



COMMONWEALTH BUREAU OF CENSUS AND STATISTICS,
CANBERRA, AUSTRALIA.

**THE AUSTRALIAN
BALANCE OF PAYMENTS
1928-29 to 1948-49**

Prepared Under Instructions From
THE RIGHT HONORABLE THE TREASURER

by

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PREFACE.

As a result of the marked effect which fluctuations in world trade exercise on the level of activity in the Australian economy, information on the Australian balance of payments has always assumed peculiar importance in considerations of economic policy by the Australian Government and generally in the analysis of economic conditions in Australia. This importance has been accentuated by the currency and trade problems with which Australia has been confronted in the post-war years.

The present statement on Australia's balance of payments for the twenty-one years period, 1928-29 to 1948-49, is the first comprehensive one on the subject for some time and consolidates and revises, where necessary, various estimates previously prepared by the Commonwealth Bureau of Census and Statistics. Its preparation has unfortunately been delayed by the urgency of various current problems associated with the dollar crisis, with negotiations between the Sterling Area and other "hard" currency areas, and with the European Recovery Programme.

Earlier estimates covering the years 1928-29 to 1936-37 were prepared in the Bureau and published in detail in the *Official Year Book of the Commonwealth of Australia* and mimeographed statements. No official estimates of Australia's balance of payments were issued during the war years. The first post-war statement was included in the paper *Estimates of National Income and Public Authority Income and Expenditure* tabled in the Commonwealth Parliament on the occasion of the Budget, 1945-46. Statistics for the years 1938-39 to 1944-45 were included, but little detail was given.

On 15th August, 1946, a brief press notice was issued showing Australia's balance of payments in summary form for the years 1936-37 to 1944-45. Subsequent Budget papers *National Income Estimates* and *National Income and Expenditure* contained sections dealing with Australia's balance of payments.

The more comprehensive statements now published owe much to the ready and generous cooperation of many institutions, companies and individuals throughout Australia. In particular, much valuable information and assistance have been given by officers of the Commonwealth Bank of Australia (especially Mr. R. F. Jones), by officers of the Commonwealth Treasury (especially Mr. J. F. Nimmo and Mr. B. E. Fleming), and by officers of many other Commonwealth and State Departments and agencies.

The Bureau's work on balance of payments is carried out in the Research and Analysis Division under the immediate direction of Mr. L. B. Brand, M.A. The present volume is largely the product of the initiative and individual effort of Mr. Brand, who was assisted in the later stages by Mr. J. T. Attridge, B.A., B.Comm. I desire to express here my appreciation of the work of these officers and of the many others who have been associated with them in balance of payments inquiries.

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CHAPTER I.—INTRODUCTION.

The last two decades have seen a great increase in the use of balance of payments statistics. During this period many countries, including Australia, have had to deal with economic problems associated with depression, exchange depreciation and war and its aftermath of economic disruption. Coping with all these problems has entailed an extensive use of statistics of this type.

In the post-war era detailed information on Australia's balance on payments has been essential to enable the Government of the Commonwealth to make important decisions on questions relating to imports, exports and foreign exchange policy.

In addition, information of this kind has been frequently sought in recent years by the United Kingdom Government as a basis for currency negotiations with specific countries on behalf of the Sterling Area and also by the International Monetary Fund to aid it in its task of facilitating world financial transactions.

In the main this statement follows closely the pattern used by the International Monetary Fund for the presentation of balance of payments statistics, but several modifications have been introduced which are believed to be more suitable to Australian conditions (especially during the war years).

In a concise definition of "current" and "capital" transactions in the balance of payments and their relationship to each other the Fund's *Balance of Payments Manual* states that "The economic transactions included in the balance of payments are either *real* or *financial*. A real transaction is the transfer of ownership of goods from, or the rendering of services (including saving and risk-taking) by residents of one country to residents of another country. A financial transaction is a transfer of money, claims to money, and titles to investments from country to country." (Jan., 1948 edition, p. 4.)

In the estimates which follow, "real" transactions are entered under current account and "financial" transactions under capital account. Because of the special definitions used, the balance of payments on current account must always be equivalent to the balance of payments on capital account. This may be explained as follows: Transactions entering into the balance of payments may be either two-way or one-way. Two-way transactions may consist of:—

- (1) Two financial transactions, *e.g.*, a sale of securities against money, a sale of one currency against another currency or the discharge of a previously incurred commercial debt. In this case the balance on current account is not affected and the balance on capital account remains unaltered because the credit item involved balances the debit item.
- (2) A real and a financial transaction, *e.g.*, a sale of goods against payment in money or against a claim in the form of a bill of exchange. Here the balance on current account is increased (reduced) by a new credit (debit) item and the balance on capital account is increased (reduced) by a credit (debit) item of identical amount.
- (3) Two real transactions, *i.e.*, barter. The balance on current account remains unaltered as the credit item offsets the debit item and the balance on capital account is unaffected.

A one-way transaction may be:—

- (4) A financial transaction, *e.g.*, a gift in cash.
- (5) A real transaction, *i.e.*, a gift in kind.

Types (4) and (5) involve only one entry each, but contra entries are included under "Donations." In (4) an equivalent entry in "Donations" ensures that the balances on current and capital account are similarly affected, and in (5) the equivalent entry in "Donations" offsets the gift in kind and leaves the balances on current and capital account unaltered.

Any apparent difference between the balance on current account and the balance on capital account can only be due to errors in the estimation of various items or omission of some items from one side of the accounts.

Major tables only have been shown in the text. Tables giving detailed estimates of individual items and various other subsidiary tables, together with accompanying notes giving precise definitions and methods of estimation, have been included in appendices.

The scheme of presentation adopted in the text may be briefly outlined as follows.

Chapter II consists of a discussion, in fairly general terms, of the salient features of Table A, which presents, in summary form, Australia's balance of payments on both current and capital account for the years 1936-37 to 1938-39 and 1946-47 to 1948-49.

Chapters III and IV enter into a more detailed survey of the balance of payments on current and on capital account respectively based on Tables I to XI in Appendix I.

Chapter V comments on Table B which analyses the over-all balance of payments by various currency areas. A more detailed version is included as Table XII in Appendix I. Part of Chapter V, including Tables C and D, is devoted to a discussion of the balance of payments with the dollar area.

In Chapter VI estimates previously published for the years 1928-29 to 1935-36 have been brought into comparability with the new estimates. Some minor revisions have been made, but the majority of the items are merely re-classified into the new grouping. New estimates have been made for 1936-37.

Chapter VII discusses the subject of foreign investments in Australia and recent advances in the statistical information available in this field.

In Chapter VIII an analysis is made of the main elements in Australia's position as an international creditor and debtor.

Australia's balance of payments is particularly sensitive to changes in export prices and, to a lesser extent, to changes in import prices. Chapter IX shows how export and import prices have varied over the last twenty-one years and also discusses the terms of trade.

Chapter X contains a discussion based on the summaries of Australian trade statistics given in Tables XX to XXIII (Appendix I).

The concluding section, Chapter XI, discusses broader aspects of Australia's balance of payments including the inter-relationships between the balance of payments and various national income aggregates.

Unless otherwise stated, all amounts quoted in the text are expressed in Australian currency.

CHAPTER II.—SUMMARY.

Table A presents in summary form the Australian balance of payments on current and capital account for the three pre-war years 1936-37 to 1938-39, and for the years 1946-47 to 1948-49.

TABLE A.
AUSTRALIA: SUMMARIZED BALANCE OF PAYMENTS.
(£A million.)

	1936-37.	1937-38.	1938-39.	1946-47.	1947-48.	1948-49.
CURRENT ACCOUNT.						
Exports, f.o.b.	148.2	141.3	122.1	264.7	306.9	522.2
Imports, f.o.b.	103.0	127.2	109.4	208.2	337.8	415.1
Trade Balance	45.2	14.1	12.7	56.5	59.1	107.1
Invisible Credits	36.9	41.3	42.9	69.5	70.6	67.3
Invisible Debits	72.0	79.2	78.5	173.9	126.1	146.4
Invisible Balance	35.1	37.9	35.6	104.4	55.5	79.1
Balance on Current Account ...	10.1	23.8	22.9	47.9	3.6	28.0
CAPITAL ACCOUNT.						
Net Increase in Assets—						
Monetary Gold	0.1	0.2	0.4	9.6	2.9	0.1
Foreign Exchange Holdings	33.6	9.5	23.0	26.3	77.7	178.3
Public Authority Debt Demanded Overseas (decrease +)	1.2	1.4	2.7	12.2	9.2	14.0
International Monetary Fund and International Bank for Reconstruction and Development	...	...	...	...	3.8	...
Joint Organization (Wood) Transactions	...	...	...	5.2	2.2	16.9
Other (including errors and omissions)	24.8	13.1	2.4	48.6	86.4	147.3
Total (Balance on Capital Account)	10.1	23.8	22.9	47.9	3.6	28.0

These estimates are also given in more detail in Tables I to XI in Appendix I.

The table shows the great increase over the period in the value of Australian exports from an average of £137.2 million for the three pre-war years 1936-37 to 1938-39 to £522.2 million in 1948-49. This rise is mainly attributable to increases in export prices. The export price index (excluding gold) moved from an average of 1,000 in the three pre-war years to 3,481 in 1948-49 (see Table XVII, Appendix I).

Over the whole period Australia enjoyed a consistently favourable balance of trade, the size of which rose steadily in the post-war period up till 1948-49 as, while prices of imports have been rising, the prices received for her exports have risen at an even faster rate.

The invisible balance on current account has been invariably unfavourable over the period 1936-37 to 1948-49 with the exception of the three wartime years, 1943-44 to 1945-46, during which small favourable balances were achieved. These were due mainly to a rise in the credits accruing from Government Transactions during those years. This latter item

dominated the behaviour of the invisible balance during the war years and the first post-war year 1946-47. Since then it has been superseded in this role by the item Transportation and Insurance which is normally the most important component of invisible transactions.

Further analysis and discussion of the items entering into the invisible balance on current account will be found in Chapter III.

The overall balance on current account fluctuated considerably between 1936-37 and 1948-49. It was unfavourable at the outbreak of war and remained so until 1943-44. In that year and in each of the next two years a favourable balance was recorded. It was again adverse in 1946-47, but a small favourable balance was achieved in 1947-48 and was followed by a larger one in 1948-49.

The main features emerging from a study of the summarized balance of payments on capital account presented in Table A are the increases in recent years in the level of Australia's international reserves and the decrease in the amount of public authority debt held overseas.

The level of Australia's international reserves has shown a remarkable rise in recent years. During the war years, 1939-40 to 1945-46, the net addition to them was £159.7 million. The net increase in the post-war years, 1946-47 to 1948-49, was £236.3 million.

Taking average figures for the three pre-war years, 1936-37 to 1938-39, Australia's exports and imports were running at levels equal to 199 per cent. and 164 per cent., respectively, of the average level of her international reserves over the same period. In 1948-49 the same percentage was reduced to 116 per cent. and 92 per cent., respectively, of the level of international reserves at 30th June, 1949, despite the great rise in value, previously referred to, in both exports and imports.

From another aspect the improvement may be illustrated by comparing the relative magnitudes of Australia's international reserves and public authority debt held externally in the three pre-war years and in 1948-49.

Again, using average figures for the three years, 1936-37 to 1938-39, Australia's international reserves were about 9 per cent. of the value of her external public authority debt. In 1948-49 the same percentage relationship had increased to 78 per cent.

Over the whole period, 1936-37 to 1948-49, net payments of £117 million were made overseas reducing the amount of public authority debt held externally. Since 1941-42 this process has been continuous. In addition, it should be noted that over the period Australian securities to a total value of £A8.0 million were taken up in London by the Commonwealth Bank of Australia (see Item 8, Table XI). This amount represents a further reduction in the value of public authority debt held externally.

The amount of Australian public authority debt domiciled in the United States of America has been reduced during the period from \$252.6 million (£A64.3 million) at the 30th June, 1937, to \$223.9 million (£A69.4 million) at the 30th June, 1949. The corresponding reduction in public authority debt domiciled in the United Kingdom has been from £stg.565.5 million (£A708.3 million) at the 30th June, 1937, to £stg.397.8 million (£A498.2 million) at the 30th June, 1949.

The category "Other" includes a compensating movement for errors and omissions in the rest of the estimates, but consists in the main of private capital movements. In Chapter VII the identified net private

capital movement in the two years, 1947-48 and 1948-49, is shown to be £58.0 million. The unidentified remainder is considered to be composed mainly of speculative remittances in anticipation of an alteration of the Australian exchange rate and short-term capital movements produced by fluctuations in the average length of the interval between the arrival or departure of imports and exports and the actual date of payment.

Additional and more detailed discussion of the balance of payments on current and on capital account will be found in Chapters III and IV, respectively.

CHAPTER III.—BALANCE OF PAYMENTS ON CURRENT ACCOUNT, 1936-37 TO 1948-49.

Table I (p. 51), in summary form, shows Australia's balance of payments on current account for the years 1936-37 to 1948-49. More detailed explanations of each section are given later, but the general pattern of Australia's balance of payments on current account was an unfavourable balance from 1937-38 to 1942-43 despite a favourable trade balance, and a favourable current balance from 1943-44 to 1945-46, due mainly to increased favourable trade balances and favourable balances on government account (increased supply of goods and services to Allied Governments and increased expenditure of Allied personnel in Australia). In 1946-47 the balance on government account became unfavourable and, in addition, a gift of £25 million was made to the United Kingdom and a contribution of over £14 million in cash and kind was made to UNRRA. In 1947-48 government account became relatively unimportant and a small favourable balance on current account was achieved. A favourable trade balance of £107.1 million (compared with £59.1 million in 1947-48) was the main factor producing Australia's favourable balance of £28 million on current account in 1948-49.

Merchandise Transactions (see Tables II and III, pp. 52-5).

(a) *Exports* (see Table II, pp. 52-3).—The value of Australia's exports has increased remarkably since the end of the 1939-45 War, but the huge increase has been due mainly to increases in the average export prices of primary products (see Table XVII). The average export price of wool in 1948-49 was 264 per cent. higher than the average for the three pre-war years and the average export price of wheat and flour was 313 per cent. higher. These and other similar price movements played a major part in the increase in value of Australia's recorded exports from £149.5 million in 1938-39 to £542.7 million in 1948-49.

Various adjustments to recorded exports are made in Table II to arrive at the estimate of Australia's "Export proceeds f.o.b." In the non-war years (*i.e.*, 1936-37 to 1938-39 and 1946-47 to 1948-49) deductions are made for exports to Australian armed forces overseas (as these exports do not represent a transaction between Australians and foreigners) and exports of gold (as all gold transactions are treated separately in Table IV). During the war years, exports on behalf of Allied Governments are also deducted mainly because of statistical difficulties, but any payments for these exports are later brought into account in Table VIII under "Recoveries from Other Administrations" (see notes to Table VIII for the implications of this method).

Since 1939-40, Australia's receipts from overseas for wool, wheat (and flour) have often differed considerably from the recorded trade statistics. During the war, stocks of wool and wheat were retained in Australia by the United Kingdom for strategic purposes, even though payment had previously been made to Australia. In later years, these stocks were exported and appear in recorded statistics but, of course, no funds were received for them in the year of physical shipment. Item 6 of Table II shows the difference between the recorded export statistics and the funds actually received for wheat and flour each year, but item 7 is rather more complex and is the subject of a detailed note in Appendix II.

Exports of emigrants' household effects, exports on behalf of UNRRA, etc., and private gifts do not result in an increase in Australia's international reserves, but they are not deducted from recorded exports as contra entries are made in Table X (Donations and Reparations).

The final line in Table II is defined as "Export proceeds f.o.b." and is transferred to Table I, Item 1.

(b) **IMPORTS** (see Table III, pp. 54-5).—While the value of Australia's recorded imports nearly doubled between the three pre-war years and 1944-45, the "civil" component of these imports in 1944-45 was only about three-quarters of the average for 1936-37 to 1938-39. Civil imports increased rapidly after the war, and by 1948-49 their value was about five times the 1944-45 level. While the value of exports in 1948-49 was only four times its 1944-45 level, the favourable balance of trade nearly doubled between these two years.

In the case of exports, the post-war increases in export prices, excluding gold (about 170 per cent. between 1944-45 and 1948-49), played a very important part, but, as the Commonwealth Bank's import price index (see Table XVIII) increased by only 46 per cent. in this period, the increase in the volume of imports arriving in Australia was very considerable.

In the non-war years, adjustments are made to recorded imports for imports of gold, imports by diplomatic missions, etc., in Australia (which do not involve Australia in any international payments), recorded value of cinematograph films imported on a rental basis (the royalties, etc., connected with these films are brought into account in Table IX) and certain unrecorded imports. Further information concerning these items is given in the notes to Table III.

During the war years, vast quantities of stores and equipment were imported into Australia on behalf of the Australian Government. Some of these imports were supplied under United States Lend-Lease or Canadian Mutual Aid, and others were paid for through Government channels. As is the case with exports of a similar nature there are many statistical problems associated with the treatment of these imports and the only practical approach was to deduct their total recorded value from recorded imports and to include payments for non-Lend-Lease or Mutual Aid imports in "Public Authority Defence Expenditure Overseas" in Table VIII. Item 7 re-includes Government imports of a non-war nature, the payment for which would not be included in Table VIII. A more detailed discussion of these imports is contained in the notes to Table VIII.

Imports of immigrants' household effects, etc., are not deducted from recorded imports and with the corresponding exports are shown as a contra entry in Table X.

"Civil imports f.o.b." are transferred to Item 10 of Table I.

Gold Production (Less Industrial Absorption) (see Table IV, pp. 56-7).

The item "Gold Production" appearing in Current Account (see Table I) is a net figure obtained by subtracting the value of gold absorbed in industrial uses from the value of the actual gold production in each year.

The gold thus appearing as a credit on Current Account, is compulsorily acquired by the Commonwealth Bank and may be used either to increase Australia's gold holdings or it may be sold to other countries.

In the former case an increase is shown in Item 10 in Capital Account—"Monetary Gold Holdings" (see Table XI). In the latter case an increase occurs in Item 11 in Capital Account—"Foreign Exchange Holdings."

Sales and purchases of gold by Australia do not affect any items in Current Account, and both exports and imports of gold have been excluded from the figures shown for exports and imports. Earmarking transactions, of course, do not appear in recorded trade figures at all.

Gold purchases and sales are recorded in Capital Account and are reflected there by an increase (decrease) in Item 10—"Monetary Gold Holdings" and a decrease (increase) in Item 11—"Foreign Exchange Holdings."

These movements in Items 10 and 11 in Capital Account are recorded in the year in which the gold is actually bought or sold, irrespective of whether it is physically imported or exported in that year or simply earmarked for actual transfer in some future year.

Thus an export or import of gold earmarked in a previous year would have no effect on the balance of payments in that year.

Transportation (see Table V, pp. 58-9).

