596
Butter	2,193	2,003	2,299	Milk and cream	6,731	6,512	6,910
Cheese	790	711	860	Sugar (raw)	5,741	3,343	3,913
Fruit, fresh or preserved	1,537	1,396	1,481	Wool	51,287	71,704	115,657
Grain and cereals—				Zinc bars, blocks, etc.	2,432	2,562	2,487
Flour (wheaten), plain white	13,853	14,658	14,498	Other merchandise	7,055	11,580	21,714
Wheat	15,150	12,629	23,978	Total Merchandise	126,732	151,995	241,108
Other (prepared and unprepared)	5,091	7,275	9,489	Gold and silver ; bronze specie	15,825	10,636	14,783
Infants' and invalids' foods	1,263	1,381	2,155	Total Exports	142,557	162,631	255,891
Leather	791	647	814				
Machines and machinery	2,919	2,016	3,416				

§ 10. Oversea Trade at Principal Ports.

The following table shows the value of overseas imports and exports at the principal ports of Australia during the year 1956-57, and the totals for each State and Territory.

OVERSEA TRADE AT PRINCIPAL PORTS, 1956-57. (£'000.)

Port.	Imports.	Exports.	Port.	Imports.	Exports.
NEW SOUTH WALES.			SOUTH AUSTRALIA.		
Sydney, including Botany Bay	303,997	247,985	Port Adelaide, including Adelaide	44,315	85,080
Newcastle, including Port Stephens	7,642	35,092	Port Pirie	209	27,295
Port Kembla	2,744	8,591	Port Lincoln	541	5,513
Other	765	765	Walleroo	265	3,420
Total	314,383	292,433	Other	77	1,616
VICTORIA.			Total	45,407	122,924
Melbourne	229,500	232,955	WESTERN AUSTRALIA.		
Geelong	24,790	18,646	Fremantle, including Perth and Kwinana	39,447	88,309
Portland	656	4,151	Geraldton	152	8,794
Total	254,946	255,752	Bunbury	226	4,510
QUEENSLAND.			Other	387	6,686
Brisbane	43,946	131,569	Total	40,212	108,299
Townsville	2,433	27,280	TASMANIA.		
Mackay	464	8,807	Hobart	9,714	13,716
Cairns	1,249	5,797	Launceston	1,013	4,837
Bowen	1	5,520	Burnie	2,322	3,004
Rockhampton	244	5,005	Devonport	1,068	946
Gladstone	509	3,297	Total	14,117	22,503
Marjborough	22	3,438	NORTHERN TERRITORY.		
Other	16	69	Darwin	1,004	612
Total	48,884	190,782	AUSTRALIAN CAPITAL TERRITORY.		
			Canberra	38	..
			Grand Total	718,991	993,305

§ 11. Classified Summary of Australian Oversea Trade.

1. Statistical Classes.—(i) *Imports and Exports.* The following table shows, according to statistical classes, the value of Australian imports and exports during each of the years 1954-55 to 1956-57.

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

Class.	Imports.			Exports.		
	1954-55.	1955-56.	1956-57.	1954-55.	1955-56.	1956-57.
I. Animal foodstuffs, etc. ..	7,034	7,566	5,689	112,546	113,366	101,944
II. Vegetable foodstuffs; non-alcoholic beverages, etc. ..	35,925	22,059	25,815	152,600	148,760	163,160
III. Alcoholic liquors, etc. ..	2,028	2,101	1,684	1,716	1,460	1,954
IV. Tobacco, etc. ..	17,316	16,215	14,235	348	518	482
V. Live animals ..	693	727	755	1,031	1,188	1,636
VI. Animal substances, etc. ..	4,108	4,000	3,841	374,690	360,692	510,346
VII. Vegetable substances, etc. ..	19,621	17,611	19,279	1,962	2,653	2,863
VIII. Apparel, textiles, etc. ..	126,752	111,320	91,313	2,758	2,220	2,731
IX. Oils, fats and waxes ..	96,918	99,640	95,546	6,588	14,053	17,331
X. Pigments, paints and varnishes ..	5,900	5,937	6,516	922	977	1,087
XI. Rocks, minerals, etc. ..	8,234	7,293	5,638	17,052	22,677	31,604
XII. Metals, metal manufactures and machinery ..	319,169	322,068	265,247	59,108	64,494	97,500
XIII. Rubber and leather, etc. ..	17,825	22,821	17,384	3,196	3,279	3,925
XIV. Wood and wicker, etc. ..	17,459	17,881	17,137	2,316	2,985	3,737
XV. Earthenware, etc. ..	15,589	14,291	12,188	1,161	897	1,109
XVI. Paper and stationery ..	46,410	44,225	42,078	2,560	2,661	2,842
XVII. Jewellery, etc. ..	10,442	10,069	6,783	570	547	674
XVIII. Optical, surgical and scientific instruments ..	10,770	10,803	9,990	1,253	1,053	1,112
XIX. Chemicals, medicinal products, essential oils, fertilizers ..	27,781	29,855	30,429	4,374	5,196	5,590
XX. Miscellaneous ..	(a) 50,998	(a) 51,811	(a) 45,135	11,290	21,161	21,770
XXI. Gold and silver; bronze specie ..	2,770	2,795	2,309	16,123	11,027	19,908
Total	843,742	821,088	718,991	774,164	781,864	993,305

(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 1954–55 to 1956–57.

EXPORTS FROM AUSTRALIA : AUSTRALIAN PRODUCE AND RE-EXPORTS.

(£'000.)

Class.	Australian Produce.			Re-exports.		
	1954–55.	1955–56.	1956–57.	1954–55.	1955–56.	1956–57.
I. Animal foodstuffs, etc. . .	112,488	113,307	101,895	58	59	49
II. Vegetable foodstuffs ; non-alcoholic beverages, etc. . .	152,078	148,465	162,821	522	295	339
III. Alcoholic liquors, etc. . .	1,697	1,448	1,943	19	12	11
IV. Tobacco, etc. . .	264	446	369	84	72	113
V. Live animals . . .	958	1,097	1,521	73	91	115
VI. Animal substances, etc. . .	374,399	360,370	510,203	291	322	143
VII. Vegetable substances, etc. . .	1,900	2,624	2,831	62	29	32
VIII. Apparel, textiles, etc. . .	2,494	1,974	2,522	264	246	209
IX. Oils, fats and waxes . . .	6,029	13,459	16,726	559	594	605
X. Pigments, paints and varnishes . . .	891	939	1,020	31	38	67
XI. Rocks, minerals, etc. . .	16,861	22,440	31,422	191	237	182
XII. Metals, metal manufactures and machinery . . .	55,193	60,299	93,123	3,915	4,195	4,377
XIII. Rubber and leather, etc. . .	3,172	3,252	3,855	24	27	70
XIV. Wood and wicker, etc. . .	2,185	2,928	3,638	131	57	99
XV. Earthenware, etc. . .	1,136	847	1,078	25	50	31
XVI. Paper and stationery . . .	2,444	2,546	2,674	116	115	168
XVII. Jewellery, etc. . .	460	487	587	110	60	87
XVIII. Optical, surgical and scientific instruments . . .	870	747	873	383	306	239
XIX. Chemicals, medicinal products, essential oils, fertilizers . . .	4,178	5,008	5,371	196	188	219
XX. Miscellaneous . . .	10,068	14,417	15,275	1,222	6,744	6,495
XXI. Gold and silver ; bronze specie . . .	16,118	10,990	19,896	5	37	12
Total . . .	765,883	768,090	979,643	8,281	13,774	13,662

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 1954–55 to 1956–57.

PRINCIPAL ARTICLES IMPORTED : AUSTRALIA.

Article.	Unit of Quantity.	Quantity.			Value. (£'000.)		
		1954–55.	1955–56.	1956–57.	1954–55.	1955–56.	1956–57.
Apparel—							
Blouses, skirts, costumes, etc. . .					1,178	704	377
Gloves . . .	doz. prs.	510,301	495,562	332,871	1,627	1,358	892
Headwear . . .					939	920	741
Men's and boys' outer clothing . . .					722	637	270
Socks and stockings . . .					1,143	537	331
Trimmings and ornaments . . .					5,383	4,794	3,511
Other apparel and attire . . .					2,591	2,519	1,510
Arms, explosives, military stores, etc. . .					9,463	6,155	4,606
Bags and sacks . . .					11,643	10,184	10,088
Carpets and carpeting . . .					8,606	7,134	4,484
Chemicals, drugs, fertilizers . . .					27,781	29,855	30,429
Crockery, etc. . .					5,171	4,555	3,276
Electrical machinery and appliances . . .					26,872	33,617	34,785
Fibres . . .					12,288	10,659	12,374
Glass and glassware . . .					6,176	5,929	5,772
Iron and steel—							
Pipes, tubes and fittings . . .	cwt.	685,129	285,046	276,090	2,603	1,398	1,480
Plate and sheet . . .		6,670,808	4,471,564	3,231,512	29,383	21,302	18,080
Other . . .					17,768	24,810	10,984
Machines and machinery (except dynamo electrical)—							
Agricultural . . .					5,043	5,233	3,375
Metal-working . . .					8,635	12,963	11,230
Motive power . . .					41,221	43,475	38,494
Other . . .					49,043	47,848	46,683

PRINCIPAL ARTICLES IMPORTED : AUSTRALIA—continued.

Article.	Unit of Quantity.	Quantity.			Value. (£'000.)		
		1954-55.	1955-56.	1956-57.	1954-55.	1955-56.	1956-57.
Motor vehicles, chassis, bodies and parts .. .. .	..	..	..	..	77,701	77,105	52,648
Oils—							
Linseed	'000 gal.	3,636	2,383	2,292	1,386	1,247	1,586
Petroleum and shale—							
Crude (a)	mill. gal.	927	1,588	2,103	28,552	44,260	58,090
Kerosene	'000 gal.	150,735	144,374	123,961	7,705	7,399	6,795
Lubricating (mineral) .. .. .	..	43,885	42,835	42,292	5,509	5,584	6,166
Petroleum and shale spirit .. .. .	..	603,715	455,577	193,274	34,052	27,766	12,577
Residual and solar .. .. .	..	377,021	156,988	53,727	13,807	6,014	2,122
Paper, printing .. .. .	..	..	..	..	19,218	16,768	16,235
Piece-goods—							
Canvas and duck	'000 sq. yds.	8,211	7,982	7,962	1,398	1,264	1,108
Cotton and linen .. .. .	..	..	..	..	42,919	35,156	32,125
Silk and rayon .. .. .	..	..	..	..	14,875	14,085	7,729
Woollen and containing wool .. .. .	..	..	..	..	1,703	1,438	1,036
All other piece-goods .. .. .	..	..	..	..	8,760	9,155	6,929
Plastic materials .. .. .	..	..	..	..	5,851	5,776	5,616
Prefabricated houses and buildings .. .. .	..	..	..	..	880	808	479
Rubber and rubber manufactures .. .. .	..	..	..	..	17,032	22,030	16,711
Stationery and paper manufactures .. .. .	..	..	..	..	10,516	11,650	11,213
Tea	'000 lb.	65,212	46,326	61,504	21,743	11,196	14,723
Timber, undressed, including logs(b)	'000 sup. ft.	331,346	322,792	313,366	13,271	14,111	13,440
Yarns—							
Cotton	'000 lb.	6,411	5,297	5,998	3,255	2,496	2,802
Rayon .. .. .	..	18,392	17,026	16,191	8,990	8,923	8,770
Woollen .. .. .	..	157	138	123	207	184	171
Other .. .. .	..	1,483	2,233	1,861	387	481	456
All other articles .. .. .	..	..	..	..	228,546	219,606	195,692
Total Imports .. .. .	..	..	..	..	843,742	821,088	718,991

(a) Includes once-run distillate. (b) Excludes undressed timber not measured in super. feet.

3. Exports of Principal Articles of Australian Produce.—The following table shows the quantities and values of the principal articles of Australian produce exported during each of the years 1954-55 to 1956-57.

EXPORTS OF PRINCIPAL ARTICLES OF AUSTRALIAN PRODUCE.

Article.	Unit of Quantity.	Quantity.			Value. (£'000.)		
		1954-55.	1955-56.	1956-57.	1954-55.	1955-56.	1956-57.
Arms, ammunition, military, naval and air force stores .. .. .	..	..	..	..	3,299	3,067	1,568
Barley	ton	421,174	470,210	591,548	10,357	10,471	12,745
Butter .. .. .	..	62,507	82,636	76,265	24,589	28,966	25,824
Cheese .. .. .	..	22,117	17,181	17,025	5,057	3,537	3,860
Chemicals, drugs, fertilizers .. .. .	..	..	..	..	4,178	5,008	5,371
Flour	ton(a)	605,619	666,793	749,712	20,305	19,703	21,669
Fruit—							
Dried	ton	71,177	62,931	46,301	8,435	7,803	6,586
Fresh, including frozen	'000 bus.	6,284	6,689	5,678	8,771	9,139	8,585
Preserved in airtight containers	ton	96,337	93,359	59,818	15,245	15,469	10,078
Gold	'000 fine oz.	864	532	908	13,717	8,323	14,227
Hides and skins .. .. .	..	..	..	..	19,674	20,849	24,229
Lead, pig	ton	140,256	145,987	167,380	17,182	19,539	22,915
Machines and machinery (except dynamo electrical) .. .. .	..	..	..	..	8,789	7,492	7,934
Meats preserved by cold process—							
Beef and veal	ton	123,392	144,084	149,400	21,899	23,431	23,271
Lamb .. .. .	..	42,403	36,440	23,778	10,191	7,867	4,773
Mutton .. .. .	..	15,094	15,472	10,273	1,626	1,885	1,322
Pork .. .. .	..	2,908	1,104	642	781	364	271
Meats, tinned .. .. .	..	62,963	58,286	50,103	20,559	18,224	13,174
Milk and cream	'000 lb.	105,285	127,278	132,880	8,306	8,915	9,645
Ores and concentrates	ton	384,429	496,266	637,380	14,653	19,861	26,662
Sugar (cane) .. .. .	..	737,150	592,229	675,282	31,146	24,723	28,780
Wheat .. .. .	..	1,691,063	1,902,896	2,440,355	45,222	46,456	60,058
Wool(b)	'000 lb.	1,144,560	1,263,983	1,407,529	353,106	337,508	483,704
All other articles .. .. .	..	..	..	..	98,796	119,490	162,392
Total Exports (Australian Produce) .. .. .	..	..	..	..	765,883	768,090	979,643

(a) 2,000 lb.