Receipts and payments for exports and imports have so far been taken as the f.o.b. value. In addition to these amounts, allowance should be made for payments by Australians to foreigners for freight and insurance on imports, for fares paid to foreign shipping and aircraft companies, for receipts by Australian shipping, insurance and aircraft companies from foreigners for freight and insurance on exports from Australia, for expenditure of foreign ships and aircraft in Australian ports and for expenditure of Australian ships and aircraft in foreign ports.

Reasonable estimates are possible of the freight element of these transactions, but Australian statistics of marine insurance and overseas sea and air fares are not yet satisfactory. The International Monetary Fund has a special table for insurance transactions, but the paucity of Australian statistics does not justify such treatment in the present estimates. Fares should be included in this table, but for the present they are included in Table VI (Expenditure by Tourists and Travellers).

The most important credit items in the transportation account are the ships' stores purchased in Australia by overseas ships and aircraft and other port expenditure of those ships and aircraft. In 1948-49, these two items amounted to £23.1 million, compared with £11 to £13 million in the pre-war years.

Item 3, "Ships' Stores Purchased in Australia by Overseas Ships," and Item 4, "Other Expenditure of Overseas Ships in Australian Ports," in Table V do not include services provided by Australia to United States ships under Reverse Lend-Lease. In 1943-44, 1944-45 and 1945-46 ships' stores valued at \$0.3 million, \$0.9 million and \$0.4 million, respectively, were supplied to United States ships under Reverse Lend-Lease and Australia also met port expenditure of the ships to the extent of \$3.9 million in 1943-44, \$4.6 million in 1944-45 and \$2.2 million in 1945-46. These amounts should logically be included in Table V with contra entries under "Donations" in Table X, but in conformity with the treatment of similar Government transactions in Tables II, III and VIII, they are omitted.

On the debit side, freight on Government imports is excluded for the years 1939-40 to 1945-46 as this item cannot be extracted from available statistics of overseas war expenditure. Freight on Government imports

was insignificant in 1936-37 to 1938-39 and amounted to £1.5 million in 1946-47 and £1.2 million in 1947-48, so Item 6 is reasonably comparable throughout the whole thirteen years and will, of course, be strictly comparable for all post-war years.

It is interesting to note that the ratio of freight to f.o.b. value was not much more than 10 per cent. in 1948-49 compared with 14 per cent. before the war and nearly 22 per cent. in 1944-45. This decreased percentage is due mainly to the decreasing proportion of petroleum products (with high ratio of freight to f.o.b. value) in the total value of civil imports between 1944-45 and 1948-49 and the fact that the increased average f.o.b. price of other imports was not accompanied by a similar increase in freight rates.

Item 7, "Marine Insurance on Imports," is an estimate of the marine and war risk insurance premiums paid on imports which actually arrived in Australia. It assumes that, where claims have been paid to Australian importers, these claims have cancelled payments made by the Australian importers to the overseas exporters. This treatment is not particularly satisfactory but it affords the best approximation available from present statistics.

The average percentage of marine and war risk insurance charged on imports into Australia rose steadily during the war to a peak of about 15 per cent. of the c.i.f. value in 1942-43 but by 1945-46 the average was below 1 per cent. and by 1946-47 it was reduced to a level approximately the same as that for the immediate pre-war years.

Total credits and debits on transportation account are transferred to Items 3 and 11 of Table I.

Expenditure by Tourists and Travellers (see Table VI, pp. 60-1).

In pre-war years, Australia normally had an unfavourable balance on tourist and travel account and, after these items had decreased to negligible proportions during the war, the unfavourable balance in the immediate post-war period was of the same order of that in the three pre-war years.

The credit and debit items in Table VI appear as Items 4 and 12 of Table I.

Income from Investment (see Table VII, pp. 62-3).

Included in this section are all profits, dividends and interest (including interest on Government securities) payable to Australians by foreigners and by Australians to foreigners.

Australian private investment overseas is on a small scale only but, since the last war, there has been some expansion in New Zealand and in Far Eastern Countries. The meaning of "direct" investment is described in detail in Chapter VII, in which reference is made to the "Survey of Companies with Overseas Affiliations," but, in general terms, Item 3, "Income from Direct Investments Overseas," of Table VII includes income received by Australian companies from branches or subsidiaries overseas.

The main components of Item 4, "Other Income from Overseas," are income from "portfolio" investment overseas (i.e., investment which does not involve any form of control of the overseas company) and the interest received on Australia's international reserves. The rapid increase in these reserves in recent years is the principal reason for the increase in this item between 1946-47 and 1948-49.

On the debit side, repayment of Australian public authority debt overseas between 1944-45 and 1948-49 reduced the interest payable on this debt from £26.6 million in the former year to £19.7 million in 1948-49. Between 1936-37 and 1943-44, the interest payable on public authority debt overseas was fairly steady at £27 to £28 million.

Details of public authority overseas debt outstanding at the 30th June of each of the years 1928 to 1949, inclusive, are shown in Table XVI.

Item 6, "Income from Direct Investment in Australia," and Item 8, "Income from Portfolio Investment," show the income from "direct" and "portfolio" investments in Australia which was actually paid overseas in each year. Further discussion and analysis of these items will be found in Chapter VII.

Earnings of overseas insurance companies are not included in Item 6, "Income from Direct Investments in Australia," mainly because of statistical difficulties. Item 7, "Overseas Fire, Marine and General Insurance Company Earnings," shows the earnings of overseas fire, marine and general insurance companies payable overseas and is thus comparable with the sum of Items 6 (a) and 9 for non-insurance companies incorporated overseas. These insurance earnings are nearly all payable to companies incorporated in the United Kingdom.

Unremitted profits of branches of overseas companies and undistributed profits of subsidiaries of overseas companies do not affect the level of Australia's international reserves, but are nevertheless included in Items 9 and 10 as they involve an increase in overseas investment in Australia and, in some cases, a potential drain on international reserves. The counterparts of these items in the balance of payments on capital account are included in Item 18 of Table XI.

The total credits and debits shown in Table VII are transferred to Items 5 and 13 of Table I. The net debit balance on the investment account was remarkably steady during the thirteen-year period and was usually very close to £40 million. As a percentage of exports, however, this debit balance was about 32 per cent. in 1938-39 but less than 8 per cent. in 1948-49.

Government Receipts and Expenditure (see Table VIII, pp. 64-6).

This section includes only those public authority transactions which cannot be conveniently classified in other sections and the net balance for each year is accordingly not the true balance of overseas transactions by public authorities in Australia. The most important current account transactions omitted from Table VIII are Government exports and imports (included in Tables II and III for all years except 1939-40 to 1945-46), freight and insurance on Government imports (included in Table V for all years except 1939-40 to 1945-46), expenses of Australian Government officials travelling overseas and of foreign Government officials visiting Australia (included in Table VI), interest paid overseas on Australian Government securities and interest received in Australia from foreign Government securities (included in Table VII) and Government grants to the United Kingdom, UNRRA, etc. (included in Table X).

Credit items on Government account were considerable during the war years but were comparatively unimportant in 1948-49 and in the pre-war period. Item 1, "Diplomatic and Consular Expenditure in Australia," and Item 2, "War Pensions Received from Overseas," of Table VIII, showed

small increases after the 1939-45 War as a growing number of foreign countries established legations, etc., in Australia and as migrants arrived who were eligible for service pensions from other countries.

It has been mentioned previously that, during the war years, official exports to foreign governments were deducted from recorded exports and the proceeds for these exports were included in Item 3, "Recoveries from Other Administrations, etc.," of Table VIII. "Recoveries from Other Administrations, etc.," is an item, included in the Commonwealth Budget, which covers all receipts from foreign Governments and other official entities for goods supplied or services rendered by the Australian Government. In addition to this item, there are various other credits which are normally netted against Government expenditure overseas on war account but which are added to "Recoveries" in Item 3. For 1940-41 to 1945-46, Item 3 is the sum of recoveries and other credits but, for 1946-47 to 1948-49, the value of current Government exports has been deducted and the item thus includes payments for current services together with any payments made during the year for services rendered or goods supplied in previous years. The statistical implications of this treatment are described in more detail in the notes to Table VIII.

Item 4, "Expenditure of Allied Forces in Australia," shows only the direct expenditure of these forces in Australia (*i.e.*, amounts spent by Australian authorities on behalf of Allied Forces and later recovered are not included). A large proportion of this direct expenditure was in dollars during the earlier war years but the expenditure of British Forces became more important in the later period of the war. The relationship between this item and the capital account, Item 15, "Australian Currency Holdings of Foreign Banks and Governments," of Table XI (page 71), is explained in the notes to Table XI.

On the debit side, Item 10, "Public Authority Defence Expenditure Overseas," is treated in a similar fashion to Item 3, *i.e.*, gross public authority war expenditure overseas is shown for the war years, but for 1946-47 to 1948-49 the value of current imports charged to war or post-war defence account is deducted.

Each of the other debit items is described in detail in the notes to Table VIII.

Total credits and debits are transferred to Items 6 and 14 of Table I. Australia's net credits from items included in Table VIII amounted to £187 million during the three years 1943-44 to 1945-46.

Miscellaneous Current Transactions (see Table IX, pp. 66-7).

The items in this section are mostly relatively unimportant and self-explanatory. Australia had a small unfavourable balance in each of the years 1936-37 to 1948-49.

The credit and debit totals of Table IX are transferred to Table I as Items 7 and 15, respectively.

Donations and Reparations (see Table X, pp. 68-9).

"Donations" is the name given in the International Monetary Fund's *Balance of Payments Manual* to a group of items comprising gifts, reparations, migrants' transfers, etc. Reparations are considered as a compulsory

donation and migrants' transfers are treated as an automatic donation from the migrant in his capacity as a foreigner to the migrant in his capacity as a new Australian resident.

By far the most important credit item in recent years was Item 2, "Funds Brought In by Immigrants," and it is estimated that the 115,000 immigrants who arrived in 1948-49 brought into Australia amounts averaging about £75 per head.

On the debit side, Australia made cash gifts totalling £35 million to the United Kingdom in 1946-47 and 1948-49 and contributions in cash and kind of more than £25 million to UNRRA, the United Nations International Children's Emergency Fund, etc., between 1945-46 and 1948-49.

Total credits and debits from Table X are transferred to Items 8 and 16 of Table I.

CHAPTER IV.—BALANCE OF PAYMENTS ON CAPITAL ACCOUNT, 1936-37 to 1948-49 (TABLE XI, pp. 70-1).

Australia's balance of payments on capital account is summarized in Table XI in Appendix I.

The relation between balance of payments on current account and balance of payments on capital account has been described in Chapter I.

Table XI shows Australia's long-term and short-term capital movements classified according to whether they change the level of Australian international assets or international liabilities. As explained in the Introduction any net increase in Australian assets must coincide with a favourable balance on current account and any net decrease in her assets with an unfavourable current account balance. If the net change in assets as estimated in Item 22 of Table XI is different from the current account balance in Table I (so far as it can be estimated), the difference can only be accounted for by errors and omissions in the estimates.

At 30th June, 1949, Australia's most important international assets were her gold holdings and international reserves, her investments in the International Monetary Fund and International Bank for Reconstruction and Development and in the Joint Organization and the private investments overseas of Australian individuals and companies.

Item 3, "Direct Investments Overseas," of Table XI shows the increase in Australian direct investment overseas during 1947-48 and 1948-49. Details of this movement were obtained from surveys of companies with overseas affiliations and are more completely described in Chapter VII.

At 30th June, 1949, the total face value of Australian shareholdings in overseas subsidiaries less inter-company accounts owing by the Australian parent companies is estimated at £7.9 million, and the book value of the net assets of overseas branches of Australian companies is estimated at £7.3 million on that date. No information is available for years prior to 1947 and any movement in the totals during 1946-47 and previous years is necessarily included in "Errors and Omissions" (Item 20).

Increases in Australia's investment in the Joint Organization (Item 6) are explained in Appendix II. The figures shown for this item represent profits payable by the United Kingdom Government or the Joint Organization resulting from the re-sale of Australian wool.

Australia's subscription to the International Monetary Fund and International Bank for Reconstruction and Development in 1947-48 amounted to £74.4 million. Of this amount £3.8 million was met out of Australia's gold holdings and was mainly responsible for the movement in 1947-48 in Item 10, "Monetary Gold Holdings," in Table XI. Another £6.4 million was paid in Australian currency into the international bodies' accounts with the Commonwealth Bank, and the remaining £64.2 million consisted of special non-negotiable, non-interest-bearing securities lodged with the Commonwealth Bank as depository for the international bodies. Item 16, "International Monetary Fund and International Bank for Reconstruction and Development—Assets in Australia," is the counterpart of these latter amounts and shows that the assets of the International Monetary Fund and International Bank for Reconstruction and Development in Australia increased by £70.6 million during 1947-48.

Changes in the gold holdings of the Commonwealth Bank (including the Note Issue Department) and the Trading Banks are included in Item 10, "Monetary Gold Holdings." Gold holdings were relatively stable at an insignificant level from 1936-37 to 1942-43 when most of Australia's gold production was either exported (mainly to the United Kingdom or the United States of America) or sold to the United Kingdom and retained in Australia under earmark. Between the second half of 1943-44 and 1946-47, local production was added to Australia's official gold holdings but in 1947-48 and 1948-49 current production was mostly sold to the United Kingdom and retained in Australia under earmark.

"Foreign Exchange Holdings" (Item 11) include the net assets in London of the Central Bank (including the Note Issue Department), the General Banking Division of the Commonwealth Bank and the trading banks. These reserves increased from £53 million at 30th June, 1936, to £425 million at 30th June, 1949, but over one-half of this increase occurred in 1947-48 and 1948-49. The main elements of the £256 million increase in those two years were £32 million due to favourable balances on current account, £231 million due to net permanent private capital inflow (*i.e.*, Items 3, 4, 18 and 19) and errors and omissions (which are considered to be predominantly unidentified capital inflow) less a net reduction of £7 million in respect of other items in capital account.

Australia's principal international liabilities at 30th June, 1949, were her public authority debt domiciled overseas (£A567.7 million); her liabilities to the International Monetary Fund and the International Bank for Reconstruction and Development; the cash, investments and fixed assets of the Joint Organization in Australia and the direct investment of overseas companies in Australian industries.

Between 1936-37 and 1942-43 there was not much significant change in Australian Governments' and local bodies' net overseas debt position (see Item 13 of Table XI). Between 1943-44 and 1948-49, however, there was a net reduction in this debt of £125 million. Table XVI in Appendix I shows these movements in greater detail. The movement shown as Item 6 in Table XI should, however, be added.

Reference has already been made on p. 19 to the expenditure of Allied Forces in Australia during the war years. Allied Governments maintained in Australia bank balances which were replenished or repatriated from time to time. Item 15, "Australian Currency Holdings of Foreign Banks and Governments," of Table XI records movements in the level of these balances, which must be regarded as a liability in Australia's capital account.

Since the war the proportion of these balances held by foreign governments has been of minor importance only.

Item 16 has been mentioned above in the comments on Item 7.

Joint Organization fixed assets, investments and cash balances in Australia (see Item 17) must be treated as a liability in Australia's balance of payments on capital account. In point of fact these Joint Organization assets were more or less balanced by Joint Organization liabilities to Australia at 30th June, 1949, and the net potential effect on Australia's international reserves was negligible. Appendix II treats this item in greater detail.

The book value of the net assets in Australia of branches of overseas companies was £120,000,000 at 30th June, 1949, and the face value of shareholdings of overseas companies in their Australian subsidiaries plus inter-company accounts owing to the overseas parent company was £112,000,000. Movements in these totals since 30th June, 1947, are shown in Items 18 (a) and (b). No estimates are available prior to 30th June, 1947, and any movements will have been included in errors and omissions.

In Chapter VII a description is given of the results obtained from surveys of companies with overseas affiliations and an indication of the source of the details shown for Items 18 and 19 of Table XI.

"Errors and Omissions" (Item 20) is a residual item and is considered to consist mainly of private capital movements including short term capital movements produced by fluctuations in the average time interval between the date of arrival or departure of imports and exports and the actual date of payment.

In 1947-48 and 1948-49, there was evidence that payments for Australian exports were being accelerated and payments for imports were being retarded in an endeavour to benefit from any alteration of the rate of exchange. These "leads and lags" supplemented actual remittances of short term capital to Australia and were a very important factor in producing the huge "errors and omissions" in 1947-48 and 1948-49.

As has been explained previously, Item 22, "Net Increase in Assets," is identical with the balance of payments on current account.

CHAPTER V.—BALANCE OF PAYMENTS BY COUNTRIES.

General.

The 1939-45 War brought about a temporary halt to multilateralism in world trade and it is no longer sufficient to examine a country's balance of payments position from the overall aspect alone.

TABLE B.
AUSTRALIA: BALANCE OF PAYMENTS ON CURRENT ACCOUNT, VARIOUS
CURRENCY AREAS, 1947-48 AND 1948-49.
(£A million.)

	1947-48.				1948-49.			
	Exports £.s.d.	Imports £.s.d.	Invis- ibles	Total Current Account	Exports £.s.d.	Imports £.s.d.	Invis- ibles	Total Current Account
Sterling Area								
United Kingdom	144.8	135.2	29.2	19.6	208.3	215.4	53.2	60.9
Other	98.4	63.2	0.1	35.3	101.4	68.6	1.5	31.3
Total, Sterling Area	243.2	198.4	29.1	15.7	309.7	283.7	54.7	28.7
Dollar Area								
U.S. of America	35.1	68.8	21.9	55.6	32.3	43.8	14.7	26.2
Canada and Newfoundland	5.0	16.4	3.9	15.3	8.7	12.5	3.4	7.2
Other	0.6	0.6	0.2	0.2	1.5	0.4	0.2	0.9
Total, Dollar Area	40.7	85.8	26.0	71.1	42.5	56.7	18.3	32.5
Other Non-Sterling Countries								
Organization for European Economic Co-operation	90.2	26.4	0.7	63.1	119.7	35.0	1.8	82.9
Other	22.8	27.2	5.9	10.3	50.3	39.7	9.1	1.5
Total, Other Non-Sterling Countries	113.0	53.6	6.6	52.8	170.0	74.7	10.9	84.4
International Bodies	...	...	2.9	2.9	...	...	4.6	4.6
Gold Production	...	...	9.1	9.1	...	...	9.4	9.4
GRAND TOTAL	396.9	337.8	55.5	3.6	522.2	415.1	79.1	28.0

Table B shows that, although Australia's balance of payments on current account was favourable in 1947-48 to the extent of £3.6 million, she had an unfavourable balance with the dollar area of £71.1 million. (However, see Table C.) Had not drastic restrictions on imports from dollar area been imposed late in 1947 (including the actual cancellation of licences to the value of about £17,000,000), the deficit would have been even greater. The "hardness" or "softness" of other currencies has varied from month to month in recent years but, for currencies that were "hard" or "marginal" in 1948-49, Australia's principal balances were Belgium £15.3 million (favourable), Western Germany £2.1 million (favourable) and Switzerland £1.3 million (unfavourable). (See Table XII—Appendix I.)

Largely because of her normal favourable balances with Belgium, the French Monetary Area and Italy, Australia had very considerable favourable balances in 1947-48 and 1948-49 with the non-sterling countries in the Organization for European Economic Co-operation.