(b) Quantity in terms of greasy wool.

A graph showing exports in principal commodity groups in each of the years 1951-52 to 1956-57 will be found on page 343.

4. **Imports of Merchandise and Bullion and Specie.**—The table hereunder shows the value of imports into Australia during each of the years 1952-53 to 1956-57, 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		
1952-53 ..	301,870	208,472	510,342	3,767	514,109
1953-54 ..	317,850	360,740	678,590	3,019	681,609
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

5. **Exports of Merchandise and Bullion and Specie.**—The next table shows the value of exports from Australia during each of the years 1952-53 to 1956-57, 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.	
1952-53 ..	840,634	7,864	848,498	22,657	117	22,774	871,272
1953-54 ..	803,635	8,231	811,866	16,422	44	16,466	828,332
1954-55 ..	749,765	8,276	758,041	16,118	5	16,123	774,164
1955-56 ..	757,100	13,737	770,837	10,990	37	11,027	781,864
1956-57 ..	959,747	13,650	973,397	19,896	12	19,908	993,305

6. **Imports and Net Customs Revenue.**—The percentage of net Customs revenue, excluding primage, collected to the total value of all merchandise imported in each of the years 1952-53 to 1956-57 was as follows:—1952-53, 12.6 per cent.; 1953-54, 12.8 per cent.; 1954-55, 11.1 per cent.; 1955-56, 9.8 per cent.; and 1956-57, 9.0 per cent. Primage duty was in force during these years and if this is added to net Customs revenue the percentages become:—1952-53, 13.8 per cent.; 1953-54, 14.0 per cent.; 1954-55, 12.1 per cent.; 1955-56, 10.7 per cent.; and 1956-57, 9.6 per cent. The percentages of net Customs revenue, excluding primage, to the total value of dutiable goods only were: 1952-53, 31.0 per cent.; 1953-54, 24.0 per cent.; 1954-55, 21.1 per cent.; 1955-56, 20.2 per cent.; and 1956-57, 20.5 per cent. The calculations are based on Australian currency values and on the assumption that the value of clearances approximated to the value of imports during the same period.

§ 12. Ships' and Aircraft Stores.

Prior to 1906, goods shipped in Australian ports on board overseas vessels as ships' stores were included in the general exports. From 1906, ships' and 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 1952-53 to 1956-57, with oils separate, is shown in the following table:—

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

Item.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.
Oils	6,657	5,919	7,328	7,970	9,059
All Stores (including oils) ..	11,696	10,266	13,181	13,539	14,208

In addition to oils, the principal items supplied to overseas ships and aircraft in 1956-57 were:—Meats, £1,591,684; fruit and vegetables, £491,347; eggs, £169,094; butter, £120,460; ale, porter, beer, etc., £172,352; sea food, £133,241; coal, £44,116; flour, £81,872; rice, £37,503; milk and cream, £39,713.

§ 13. 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 1954-55 to 1956-57.

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

Item.	Imports.			Exports.		
	1954-55.	1955-56.	1956-57.	1954-55.	1955-56.	1956-57.
Gold—Bullion ..	2,720,834	2,745,143	2,270,632	13,716,622	8,323,118	14,225,889
Specie ..	2,948	..	66	1,000	80	1,282
<i>Total</i> ..	<i>2,723,782</i>	<i>2,745,143</i>	<i>2,270,698</i>	<i>13,717,622</i>	<i>8,323,198</i>	<i>14,227,171</i>
Silver—Bullion ..	34,429	33,173	29,334	2,356,908	2,620,905	5,594,400
Specie ..	11,814	16,691	8,578	47,763	82,749	86,009
<i>Total</i> ..	<i>46,243</i>	<i>49,864</i>	<i>37,912</i>	<i>2,404,671</i>	<i>2,703,654</i>	<i>5,680,409</i>
Bronze—Specie ..	..	488	623	909	327	670
Total— Australian Pro- duce ..	..	..	..	16,117,547	10,990,312	19,896,015
Re-exports ..	..	..	..	5,655	36,867	12,235
<i>Grand Total</i> ..	<i>2,770,025</i>	<i>2,795,495</i>	<i>2,309,233</i>	<i>16,123,202</i>	<i>11,027,179</i>	<i>19,908,250</i>

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 1956–57 :—

IMPORTS AND EXPORTS OF BULLION AND SPECIE BY COUNTRIES :
AUSTRALIA, 1956-57.
 (£.)

Country.	Imports.			Exports.		
	Bullion.	Specie.	Total.	Bullion.	Specie.	Total.
<i>Commonwealth Countries—</i>						
Australia (re-imported) ..	..	7,347	7,347	..	..	..
United Kingdom ..	..	98	98	1,830,829	7,946	1,838,775
<i>Australian Territories—</i>						
New Guinea ..	1,045,717	..	1,045,717	..	51,952	51,952
Papua ..	1,432	..	1,432	..	13,372	13,372
Ceylon ..	..	..	..	763,009	..	763,009
Hong Kong ..	..	..	..	14,019,624	..	14,019,624
India ..	..	62	62	..	..	..
New Zealand ..	390,799	1,112	391,911	83,809	11,986	95,795
<i>Pacific Islands (British)—</i>						
Fiji ..	861,743	..	861,743	135,279	..	135,279
Solomon Islands ..	275	..	275	..	140	140
Tonga ..	..	..	..	..	840	840
Pakistan ..	..	74	74	..	..	..
Singapore ..	..	35	35	..	..	..
South Africa, Union of ..	..	34	34	..	353	353
<i>Total, Commonwealth Countries ..</i>	<i>2,299,966</i>	<i>8,762</i>	<i>2,308,728</i>	<i>16,832,550</i>	<i>86,589</i>	<i>16,919,139</i>
<i>Foreign Countries—</i>						
Austria ..	..	49	49	..	..	..
Belgium-Luxemburg ..	..	90	90	..	..	..
Burma ..	..	54	54	..	..	..
Finland ..	..	103	103	..	..	..
Greece ..	..	62	62	..	..	..
Switzerland ..	..	56	56	..	..	..
United States of America ..	..	91	91	2,987,739	1,372	2,989,111
<i>Total, Foreign Countries ..</i>	<i>..</i>	<i>505</i>	<i>505</i>	<i>2,987,739</i>	<i>1,372</i>	<i>2,989,111</i>
Grand Total ..	2,299,966	9,267	2,309,233	19,820,289	87,961	19,908,250

§ 14. Exports According to Industries.