The details shown for "other sterling countries" and "non-sterling countries other than the dollar area and Organization for European Economic Co-operation" are complicated by the inclusion of imports of petroleum products for which the final method of payment (sterling or dollars) often has little relationship to the currency area from which the

In most of the estimates in Table B, except for United Kingdom, New Zealand and the dollar area, invisible items shown are almost entirely freight and insurance payments on imports into Australia. In the overall statement of Australia's balance of payments, all freight and insurance payments on Australian imports are shown as a debit item and Australian shipping companies' earnings on both exports and imports as a credit item. Most Australian imports are paid for on a c.i.f. basis and most of her exports on an f.o.b. basis. The overall statement treats payments of import freights to Australian branches of overseas shipping companies as though the payments were made direct to the overseas company and ignores freight payments to these companies on Australian exports. If an Australian exporter receives payment for his goods on a c.i.f. basis he is assumed immediately to transfer the freight element of the proceeds to the appropriate shipping company. If that shipping company is controlled overseas the exporter's outward payment would balance the exporter's inward receipt and, if the company is Australian, the payment will be included in Item 1 (b), "Overseas Freight Earnings of Australian Ships on Exports," of Table V. This treatment provides approximately the correct *net* result but has the effect of oversimplifying complicated overseas transactions of shipping companies.

In bilateral balance of payments estimates the situation is even more complicated. Belgian imports into Australia may arrive in Swedish ships and in some cases the freight payment may be made to the Belgian exporter who reimburses the Swedish shipping company. In some cases the freight payment will be made direct to the Swedish shipping company overseas and in others the payment may be made to the Australian agent of the Swedish shipping company. It is not possible to disentangle these transactions with available statistics and in all cases it is assumed that imports are paid for on a c.i.f. basis and that export payments are received on an f.o.b. basis, *i.e.*, in the case mentioned above, that the value of the imports on a c.i.f. basis is remitted to Belgium and that the Belgian exporter reimburses the Swedish shipping company and, somewhat inconsistently, it is assumed that overseas purchasers of Australian exports remit the f.o.b. value to Australia and pay the freight and insurance charges direct to the overseas company concerned.

The International Monetary Fund's method of treating these freight payments in bilateral statements is to allocate them according to the nationality imports arrived.

of the carrier. However, as such a large proportion of Australian imports and such a small proportion of her exports are paid for on c.i.f. basis, Australian shipping earnings are so negligible it is considered that the present method gives a more realistic measure of Australia's balance of payments with the various countries listed.

A more detailed version of Table B is included as Table XII in Appendix I.

Balance of Payments with the Dollar Area.

Australia's balance of payments with the dollar area is shown in Table B and in Table XII in the purely geographical sense, *i.e.*, no allowance is made for transactions with non-dollar areas which result in the ultimate receipt or payment of dollars by Australia (or by the sterling area on behalf of Australia), nor is any allowance made for certain dollar payments on behalf of the whole sterling area which, for the purposes of statistical estimation, are attributed partly or wholly to Australia. Also, recorded trade statistics classify imports according to the country of origin rather than the country from which the goods have been purchased. Aircraft, tractors, etc., originally manufactured in the United States of America, are sometimes purchased from other countries with non-dollar currencies but these imports are recorded as imports of United States origin.

Tables C and D show Australia's transactions with the dollar area in greater detail than that given in either Table B or Table XII and also include estimates for 1946-47. All items are shown in Australian currency in Table C and in U.S. dollars in Table D. The merchandise trade items in Tables C and D are the same as those in Table XII but allowance is made in the invisible items for transactions of the type mentioned above. These items (the principal of which are the excess of the estimated dollar component of Australia's imports of petroleum products from all sources over the recorded value of her direct imports of petroleum products from the dollar area, payments of contributions in dollars to international organizations, allowance for imports of dollar area origin not involving direct or indirect dollar payments, allowance for payment of interest on Australian dollar bonds paid to sterling area holders of these bonds and minor receipts of dollars for exports to non-dollar areas) are included in miscellaneous debits and credits in Tables C and D and it will be seen from a comparison with Table XII that they added £1.5 million (\$5 million) and £4.3 million (\$14 million) to Australia's estimated dollar deficit in 1947-48 and 1948-49 respectively.

Australia's unfavourable balance of payments on current account with the dollar area (as defined in Tables C and D) was 91 million dollars in 1946-47 (or probably 95-100 million dollars if undistributed income accruing to North American companies operating in Australia through branches or

subsidiaries is included). The figure increased to 234 million dollars in 1947-48 mainly because of an increase of 131 million dollars in the unfavourable trade balance. (Exports to the United States of America and Canada decreased by 41 million dollars, imports increased by 86 million dollars and the favourable balance with other American account countries of 4 million dollars in 1946-47 disappeared in 1947-48.) A reduction to 116 million dollars was effected during 1948-49, mainly because of a reduction in imports from the United States of America and Canada, whose f.o.b. values fell by 94 million dollars. In addition, freight payments on imports were reduced by 17 million dollars so that, on a c.i.f. basis, there was a reduction of 111 million dollars in imports compared with the net overall improvement on current account of 116 million dollars.

The balance of payments on capital account with the dollar area as shown in Tables C and D consists mainly of short and long-term private capital movements and errors and omissions. Small repayments of Australia's public authority debt domiciled in New York were made from sinking funds each year but conversion operations in 1947-48 increased the nominal value of New York debt outstanding by a small amount and nearly counter-balanced the sinking fund payments during that year.

Identified private capital inflow in 1947-48 and 1948-49 is the same as that shown in Chapter VII with the addition of estimated undistributed income (see Item 12 of Tables C and D). No estimate is available for 1946-47.

It is believed that the errors and omissions shown in Item 21 of Tables C and D consist mainly of small amounts of unidentified long-term capital movements and rather larger amounts of short-term capital produced mainly by fluctuations in trade payments. There will be some errors and omissions in items in the balance of payments on current account which will be reflected in Item 21 but, because of the strict exchange control on dollar transactions, these should be of minor importance.

After deducting favourable net capital movements from Australia's unfavourable balance on current account with the dollar area, excesses of dollar debits over dollar credits still remained; these amounted to 56 million dollars in 1946-47, 196 million dollars in 1947-48 and 103 million dollars in 1948-49. Items 24-26 indicate how these deficits were financed. Sales from Australia's current gold production were made to the Bank of England in 1947-48 and 1948-49 and there were small movements in Australia's working balances of United States and Canadian dollars in each of the three years. The residual amounts of 54 million dollars in 1946-47, 164 million dollars in 1947-48 and 73 million dollars in 1948-49 represent estimated net drawings of dollars from the Sterling Area Dollar Pool attributable to Australia.

Australia's gold subscription of £3.8 million to the International Monetary Fund and International Bank for Reconstruction and Development in 1947-48 has been omitted from Tables C and D. This subscription was met out of Australia's official gold holdings and is not here regarded as a transaction with the dollar area.

TABLE C.

AUSTRALIA: BALANCE OF PAYMENTS WITH THE DOLLAR AREA.

1946-47 to 1948-49 (Australian Currency).

[Credit Items (+), Debit Items (-).]

	1946-47.	1947-48.	1948-49.
CURRENT ACCOUNT.			
<i>Merchandise Trade.</i>			
	£Am.	£Am.	£Am.
1. Merchandise Exports f.o.b. to U.S.A. and Canada (a) ...	+ 52.9	+ 40.1	+ 41.0
2. Merchandise Imports f.o.b. from U.S.A. and Canada (a) ...	- 58.6	- 85.2	- 56.3
3. Trade Balance with U.S.A. and Canada (a).....	- 5.7	- 45.1	- 15.3
4. Trade Balance with other American Account Countries	+ 1.2	...	+ 1.1
5. TRADE BALANCE WITH THE DOLLAR AREA	- 4.5	- 45.1	- 14.2
<i>Other Current Transactions.</i>			
6. Freight on Imports	- 11.0	- 13.3	- 8.3
7. Insurance on Imports	- 0.8	- 1.1	- 0.6
8. Expenditure by Australian Travellers	- 1.5	- 1.0	- 0.7
9. Expenses of Australian Companies in North America ...	- 0.4	- 0.4	- 0.9
10. Film Remittances	- 2.1	- 1.5	- 1.1
11. Profits and Dividends Remitted	- 2.3	- 2.4	- 2.9
12. Undistributed Income accruing to Companies incorporated in Dollar Area	(b)	- 2.2	- 2.2
13. Public Authority Interest Payments	- 3.3	- 2.9	- 2.9
14. Lend-lease Settlement and Purchase of U.S. Surpluses...	- 6.2	- 0.7	...
15. Other Miscellaneous Debits	- 6.8	- 7.5	- 10.1
16. Miscellaneous Credits	+ 10.8	+ 5.5	+ 7.1
17. INVISIBLE BALANCE WITH THE DOLLAR AREA	- 23.6	- 27.5	- 22.6
18. BALANCE ON CURRENT ACCOUNT	- 28.1	- 72.6	- 36.8
CAPITAL ACCOUNT.			
19. Increase in Debt of Public Authorities	- 0.3	- 0.1	- 0.6
20. Identified Private Capital Inflow (including undistributed income)	11.1(b)	+ 9.0	+ 5.6
21. Errors and Omissions (mainly capital movements)		+ 2.7	- 0.3
22. BALANCE ON CAPITAL ACCOUNT.....	+ 10.8	+ 11.6	+ 4.7
23. EXCESS OF DOLLAR DEBITS OVER DOLLAR CREDITS ...	- 17.3	- 61.0	- 32.1
DOLLAR FINANCING.			
24. Gold Sales to United Kingdom	...	+ 9.5	+ 10.0
25. Estimated Dollar Drawings from Sterling Area Dollar Pool	+ 16.7	+ 50.9	+ 22.7
26. Decline in Dollar Balances	+ 0.6	+ 0.6	- 0.6
27. TOTAL	+ 17.3	+ 61.0	+ 32.1

(a) Including Newfoundland.

(b) No estimate is available for identified private capital inflow in 1946-47. Undistributed income is excluded from both current and capital accounts and other private capital inflow is included in Item 21.

TABLE D.

AUSTRALIA: BALANCE OF PAYMENTS WITH THE DOLLAR AREA.

1946-47 to 1948-49 (United States Dollars).

[Credit Items (+), Debit Items (-)]

	1946-47.	1947-48.	1948-49
CURRENT ACCOUNT.			
<i>Merchandise Trade.</i>			
1. Merchandise Exports f.o.b. to U.S.A. and Canada (a) ...	+ 170	+ 129	+ 132
2. Merchandise Imports f.o.b. from U.S.A. and Canada (a) ...	- 189	- 275	- 181
3. Trade Balance with U.S.A. and Canada (a)	- 19	- 146	- 49
4. Trade Balance with other American Account Countries	+ 4	...	+ 4
5. TRADE BALANCE WITH THE DOLLAR AREA	- 15	- 146	- 45
<i>Other Current Transactions.</i>			
6. Freight on Imports	- 35.4	- 43.2	- 26.7
7. Insurance on Imports	- 2.5	- 3.5	- 2.1
8. Expenditure by Australian Travellers	- 4.8	- 3.3	- 2.2
9. Expenses of Australian Companies in North America ...	- 1.2	- 1.3	- 2.7
10. Film Remittances	- 6.6	- 4.7	- 3.6
11. Profits and Dividends Remitted	- 7.4	- 7.7	- 9.3
12. Undistributed Income accruing to Companies incorporated in the Dollar Area	(b)	- 7.1	- 7.1
13. Public Authority Interest Payments	- 10.7	- 9.3	- 9.2
14. Lend-lease Settlement and Purchase of U.S. Surpluses	- 20.0	- 2.2	...
15. Other Miscellaneous Debits	- 21.6	- 23.5	- 32.9
16. Miscellaneous Credits	+ 34.7	+ 17.9	+ 23.0
17. INVISIBLE BALANCE WITH THE DOLLAR AREA	- 76	- 88	- 73
18. BALANCE ON CURRENT ACCOUNT	- 91	- 234	- 118
CAPITAL ACCOUNT.			
19. Increase in Debt of Public Authorities	- 1	...	- 2
20. Identified Private Capital Inflow (including undistributed income)	+ 36(b)	+ 29	+ 18
21. Errors and Omissions (mainly capital movements)		+ 9	- 1
22. BALANCE ON CAPITAL ACCOUNT	+ 35	+ 38	+ 15
23. EXCESS OF DOLLAR DEBITS OVER DOLLAR CREDITS	- 56	- 196	- 103
DOLLAR FINANCING.			
24. Gold Sales to United Kingdom	...	+ 30	+ 32
25. Estimated Dollar Drawings from Sterling Area Dollar Pool	+ 54	+ 164	+ 73
26. Decline in Dollar Balances	+ 2	+ 2	- 2
27. TOTAL	+ 56	+ 196	+ 103

(a) Including Newfoundland.

(b) No estimate is available for identified private capital inflow in 1946-47. Undistributed income is excluded from both current and capital accounts and other private capital inflow is included in Item 21.

CHAPTER VI.—BALANCE OF PAYMENTS, 1928-29 TO 1948-49.

The present estimates are not readily comparable with those published by the Commonwealth Bureau of Census and Statistics for the period 1928-29 to 1936-37. In Table E the earlier estimates have been regrouped into the new classification and are compared with the new estimates for 1936-37 to 1948-49. Only balance of payments on current account is shown.

TABLE E.

AUSTRALIA: BALANCE OF PAYMENTS ON CURRENT ACCOUNT, 1928-29 to 1948-49.

(£A million.)

Year.	Exports.	Imports.	Invisibles.	Balance on Current Account.
1928-29	136.9	— 133.5	— 48.4	— 45.0
1929-30	96.1	— 123.4	— 52.8	— 80.1
1930-31	89.8	— 61.8	— 46.9	— 18.9
1931-32	96.9	— 50.6	— 36.7	9.6
1932-33	98.7	— 64.5	— 37.8	— 3.6
1933-34	114.2	— 67.5	— 37.8	8.9
1934-35	103.4	— 82.3	— 36.8	— 15.7
1935-36	124.1	— 94.9	— 39.1	— 9.9
1936-37	148.2	— 103.0	— 35.1	10.1
1937-38	141.3	— 127.2	— 37.9	— 23.8
1938-39	122.1	— 109.4	— 35.6	— 22.9
1939-40	151.5	— 123.3	— 53.7	— 25.5
1940-41	144.4	— 102.1	— 78.6	— 36.3
1941-42	133.1	— 105.1	— 69.3	— 32.3
1942-43	117.0	— 70.6	— 63.7	— 17.3
1943-44	136.4	— 69.1	26.5	93.8
1944-45	136.8	— 82.9	13.0	66.9
1945-46	150.0	— 110.2	5.2	45.0
1946-47	264.7	— 208.2	— 104.4	— 47.9
1947-48	396.9	— 337.8	— 55.5	3.6
1948-49	522.2	— 415.1	— 79.1	28.0

The notes to Table XIII (which presents the same data in more detail) in Appendix I indicate which of the items in the old statements have been classified into each new heading and explain which old items have been omitted in Table XIII and which new items have been included. The Balance of Payments Statement for 1928-29 to 1936-37 estimated Australia's favourable balance on current account in 1936-37 as £6.64 million sterling or £A8.3 million. The revised estimates increase this favourable balance by £A1.8 million to £A10.1 million and the statistics in Table XIII are considered to be comparable throughout the twenty-one-year period.

Table E shows how vulnerable Australia's balance of payments has been to world recession. In 1928-29 and 1929-30 Australia had an unfavourable balance on current account of £125.1 million. Less than £20 million of this deficit could be financed by public authority borrowing on the open market (see Table XVI) and the remainder had necessarily to be covered by reduction in gold holdings and international reserves, increased government overdrafts with English banks and a small amount of capital inflow into Australia.

By 1931-32 Australia achieved a favourable balance on current account and a fairly stable period followed until the world recession which was developing just before the 1939-45 War. In 1937-38 and 1938-39 Australia's unfavourable balance on current account was £46.7 million and foreign exchange holdings fell by £32.5 million. The remainder of the deficit was met by overseas borrowing (£5.1 million) and some inflow of private capital (including undistributed profits of subsidiaries of overseas companies).

The war years were abnormal and have been commented on previously but in 1947-48 Australia achieved a rough overall balance and in 1948-49 had a favourable balance on current account of £28.0 million.

CHAPTER VII.—FOREIGN INVESTMENT IN AUSTRALIA, AUSTRALIAN INVESTMENT OVERSEAS, AND INCOME FROM INVESTMENT IN AUSTRALIA AND OVERSEAS.

Foreign Investment in Australia and Australian Investment Overseas.

Various attempts have been made in the past to estimate the value of foreign investment in Australia. Some of these estimates included New Zealand with Australia, some included only British capital investment and many included only investment in securities traded in or known on United Kingdom stock exchanges⁽¹⁾.

In "The Australian Balance of Payments, 1928-29 to 1937-38" published by the Commonwealth Bureau of Census and Statistics, an estimate of £175 million sterling was made for the value of long-term private capital invested in Australia as at 30th June, 1928. Public subscriptions to and profits re-invested by companies between 30th June, 1928, and 30th June, 1937, were estimated to amount to £30 million sterling but no estimate was possible of the amount of capital raised privately and of certain other long-term investments during that period.

In December, 1948, the Commonwealth Statistician instituted a "Survey of Companies with Overseas Affiliations" designed to obtain details of shareholdings of overseas interests in Australian companies and of shareholdings by Australian companies in overseas companies together with details of investment income paid between Australia and overseas countries. Questionnaires were sent to 1,772 companies "resident" in Australia asking initially for details of the nature of their overseas affiliations during the year ended 30th June, 1948, and later for details of the actual magnitude of the overseas capital investment and transactions of companies which indicated that they had some overseas affiliations. Other questionnaires were also sent to 292 companies operating in Australia but incorporated overseas. About 90 per cent. of the resident companies and 87 per cent. of the non-resident companies supplied in full the information requested and rough estimates were made for the remaining companies on the basis of any published accounts or by comparison with the experience of similar companies or groups of companies for which full details had been received.

The Survey was repeated for the year ended June, 1949. In the new Survey, fire, marine and general insurance companies were included for the first time and the names of several newly-incorporated companies and of other companies which had been excluded for 1947-48 were also added to the list. Questionnaires were not sent to companies which in 1947-48 had indicated that they had no overseas affiliations and the names of several non-resident companies were deleted as their operations were covered by the returns of their Australian subsidiaries; 1,650 resident company and 261 non-resident company questionnaires were finally posted in November, 1949, and the response was about 1.2 per cent. better than that obtained from the 1947-48 Survey. Details of the questionnaires used for the 1948-49 Survey are shown in Appendix III.

The analysis which follows is based on the 1948-49 returns. Some estimation has been necessary for the 8.9 per cent. of companies which did not answer in 1948-49 and the June, 1947, details contain estimates for companies added to the list in 1948-49 (particularly insurance companies).

(1) See Roland Wilson—*Capital Imports and the Terms of Trade*, pp. 43-46.

It is considered, however, that the tables give a very nearly complete summary of the most significant elements of foreign private capital investment in Australia. The most important omissions are—

- (a) foreign investment in trading banks and life insurance companies operating in Australia;
- (b) foreign investment in real estate in Australia (most of this investment by foreign companies would be covered by the Surveys but very little of that by foreign individuals);
- (c) foreign interests in trusts, etc.;
- (d) share of undistributed profits, etc., of Australian companies accruing to overseas interests.

(Foreign investment in the securities of Australian Commonwealth and State Governments and semi-governmental and local governmental authorities did not come within the scope of the Survey except in so far as companies carrying on business in Australia held part of their assets in securities of this type.)

The Survey showed that, as at 30th June, 1949, the face value of shares in Australian companies held by overseas companies and individuals was £109.4 million. Of this amount £76.5 million was directly invested capital (i.e., one foreign company or group of companies held 25 per cent. or more of the shares of the Australian company or more than half of the shares of the Australian company were held in one overseas country) and the remaining £32.9 million was "portfolio" capital. No attempt was made to measure the market value of these shareholdings or their proportionate share in company reserves. Generally speaking, most of the portfolio investment was in companies listed on the Stock Exchange but the major part of direct investment was in proprietary companies for which no details of reserves are available.

A question was asked, however, on the inter-company accounts outstanding between Australian subsidiaries and their overseas parent companies (a "parent" company is defined as one which has a "direct" investment—as defined above—in an Australian company. The Australian company is then defined as a "subsidiary" of the overseas company). This form of investment amounted to £36.4 million at 30th June, 1949.

The home office book value of the net assets in Australia of branches of overseas companies was £119.7 million at 30th June, 1949. Nothing is known of the "market" value of these assets and, indeed, such a concept would be difficult to define.

The "Survey of Companies with Overseas Affiliations" was primarily designed to measure private capital movements between Australia and overseas and it is believed that fairly complete estimates of long-term capital movements can be made from the 1947-48 and 1948-49 results. The Survey was not intended to measure the level of foreign private capital investment in Australia but the results which it produced should enable reasonable estimates to be made of the amount of this investment according to the various possible definitions of the nature of its components.

Investment in overseas companies by Australian companies is on a much smaller scale than the corresponding foreign investment in Australia, but there was a quite significant proportional increase between 1947 and 1949.

The face value of shares in overseas companies held by Australian companies at 30th June, 1949, was £13.3 million of which £8.1 million was "directly" invested. In addition, an unknown amount of shares was held by Australian individuals, who were not covered by the Survey.

Inter-company accounts owing by Australian parent companies to the overseas subsidiaries at 30th June, 1949, amounted to £0.5 million (this amount must be deducted from the sum of other forms of investment).

Overseas branches of Australian companies had net assets according to the home office accounts of £7.3 million at 30th June, 1949.

As is the case with foreign investments in Australia, nothing is known as to the market value of any of these Australian assets overseas nor of the reserves, etc., in which the Australian companies are interested.

The detailed analysis of the results of the 1947-48 and 1948-49 Surveys which follows shows that, of the £60.6 million inflow of permanent capital into Australia during those two years, £47.8 million came from the United Kingdom and £8.3 million from the United States of America. Of the outflow of £2.6 million of Australian capital to overseas countries, £1.4 million went to New Zealand and £1.0 million to the United Kingdom.

Table F shows the face value of shareholdings in Australian companies by overseas companies and individuals as at 30th June, 1947 to 1949. It will be seen that about two-thirds of the United Kingdom investment and nearly all of the United States of America investment in Australian companies is "direct" investment. New Zealand investments, on the other hand, fall almost completely in the "portfolio" category.

TABLE F.
PAID-UP CAPITAL IN AUSTRALIAN COMPANIES HELD BY OVERSEAS COMPANIES OR INDIVIDUALS.
(£A million.)

Country of Incorporation or Residence of Shareholder.	Face Value at 30th June—			Increase.	
	1947.	1948.	1949.	1947-48.	1948-49.
(a) TOTAL PAID-UP CAPITAL HELD.					
United Kingdom	54.5	58.8	64.4	4.3	5.6
New Zealand	9.8	9.3	9.4	-0.5	0.1
Canada	3.5	3.5	3.5	...	...
United States of America ...	21.9	24.4	24.9	2.5	0.5
Other Countries	5.7	6.7	7.2	1.0	0.5
TOTAL	95.4	102.7	109.4	7.3	6.7
(b) DIRECTLY INVESTED PAID-UP CAPITAL HELD.					
United Kingdom	37.4	39.2	44.5	1.8	5.3
New Zealand	0.1	0.1	0.1	...	...
Canada	2.6	2.6	2.6	...	...
United States of America ...	21.3	23.5	24.0	2.2	0.5
Other Countries	4.4	5.1	5.3	0.7	0.2
TOTAL	65.8	70.5	76.5	4.7	6.0

Inter-company accounts between Australian subsidiaries and their overseas parent companies mainly arise from shipments of merchandise, machinery, etc., from the overseas company for which direct cash payment is not made by the Australian company. However, declared dividends are sometimes credited to these accounts instead of being immediately remitted overseas and numerous other minor transactions are often settled through them. Table G shows the amounts outstanding at 30th June, 1947 to 1949. Inter-company accounts with United Kingdom parent companies more than doubled between 30th June, 1947, and 30th June, 1949, and those with United States parent companies increased by nearly £5 million out of a total inward movement from the United States of just over £8 million.

TABLE G.
INTER-COMPANY ACCOUNTS OWING BY AUSTRALIAN SUBSIDIARIES
TO OVERSEAS PARENT COMPANIES.

(£A million.)

Country of Incorporation of Parent Company.	Accounts owing as at 30th June—			Increase.	
	1947.	1948.	1949.	1947-48.	1948-49.
United Kingdom	10.7	14.6	21.9	3.9	7.3
New Zealand	...	...	...	...	...
Canada	0.8	0.7	1.6	-0.1	0.9
United States of America ...	6.4	9.3	11.3	2.9	2.0
Other Countries	1.0	0.6	1.6	-0.4	1.0
TOTAL	18.9	25.2	36.4	6.3	11.2

About 90 per cent. of the net assets in Australia of branches of overseas companies are in respect of companies incorporated in the United Kingdom. These United Kingdom companies increased their net assets in Australia by £26.7 million (or nearly one-third) between 30th June, 1947, and 30th June, 1949. Details are shown in Table II.

TABLE II.
NET ASSETS IN AUSTRALIA OF BRANCHES OF OVERSEAS COMPANIES.

(£A million.)

Country of Incorporation of Overseas Company.	Net Assets as at 30th June—			Increase.	
	1947.	1948.	1949.	1947-48.	1948-49.
United Kingdom	81.7	98.9	108.4	17.2	9.5
New Zealand	3.6	4.2	5.0	0.6	0.8
Canada	0.1	0.1	0.1	...	...
United States of America ...	3.5	3.9	3.9	0.4	...
Other Countries	1.7	1.9	2.3	0.2	0.4
TOTAL	90.6	109.0	119.7	18.4	10.7

While the statistics in Tables F to H cannot be summed to obtain an estimate of the value of foreign capital investment in Australia, the annual movements in the three totals do represent private capital which arrived in Australia each year. Table J summarizes the results in Tables F to H and shows that there was a long-term capital inflow into Australia of over £60 million during 1947-48 and 1948-49.

TABLE J.
PRIVATE CAPITAL INFLOW INTO AUSTRALIA.
(£A million.)

Country from which Capital Arrived.	Form of Investment.						Total Increase in Investment ("Private Capital Inflow" %).	
	Increased Holding of Paid-up Capital.		Increase in Inter-company Indebtedness.		Increased Branch Assets in Australia.			
	1947-48.	1948-49.	1947-48.	1948-49.	1947-48.	1948-49.	1947-48.	1948-49.
United Kingdom	4.3	5.6	3.9	7.3	17.2	9.5	25.4	22.4
New Zealand	-0.5	0.1	...	...	0.6	0.8	0.1	0.9
Canada	...	...	-0.1	0.9	...	...	-0.1	0.9
United States of America	2.5	0.5	2.9	2.0	0.4	...	3.8	2.5
Other Countries	1.0	0.5	-0.1	1.0	0.2	0.4	0.8	1.9
Total	7.3	6.7	6.3	11.2	18.4	10.7	32.0	28.6

As the Surveys of Companies with Overseas Affiliations have been addressed to companies only and not to individuals, no information was revealed as to the extent of private individuals' shareholdings in overseas companies. Table K shows details of shareholdings in overseas companies by Australian companies. About three-fifths of this investment at 30th June, 1949, is shown as "direct" investment but the actual proportion may have been higher than that as it has not been possible to include direct investment by groups of Australian companies or cases where the total Australian holding of shares is more than 50 per cent, but where no Australian company holds 25 per cent, or more of the shares in the overseas company.

TABLE K.
PAID-UP CAPITAL IN OVERSEAS COMPANIES HELD BY AUSTRALIAN
COMPANIES.
(£A million.)

Country of Incorporation of Overseas Company.	Face Value at 30th June—			Increase.	
	1947.	1948.	1949.	1947-48.	1948-49.
(a) TOTAL PAID-UP CAPITAL HELD.					
United Kingdom	4.0	4.0	4.5	...	0.5
New Zealand	3.4	3.9	4.8	0.5	0.9
Canada	0.8	0.7	0.5	-0.1	-0.2
United States of America	0.1	0.1	0.1	...	...
Other Countries	2.6	3.2	3.4	0.6	0.2
TOTAL	10.9	11.9	13.3	1.0	1.4
(b) DIRECTLY INVESTED PAID-UP CAPITAL HELD.					
United Kingdom	0.1	0.1	0.7	...	0.6
New Zealand	3.1	3.5	4.2	0.4	0.7
Canada	0.1	0.1	0.1	...	...
United States of America	0.1	0.1	...	...	-0.1
Other Countries	2.2	2.8	3.1	0.6	0.3
TOTAL	5.6	6.6	8.1	1.0	1.5

Inter-company accounts owed by overseas subsidiaries to their Australian parent companies were £0.2 million at 30th June, 1947, £0.6 million at 30th June, 1948, and *minus* £0.5 million at 30th June, 1949. The totals for the United Kingdom were *minus* £0.1 million in each of the three years, for New Zealand £0.3 million, £0.3 million and £0.2 million and "other" countries nil, £0.4 million and *minus* £0.6 million.

Table L shows the value of net assets in overseas countries of branches of Australian companies.

TABLE L
NET ASSETS IN OVERSEAS COUNTRIES OF BRANCHES OF AUSTRALIAN COMPANIES.
(£A million.)

Country of Operation of Branch.	Net Assets as at 30th June—			Increase.	
	1947.	1948.	1949.	1947-48.	1948-49.
United Kingdom	1.1	1.1	1.6	...	0.5
New Zealand	3.2	3.3	3.3	0.1	...
Canada	...	...	...	...	...
United States of America ...	...	...	0.1	...	0.1
Other Countries	2.1	2.2	2.3	0.1	0.1
TOTAL	6.4	6.6	7.3	0.2	0.7

As is the case with overseas investment in Australia, the statistics above cannot be summed to obtain an estimate of the value of Australian companies' investments overseas. The movements in the three totals do, however, represent private capital which was transferred from Australia to overseas countries each year. The details are summarized in Table M which indicates that there was an outflow of Australian company capital of £1.6 million in 1947-48 and £1.0 million in 1948-49.

TABLE M.
PRIVATE CAPITAL OUTFLOW FROM AUSTRALIA.
(£A million.)

Country in which Capital Invested.	Form of Investment.						Total Increase in Investment ("Private Capital Outflow").	
	Increased Holding of Paid-up Capital.		Increased Inter-company Indebtedness.		Increased Branch Assets Overseas.			
	1947-48.	1948-49.	1947-48.	1948-49.	1947-48.	1948-49.	1947-48.	1948-49.
United Kingdom	...	0.5	...	...	...	0.5	...	1.0
New Zealand	0.5	0.9	...	0.1	0.1	...	0.6	0.8
Canada	0.1	0.2	...	...	...	...	0.1	0.2
United States of America	...	...	...	...	0.1	...	...	0.1
Other Countries	0.6	0.2	0.4	1.0	0.1	0.1	1.1	0.7
TOTAL	1.0	1.4	0.4	1.1	0.2	0.7	1.6	1.0

Comparing Tables J and M it is seen that there was a net inflow of long-term capital into Australia of £30.4 million in 1947-48 and £27.6 million in 1948-49. Of the net amounts £25.4 million and £21.4 million respectively arrived from the United Kingdom and £5.8 million and £2.4 million from the United States of America.

Income from Investment in Australia and Overseas.

In addition to the information concerning private capital movements, the Survey of Companies with Overseas Affiliations provided valuable details of investment income from Australia paid overseas and investment income from overseas received in Australia. This information was entirely new on the credit side and, on the debit side, it supplemented information available from exchange statistics of investment income paid overseas.

Table N shows that Australian investment income paid overseas in 1947-48 was £15.0 million but, in 1948-49, there was a decrease to £12.5 million.

TABLE N.
AUSTRALIAN INVESTMENT INCOME PAID OVERSEAS.
(£A million.)

Country to which Payments Made.	1947-48.					1948-49.				
	Divi- dends.	Profits.	Inter- est.	Other.	Total.	Divi- dends.	Profits.	Inter- est.	Other.	Total.
United Kingdom	6.4	4.1	0.3	0.3	11.1	4.9	3.0	0.3	0.3	8.5
New Zealand	0.8	...	...	...	0.8	0.6	...	...	...	0.6
Canada	0.1	...	...	...	0.1	0.3	...	...	...	0.3
United States of America	1.9	0.3	0.1	...	2.3	1.9	0.4	0.3	...	2.6
Other Countries	0.6	0.1	...	...	0.7	0.5	...	...	...	0.5
TOTAL	9.8	4.5	0.4	0.3	15.0	8.2	3.4	0.6	0.3	12.5

The totals of £15.0 million and £12.5 million are based on exchange statistics and should include all investment income except royalties paid overseas (included in Item 6, "Miscellaneous Remittances Overseas," of Table IX) and profits of overseas fire, marine and general insurance companies operating in Australia (included in Item 7 of Table VII). Allowing for the omission from the Survey of Companies with Overseas Affiliations of payments overseas of trading bank dividends and of minor income items such as rent, it was possible to reconcile details of income payments included in the Survey quite closely with the amount actually paid overseas of £15.0 million in 1947-48. In 1948-49, the Survey gave no evidence of a decline in dividends declared by subsidiaries plus profits paid overseas by Australian branches of overseas companies and it appears likely that dividends amounting to about £2.5 million were credited to inter-company accounts (note in Table G that these inter-company accounts increased sharply in 1948-49). An amount of £2.5 million has been added to estimated undistributed income in 1948-49 (Item 10 of Table VII) and it has been assumed that the counterpart of this amount will appear in Item 18 (b), "Direct Investment in Australia—Subsidiaries," of Table XI (Balance of Payments on Capital Account) which includes movements in inter-company accounts.

From other sources it is estimated, very approximately, that unremitted profits of Australian branches of overseas companies (Item 9 of Table VII) were about £2.0 million in 1947-48 and £0.7 million in 1948-49 (mainly in respect of United Kingdom companies). Undistributed income of subsidiaries of overseas companies is estimated at £5.7 million in 1947-48 (including about £3.3 million for United Kingdom companies and £1.8 million for United States companies) and (excluding the £2.5 million mentioned above) about £5.3 million in 1948-49 (about £2.5 million for United Kingdom and £1.7 million for United States of America).

Estimated income received by Australian companies from overseas is summarized in Table O.

TABLE O.
INCOME RECEIVED BY AUSTRALIAN COMPANIES FROM OVERSEAS.
(£A million.)

Country from which Payments Received.	1947-48.			1948-49		
	Dividends.	Profits.	Total.	Dividends.	Profits.	Total.
United Kingdom	0.1	0.2	0.3	...	0.1	0.1
New Zealand.....	0.3	0.5	0.8	0.4	0.3	0.7
Canada	...	...	...	...	...	...
United States of America	...	...	...	...	...	...
Other Countries	0.2	0.2	0.4	0.2	0.2	0.4
TOTAL	0.6	0.9	1.5	0.6	0.6	1.2

Small amounts of profits of Australian branches overseas which were not remitted to Australia will be included in the increase in the net overseas assets of these branches shown in the balance of payments on capital account. No estimates are available, however, of undistributed income accruing to Australian parent companies from their subsidiaries overseas.

CHAPTER VIII.—AUSTRALIA'S INTERNATIONAL INDEBTEDNESS.

It is not possible as yet to provide a complete summary of Australia's net overseas indebtedness, mainly because of the scarcity of information about private capital invested in Australia.

In this section, details are given of the assets or liabilities outstanding at the end of each year in respect of some of the more important items in Table XI. (Balance of Payments on Capital Account.)

New Zealand Public Authority Debt Domiciled in Australia.

This international asset amounted to £3.8 million (£1.6 million of New Zealand Government debt and £2.2 million of New Zealand Local Authorities debt) at March, 1936, but periodic repayments reduced the total outstanding to £1.0 million by 30th June, 1949.

Overseas Assets of National Debt Sinking Fund.

These funds were held in New York in respect of miscellaneous sinking fund operations, but were less than £0.1 million by 30th June, 1949.

Direct and Portfolio Investments Overseas.

In Chapter VII it is shown that the face value of shares "directly" invested by Australian companies in overseas subsidiaries was £5.6 million at 30th June, 1947, £6.6 million at 30th June, 1948 and £8.1 million at 30th June, 1949. No details are available of the market value of these shares.

At the 30th June, 1949, overseas subsidiaries were owed £0.5 million by their Australian parent companies through inter-company accounts.

The net assets of overseas branches of Australian companies increased from £6.4 million at 30th June, 1947 to £6.6 million at 30th June, 1948, and to £7.3 million at 30th June, 1949.

Complete details are not available of the extent of Australian "portfolio" investment overseas, but it is estimated to have been fairly stationary during 1947-48 and 1948-49.

No details comparable to those shown in Chapter VII are available prior to 30th June, 1947.

Wool Credits to Czechoslovakia.

A credit of £500,000 sterling was granted to Czechoslovakia by the Commonwealth Bank of Australia for wool purchases during 1947-48. The credit was repayable during the next year, but a similar credit was granted during 1948-49 and there was thus an outstanding "asset" of £A0.6 million at 30th June, 1949.

Investment in Joint Organization, Etc.

In Appendix II it is shown that Australia's net assets in the Joint Organization were £50.3 million at 30th June, 1949. This consisted of £9.0 million as the share of Joint Organization stocks of Australian wool (at cost) and £41.3 million in respect of profits made by the re-sale of Australian wool by the United Kingdom Government or the Joint Organization between 1939-49 and 1948-49.

Subscription to the International Monetary Fund and International Bank for Reconstruction and Development.

This subscription of £74.4 million has been described in detail on page 21.

Government Bank Balances Held Overseas other than with the Commonwealth Bank.

These bank balances might logically be included with Australia's international reserves, but they are excluded from statistics of these reserves published by the Commonwealth Bank and, for the sake of comparability, they are shown as a separate item in Table XI.