1. **Classification.**—The following table provides an analysis of the total recorded value of Australian exports for the three successive financial years ended June, 1957. 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.)		
	1954-55.	1955-56.	1956-57.	1954-55.	1955-56.	1956-57.
Agriculture, Horticulture and Viticulture—						
Unprocessed	72,300	77,038	91,455	9.6	10.2	9.5
Processed	81,074	73,263	73,705	10.8	9.6	7.6
Total	153,374	150,301	165,160	20.4	19.8	17.1
Pastoral—						
Unprocessed	369,711	353,929	486,237	49.2	46.5	50.4
Processed	69,031	71,579	81,192	9.1	9.4	8.4
Total	438,742	425,508	567,429	58.3	55.9	58.8
Dairy and Farmyard—						
Unprocessed	6,079	5,315	3,495	0.8	0.7	0.4
Processed	43,139	45,827	44,344	5.7	6.0	4.6
Total	49,218	51,142	47,839	6.5	6.7	5.0
Mines and Quarries (other than Gold)—						
Unprocessed	14,818	19,860	28,088	2.0	2.6	2.9
Processed	34,737	40,708	51,404	4.6	5.4	5.3
Total (a)	49,555	60,568	79,492	6.6	8.0	8.2
Fisheries—						
Unprocessed	2,853	3,391	4,011	0.4	0.5	0.4
Processed	1,613	1,554	1,635	0.2	0.2	0.2
Total	4,466	4,945	5,646	0.6	0.7	0.6
Forestry—						
Unprocessed	241	333	963	(b)	(b)	0.1
Processed	1,874	2,739	3,167	0.3	0.4	0.3
Total	2,115	3,072	4,130	0.3	0.4	0.4
Total Primary Produce—						
Unprocessed	466,002	459,856	614,249	62.0	60.5	63.7
Processed	231,468	235,670	255,447	30.7	31.0	26.4
Total	697,470	695,526	869,696	92.7	91.5	90.1
Manufactures	45,917	45,659	73,969	6.1	6.0	7.7
Refined Petroleum Oils	2,100	7,272	10,097	0.3	1.0	1.0
Unclassified	6,678	11,300	11,654	0.9	1.5	1.2
Total Australian Produce (excluding Gold)	752,165	759,767	965,416	100.0	100.0	100.0
Re-exports (excluding Gold)	8,281	13,774	13,662	..	..	..
Gold Exports(a)	13,718	8,323	14,227	..	..	..
Total Recorded Value of Exports	774,164	781,864	993,305	..	..	..

(a) The value of refined newly-won gold was £16,939,351 in 1954-55, £16,192,638 in 1955-56 and £16,599,179 in 1956-57. (b) Less than 0.05 per cent.

2. **Relative Importance of Industrial Groups.**—In the year 1956-57, Australian produce (other than gold) exported amounted to approximately £965 million. Of this, £869 million or 90 per cent. was mainly produce of primary industries, comprising £614 million of unprocessed produce and £255 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, £28,182,000; flour, etc., £23,066,000; canned fruit, £10,078,000; dried fruit, £6,586,000; wool (scoured, tops, etc.), £57,977,000; canned meats, £11,478,000; butter, £25,824,000; milk (condensed, dried, etc.), £10,736,000; pig lead, £22,915,000; lead bullion, £8,338,000; zinc bars, blocks, etc., £4,666,000; copper ingots, £5,110,000; and undressed timber, £2,716,000.

The value of manufactures exported as classified above was £74 million, or approximately 8 per cent. of Australian produce (other than gold) exported in 1956-57. The values of principal individual items here included were:—Manufactures of metal, £43,299,000; implements and machinery, £7,934,000; drugs and chemicals, £4,270,000; and paper and stationery, £2,674,000.

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 1956-57 were:—Individual consignments of less than £50 in value, £4,486,000; and military equipment and stores and supplies for Australian projects overseas, £3,426,000.

§ 15. Australian Index of Export Prices.

1. **General.**—Over the past fifty years the exports of Australia have become increasingly diversified, but, although the proportion of highly manufactured exports has increased, it is still small in relation to total exports. Most of 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 those articles of export which were recorded by units of quantity, and to apply to the quantities of these export commodities actually exported during any year the average price per unit ruling in the year 1901 (adopted as the base year). The total value so obtained was divided into the total actual (recorded) value of these exports for that year. The quotient (multiplied by 1,000) thus obtained was the export price index number for that year.

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

After the 1914-18 War, however, the relative importance of different exports changed considerably. In addition, the pattern of exports 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, the other changing weights—were published in 1937, computed back to 1928. These are the only export price indexes now published.

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

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

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

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

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

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

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

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

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

EXPORT PRICE INDEX : COMMODITIES AND WEIGHTING SYSTEM.
(FROM 1ST JULY, 1936.)

Item.	Unit of Quantity.	"Quantity Multipliers" (Weights).	Percentage Distribution of Total Aggregate.			
			Base Period (1936-37 to 1938-39).		1956-57.	
			Excluding Gold.	Including Gold.	Excluding Gold.	Including Gold.
Wool	lb.	975,000,000	49.05	45.63	61.17	59.46
Wheat (a)	bushel	101,000,000	18.34	17.06	12.91	12.55
Butter	cwt.	2,140,000	12.21	11.36	6.59	6.40
Metals—						
Silver	oz.	7,300,000	0.68	0.64	8.62	8.38
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	5.67	5.50
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	2.81	2.73
Dried Fruit—						
Sultanas	"	38,200	1.45	1.35	1.33	1.30
Raisins	"	3,000	0.12	0.11		
Currants	"	13,400	0.37	0.35		
Tallow	cwt.	600,000	0.69	0.64	0.53	0.52
Hides—						
Cattle	lb.	28,000,000	0.64	0.59	0.37	0.36
Calf	"	1,800,000	0.08	0.07		
Gold	fine oz.	937,000	..	6.98	..	2.80
			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, and secondly, as regards the effect on the indexes as a whole of the percentage price variations in each commodity.

(iii) *Prices.* The adoption of current market prices (as distinct from the former average unit export values) in the present indexes permitted the use of standards for each commodity. All export parities are calculated from price quotations from the most reliable and representative sources available. In most cases, the prices used are those at which current sales are being effected.

(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 1956-57 and monthly from July, 1956 to December, 1957.

EXPORT PRICE INDEXES : AUSTRALIA.

SIMPLE AGGREGATIVE INDEX ; FIXED WEIGHTS.

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

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

Period.	Wool.	Wheat.	Butter.	Metals. (a)	Meats. (b)	Sugar.	Dried Fruits. (c)	Tallow.	Hides. (d)	Gold. (e)	All Groups.	
											Ex- cluding Gold.	In- cluding Gold.
Percentage Dis- tribution of Base Aggregate—												
(f) ..	45.63	17.06	11.36	6.83	6.63	2.40	1.81	0.64	0.66	6.98		
(g) ..	49.05	18.34	12.21	7.34	7.13	2.58	1.94	0.69	0.72	..	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
1956-57—												
July ..	490	323	272	549	343	446	320	355	250	178	420	403
August ..	520	326	261	558	347	443	322	352	244	178	434	417
September ..	566	326	284	562	353	439	323	360	243	178	460	441
October ..	551	330	260	559	361	436	323	354	245	178	451	432
November ..	581	328	252	569	357	439	316	352	247	178	465	445
December ..	588	329	242	566	360	435	315	361	237	178	467	447
January ..	596	332	227	570	385	439	311	359	226	178	472	451
February ..	611	335	222	557	388	473	(h) 309	360	234	178	479	458
March ..	596	327	218	555	372	568	309	359	248	178	471	451
April ..	618	321	224	548	382	620	(h) 321	357	234	178	483	462
May ..	626	319	256	495	398	631	327	359	238	178	488	467
June ..	596	322	284	451	373	642	329	362	239	178	473	452
1957-58—												
July ..	(h) 596	331	278	445	351	577	325	347	240	178	470	450
August ..	551	342	274	448	345	622	326	357	239	178	450	431
September ..	543	344	274	441	333	571	330	364	242	178	445	426
October ..	498	350	257	423	337	541	334	362	236	178	420	403
November ..	483	352	232	409	337	488	341	364	244	178	407	391
December ..	445	359	225	372	338	481	343	365	243	178	386	372

(a) Non-ferrous—silver, copper, tin, zinc, lead. (b) Beef, lamb, mutton, pork. Guaranteed minimum prices are used when operative. (c) Sultanias, raisins, currants. (d) Cattle hides, calf skins. (e) Where Australian gold has been sold on the overseas premium markets such price has been used in the index. (f) For "All Groups (including Gold)"—applicable from 1936-37. (g) For "All Groups (excluding Gold)"—applicable from 1936-37. (h) Nominal.

A graph showing index numbers for All Groups (including Gold) appears on p 344.

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

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

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

Period.	Group.			Period.	Group.		
	Wool.	Other Groups.	All Groups.		Wool.	Other Groups.	All Groups.
1945-46 ..	117	171	146	1954-55—			
1946-47 ..	173	228	203	July ..	(a) 622	338	468
1947-48 ..	287	280	283	August ..	566	338	442
1948-49 ..	365	305	332	September ..	566	339	442
1949-50 ..	473	308	383	October ..	536	344	431
1950-51 ..	999	365	654	November ..	513	343	421
1951-52 ..	564	397	473	December ..	532	348	432
1952-53 ..	616	371	483	January ..	520	345	425
1953-54 ..	615	356	474	February ..	528	342	427
1954-55 ..	538	342	431	March ..	528	341	426
1955-56 ..	464	342	397	April ..	520	340	422
1956-57 ..	578	331	444	May ..	520	340	422
				June ..	505	343	417
1951-52—				1955-56—			
July ..	(a) 717	400	544	July ..	(a) 505	347	419
August ..	551	400	468	August ..	453	347	395
September ..	498	400	445	September ..	437	347	388
October ..	686	403	532	October ..	437	351	390
November ..	603	398	492	November ..	437	352	391
December ..	581	403	484	December ..	453	352	398
January ..	566	402	477	January ..	460	349	400
February ..	520	402	456	February ..	460	340	395
March ..	460	400	427	March ..	453	335	388
April ..	475	397	432	April ..	468	325	390
May ..	543	385	457	May ..	498	323	403
June ..	566	376	463	June ..	(a) 505	331	411
1952-53—				1956-57—			
July ..	(a) 566	381	465	July ..	490	330	403
August ..	(a) 566	380	465	August ..	520	330	417
September ..	551	379	457	September ..	566	336	441
October ..	588	370	469	October ..	551	332	432
November ..	588	368	469	November ..	581	331	445
December ..	618	376	486	December ..	588	329	447
January ..	618	376	486	January ..	596	330	451
February ..	626	371	487	February ..	611	330	458
March ..	656	369	500	March ..	596	329	451
April ..	671	363	503	April ..	618	331	462
May ..	701	361	516	May ..	626	333	467
June ..	641	363	490	June ..	596	332	452
1953-54—				1957-58—			
July ..	(a) 641	369	493	July ..	(a) 596	327	450
August ..	(a) 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	314	391
December ..	611	358	473	December ..	445	310	372
January ..	603	354	468				
February ..	581	350	455				
March ..	581	351	456				
April ..	(a) 596	348	461				
May ..	618	346	470				
June ..	622	346	472				

(a) Nominal.

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

For any given month, the procedure is to multiply the price of each commodity in that month, and its price in the corresponding month of the previous year, by the quantity exported during the given month. A comparison of the resulting aggregates gives one possible measure of the change in prices over the period ; i.e., the change assuming that the proportions of the different kinds of exports whose prices are to be measured were the same as their proportions in the given month. Another possible measure is given by assuming that the proportions of the different kinds of exports in the given month 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 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, 1956 to December, 1957 and for trade year periods ending in those months:—

MONTHLY EXPORT PRICE INDEX (CHANGING WEIGHTS) : AUSTRALIA.

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

Month.	Month stated compared with same month of preceding year.		Period of trade year ending in month stated compared with same period of preceding year.	
	Excluding Wool.	Including Wool.(a)	Excluding Wool.	Including Wool.(a)
1956-57—				
July	99	99	99	99
August	96	101	98	100
September	97	117	98	108
October	97	116	97	111
November	97	120	97	113
December	97	127	97	116
January	96	123	97	117
February	99	120	97	117
March	103	122	98	118
April	101	118	98	118
May	99	117	98	118
June	98	111	98	117
1957-58—				
July	95	97	95	97
August	103	104	99	101
September	100	97	99	99
October	98	93	99	97
November	94	86	98	94
December	95	82	98	92

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

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

§ 16. External Trade of Australia and other Countries.

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

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) : VARIOUS COUNTRIES, 1956.

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	a 5,641.2	8,447.7	14,088.9	33.5	50.2	83.7
United Kingdom ..	b 4,678.3	3,964.9	8,643.2	91.4	77.4	168.8
Germany, Federal Re-public of ..	2,953.8	3,284.6	6,238.4	57.2	63.7	120.9
Canada ..	a 2,590.9	2,207.9	4,798.8	161.1	137.3	298.4
France ..	2,478.9	2,025.8	4,504.7	56.8	46.4	103.2
Netherlands ..	1,657.0	1,277.6	2,934.6	152.2	117.3	269.5
Belgium-Luxemburg ..	1,460.6	1,456.6	2,917.2	158.1	157.7	315.8
Japan ..	c 1,441.9	1,116.4	2,558.3	16.0	12.4	28.4
Italy ..	1,414.6	962.9	2,377.5	29.3	19.9	49.2
Sweden ..	985.2	866.5	1,851.7	134.7	118.4	253.1
Australia(d)	a 717.7	965.4	1,683.1	75.3	101.2	176.5
Switzerland ..	788.3	643.7	1,432.0	156.4	127.8	284.2
Denmark ..	585.2	496.0	1,081.2	131.0	111.1	242.1
Norway ..	540.1	344.6	884.7	156.0	99.5	255.5
Austria ..	434.8	379.0	813.8	62.3	54.3	116.6
Indonesia ..	370.1	393.7	763.8	4.4	4.7	9.1
Spain ..	342.4	197.1	539.5	11.7	6.7	18.4
Egypt ..	238.4	182.6	421.0	10.2	7.8	18.0
Chile ..	156.3	240.7	397.0	22.5	34.7	57.2
Turkey ..	181.7	136.2	317.9	7.3	5.5	12.8
Greece ..	207.1	84.8	291.9	25.8	10.5	36.3

(a) f.o.b. (b) Covers goods imported less goods re-exported. (c) Covers goods imported as distinct from goods cleared for home consumption. (d) Year ended June, 1957.