The Commonwealth Treasury holds small working balances in New York, Toronto, Karachi and Delhi with various banks and the State Governments of New South Wales, Victoria and Western Australia have accounts with a trading bank in London.

Table XIV shows details of these balances from 1928-29 to 1948-49.

Monetary Gold and Foreign Exchange Holdings.

Foreign exchange holdings included in Table XV include the net assets in London of the Central Bank (including the Note Issue Department), the General Banking Division of the Commonwealth Bank and the Trading Banks. Funds in transit are not included and, as explained above, only those Commonwealth and State Government overseas bank balances which are held with the Commonwealth Bank are included.

Public Authority Debt Domiciled Overseas.

The nominal value in Australian currency of Australian public authority debt domiciled overseas at 30th June, 1949 was £575.7 million. Of this amount, £506.3 million was held in London and £69.4 million in New York.

As the rates of exchange between sterling, U.S. dollars and the Australian pound have fluctuated considerably since 30th June, 1928, the details of Australian overseas debt in Table XVI are expressed in £ sterling or in U.S. dollars converted into sterling at the old par rate of exchange of \$4.8665 = £1 stg. This is the general practice in Australian public accounts and indicates whether a change in the Australian currency value of public authority debt domiciled overseas has been due to actual repayment of debt (or new borrowing) or merely to an alteration in the exchange rate.

Discounts and Cash Bonuses on Conversion of Public Debt.

This item is treated as a capital item in Australia's balance of payments, but any outstanding "commitment" in respect of these operations will be included in Table XVI.

Assets in Australia of International Monetary Fund and International Bank for Reconstruction and Development.

Of Australia's subscription of £74.4 million to the I.M.F. and I.B.R.D., £70.6 million is held by those institutions in Australia in the form of bank balances and special non-negotiable, non-interest bearing securities.

Joint Organization Investments in Australia.

At the 30th June, 1949, the Joint Organization held fixed assets, cash balances and securities in Australia valued at £43.2 million or rather more than Australia's share of Joint Organization profits at that date (£41.3 million). Further details of these liabilities (from Australia's point of view) are given in Appendix II.

Foreign Direct and Portfolio Investment in Australia.

The face value of shares "directly" invested by foreign companies in Australian subsidiaries is shown in Chapter VII as £65.8 million at 30th June, 1947, £70.5 million at 30th June, 1948 and £76.5 million at 30th June, 1949. In addition, the Australian subsidiaries owed their foreign parent companies amounts of £18.9 million, £25.2 million and £36.4 million respectively at those dates through inter-company accounts, etc. No information is available as to the market value of these directly invested shares.

The net assets in Australia of branches of foreign companies were £90.6 million at 30th June, 1947, £108.9 million at 30th June, 1948 and £119.7 million at 30th June, 1949.

Foreign portfolio investment in Australian companies amounted to £32.9 million (face value) at 30th June, 1949, having increased from £29.6 million at 30th June, 1947 and £32.2 million at 30th June, 1948.

Comparable statistics of foreign direct and portfolio investment in Australia prior to 30th June, 1947 are not available, but fuller details for 30th June, 1947 to 1949 are given in Chapter VII.

CHAPTER IX.—EXPORT AND IMPORT PRICE INDEXES AND THE TERMS OF TRADE.

Export Price Index.

The Commonwealth Statistician's export price index (excluding gold)—see Table XVII—has shown quite remarkable fluctuations in the last twenty-one years. Severe falls of 20 per cent. or more in one year occurred in 1930-31 and 1938-39, while increases of 20 per cent. or more occurred in 1933-34, 1935-36, 1936-37, 1946-47 and 1947-48 (the increases in the last-mentioned two years were actually 40 per cent. and 44 per cent. respectively). By 1948-49, the index was 248 per cent. higher than the average level for the three pre-war years.

As wool and wheat form 67.4 per cent. of the weights in the index (the weights are based on average exports in the three years 1933-34 to 1935-36) it is natural that Australia's export price index follows closely the movement in the prices of those two commodities. Wool prices more than trebled and wheat prices nearly trebled between 1944-45 and 1948-49, but items subject to United Kingdom annual contracts (*e.g.*, butter, meats, sugar) have had much less spectacular price increases.

Import Price Index.

The Commonwealth Bank's import price index (Table XVIII) was comparatively stable between 1928-29 and 1938-39, but increases during the war years doubled the 1930-40 prices by 1946-47. There was a further increase of more than 20 per cent. between 1946-47 and 1948-49.

In 1948-49, the indexes for piece goods and for raw materials for primary industries were more than four times the average for the three pre-war years, but the index for oils was little more than double the immediate pre-war average.

Terms of Trade.

The fact that the Australian import price index between 1928-29 and 1939-40 was much more stable than the export price index meant that the Australian terms of trade during those years were mainly dependent upon export prices. On the base 1936-37 to 1938-39 = 1,000 the terms of trade varied between 797 in 1931-32 and 1,195 in 1936-37.

Export prices increased steadily between 1939-40 and 1945-46, but the rise in import prices was much faster and the terms of trade reached a very low level of 602 in 1943-44. After the 1939-45 War, sharp increases in world prices of primary products soon brought the terms of trade to a ratio more favourable than the 1936-37 to 1938-39 average. In 1948-49 the terms of trade returned to a level slightly higher than in 1936-37. Details are shown in Table XIX.

CHAPTER X.—SUMMARIZED AUSTRALIAN OVERSEA TRADE STATISTICS, 1928-29 TO 1948-49.

From Table P, based on statistics published by the International Monetary Fund and the United Nations Statistical Office, a broad impression can be gained of the relative importance of Australia among the major trading countries of the world.

TABLE P.
MAJOR TRADING COUNTRIES OF THE WORLD, 1949.

Country.	Value of Exports f.o.b.		Country.	Value of Imports c.i.f.	
	Total.	Per Head of Population.		Total.	Per Head of Population.
	\$ U.S. million.	\$ U.S.		\$ U.S. million.	\$ U.S.
United States of America	12,028	80.6	United Kingdom	8,425	167.3
United Kingdom	6,829	135.6	United States of America	7,529	50.5
Canada	3,081	227.4	France	3,278	79.6
France	2,710	65.8	Canada	2,936	216.7
Belgium-Luxembourg ...	1,769	198.6	Germany (a)	2,248	47.2
Australia	1,764	223.0	Netherlands	1,852	186.0
Netherlands	1,312	131.8	Belgium-Luxembourg ...	1,790	200.9
India	1,279	3.7	India	1,563	4.5
Sweden	1,141	164.0	Australia	1,535	194.0
Germany (a)	1,129	23.7	Italy	1,498	32.6
Italy	1,107	24.1	Union of South Africa ...	1,311	108.3
Brazil	1,089	22.1	Sweden	1,170	168.2
Venezuela	1,040	226.3	Brazil	1,116	22.6

(a) Federal Republic; export, commercial trade only.

In Tables XX—XXIII details are given of Australia's trade with principal countries and of her exports and imports of principal commodities between 1928-29 and 1948-49.

All statistics exclude exports and imports of gold and all import statistics prior to November, 1947 are expressed in their approximate f.o.b. equivalent rather than their recorded value, which until 15th November, 1947 was expressed in £ sterling f.o.b. with an addition of 10 per cent. (since that date, imports have been recorded on an f.o.b. basis in Australian currency). An explanation is given on p. 3 of Oversea Trade Bulletin No. 45 of the exact adjustments made to statistics recorded on the old basis to bring them on to an f.o.b. basis.

Table XX shows that the value of Australian exports in 1948-49 was about four times the 1928-29 total. The value of exports of butter, meats, wheat and flour and wool all increased about 3.5 times during that period, but "other foodstuffs" increased 8.9 times and "metals and metal manufactures" about seven times. "Other exports," however, little more than doubled. Principal items in "other foodstuffs" and metals and metal manufactures which increased considerably more than four times in value between 1928-29 and 1948-49 were cheese, eggs, milk and cream, tinned fruit, barley, oats, lead and machines and machinery. Apparel and textiles (in "other" exports) increased in value more than twenty times between 1928-29 and 1948-49, but several other items in this group (particularly hides and skins) showed increases of considerably less than four times during the period.

The value of Australian imports increased rather more than three times between 1928-29 and 1948-49. The increases in individual groups shown in Table XXI were not appreciably different from the overall rate of increase but oils, fats and waxes showed the greatest proportional increase and foodstuffs and tobacco the smallest.

As stated previously, the value of Australian exports in 1948-49 was about four times the 1928-29 total. In Table XXII, United Kingdom, New Zealand, France and India all show increases by 1948-49 to levels 3-5 times the 1928-29 total. The greatest proportional increase for the individual countries shown is for Canada, where the 1928-29 total was less than £1 million but the 1948-49 total was nearly £9 million. Exports to the United States of America and Italy increased in value rather more than five times during the period but exports to Belgium little more than doubled. Exports to Germany and Japan in 1948-49 were showing signs of increasing but were considerably below the 1928-29 level.

Exports to "other" countries increased by 1948-49 to nearly eight times their 1928-29 level. Countries showing the most significant increases were Ceylon (£0.6 million in 1928-29 and £9.3 million in 1948-49), Poland (£0.001 million, £7.7 million), Russia (£1.6 million, £12.4 million), Malaya and Singapore (£2.0 million, £13.7 million), Sweden (£0.4 million, £4.5 million).

The value of imports in 1948-49 was rather more than three times the 1928-29 total but the 1948-49 total for United States of America was less than 30 per cent. more than the 1928-29 figure and the 1948-49 figure for France less than 25 per cent. more. Imports from Germany and Japan were only a fraction of their pre-war level in 1948-49.

CHAPTER XI.—BALANCE OF PAYMENTS AND THE NATIONAL INCOME.

Table Q2, based on statistics published by the International Monetary Fund and the Statistical Office of the United Nations, shows the exports-f.o.b. and imports c.i.f. of Australia and eight other major trading countries as proportions of their national income. It presents a broad impression of the importance which external trade assumes in their respective economies.

TABLE Q2.
MAJOR TRADING COUNTRIES, 1949: EXPORTS AND IMPORTS AS A PERCENTAGE OF NATIONAL INCOME.

Country.	Exports f.o.b. as a Percentage of National Income.	Imports c.i.f. as a Percentage of National Income.
Australia (a)	27.2	23.6
Belgium	32.0	32.5
Canada	23.3	21.3 (b)
France (c)	11.3	13.3
Italy (d)	9.1	12.4
Netherlands	27.2	37.9
Sweden (e)	16.1	16.4
United Kingdom	17.7	21.8
United States of America ...	5.4	3.4

(a) Year ended 30th June, 1949.

(b) Imports on f.o.b. basis.

(c) Percentage of domestic national income at factor cost.

(d) Estimate of national income is at market prices. It excludes government services to producers and includes gifts from abroad.

(e) Percentage of Gross National Product at factor cost.

In Appendix I, Tables XXIV to XXVII present various aspects of the relationships existing between the balance of payments and national income aggregates and components.

Total Market Expenditure and the Balance of Payments.

Table XXIV shows the inter-relationships over the period 1928-29 to 1948-49 of Home Gross Production, Total National Supply and Total Market Expenditure. The entries in columns II, III, V and VI consist of those elements of the balance of payments on current account which remain when Income Payable Overseas and Income Receivable from Overseas have been excluded.

By adding to Home Gross Production (column I) the value of goods and services purchased from overseas (columns II and III) we reach the value of Total Market Expenditure (column IV). This latter aggregate represents the total value of goods and services offered for sale and actually purchased (including increases in stocks as notional sales by producers to themselves) in the Australian market.

Subtracting from Total Market Expenditure the value of goods and services purchased by overseas buyers (columns V and VI) we are left with the value of Total National Supply. This represents that part of the total value of goods and services coming on to the Australian market which is available for purchase by Australians.

Between 1928-29 and 1948-49 the value of Home Gross Production increased by 150 per cent. Over the same period the value of Imports *plus* Other Payments increased by 220 per cent., and the value of Total Market Expenditure increased by 160 per cent.

The broad pattern of the importance of Imports *plus* Other Payments as a component of Total Market Expenditure over the period surveyed is shown in column I of Table XXVI. In 1928-29 the value of Imports *plus* Other Payments was 14.6 per cent. of the value of Total Market Expenditure. Its proportion of the latter shrank steadily through the depression period to 8.9 per cent. in 1931-32.

From 1932-33 it recovered steadily to reach 14.0 per cent. in 1937-38. In 1938-39, a year in which there was a slight recession, it decreased to 12.7 per cent. After fluctuating during the war years it stood at 15.7 per cent. in 1946-47 and increased through 1947-48 to reach 17.9 per cent. in 1948-49—the highest percentage recorded in the twenty-one years surveyed.

Exports *plus* Other Invisible Receipts as a proportion of Total Market Expenditure stood at 13.9 per cent. in 1928-29 (see column II, Table XXVI). It fell in 1929-30 to 11.0 per cent., rose in 1930-31 to 13.6 per cent., and to 15.8 per cent. in 1931-32. From then until 1938-39 it fluctuated between 14 per cent. and 17 per cent., standing at 14.2 per cent. in the latter year. After fluctuating during the war years it was 15.3 per cent. in 1946-47 and rose through 1947-48 to reach 20.4 per cent. in 1948-49. As in the case of the relationship previously discussed this latter figure is higher than that for any of the other twenty years for which estimates are given.

National Income and Income Payable Overseas.

Included in National Income is an amount of Income Payable Overseas which has to be subtracted in order to arrive at the value of Resident National Income. In Table XXV (Appendix I) estimates are presented showing the derivation of Resident National Income from National Income in each year over the period 1928-29 to 1948-49. Income Payable Overseas (a net figure) has been separated into two components, viz., Public Authority Interest Payable Overseas and Other Income Payable Overseas (net).

At the beginning of the period Public Authority Interest was much the more important component. Since 1938-39, however, the value of Other Income Payable Overseas (net) has, on the whole, shown a steady increase and this, coupled with the decrease since 1944-45 in the amount of Public Authority Interest Payable Overseas, resulted, in 1948-49, in the two components of total Income Payable Overseas being of approximately equal value. (The fall in the amount of Public Authority Interest Payable Overseas was due to the continuous repayments since 1941-42 of Public Authority debt denominated overseas combined with conversions of portions of this debt to lower rates of interest.)

In column III of Table XXV (Appendix I) total Income Payable Overseas is shown as a percentage of National Income. In 1928-29 it was 4.8 per cent. of the latter. It rose to 8.0 per cent. in 1930-31 and then fell progressively to reach 4.7 per cent. in 1937-38. It rose to 4.9 per cent. in 1938-39 and then fell progressively through the war years, standing at 3.0 per cent. in 1945-46. There was no change in 1946-47 in the value of the relationship, but in 1947-48 it fell to 2.4 per cent., and in 1948-49 to 2.0 per cent.

Public Authority Interest Payable Overseas is shown in column V of Table XXVI (Appendix I) as a percentage of total Public Authority Interest Payments. Between 1928-29 and 1940-41 the relationship fluctuated about a value slightly above 50 per cent. The highest value in this period was 57.8 per cent. in 1930-31 and the lowest 50.0 per cent. in 1940-41. Over the period 1941-42 to 1948-49 it decreased steadily, starting with 48.3 per cent. in 1941-42 and falling to 24.4 per cent. in 1948-49.

The same quantity (Public Authority Interest Payable Overseas) is also shown in column IV of Table XXVI as a percentage of National Income. Standing at 3.5 per cent. in 1928-29, it rose to 6.5 per cent. in 1930-31. From then until the last year shown in the series, 1948-49, the relationship shows a continuous fall in value, reaching 1 per cent. in the latter year.

Public Authority Borrowing from Overseas and from All Sources.

In columns II and III of Table XXVII (Appendix I) estimates are presented of Public Authority Overseas Borrowing and Public Authority Total Borrowing.

Total borrowing by public authorities averaged £40 million per year during the first three years surveyed—1928-29 to 1930-31. During the following eight years, 1931-32 to 1938-39, it fluctuated about a level of approximately £20 million. In the war years, total public borrowing reached high levels, rising from £40 million in 1939-40 to £358 million in 1942-43. In 1946-47 there was a sharp fall to £16 million and in 1947-48 and 1948-49 there was, on balance, a net repayment of debt by public authorities.

No details are shown for the years 1928-29 to 1931-32 of public authority borrowing from overseas, as fluctuations in the exchange rate make them not comparable with details for other years. During the remainder of the twenty-one years included in the table this item was a source of negligible importance in the provision of funds borrowed by public authorities and in most years there was an actual net repayment of public authority overseas debt.

Net borrowing abroad by public authorities occurred in only three of the seventeen years recorded, and in only one year, 1940-41, was the amount borrowed abroad substantial. In this latter year a temporary advance of £15 million was received from the United Kingdom to meet Australian war commitments. (This loan was repaid in October, 1943). In 1937-38 and 1938-39 small net amounts of £1 million and £3 million respectively were borrowed abroad by public authorities.

In the other fourteen years, for which estimates are given, net repayments of overseas debt were made by public authorities. Apart from a net amount of £9 million repaid in 1933-34 only small repayments were made up to 1941-42. In that year £10 million of public authority debt overseas was repaid and after a fall to £3 million repaid in 1942-43 substantial amounts were repaid each year to 1948-49. The largest amount repaid in any one year was £45 million in 1945-46.

Net Private Investment and Private Capital Inflow.

In columns IV and V of Table XXVII (Appendix I) estimates are provided of Net Private Investment, over the period 1928-29 to 1948-49, and of Private Capital Inflow, from 1932-33 to 1948-49 inclusive.

In 1928-29 and 1929-30 net private investment totalled £191 million and £95 million respectively. With the onset of the depression it fell to nil in 1930-31 and in 1931-32 there was a net disinvestment of £7 million. The level recovered to £23 million in 1932-33 and hence improved progressively to reach £122 million in 1937-38. It then fell again to £95 million in a recession year, 1938-39.

Over the same period (excluding 1928-29 to 1931-32 for which no estimates are available) private capital inflow experienced wide fluctuations. From a level of £16 million in 1932-33 it rose to £23 million in 1933-34 and in 1934-35 there was a net capital outflow of £14 million. It then rose again to reach £25 million in 1936-37, but in 1938-39 there was a net capital outflow of £3 million.

Through the first four years of war net private investment experienced a progressive decline from £103 million in 1939-40 to a net disinvestment of £26 million in 1942-43. In 1944-45 it rose to £34 million and in 1945-46 there was another sharp increase to £125 million.

During the same period private capital inflow again varied between fairly wide limits, the largest amount received being £45 million in 1939-40, while in 1944-45 there was a net capital outflow of £21 million. Over the seven years 1939-40 to 1945-46, however, the total net inflow of private capital from overseas was approximately double the total inflow during the previous seven years 1932-33 to 1938-39.

In 1946-47 net private investment rose to £242 million, roughly double the value recorded for 1945-46. It continued to rise through 1947-48 and reached a level of £354 million in 1948-49.