§ 17. Oversea Trade in Calendar Years.

For the purpose of comparison with countries which record overseas trade in calendar years, the following table has been compiled to show Australian imports and exports for each of the calendar years 1953 to 1957 :—

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

Year.	Merchandise.		Bullion and Specie.		Total.	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
1953	577,128	880,093	2,620	20,165	579,748	900,258
1954	751,949	736,301	3,341	12,127	755,290	748,428
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(a)	751,328	982,875	2,509	13,855	753,837	996,730

(a) Subject to revision.

§ 18. 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 1955–56 and 1956–57.

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

Article.	1955–56.	1956–57.	Article.	1955–56.	1956–57.
	proof gallons.	proof gallons.		lb.	lb.
Spirits—			Tobacco	19,170,733	18,801,253
Brandy	708,194	669,681	Snuff	780	485
Gin	377,840	346,641	Cigars—		
Whisky	424,683	406,825	Hand-made ..	26,854	22,422
Rum	622,737	569,282	Machine-made ..	104,749	94,401
Liqueurs	74,928	71,540	Total Cigars ..	131,603	116,823
Other	28	36	Cigarettes—		
Total Spirits (Potable) ..	2,208,410	2,064,005	Hand-made ..	103	
			Machine-made ..	26,403,131	30,035,376
Spirits for—			Total Cigarettes	26,403,234	30,035,376
Fortifying Wine ..	1,912,025	2,197,125		60 papers or tubes.	60 papers or tubes.
Industrial or Scien- tific purposes ..	217,190	215,890	Cigarette Papers and Tubes	122,828,573	124,806,584
Manufacture of—				tons.	tons.
Essences	101,089	100,532	Coal	16,969,020	17,979,780
Scents and Toilet Preparations ..	71,548	67,176		gross boxes.	gross boxes.
Vinegar	120,210	135,230	Matches	3,268,311	3,306,858
				gallons.	gallons.
	gallons.	gallons.	Petrol	540,419,499	780,121,025
Beer	217,044,984	210,600,580		doz. packs.	doz. packs.
			Playing Cards ..	95,150	96,200

§ 19. Interstate Trade.

Prior to the federation of the Australian Colonies (now States), each Colony published statistics of its trade with the other Colonies. A similar record was continued by the Commonwealth Government under the provisions of the Constitution (section 93). On the expiry of the "book-keeping" period, these records were discontinued as from 13th September, 1910, and the 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 Harbor Trust publishes, in its annual report, the quantities of various commodities of interstate trade loaded and discharged in the Port of Melbourne. The trade with individual States is not disclosed.

§ 20. The Australian Balance of Payments.

1. **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 a 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 1955–56, for example, the value of exports was equivalent to almost 25 per cent. of national income, fluctuating between 30 per cent. of national income in 1950–51, the year of record wool prices, and 17 per cent. in 1955–56, 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 1954–55, statistics of the balance of payments have been issued twice yearly in the mimeographed publication *The Australian Balance of Payments*. This, together with a printed volume *The Australian Balance of Payments, 1928–29 to 1951–52* provides: (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 1954–55 to 1956–57.

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. (customarily termed “invisibles”), 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, including those which originate from factors such as the interval in time between the shipment of exports and the receipt of payment from overseas, and between the arrival of imports and the making of payment overseas. These cause discrepancies which are provided for by introducing a “balancing item” into the capital account. (See item 19 in the table on page 370).

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 thereof.

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. The balance of trade showed deficits of £85.5 million in 1954–55 and £47.2 million in 1955–56, and a surplus of £262.4 million in 1956–57.

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

Particulars.	1954-55.	1955-56.(a)	1956-57.(a)
CREDITS.			
1. Exports f.o.b.	761.4	772.3	979.8
2. Gold Production(b)	16.2	15.6	15.9
3. Transportation—			
(i) Freight Earnings of Australian Ships	5.8	6.6	7.0
(ii) Port Expenditure of Oversea Ships	56.0	59.1	67.0
4. Foreign Travel	61.8	65.7	74.0
5. Income from Investment	5.7	6.0	8.5
6. Government Transactions	19.8	21.8	26.4
7. Miscellaneous	7.2	9.5	10.3
8. Donations and Reparations—	9.2	9.5	8.3
(i) Immigrants' Funds and Household Effects	13.1	14.2	15.7
(ii) Other	5.2	5.2	6.5
9. Total Credits	18.3	19.4	22.2
	899.6	919.8	1,145.4
DEBITS.			
10. Imports f.o.b.	846.9	819.5	717.4
11. Transportation and Marine Insurance—			
(i) Freight Payable Overseas . .	88.0	103.0	115.0
(ii) Other Transportation	15.3	15.7	15.2
(iii) Marine Insurance Premiums and Claims (net) (c)	2.6	2.4	1.8
	105.9	121.1	132.0
12. Foreign Travel	21.6	22.3	21.5
13. Income from Investment—			
(i) Public Authority Interest . .	18.3	18.0	17.7
(ii) I.B.R.D. and I.M.F. Interest and Charges	3.4	4.3	5.0
(iii) Direct Investment	37.7	37.0	40.0
(iv) Portfolio Investment	6.2	5.8	6.0
(v) Undistributed Income	30.7	39.9	45.0
	96.3	105.0	113.7
14. Government Transactions—			
(i) Defence Expenditure	14.9	11.5	5.0
(ii) Expenditure in Papua and New Guinea	9.5	11.3	11.5
(iii) Other	12.4	13.3	12.4
	36.8	36.1	28.9
15. Miscellaneous	25.3	22.7	21.4
16. Donations and Reparations—			
(i) Personal Remittances	13.9	16.5	18.0
(ii) U.N.K.R.A., U.N.I.C.E.F., etc., and Colombo Plan	3.5	4.0	4.0
(iii) Other	8.2	7.8	8.9
	25.6	28.3	30.9
17. Total Debits	1,158.4	1,155.0	1,065.8
Balance on Current Account	-258.8	-235.2	79.6

(a) Preliminary. For revised figures see Appendix. (b) Includes gold sold on the premium market valued at the price obtained. (c) Total marine insurance premiums payable on Australian imports (whether payable in Australia or overseas) were £4.3 million in 1954-55, £4.2 million in 1955-56 and £3.6 million in 1956-57.