Over the same period private capital inflow has also risen and has reached an unprecedentedly high level. In the last war year, 1945-46, it stood at £8 million. In 1946-47 it rose sharply to £42 million. In 1947-48 it doubled to reach £80 million, and in 1948-49 it doubled again to rise to £164 million. A substantial amount of this post-war inflow is believed to consist of speculative remittances.

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

	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.	1945-46.	1946-47.	1947-48.	1948-49.
<i>Credits.</i>													
1. Exports f.o.b.	148.2	141.3	122.1	151.5	144.4	133.1	117.0	136.4	136.8	150.0	264.7	396.9	522.2
2. Gold Production.....	11.3	12.8	14.6	17.5	16.3	14.5	9.6	6.9	6.6	6.8	9.2	9.1	9.4
3. Transportation	12.0	14.1	13.4	13.5	13.3	16.0	15.5	16.2	17.5	14.6	14.6	18.0	23.9
4. Foreign Travel	1.7	2.0	2.0	1.1	0.6	0.3	0.1	0.2	0.3	0.6	1.5	2.1	3.4
5. Income from Invest- ments	3.6	3.8	3.8	3.8	3.7	3.6	3.6	3.6	4.2	3.8	3.9	4.3	5.2
6. Government Trans- actions	0.7	0.7	0.6	0.6	11.5	40.8	68.7	133.6	99.6	97.1	28.4	22.1	5.0
7. Miscellaneous	4.0	4.0	4.0	3.3	3.1	3.1	3.1	3.1	3.1	4.0	5.5	6.0	6.0
8. Donations	3.6	3.9	4.5	3.3	3.0	2.7	2.4	2.4	2.7	4.1	6.4	9.0	14.4
9. TOTAL CREDITS	185.1	182.6	165.0	194.6	195.9	214.1	220.0	302.4	270.8	281.0	334.2	467.5	589.5
<i>Debits.</i>													
10. Imports f.o.b.	103.0	127.2	109.4	123.3	102.1	105.1	70.6	69.1	82.9	110.2	208.2	337.8	415.1
11. Transportation and Insurance	14.5	19.5	16.1	27.7	26.7	32.4	26.7	23.5	22.9	24.7	29.9	38.9	46.2
12. Foreign Travel	4.9	5.6	5.0	1.1	0.4	0.2	0.2	0.3	0.9	1.8	4.5	6.3	5.9
13. Income from Invest- ments	42.3	43.2	43.4	46.0	45.8	45.5	45.9	47.7	43.5	42.8	44.8	46.5	44.8
14. Government Trans- actions	1.5	1.4	5.0	13.0	48.9	56.0	86.5	59.9	44.8	38.3	39.4	16.1	16.8
15. Miscellaneous	5.1	5.8	5.2	5.0	4.3	3.9	4.7	5.0	5.1	5.8	7.3	8.7	11.5
16. Donations	3.7	3.7	3.8	4.0	4.0	3.3	2.7	3.1	3.8	12.4	48.0	9.6	21.2
17. TOTAL DEBITS	175.0	206.4	187.9	220.1	232.2	246.4	237.3	208.6	203.9	236.0	382.1	463.9	561.5
18. BALANCE ON CURRENT ACCOUNT	10.1	-23.8	-22.9	-25.5	-36.3	-32.3	-17.3	93.8	66.9	45.0	-47.9	3.6	28.0

NOTES TO TABLE II.

Item 1.—From Oversea Trade Bulletins.

Item 2.—1942-43 to 1945-46—exports on Government account as recorded in various Oversea Trade Bulletins (p. 468 in Oversea Trade Bulletin, 1943-44). 1945-46 excludes exports of gold (£26.4 million) which were entered as government exports.

Figures for 1939-40 and 1941-42 are estimates only, based on examination of recorded exports of war-type material and on details of amounts recovered from other administrations in the early war years for goods and services supplied.

The totals for 1946-47 to 1948-49 are based on an inspection of recorded imports to Japan and New Guinea and include only those exports which were considered to be destined for Australian or Commonwealth forces overseas.

Item 3.—From Oversea Trade Bulletins.

Item 4.—Based on the estimated gold contents of ores and concentrates exported. These estimated gold contents (in fine ounces) are shown in Oversea Trade Bulletins (p. 883 in Oversea Trade Bulletin, 1947-48).

Item 6.—From unpublished trade statistics and details of amounts actually received by Australia for wheat and flour exports during the relevant years. Details are as follows:—

(£A million.)

Year.	Exports of Wheat and Flour.		Export Proceeds.			Adjustment (B)—(A).
	Total.	" Civil " Exports (A).	Payments under U.K. Acquisition Scheme.	Exports to New Zealand.	Total (B).	
1940-41	16.7	16.7	13.5	0.4	13.9	— 2.8
1941-42	8.8	4.4	4.3	0.4	4.7	0.3
1942-43	8.4	6.0	7.0	0.5	7.5	1.5
1943-44	15.0	9.2	13.2	0.7	13.9	4.7
1944-45	16.5	8.3	16.0	0.7	16.7	8.4
1945-46	17.6	17.6	12.6	0.7	13.3	— 4.3

As "government" exports are deducted for these years in Item 2, the adjustment must be made between civil exports (from unpublished trade statistics) and export proceeds. Exports to New Zealand did not come under the acquisition scheme and must be added to the amounts received from the United Kingdom each year.

Item 7.—See Appendix II.

TABLE II.
MERCHANDISE TRANSACTIONS: EXPORTS.
(£A million.)

	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49
1. Recorded Exports f.o.b.	162.4	157.6	140.5	170.4	157.2	169.0	125.6	146.7	155.3	223.3	309.0	410.0	542.7
<i>Loss—</i>													
2. Exports to Armed Forces and other Government Exports.....	(a)	(a)	(a)	2.0	10.0	32.2	34.4	42.6	42.3	26.8	4.3(b)	2.0(b)	1.0(b)
3. Exports of Gold Bullion and Specie	13.9	15.9	18.0	20.8	22.1	9.2	...	...	...	26.4	...	3.8	...
4. Exports of Unrefined Gold	0.3	0.4	0.4	0.3	0.1	0.9	0.1	...	0.1	...	0.1	0.1	0.1
5. Adjusted Exports f.o.b.	148.2	141.3	122.1	147.3	125.0	126.7	91.1	104.1	112.9	170.1	304.6	404.1	541.6
<i>Adjustment for Changes in Stocks, etc.</i>													
6. Wheat and Flour	...	...	...	...	-2.8	0.3	1.5	4.7	8.4	-4.3	...	...	...
7. Wool and Sheepskins	...	...	...	4.2	22.2	6.1	24.4	27.6	15.5	-15.8	-39.9	-7.2	-19.4
8. Export "Proceeds" f.o.b.	148.2	141.3	122.1	151.5	144.4	133.1	117.0	136.4	136.8	150.0	264.7	396.9	522.2

(a) Not important. (b) Exports to Armed Forces only.

NOTES TO TABLE III.

Item 1.—1938-39 to 1947-48 from Oversea Trade Bulletin, 1947-48, p. 884. (See note on p. 3 of that Bulletin explaining adjustments to statistics recorded before 15th November, 1947). 1936-37 and 1947-48 recorded statistics are adjusted in similar fashion.

Item 2.—1938-39 to 1942-43 are shown in Oversea Trade Bulletins (p. 496 in Oversea Trade Bulletin, 1942-43) on the old basis of £ sterling f.o.b. plus 10 per cent. under "Clearances—Free for Commonwealth." For 1943-44 to 1945-46 details are shown of "other" imports in Oversea Trade Bulletins (see p. 664 in Oversea Trade Bulletin, 1945-46). All statistics have been converted to an f.o.b. basis. Except for certain "civil" lend-lease items, all imports received under U.S. Lend lease and Canadian Mutual Aid are included in this item.

Item 3.—From unpublished statistics of lend-lease imports not included in "government" imports.

Item 4.—From Oversea Trade Bulletins. Prior to 15th November, 1947, these imports were recorded in *estg. f.o.b.* (i.e., without the usual 10 per cent. addition for Customs purposes).

Item 5.—From unpublished statistics of imports entering under Tariff Item 373.

Item 6.—Estimated from appropriate statistical items in Oversea Trade Bulletins.

Item 7.—Estimated value of imports, recorded as "government" imports but not charged to "war expenditure oversens." These imports are mainly P.M.G. stores and equipment and are an offset to Item 2.

Item 8.—From unpublished sources. These imports are mainly aircraft and their spare parts purchased by Australian airline companies but not for use on internal services. As such they are not liable for customs duty and no customs entries are required.

TABLE III.
MERCHANDISE TRANSACTIONS: IMPORTS.
(£A million.)

	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49
1. Recorded Imports f.o.b.	105.8	130.2	116.8	137.0	128.0	173.6	245.8	244.4	215.0	178.9	209.5	339.7	415.2
Less—													
2. Government Imports.....	(a)	(a)	4.8	9.0	22.0	58.6	160.8	152.3	121.2	65.4	(a)	(a)	(a)
3. Civil Lend Lease Imports.....	...	...	...	...	...	6.8	12.9	21.8	10.6	2.5	...	...	...
4. Imports of Gold	2.5	2.7	3.5	5.1	4.0	3.3	1.6	1.6	1.4	1.2	1.1	1.6	1.1
5. Imports by Diplomatic Missions in Australia	...	...	...	...	...	...	...	...	...	0.1	0.1	0.2	0.1
6. Recorded Value of Cinematograph Films imported on a rental basis...	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Plus—													
7. Government Imports on Civil Account	...	...	1.1	0.7	0.4	0.5	0.3	0.6	1.3	0.8	(a)	(a)	(a)
8. Unrecorded Imports	...	...	...	...	...	...	...	...	...	...	0.2	0.2	1.4
9. Civil Imports f.o.b.	103.6	127.2	109.4	123.3	102.1	105.1	70.6	69.1	82.9	110.2	208.2	337.8	415.1

(a) Not shown separately. Payments for these imports have been excluded from Government expenditure overseas for these years.

NOTES TO TABLE IV.

Column 1.—From Production Bulletins.

Column 2.—Based on unpublished data supplied by the Commonwealth Bank.

TABLE IV.
GOLD PRODUCTION (LESS INDUSTRIAL ABSORPTION).
(£A million.)

Year.	Value of Gold Production.	Industrial Absorption.	Production Less Industrial Absorption.
	(1)	(2)	(3)
1936-37.....	11.3	(a)	11.3
1937-38.....	12.8	(a)	12.8
1938-39.....	14.6	(a)	14.6
1939-40.....	17.7	0.2	17.5
1940-41.....	16.5	0.2	16.3
1941-42.....	14.7	0.2	14.5
1942-43.....	9.7	0.1	9.6
1943-44.....	7.1	0.2	6.9
1944-45.....	6.9	0.3	6.6
1945-46.....	7.4	0.6	6.8
1946-47.....	9.9	0.7	9.2
1947-48.....	9.7	0.6	9.1
1948-49.....	10.1	0.7	9.4

(a) Not available.

NOTES TO TABLE V.

Item 1.—Very rough estimate based on tonnage of overseas cargo loaded and discharged by Australian ships (see Transport and Communication Bulletins).

Item 2.—From unpublished sources. This item is an offset to Item 7.

Item 3.—From Oversea Trade Bulletins (p. 883 in 1947-48 Bulletin). These ships' stores are not included in recorded export statistics.

Item 4.—This item includes port expenditure by overseas ships (excluding bankers and ships' stores) and the shore expenses of overseas ships' crews. Separate estimates are made for overseas tankers, wheat ships and other ships and are based on confidential information supplied by companies representing each group. Considerable inaccuracy is possible in this item.

Item 5.—From Oversea Trade Bulletins.

Item 6.—Based on tonnages of import items, for which quantity details are available, multiplied by individual freight rates supplied confidentially by shipping companies. Some inaccuracy is likely in this item owing to the difficulty of making correct allowances for various rebates and loadings on the rates made in individual cases.

Item 7.—Based on schedule of marine and war risk insurance rates between various countries and Australia applied to the f.o.b. value of the imports plus the estimated freight payments.

Item 8.—Very rough estimate based on tonnage of exports and imports carried by Australian ships.

TABLE V.
TRANSPORTATION.
(£A million.)

	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49
<i>Credits.</i>													
1. Overseas Freight Earnings of Australian Ships—													
(a) on Imports	0.3	0.4	0.3	0.4	0.4	0.4	0.2	0.3	0.2	0.5	0.3	0.2	0.2
(b) on Exports	0.4	0.6	0.6	0.8	0.6	0.7	0.6	0.7	0.7	0.8	0.5	0.6	0.6
2. Insurance on Imports Paid to Commonwealth War Risks Insurance Board	...	...	...	...	...	...	0.3	0.3	0.2	0.1	...	...	...
3. Ships' Stores Purchased in Australia by Overseas Ships	1.7	2.1	2.1	2.5	3.5	5.8	6.0	8.2	10.5	5.9	4.5	5.5	7.8
4. Other Expenditure of Overseas Ships in Australian Ports	9.5	10.9	10.3	9.7	8.8	9.1	8.4	6.7	5.9	7.3	9.3	11.7	15.3
5. Duties on Ships' Stores	0.1	0.1	0.1	0.1	...	...	...	...	...	...	...	...	...
TOTAL CREDITS	12.0	14.1	13.4	13.5	13.3	16.0	15.5	16.2	17.5	14.6	14.6	18.0	23.9
<i>Debits.</i>													
6. Freight on Imports	13.8	18.6	15.2	(a) 21.7	(a) 17.6	(a) 20.2	(a) 12.5	(a) 11.7	(a) 18.7	(a) 23.4	28.2	36.2	43.0
7. Marine Insurance on Imports	0.4	0.5	0.5	(b) 3.5	(b) 8.7	(b) 11.7	(b) 13.9	(b) 8.4	(b) 3.8	(b) 1.0	1.4	2.4	2.9
8. Expenditure of Australian Ships in Overseas Ports (including Ships' Stores)	0.3	0.4	0.4	0.5	0.4	0.5	0.3	0.4	0.4	0.6	0.3	0.3	0.3
TOTAL DEBITS.....	14.5	19.5	16.1	27.7	26.7	32.4	26.7	23.5	22.9	24.7	29.9	38.9	46.2
NET CREDIT OR DEBIT (—) ...	—2.5	—5.4	—2.7	—14.2	—13.4	—16.4	—11.2	—7.3	—5.4	—10.1	—15.3	—20.9	—22.3

(a) Excluding freight paid on Government imports.

(b) Excluding insurance paid on Government imports.

NOTES TO TABLE VI.

Item 1.—Rough estimate based on recorded statistics of temporary visitors arriving in Australia (see Demography Bulletins). A varying expenditure per head has been assumed throughout the period but £100 has been used for 1946-47 to 1948-49.

Item 2.—Based on unpublished statistics supplied by the Commonwealth Bank of overseas exchange applications in some years and, in others, comparable estimates built up from statistics of the number of Australians leaving on overseas visits of less than one year's duration.

TABLE VI.
EXPENDITURE BY TOURISTS AND TRAVELLERS.
(£A million.)

	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49
1. Expenditure in Australia by Overseas Tourists and Travellers	1.7	2.0	2.0	1.1	0.6	0.3	0.1	0.2	0.3	0.6	1.5	2.1	3.4
2. Australian Tourists' and Travellers' Expenditure Overseas.....	4.9	5.6	5.0	1.1	0.4	0.2	0.2	0.3	0.9	1.8	4.5	6.3	5.9
NET CREDIT OR DEBIT (-) ...	-3.2	-3.6	-3.0	...	0.2	0.1	-0.1	-0.1	-0.6	-1.2	-3.0	-4.2	-2.5

NOTES TO TABLE VII.

Item 1.—From New Zealand Year Books and Local Authorities Handbooks.

Item 2.—From Commonwealth Budgets (Table 6 in 1949-50).

Item 3.—See Chapter VII for 1947-48 and 1948-49. Other years are arbitrary estimates based on statistics for those two years.

Item 4.—This item includes confidential details of interest received on Australia's international reserves, rough estimates of "portfolio" income received from overseas and small amounts of income received by Commonwealth and State Governments.

Item 5 (a) and (b).—From Commonwealth Budgets.

(c) and (d).—From special returns supplied by State Treasuries.

(e).—From Finance Bulletins (1936-37 to 1939-40) and from returns submitted by local authorities in other years.

Item 6.—See Chapter VII for 1947-48 and 1948-49. These figures are varied for previous years in accordance with unpublished statistics of remittances of investment income overseas.

Item 7.—From returns submitted by overseas fire, marine and general insurance companies. No breakdown is possible into profits remitted overseas and those retained in Australia.

Item 8.—See Chapter VII for 1947-48 and 1948-49. Earlier years as for Item 6.

Items 9 and 10.—See Chapter VII for 1947-48 and 1948-49. Earlier years are based on the assumption that the total of Items 6 and 8-10 should be a fairly constant ratio (for the period in question) of total Australian company income (shown in Table 2 of "Estimates of Australia's National Income and Expenditure, 1948-49" and in earlier statements).

TABLE VII.
INCOME FROM INVESTMENT.
(£A million.)

	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.	1945-46.	1946-47.	1947-48.	1948-49.
<i>Credits.</i>													
1. Interest on New Zealand Debt Domiciled in Australia	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
2. Interest on Commonwealth Government Investments Overseas	0.1	0.1	0.1	0.1	0.1	0.1	...	...	...	...	...	...	...
3. Income from Direct Investments Overseas—													
(a) Profits Remitted from Branches	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.8	0.9	0.6
(b) Dividends from Subsidiaries	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.5
4. Other Income from Overseas	2.2	2.4	2.5	2.6	2.5	2.4	2.5	2.6	3.2	2.6	2.6	2.8	4.0
TOTAL CREDITS	3.6	3.8	3.8	3.8	3.7	3.6	3.6	3.6	4.2	3.8	3.9	4.3	5.2
<i>Debits.</i>													
5. Public Authority Interest Payments—													
(a) Commonwealth Long Term Debt	4.8	4.8	5.0	5.2	5.5	5.8	5.2	5.2	5.2	4.7	4.2	4.0	4.0
(b) Commonwealth Short Term Debt	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	...
(c) States' Long Term Debt	19.8	19.9	20.0	20.2	20.3	19.9	19.4	19.5	18.9	17.5	15.8	14.8	13.8
(d) States' Short Term Debt	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
(e) Local Bodies' Debt	1.8	1.8	1.9	1.9	1.9	1.9	1.9	1.8	1.8	1.6	1.5	1.5	1.3
TOTAL	27.4	27.3	27.6	28.0	28.4	28.3	27.2	27.2	26.6	24.5	22.2	21.0	19.7
6. Income from Direct Investments in Australia—													
(a) Profits Remitted from Branches	3.0	3.2	3.1	3.2	2.5	2.7	2.4	2.8	3.0	3.2	3.2	4.5	3.4
(b) Dividends from Subsidiaries	3.9	4.1	4.0	4.2	3.2	3.5	3.1	3.7	3.9	4.2	4.1	5.8	4.7
(c) Interest	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.4
7. Overseas Fire, Marine and General Insurance Company Earnings	1.4	1.8	1.5	1.9	2.3	3.2	3.2	2.8	1.7	2.7	2.8	2.8	4.1
8. Income from Portfolio Investments—													
(a) Dividends	2.6	2.8	2.6	2.8	2.0	2.2	2.0	2.5	2.6	2.8	2.7	4.0	3.5
(b) Interest	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
(c) Other	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3
9. Branch Profits not Remitted	0.9	0.9	1.0	1.4	1.7	1.3	1.9	2.1	1.3	1.3	2.4	2.0	0.7
10. Undistributed Income from Subsidiaries	2.6	2.6	3.1	4.0	5.2	3.8	5.6	6.1	3.9	3.6	6.9	5.7	7.8
TOTAL DEBITS	42.3	43.2	43.4	46.0	45.8	45.5	45.9	47.7	43.5	42.8	44.8	46.5	44.8
NET CREDITS	-38.7	-39.4	-39.6	-42.2	-42.1	-41.9	-42.3	-44.1	-39.3	-39.0	-40.9	-42.2	-39.6

NOTES TO TABLE VIII.