When invisible transactions are taken into consideration, the current account deficits in 1954-55 and 1955-56 were considerably greater than the trade deficits in those years, while the trade surplus in 1956-57 was greatly reduced. The large and fairly constant deficit in invisible transactions in the three years increased the deficits in 1954-55 and 1955-56 to £258.8 million and £235.2 million respectively, while the surplus in 1956-57 was reduced to £79.6 million. The most important of the invisible transactions are the transportation items, which appear in both debits and credits. The principal component on the debit side is freight payable overseas—mainly freight on imports into Australia (£88 million in 1954-55, £103 million in 1955-56 and £115 million in 1956-57)—and on the credit side, expenditure of overseas ships in Australian ports (£56 million in 1954-55, £59.1 million in 1955-56 and £67 million in 1956-57).

The item next in importance after the transportation items is "Income from investment". The debit entries under this item represent the payment of interest and dividends overseas, while the credit entries represent the receipt of interest and dividends by Australian residents. The item also includes undistributed income, for which, since no actual monetary payment is involved, a compensating entry showing an increase in the value of capital investment is made in capital account. Investment income debits were £96.3 million in 1954-55, £105 million in 1955-56 and £113.7 million in 1956-57. Credits in the same periods were £19.8 million, £21.8 million and £26.4 million respectively.

The remaining items are much smaller than these two groups. Government transactions debits in these years were in the vicinity of £30 million each year and credits were about £10 million. Debits on account of donations and reparations were also about £30 million, with credits of approximately £20 million a year.

One item of some conceptual importance is the total Australian gold production (less industrial absorption), which is shown as a credit entry. The view taken is that Australian gold production constitutes an immediate addition to Australia's international reserves, and an entry covering the item is included in current account. At the same time total exports are adjusted to exclude gold.

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—the international reserves. International reserves decreased by £142.4 million in 1954-55 and by £73.3 million in 1955-56 and increased by £211.5 million in 1956-57.

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

In recent years the principal component of public authority debt has been the movement in net borrowing from the International Bank for Reconstruction and Development, from which £23.6 million net of repayments was received in 1954-55, £17.9 million in 1955-56 and £3.1 million in 1956-57. Private investment in Australia, however, has been much greater. Including undistributed income, total identified investment in Australian companies was £100.4 million in 1954-55 and £111.2 million in 1955-56.

Since, as mentioned above, the balance on capital account is identical with the balance on current account, the movement in international reserves should reflect the combined movement of current and capital items. In practice there is always an unexplained residue which is included in the table below as the balancing item.

BALANCE OF PAYMENTS ON CAPITAL ACCOUNT : AUSTRALIA.

(£A. million.)

Particulars.	1954-55.	1955-56.(a)	1956-57.(a)
INCREASE IN ASSETS.			
1. Direct Investment Overseas—			
(i) Branches—			
(i) Unremitted Profits	1.2	0.4	1.0
(ii) Other	4.0	4.0	(b)
(ii) Subsidiaries—			
(i) Undistributed Profits	2.5	2.8	3.0
(ii) Other	1.0	1.5	(b)
2. Portfolio Investment Overseas.. ..	— 0.2	— 1.5	— 1.1
3. Private Investment in Foreign Government Securities .. ..	..	..	— 0.1
4. Stocks and Balances Overseas of Australian Marketing Authorities	0.5	9.5	— 2.3
5. Subscriptions to I.M.F., I.B.R.D. and I.F.C. ..	..	..	1.0
6. Other Official Transactions	— 0.4	— 9.9	—30.6
7. Monetary Gold Holdings	5.3	10.8	—21.5
8. Foreign Exchange Holdings	—147.7	— 84.1	233.0
9. Total Increase in Assets	—133.8	— 66.5	182.4
INCREASE IN LIABILITIES.			
10. Public Authority Debt—			
(i) Commonwealth—Long-term	1.3	7.1	3.2
(ii) Commonwealth—Short-term	— 0.3	— 0.3	..
(iii) I.B.R.D.	23.6	17.9	3.1
(iv) States—Long-term	— 3.6	1.4	— 0.8
(v) States—Short-term	4.0	..	—32.6
(vi) Local Authorities	0.9	— 0.3	— 3.1
11. Other I.M.F. and I.B.R.D. Transactions ..	— 11.6	..	— 1.0
12. Public Debt Conversions	— 0.1	— 0.1	0.1
13. Australian Currency held by Foreign Banks ..	— 0.5	— 0.3	0.3
14. Direct Investment in Australian Companies—			
(i) Branches—			
(i) Unremitted Profits	4.6	7.2	8.0
(ii) Other	9.6	12.6	(b)
(ii) Subsidiaries—			
(i) Undistributed Profits	26.1	32.7	37.0
(ii) Other	54.9	50.9	(b)
15. Portfolio Investment in Australian Companies ..	5.2	7.8	(b)
16. Investment in Public Authority Securities Domiciled in Australia	— 2.9	— 5.0	(b)
17. Net Oversea Remittances of Life Offices Operating in Australia	— 6.7	— 1.1	—1.1
18. Adjusting Item for Papua and New Guinea Transactions	1.0	2.0	2.0
19. Balancing Item	19.5	36.2	87.7
20. Total Increase in Liabilities	125.0	168.7	102.8
21. Net Increase in Assets	—258.8	—235.2	79.6

(a) Preliminary. For revised figures see Appendix.

(b) Not available, included in balancing item.

NOTE.—Minus sign (—) denotes decrease.

4. **Regional Balance of Payments.**—It is possible to make some dissection of the overall Australian balance of payments to show the balance of payments with various countries and monetary areas.

The tables shown below provide two such dissections. The first table provides a dissection of the balance of payments on current account for the main monetary areas in each of the years 1954–55 to 1956–57. The second table provides a more detailed dissection of the dollar balance of payments during the same period and includes not only transactions with the dollar area but all transactions involving dollars, irrespective of where they were made.

5. **Balance of Payments on Current Account—Monetary Areas.**—It has not yet been found feasible to prepare complete estimates of the balance of payments with various countries, since sufficient information on capital movements to and from those countries is not available in the detail required. As a result, the estimates in the following table refer only to current account transactions.

The table shows the balance on current account in each of the years 1954–55 to 1956–57 for the sterling area, the dollar area and other non-sterling countries.

**BALANCE OF PAYMENTS ON CURRENT ACCOUNT WITH VARIOUS COUNTRIES
AND MONETARY AREAS(a) : AUSTRALIA.**

(£A. million.)