Item 1.—Rough estimate built up from known expenditure in Australia by certain countries.

Item 2.—From return supplied by Repatriation Department.

Item 3.—This item is based on published statistics of recoveries from administrations (see Commonwealth Budgets—p. 52 in 1949-50) plus unpublished details of other war credits from *oversens* (which are often deducted from gross war expenditure *oversens* to produce net war expenditure *oversens*), and less (in 1946-47—1948-49) payments for exports received through "recoveries from other administrations." Details of net war expenditure *oversens* have occasionally appeared in the Treasurer's Budget Speech and estimates of the payments for exports received through "recoveries" are based on returns from the departments concerned.

The table below shows the composition of the item.

(£A million.)

Year.	Recoveries from other Administrations.	Other Credits.	Less Payments for Exports.	Item 3 of Table VIII.
1940-41	10.9	...	(a)	10.9
1941-42	33.8	...	(a)	33.8
1942-43	27.1	...	(a)	27.1
1943-44	51.4	5.1	(a)	56.5
1944-45	62.0	9.7	(a)	71.7
1945-46	43.2	14.5	(a)	57.7
1946-47	23.7	2.5	5.5	20.7
1947-48	18.3	3.9	1.9	20.3
1948-49	5.9	...	2.6	3.3

(a) Not deducted.

Item 4.—From confidential sources.

Item 5.—Numerous minor amounts included in the Commonwealth Budget and in returns supplied by State Treasuries.

Item 7.—Obtained from Commonwealth Budget and returns from State Treasuries. Includes expenses of Australia House and States Agent-Generals, *oversens* legations, *oversens* commercial intelligence and representation at miscellaneous conference.

Item 8.—From Commonwealth Budgets. Includes contributions to League of Nations, International Labour Office, United Nations Organisation, United Nations Food and Agriculture Organisation, United Nations Economic and Social Council, War Graves Commission, etc.

Item 9.—From returns supplied by Repatriation Department.

Item 10.—In this item, various adjustments are made to the Commonwealth Treasury's statistics of Australia's gross war and defence expenditure *oversens*.

Notes to Table VIII continued on page 66.

TABLE VIII.
GOVERNMENT RECEIPTS AND EXPENDITURE.
(£A million.)

	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49
<i>Credits.</i>													
1. Diplomatic and Consular Expenditure in Australia	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.5	0.6	0.7	0.7
2. War Pensions Received from Overseas	0.4	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.5	0.5	0.5	1.2	0.9
3. Recoveries from Other Administrations, etc.	...	...	...	...	10.9	33.8	27.1	56.5	71.7	57.7	29.7	29.3	3.3
4. Expenditure of Allied Forces in Australia	...	...	...	...	...	6.5	41.0	76.1	27.0	38.4	6.5	-0.2	...
5. Sundry Earnings Overseas by Commonwealth and State Governments	0.2	0.2	0.1	0.1	0.1	...	...	0.3	0.1	...	0.1	0.1	0.1
6. TOTAL	0.7	0.7	0.6	0.6	11.5	40.8	68.7	133.6	99.6	97.1	28.4	22.1	5.0
<i>Debits.</i>													
7. Diplomatic and Consular Expenditure Abroad	0.2	0.3	0.3	0.3	0.4	0.5	0.4	0.5	0.5	0.9	1.6	1.8	1.9
8. Contributions to International Agencies	0.1	...	0.1	0.1	...	...	...	0.1	0.1	0.4	0.3	0.4	0.6
9. War Pensions Paid Overseas	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
10. Public Authority Defence Expenditure Overseas	0.6	0.6	4.0	12.0	48.1	55.1	85.7	58.9	43.7	36.5	34.5	9.0	6.3
11. Other Government Expenditure Overseas	0.3	0.2	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.1	2.6	4.5	7.6
12. TOTAL	1.5	1.4	5.0	13.0	48.9	56.0	86.5	59.9	44.8	38.3	39.1	16.1	16.8
NET CREDITS	-0.8	-0.7	-4.4	-12.4	-37.4	-15.2	-17.8	73.7	54.8	58.8	-11.0	6.0	-11.8

NOTES TO TABLE VIII—continued.

Details are shown in the table below:—

Year.	Gross War and Defence Expenditure Overseas.	Less: Contributions to UNRRA and International Post-War Relief.	Less: Gifts to United Kingdom.	Less: Diplomatic Expenditure and Contributions to International Bodies.	Plus: Other Payments.	Less: Payments for Imports.	Item 10 of Table VIII
		(1)	(2)	(3)	(4)	(5)	
1936-37	0.6	...	...	...	...	(5)	0.6
1937-38	0.6	...	...	...	...	(5)	0.6
1938-39	2.0	...	...	...	2.0	(5)	4.0
1939-40	10.0	...	...	...	2.0	(5)	12.0
1940-41	43.1	...	...	...	5.0	(5)	48.1
1941-42	46.6	...	...	...	8.5	(5)	55.1
1942-43	78.7	...	...	-0.1	7.1	(5)	85.7
1943-44	55.7	...	...	-0.1	3.3	(5)	58.9
1944-45	49.3	...	...	-0.1	3.5	(5)	43.7
1945-46	37.5	-2.6	...	-0.4	2.9	(5)	36.5
1946-47	77.0	-7.7	-25.0	-0.1	1.0	-10.7	34.5
1947-48	15.7	-0.6	...	-0.2	...	-5.9	9.0
1948-49	22.3	-0.8	-10.0	-0.2	...	-5.0	6.3

(1) Included in Table X, Items 14 and 16.

(2) Included in Table X, Item 17.

(3) Included in Table VIII, Items 7, 8.

(4) Includes (a) payments for imports entered "free for Government," but paid for out of gross war expenditure in Australia, (b) payments for requisitional cargoes and (c) certain freight payments made on lend lease cargoes. Considerable inaccuracies are possible in the amounts shown for these payment in some years.

(5) Not deducted.

(6) Estimated from inspection of Treasury records.

Item 11.—Numerous items of Commonwealth and State Government expenditure are included here. Details have been obtained from Commonwealth Budgets, Commonwealth Treasury records and special returns from the State Treasuries. Payments by the Australian Shipping Board for charter hire of vessels for Australian coastal trade were included in Item 10 until 1945-46.

NOTES TO TABLE IX.

Items 1 and 2.—Details shown for these items are rough estimates based on statistics of remittances received from oversens covering the non-sterling area since April, 1948, and both sterling and non-sterling areas since December, 1949 (see Appendix IV). Item 1 includes advertising, office rentals, representatives' expenses, etc., but excludes business travel and agents' commission.

Item 2 includes commission and brokerage, Australian artists' earnings overseas, royalties and numerous minor items.

Items 4 to 6.—Based on unpublished statistics of oversens exchange applications supplied by the Commonwealth Bank. Item 4 includes the "royalties" paid to oversens companies on films which are brought to Australia on a rental basis and which, for customs purposes, are entered at a nominal value (see Item 6 of Table III). Items 5 and 6 are similar to Items 1 and 2.

Item 7.—This item shows the difference between the cost of Australian mail, telephone and telegram services borne by oversens countries and the cost of overseas countries' services borne by Australia.

Item 8.—From information published in Commonwealth Budgets (see pages 163-4 in 1949-50 Budget), and special returns from State Treasuries. Discounts and cash bonuses are not included in this item which consists mainly of management fees, brokerage, advertising, etc.

TABLE IX.

MISCELLANEOUS CURRENT TRANSACTIONS.

(£A million.)

	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49
<i>Credits.</i>													
1. Sundry Expenses in Australia of Foreign Companies	1.0	1.0	1.0	0.8	0.6	0.6	0.6	0.6	0.6	1.0	1.5	2.0	2.0
2. Miscellaneous Remittances from Overseas	3.0	3.0	3.0	2.5	2.5	2.5	2.5	2.5	2.5	3.0	4.0	4.0	4.0
3. TOTAL CREDITS	4.0	4.0	4.0	3.3	3.1	3.1	3.1	3.1	3.1	4.0	5.5	6.0	6.0
<i>Debits.</i>													
4. Cinematograph Film Rental	1.5	2.0	1.8	1.4	1.0	0.8	2.2	2.7	2.6	2.6	2.2	1.8	1.3
5. Expenses Incurred in Earning Income Overseas	1.8	1.8	1.8	2.0	2.2	1.8	1.5	1.2	1.2	1.2	1.0	3.2	6.6
6. Miscellaneous Remittances Overseas	1.5	1.5	1.5	1.3	1.0	0.8	0.8	1.0	1.2	1.5	1.0	3.2	2.5
7. P.M.G. Department's Debit Balance on Overseas Transactions	...	...	...	...	0.1	0.3	0.1	0.1	0.1	0.1	0.5	...	0.2
8. Loan Flotation Expenses Overseas...	0.3	0.5	0.1	0.3	...	0.2	0.1	...	...	0.4	0.8	0.5	0.9
9. TOTAL DEBITS	5.1	5.8	5.2	5.0	4.3	3.9	4.7	5.0	5.1	5.8	7.3	8.7	11.5
NET CREDITS	-1.1	-1.8	-1.2	-1.7	-1.2	-0.8	-1.6	-1.9	-2.0	-1.8	-1.8	-2.7	-5.5

NOTES TO TABLE X.

Item 1.—Based on statistics of money orders received from overseas published in the Transport and Communication Bulletin (p. 58 in 1946-47).

Item 2.—Details are available from Demography Bulletins of the total number of immigrants arriving in Australia each year. Various enquiries undertaken before the last war indicated that the average amount of funds brought in by immigrants was about £35 £40 per head. This average is now considered to be about £75 per head, but some inaccuracy is possible in this estimate. Averages for the war years have been roughly interpolated.

Item 3.—Immigrants' household effects are included in published import statistics and are deducted in this item.

Item 4.—Based on recent statistics of remittances of this character received from overseas (see Appendix IV) and on statistics prepared by certain other countries of the corresponding payments to Australia.

Item 5.—Rough estimates only of the recorded value for duty of equipment received from Germany as reparations after the last war.

Item 7.—This item includes a proportion of money orders paid overseas together with statistics of remittances of this type which are available from unpublished statistics of overseas exchange applications. All private sustenance payments are treated as "immigrants' remittances."

Items 8 and 10.—From Oversea Trade Bulletins.

Items 9, 11 and 12.—Based on unpublished statistics compiled by the Commonwealth Bank showing details of overseas exchange applications. Some fares are included in Item 9.

Item 13.—Details of the recorded value of these exports have been supplied by the Departments concerned.

Item 14.—From Commonwealth Treasury.

Item 15.—Details of the recorded value of these exports have been supplied by the Departments concerned.

Item 16.—From Treasury sources.

Item 17.—From Commonwealth Budget (p. 48 in 1949-50).

TABLE X.
DONATIONS AND REPARATIONS.
(£A million.)

	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49
<i>Credits.</i>													
1. Personal Remittances from Overseas	0.4	0.4	0.6	0.3	0.3	0.2	0.2	0.2	0.3	0.5	0.6	0.6	0.6
2. Funds brought in by Immigrants...	0.5	0.7	0.9	0.6	0.4	0.2	0.1	0.1	0.2	0.6	1.4	3.4	8.6
3. Immigrants' Household Effects, etc.	0.2	0.3	0.5	0.4	0.3	0.3	0.1	0.1	0.2	0.5	1.1	1.7	2.0
4. Legacies and Inheritances.....	2.5	2.5	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.5	3.0	3.0	3.0
5. Reparations	...	...	...	...	...	...	...	...	...	...	0.3	0.3	0.2
6. TOTAL CREDITS	3.6	3.9	4.5	3.3	3.0	2.7	2.4	2.4	2.7	4.1	6.4	9.0	14.4
<i>Debits.</i>													
7. Personal Remittances Overseas ...	1.2	1.2	1.2	2.0	1.0	0.7	0.7	0.7	1.1	2.1	1.8	1.5	1.5
8. Gifts Recorded as Exports.....	(a)	(a)	(a)	(a)	0.3	0.5	0.2	0.5	0.5	0.8	0.4	0.2	0.4
9. Funds taken out by Emigrants (including Fares)	0.8	0.8	0.9	0.5	0.3	0.2	0.1	0.2	0.6	2.2	2.5	1.9	1.9
10. Emigrants' Household Effects	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	1.0	0.7	0.8
11. Legacies and Inheritances	1.5	1.5	1.5	0.9	0.8	0.8	0.8	0.8	0.8	1.5	2.0	2.3	1.9
12. Missionary, Charitable and War Relief Payments	0.1	0.1	0.1	0.5	1.5	1.0	0.8	0.8	0.7	0.7	0.6	0.5	0.7
13. Exports on behalf of UNRRA ...	...	...	...	...	...	...	...	...	...	...	2.1	7.0	...
14. Cash Contribution to UNRRA ...	...	...	...	...	...	...	...	...	...	2.6	7.5	...	...
15. Exports on behalf of International Post-War Relief	...	...	...	...	...	...	...	...	...	...	...	0.3	3.2
16. Cash Contributions to International Post-War Relief	...	...	...	...	...	...	...	...	...	...	0.2	0.6	0.8
17. Gifts to United Kingdom	...	...	...	...	...	...	...	...	...	...	25.0	...	10.0
18. TOTAL DEBITS	3.7	3.7	3.8	4.0	4.0	3.3	2.7	3.1	3.8	12.4	48.0	9.6	21.2
NET CREDITS	-0.1	0.2	0.7	-0.7	-1.0	-0.6	-0.3	-0.7	-1.1	-8.3	-41.6	-0.6	-6.8

(a) Not available.

NOTES TO TABLE XI.

Item 1.—From New Zealand Official Yearbooks and Local Authorities Handbooks.

Item 2.—From Reports of the National Debt Commission. As balances in London are held with the Commonwealth Bank and are accordingly included in Item 11, only investments and cash balances in New York are included.

Items 3 and 4.—See Chapter VII. Item 3 (a) is obtained from Table L and Item 3 (b) from Table K (b) and the notes concerning inter-company accounts which follow that table. Item 4 is the difference between total movements shown in Tables K (a) and K (b).

Item 5.—This credit was granted to Czechoslovakia in 1947-48, and was repaid in 1948-49. During the latter year, however, a further £0.5 million stg. was granted.

Item 6.—See table in Appendix II.

Item 7.—Of these subscriptions £3.8 million was paid in gold, but £6.2 million was paid into the international bodies' accounts with the Commonwealth Bank and the remaining £64.4 million consisted of non-negotiable non-interest bearing securities lodged with the Commonwealth Bank.

Item 8.—From the Commonwealth Bank. This item should be read in conjunction with Item 13.

Item 9.—All Commonwealth and State Government balances held with the Commonwealth Bank in London are included in Item 11. The Commonwealth Government holds small balances in New York, Toronto, Delhi and Karachi (see Commonwealth Budgets—p. 6 in 1949-50) and the State Governments of New South Wales, Victoria and Western Australia hold balances with London trading banks (see also Table XIV).

Items 10 and 11.—From Commonwealth Bank (see also Table XV).

Item 13.—See Table XVI. Annual changes in outstanding debt have been converted from £ sterling or dollars to Australian currency at the rate of exchange ruling at the time of each transaction.

Item 14.—From Commonwealth Budgets (pp. 161-5 in 1948-49).

Item 15.—From unpublished statistics supplied by the Commonwealth Bank. This item, plus Item 4 of Table VIII represents net remittances to Australia of foreign governments and banks.

Item 16.—See Item 7.

Item 17.—See table in Appendix II.

Items 18 and 19.—See Chapter VII. Item 18 (a) is obtained from Table H and Item 18 (b) from Tables F (b) and G with the addition of Item 10 of Table VII, except for an amount of £2.5 million included in Item 10 of Table VII in 1948-49 (see note on this amount on p. 38).

Item 20.—This is a residual item and is believed to consist mainly of unidentified capital remittances to Australia including short term capital movements produced by delayed or accelerated trade payments.