Particulars.	Gold Pro- duction.	Sterling Area.		Dollar Area.			Other Non-sterling.		Total.
		United King- dom.	Other.	U.S.A.	Canada.	Other.	O.E.E.C.	Rest of World. (b)	
1954–55.									
Exports f.o.b. ..	..	288.6	131.8	52.7	10.5	6.4	185.7	85.7	761.4
Imports f.o.b. ..	..	378.7	141.6	108.1	23.8	1.2	122.3	71.2	846.9
Invisibles (net) ..	16.2	85.2	21.4	45.7	9.1	0.3	12.6	15.8	173.3
Balance on Current Account	16.2	175.3	31.2	101.1	22.4	5.5	50.8	1.3	258.8
		206.5		118.0			49.5		
1955–56.(c)									
Exports f.o.b. ..	..	257.1	131.4	55.0	10.9	9.0	187.5	121.4	772.3
Imports f.o.b. ..	..	355.3	128.1	98.7	23.3	4.4	125.8	83.9	819.5
Invisibles (net) ..	15.6	76.1	31.6	45.8	11.5	1.1	15.0	22.5	188.0
Balance on Current Account	15.6	174.3	28.3	89.5	23.9	3.5	46.7	15.0	235.2
		202.6		109.9			61.7		
1956–57.(c)									
Exports f.o.b. ..	..	278.1	175.6	65.2	10.7	8.8	251.1	190.3	979.8
Imports f.o.b. ..	..	296.0	122.8	96.8	22.2	4.7	100.5	74.4	717.4
Invisibles (net) ..	15.9	56.4	36.4	56.6	7.0	0.6	12.3	29.4	182.8
Balance on Current Account	15.9	74.3	16.4	88.2	18.5	3.5	138.3	86.5	79.6
		57.9		103.2			224.8		

(a) For a list of the countries included in each monetary area see page 346.

(b) Includes international agencies.

(c) Preliminary. For revised figures see Appendix.

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

In recent years Australia has usually been in deficit on current account with the rest of the sterling area and with the dollar area, and in surplus with all other countries. This pattern can be seen in each of the years shown in the table. As mentioned above, there was a total current account surplus of £79.6 million in 1956-57, following on two deficits of £258.8 million and £235.2 million in 1954-55 and 1955-56 respectively. Considered on a regional basis the change to a surplus was due primarily to a reduction in Australia's deficit with the rest of the sterling area and to an increase in her surplus with the "Other Non-sterling" countries. The balance on current account with the dollar area was relatively stable during these years in comparison with the magnitude of movements in other areas.

The table also shows some information as to the balance of payments with countries within each monetary area. The importance of the United Kingdom in Australia's international transactions is apparent, as also is the importance of other countries combined in the Organization for European Economic Co-operation. The increase in total value of exports to these countries in 1956-57 was largely responsible for the surplus noted above with "Other Non-sterling" countries in that year.

The dollar area is shown dissected into United States of America and Canada. However, the more detailed treatment of the balance of payments with the dollar area is set out in the table on p. 373.

6. Balance of Payments with the Dollar Area.—The results of Australia's dollar transactions in the three years 1954-55 to 1956-57 are shown in the following table. As mentioned previously, the table shows in addition to transactions with the countries of the dollar area, all Australia's transactions which directly involve the receipt or payment of dollars, and includes the receipts of dollars under loans from the International Bank for Reconstruction and Development, payments of subscriptions to international agencies, etc.

The table has four main sections. The first section (items 1-17) provides detail on current transactions and item 17 is immediately comparable with the current account balance for the dollar area shown in the previous table. The next section (items 18 and 19) brings current dollar transactions outside the dollar area into account. The third section (items 20-24) brings in capital transactions and the final dollar deficit is shown against item 25. The fourth section shows the sources from which the deficit was financed.

Traditionally, Australia has always been in overall deficit in her balance of payments with the dollar area. Prior to the 1939-45 War, however, sterling was convertible into all other currencies and Australia's dollar deficits could be offset against her surpluses of other currencies. However, the emergence of the dollar as a scarce currency after the war and the loss of the convertibility of sterling have prevented the free working of such a system and Australia, in common with most other countries outside the dollar area, has been forced to exercise strict control over dollar transactions. Since the war, Australia, as a member of the sterling area, has purchased her net requirements of dollars from the Sterling Area Central Reserves, which the United Kingdom holds in her capacity as banker for the sterling area.

The table shows that after all direct dollar transactions—current and capital—have been taken into account, Australia drew on the Sterling Area Central Reserves to the extent of £54 million in 1954-55, £40.2 million in 1955-56, and £23.3 million in 1956-57, in order to finance the remaining dollar deficit. The reduction in 1956-57 resulted from the sale to the United Kingdom of £25 million of gold. This amount was offset against total drawings.

7. 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 overseas investment collected by this Bureau; and (v) information on international reserves, supplied by the Commonwealth Bank.

THE AUSTRALIAN BALANCE OF PAYMENTS. 373
BALANCE OF PAYMENTS WITH THE DOLLAR AREA : AUSTRALIA.
(£A. million.)

Particulars.	1954-55.	1955-56.	1956-57.(a)
CURRENT ACCOUNT.			
1. Exports, f.o.b., to United States of America and Canada (excluding gold)	+ 63.2	+ 65.9	+ 75.9
2. Imports, f.o.b., from United States of America and Canada (excluding gold)	-131.9	-122.0	-119.0
3. Trade balance with United States of America and Canada	- 68.7	- 56.1	- 43.1
4. Trade balance with other Dollar Area countries ..	+ 5.2	+ 4.6	+ 4.1
5. <i>Trade Balance with the Dollar Area</i>	- 63.5	- 51.5	- 39.0
Other Current Transactions.			
6. Freight	- 14.5	- 18.5	- 20.1
7. Other transportation	- 1.2	- 1.2	- 1.2
8. Travel expenditure	- 1.5	- 1.6	- 2.2
9. Business expenses of Australian firms	- 2.5	- 2.4	- 2.3
10. Film remittances	- 2.6	- 2.6	- 2.6
11. Profits and dividends remitted	- 12.9	- 11.6	- 12.9
12. Undistributed income (net)	- 16.4	- 19.1	- 21.6
13. Public authority interest	- 3.0	- 2.7	- 2.7
14. Other debits	- 7.2	- 6.7	- 7.7
15. Other credits	+ 7.3	+ 8.0	+ 9.1
16. <i>Invisible Balance with the Dollar Area</i>	- 54.5	- 58.4	- 64.2
17. <i>Balance on Current Account with the Dollar Area (5 + 16)</i>	-118.0	-109.9	-103.2
18. Other current transactions	+ 7.8	+ 6.2	+ 10.8
19. <i>Dollar Deficit on Current Account (17 + 18)</i> ..	-110.2	-103.7	- 92.4
CAPITAL TRANSACTIONS INVOLVING DOLLARS.			
20. Public authority borrowing	+ 18.8	+ 26.6	+ 3.1
21. Undistributed income (see item 12)	+ 16.4	+ 19.1	+ 21.6
22. Other identified transactions	+ 24.6	+ 12.9	} + 23.9
23. Balancing item	+ 12.8	+ 6.7	
24. <i>Balance on Capital Transactions</i>	+ 72.6	+ 65.3	+ 48.6
25. <i>Total Dollar Deficit (-) (19 + 24)</i>	- 37.6	- 38.4	- 43.8
DOLLAR FINANCING.			
26. Gold sales to the United Kingdom .. .. .	..	..	+ 25.0
27. Dollars repaid to I.M.F. (net)	- 11.6	..	..
28. Estimated drawings on Sterling Area Central Reserves (+)	+ 54.0	+ 40.2	+ 23.3
29. Movement in Australian dollar balances (increase -)	- 4.8	- 1.8	- 4.5
30. Total	+ 37.6	+ 38.4	+ 43.8

(a) Preliminary. For revised figures see Appendix.

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