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

	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.	1945-46.	1946-47.	1947-48.	1948-49.
<i>Increase in Assets.</i>													
1. New Zealand Public Authority Debt Domiciled in Australia	- 0.7	- 0.2	...	0.3	- 0.1	- 0.2	- 0.2	- 0.2	- 0.1	- 0.1	- 0.2	- 0.1	- 1.0
2. Overseas Assets of National Debt Sinking Fund	...	...	- 0.1	...	0.1	...	...	...	0.2	...	- 0.5	...	...
3. Direct Investments Overseas—													
(a) Branches	...	...	...	...	...	...	...	...	...	...	...	0.2	0.7
(b) Subsidiaries	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	1.4	0.4
4. Portfolio Investments Overseas	...	...	...	...	...	...	...	...	...	...	...	...	- 0.1
5. Wool Credits to Czechoslovakia	...	...	...	...	...	...	...	...	...	...	...	0.6	...
6. Investment in Joint Organization, etc.	...	...	...	1.2	2.6	4.6	1.4	1.6	2.3	5.6	6.1	10.8	14.1
7. Subscription to I.M.F. and I.B.R.D.	...	...	...	...	...	...	...	...	...	...	...	74.4	...
8. Marketable Australian Securities held in London by the Commonwealth Bank	...	...	...	...	...	...	...	...	...	...	6.5	...	1.5
9. Commonwealth and State Government Bank Balances held overseas with Trading Banks	0.2	- 0.2	- 0.2	0.1	0.2	0.1	0.8	- 0.3	...	0.8	- 0.7	- 0.1	- 0.2
10. Monetary Gold Holdings	0.1	0.2	0.4	1.0	- 0.9	- 0.7	- 0.1	2.8	7.7	8.0	9.6	- 2.9	- 0.1
11. Foreign Exchange Holdings	33.6	- 9.5	- 23.0	14.1	18.7	- 19.7	17.8	92.8	18.2	- 0.9	- 26.3	77.7	178.3
12. TOTAL INCREASE IN ASSETS	33.2	- 9.7	- 22.9	17.6	20.6	- 15.9	19.7	96.7	28.3	13.4	- 5.5	162.0	193.6
<i>Increase in Liabilities.</i>													
13. Public Authority Debt—													
(a) Commonwealth—Long Term	- 0.2	8.4	7.0	- 0.4	14.9	...	6.2	- 15.4	...	- 13.8	...	...	...
(b) Commonwealth—Short Term	- 0.6	5.3	1.6	0.3	- 0.3	- 0.3	- 0.3	- 0.3	- 0.3	- 0.3	- 0.3	- 0.3	- 0.3
(c) States—Long Term	- 1.4	2.4	2.3	0.7	- 0.8	- 9.2	- 0.5	- 6.2	- 15.3	- 30.1	- 5.8	- 6.3	- 11.8
(d) States—Short Term	...	...	...	...	...	2.2	1.4	1.1	...	...	...	...	...
(e) Local Bodies	0.5	1.6	0.5	- 1.5	0.9	- 2.0	- 0.5	- 0.4	- 4.5	- 0.8	0.2	- 2.5	- 1.4
14. Discounts and Cash Remises on Conversion of Public Debt	- 0.2	- 1.1	...	- 0.2	...	- 0.4	- 0.4	...	...	- 0.4	- 0.5	- 0.2	...
15. Australian Currency Holdings of Foreign Banks and Governments	...	...	...	...	...	3.6	6.8	12.2	- 18.4	- 2.4	1.3	- 0.1	2.8
16. I.M.F. and I.B.R.D. Assets in Australia	...	...	...	...	...	...	...	...	...	...	...	70.6	...
17. Joint Organization Investments, etc., in Australia	...	...	...	...	...	...	...	...	...	2.7	0.9	8.6	31.0
18. Direct Investment in Australia—													
(a) Branches	...	...	...	...	...	...	...	...	...	...	...	18.4	10.7
(b) Subsidiaries	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	16.7	22.5
19. Portfolio Investment in Australia	...	...	...	...	...	...	...	...	...	...	...	2.6	0.7
20. Errors and Omissions	25.0	12.9	- 2.6	46.2	42.2	22.5	33.1	14.1	- 0.1	13.5	46.6	50.9	111.4
21. TOTAL INCREASE IN LIABILITIES	23.1	14.1	...	43.1	56.9	16.4	37.0	2.9	- 38.6	- 31.6	42.4	158.4	165.6
22. NET INCREASE IN ASSETS	10.1	- 23.8	- 22.9	- 25.5	- 36.3	- 32.3	- 17.3	93.8	66.9	45.0	- 47.9	3.6	28.0

(a) Not available.

NOTES TO TABLE XII.

1. Statistics in this table for France, Belgium and Portugal include the complete monetary areas of these countries' currencies. Details of exports and imports for all countries are based on recorded trade statistics. Especially in the case of Belgium and Switzerland, it is known that, because of entrepôt trade transactions, these trade statistics differ considerably from the total trade payments.

2. International bodies include the I.M.F., I.B.R.D., U.N.R.R.A., and all other organizations in the United Nations system.

3. Exports shown for individual countries or monetary areas are as recorded in official statistics except that exports of gold and the adjustment for wool and sheepskins (see Table II) are deducted from the published figure for United Kingdom and exports to Australian forces are deducted from the recorded value of exports to Japan.

4. Import statistics are recorded figures, adjusted as in Table III, with the addition to outside packages. Statistics of outside packages were not classified according to country in 1947-48 and 1948-49, but an estimated allocation has been made on the basis of monthly details available as from October, 1949.

5. "Invisibles" include all items detailed in Tables IV—X. For countries other than United Kingdom, New Zealand and the Dollar Area, the main invisible item is freight and insurance on imports.

TABLE XII.

AUSTRALIA: BALANCE OF PAYMENTS ON CURRENT ACCOUNT WITH
VARIOUS COUNTRIES, 1947-48 AND 1948-49 [Payments (—)].

(£A million.)

	1947-48.				1948-49.			
	Exports f.o.b.	Imports f.o.b.	Invis- ibles.	Total Current Account.	Exports f.o.b.	Imports f.o.b.	Invis- ibles.	Total Current Account.
<i>Sterling Area.</i>								
United Kingdom	144.8	-135.2	-29.2	-19.6	208.3	-215.1	-53.2	-60.0
India	26.7	-26.9	-0.6	-0.8	28.3	-26.2	-1.5	-0.6
Ceylon	10.2	-8.1	-0.2	-1.9	9.3	-7.5	-0.5	-1.3
New Zealand	15.3	-3.4	-2.7	14.6	17.3	-3.7	-4.0	17.6
Malaya	7.8	-3.9	-0.2	4.1	5.3	-4.0	-0.1	2.4
Singapore	0.5	-0.5	-0.3	-0.3	7.4	-4.8	-1.0	1.6
South Africa	2.8	-3.2	-0.2	-0.6	5.1	-3.7	-0.2	2.2
Other	29.1	-17.2	-1.5	10.4	27.7	-19.7	-2.4	5.6
TOTAL STERLING AREA	243.2	-198.4	-29.1	15.7	309.7	-283.7	-54.7	-28.7
<i>Dollar Area.</i>								
U.S. of America	35.1	-68.8	-21.9	-55.6	32.3	-43.8	-14.7	-26.2
Canada and Newfoundland	5.9	-16.4	-3.9	-15.3	8.7	-12.5	-3.4	-7.2
Other	0.6	-0.6	-0.2	-0.2	1.5	-0.4	-0.2	0.9
TOTAL DOLLAR AREA	40.7	-85.8	-26.0	-71.1	42.5	-56.7	-18.3	-32.5
<i>Non-Sterling O.E.E.C. Countries.</i>								
France (M.A.)	41.1	-3.9	-0.1	37.3	48.7	-4.2	-0.1	44.6
Belgium (M.A.)	19.3	-5.5	-0.4	13.4	20.0	-4.2	-0.5	15.3
Italy	11.9	-2.7	-1.5	7.7	29.1	-3.8	-1.6	23.7
Netherlands	3.4	-2.6	-0.8	-1.6	4.5	-3.9	-1.1	-1.7
Sweden	3.0	-5.0	-0.1	-2.1	4.5	-9.3	-0.6	-5.4
Switzerland	1.7	-2.0	-0.3	-0.6	1.3	-2.4	-0.2	-1.3
Portugal (M.A.)	1.0	-0.3	-0.1	0.6	0.9	-0.2	...	0.7
Norway	1.0	-3.3	-0.7	-1.6	0.3	-4.4	...	-4.1
Western Germany	4.0	-0.6	-0.3	3.7	4.1	-1.8	-0.2	2.1
Other	3.8	-0.5	-0.2	3.1	6.3	-0.8	-0.1	5.6
TOTAL NON-STERLING O.E.E.C. COUNTRIES	90.2	-26.4	-0.7	63.1	119.7	-35.0	-1.8	82.9
<i>Other Non-Sterling Area.</i>								
Czechoslovakia	0.9	-1.9	-0.2	-1.2	0.7	-4.2	-0.4	-3.9
Japan	0.5	-1.4	-0.1	-1.0	6.4	-1.7	...	4.7
China	2.8	-1.7	-0.2	0.9	1.4	-2.5	-0.3	-1.4
Egypt	5.9	-0.8	...	5.1	10.3	-0.9	...	9.4
Russia	2.9	-0.1	...	2.8	12.4	-0.2	...	12.2
Finland	0.4	-1.1	-0.3	-1.3	0.2	-1.8	-0.4	-2.0
Poland	1.2	-0.1	...	1.1	7.7	-0.3	-0.1	7.3
Other	8.5	-20.1	-5.1	-16.7	11.2	-28.1	-7.9	-24.8
TOTAL OTHER NON- STERLING AREA	22.8	-27.2	-5.9	-10.3	50.3	-39.7	-9.1	-1.5
International Bodies	...	...	-2.9	-2.9	...	...	-4.6	-4.6
Gold Production	...	...	9.1	9.1	...	...	9.4	9.4
GRAND TOTAL	396.9	-337.8	-55.5	3.6	522.2	-415.1	-79.1	28.0

NOTES TO TABLE XIII.

A summarized statement of Australia's balance of payments on current account is shown in Table XIII. The schedule below indicates the extent to which individual items in "The Australian Balance of Payments, 1928-29 to 1937-38" have been regrouped in Table XIII.

<i>Column of Table XIII.</i>	<i>Items from 1928-29 to 1937-38 estimates included.</i>
Exports f.o.b.	1, 4, 5, 6.
Imports f.o.b.	28 (f.o.b. component only), 29, 31 (deducted section only), 32.
Gold	3.
Transportation	2, 17, 18, 19, 28 (freight and insurance element only), 39. A rough estimate is made for the expenditure of Australian ships in overseas ports which was not included in the earlier estimates.
Foreign travel	21, 45
Investment income	8-15, 16, 20, 35-38, 40-42, 44.
Government	24, 25, 27, 43, 49-54, 56.
Miscellaneous	31 (royalty element only), 48, 55. Rough allowance is also made for business expenses in Australia and overseas and other miscellaneous remittances on a basis comparable with statistics shown for later years.
Donations and Reparations	7, 22, 23, 26, 34, 46, 47. Allowance, comparable with estimates for later years, is made for legacy payments and receipts.

Item 33 ("Exchange adjustment to reserves") is not necessary in view of the adjustment made to the value of imports to bring them to an estimated f.o.b. value.

Item 39 ("Interest on net assets in Australia of overseas banks") is omitted as this item is unnecessary for 1936-37 onwards because of the special definition of international reserves used by the Commonwealth Bank.

TABLE XIII.

AUSTRALIA: BALANCE OF PAYMENTS ON CURRENT ACCOUNT, 1928-29 TO 1948-49.

(£A million.)

Year.	Exports L.o.b.	Imports L.o.b.	Gold.	Trans- portation.	Foreign Travel.	Investment Income.	Govern- ment.	Miscel- laneous.	Donations and Reparations.	Balance on Current Account.
1928-29	136.9	-133.5	1.9	-6.9	-2.9	-38.0	-1.7	-2.3	1.5	-45.0
1929-30	96.1	-123.4	1.9	-8.6	-2.7	-41.4	-0.7	-2.1	0.8	-80.1
1930-31	89.8	-61.8	2.5	-2.4	-1.2	-44.6	-0.4	-1.8	1.0	-18.9
1931-32	96.9	-50.6	4.5	-1.1	-0.9	-38.3	-0.1	-1.1	0.3	9.6
1932-33	98.7	-64.5	5.8	-1.7	-2.1	-38.4	-0.2	-1.8	0.6	-3.6
1933-34	114.2	-67.5	7.1	-1.9	-2.7	-37.9	-0.2	-2.8	0.6	8.9
1934-35	103.4	-82.3	7.4	-2.1	-2.6	-37.2	-0.8	-2.3	0.8	-15.7
1935-36	124.1	-34.9	9.2	-5.3	-2.9	-37.2	-1.0	-2.8	0.9	9.9
1936-37	148.2	-103.0	11.3	-2.5	-3.2	-38.7	-0.8	-1.1	-0.1	10.1
1937-38	141.3	-127.2	12.8	-5.4	-3.6	-39.4	-0.7	-1.8	0.2	-23.8
1938-39	122.1	-109.4	14.6	-2.7	-3.0	-39.6	-4.4	-1.2	0.7	-22.9
1939-40	151.5	-123.3	17.5	-14.2	...	-42.2	-12.4	-1.7	-0.7	-25.5
1940-41	144.4	-102.1	16.3	-13.4	0.2	-42.1	-37.4	-1.2	-1.0	-36.3
1941-42	133.1	-105.1	14.5	-16.4	0.1	-41.9	-15.2	-0.8	-0.6	-32.3
1942-43	117.0	-70.6	9.6	-11.2	-0.1	-42.3	-17.8	-1.6	-0.3	-17.3
1943-44	136.4	-69.1	6.9	-7.3	-0.1	-44.1	73.7	-1.9	-0.7	93.8
1944-45	136.8	-82.9	6.6	-5.4	-0.6	-39.3	54.8	-2.0	-1.1	66.9
1945-46	150.0	-110.2	6.8	-10.1	-1.2	-39.0	58.8	-1.8	-8.3	45.0
1946-47	264.7	-208.2	9.2	-15.3	-3.0	-40.9	-11.0	-1.8	-41.6	-47.9
1947-48	396.9	-237.8	9.1	-20.9	-4.2	-42.2	6.9	-2.7	-0.6	3.6
1948-49	522.2	-415.1	9.4	-22.3	-2.5	-39.6	-11.8	-5.5	-6.8	28.0

TABLE XIV.

AUSTRALIA: COMMONWEALTH AND STATE GOVERNMENT OVERSEAS
BANK BALANCES NOT HELD WITH COMMONWEALTH BANK.

(£A. million.)

30th June--	Commonwealth Government.	State Governments.	Total.
1928	0.6	1.1	1.7
1929	...	— 8.1	— 8.1
1930	...	— 14.3	— 14.3
1931	...	...	...
1932	...	0.2	0.2
1933	...	0.4	0.4
1934	...	0.1	0.1
1935	...	0.3	0.3
1936	...	0.3	0.3
1937	0.1	0.4	0.5
1938	...	0.3	0.3
1939	...	0.1	0.1
1940	0.1	0.1	0.2
1941	...	0.4	0.4
1942	0.3	0.2	0.5
1943	0.7	0.6	1.3
1944	0.4	0.6	1.0
1945	0.4	0.6	1.0
1946	1.1	0.7	1.8
1947	0.4	0.7	1.1
1948	0.4	0.6	1.0
1949	0.2	0.6	0.8

TABLE XV.

AUSTRALIA: MONETARY GOLD AND FOREIGN EXCHANGE HOLDINGS
(£A million.)

June (a)	Official Gold Holdings.	Foreign Exchange Holdings.	Total International Reserves.
1928	45.4	59.4	104.8
1929	44.2	53.5	97.7
1930	22.6	35.7	58.3
1931	20.2	33.3	53.5
1932	17.7	38.7	56.4
1933	1.4	62.8	64.2
1934	1.6	85.9	87.5
1935	1.8	54.9	56.7
1936	1.1	52.8	53.9
1937	1.2	86.4	87.6
1938	1.4	76.9	78.3
1939	1.8	53.9	55.7
1940	3.8	67.9	71.7
1941	2.9	86.6	89.5
1942	2.2	66.9	69.1
1943	2.1	84.7	86.8
1944	4.9	177.5	182.4
1945	12.6	195.7	208.3
1946	20.6	194.8	215.4
1947	30.2	168.5	198.7
1948	27.3	246.2	273.5
1949	27.2	424.5	451.7

(a) Figures are for last Monday in June for years 1928 to 1946 and for last Wednesday in June in 1947, 1948 and 1949.

TABLE XVI.
AUSTRALIA: PUBLIC AUTHORITY DEBT DOMICILED OVERSEAS.

30th June—	Commonwealth.			States.			Local Bodies.		
	Long-Term.		Short-Term	Long-Term		Short Term.	New York.	London.	New Zealand.
	New York.	London.		New York.	London.				
	£stg. million. (a)	£stg. million.	£stg. million.	£stg. million. (a)	£stg. million.	£stg. million.	£stg. million. (a)	£stg. million.	£NZ million.
1928	17.3	136.2	...	31.0	385.7	...	3.4	16.1	...
1929	17.2	142.6	...	30.8	381.7	...	3.0	19.4	...
1930	17.2	150.6	1.6	30.7	370.2	8.4	7.6	21.1	0.1
1931	17.2	148.6	10.2	30.4	369.9	27.9	7.6	20.8	0.1
1932	17.1	148.6	10.2	30.0	368.6	27.1	7.5	20.4	0.1
1933	16.9	148.4	10.2	29.6	368.3	23.9	7.4	20.4	0.1
1934	16.7	147.3	10.2	29.2	366.4	23.4	7.3	21.2	0.1
1935	16.5	147.0	10.2	29.0	365.8	23.4	7.2	21.9	0.1
1936	16.4	146.1	10.2	28.9	365.4	23.2	7.1	21.5	0.1
1937	16.2	146.1	9.7	28.7	364.5	23.2	7.0	22.0	...
1938	16.1	152.9	5.5	28.5	362.7	23.2	6.9	23.4	...
1939	15.9	158.6	4.2	28.3	361.2	23.2	6.8	23.1	...
1940	15.9	158.4	4.0	27.9	361.0	23.2	6.7	22.1	...
1941	15.9	170.3	3.7	27.5	360.9	23.2	6.6	23.0	...
1942	15.9	170.3	3.5	25.8	355.5	24.9	6.5	21.6	...
1943	15.8	170.5	3.2	25.6	355.4	23.7	6.3	21.4	...
1944	15.8	158.3	3.0	25.4	350.6	22.9	6.2	21.2	...
1945	15.8	158.3	2.7	25.3	338.5	22.9	6.0	17.8	...
1946	15.8	147.2	2.5	25.1	314.7	22.9	5.7	17.6	...
1947	15.8	147.2	2.2	24.8	310.5	22.9	5.8	(c) 18.7	...
1948	15.9	(b) 67.4	2.0	24.8	305.3	22.9	5.7	(c) 16.9	...
1949	15.8	(b) 67.5	1.7	24.7	296.2	22.9	5.5	(c) 15.9	...

(a) Loans raised in New York are payable in dollars, which have been converted to sterling at \$4.8665 to £1.

(b) Excluding £79.7 m. of 1914-18 War Debt which is included in figures for previous years.

(c) Including £1.2 m. of existing debt taken over by South Australian Electricity Trust on its formation.

TABLE XVII.
AUSTRALIA: EXPORT PRICE INDEX.
(Base of each Section: Average, 3 years ended June, 1939 = 1,000.)

Year.	Wool.	Wheat.	Butter.	Metals. (a)	Meats. (b)	Sugar.	Dried Fruits. (c)	Tallow.	Hides. (d)	All Groups (excluding Gold).
1928-29	1,244	1,168	1,263	1,065	1,051	1,256	969	1,409	1,356	1,205
1929-30										980
1930-31										734
1931-32										715
1932-33										698
1933-34										894
1934-35										741
1935-36										942
1936-37	1,218	1,234	915	1,196	978	1,035	1,026	1,217	1,129	1,156
1937-38	989	1,110	1,074	962	1,066	925	1,034	1,002	969	1,025
1938-39	793	656	1,011	842	956	1,040	940	781	872	819
1939-40	978	819	1,077	918	1,022	1,255	943	762	1,202	964
1940-41	1,013	1,016	1,095	945	1,032	1,370	953	817	975	1,026
1941-42	1,013	1,045	1,095	1,065	1,092	1,372	1,058	1,139	1,325	1,047
1942-43	1,165	1,055	1,140	1,094	1,122	1,519	1,116	1,192	1,447	1,137
1943-44	1,165	1,155	1,140	1,127	1,132	1,585	1,207	1,231	1,514	1,170
1944-45	1,165	1,536	1,474	1,286	1,218	1,715	1,282	1,447	1,474	1,304
1945-46	1,165	2,130	1,474	1,956	1,234	2,130	1,375	1,519	1,518	1,477
1946-47	1,734	3,046	1,734	3,076	1,393	2,644	1,523	3,038	3,344	2,087
1947-48	2,872	4,195	1,935	3,723	1,464	3,293	1,566	3,607	3,643	2,955
1948-49	3,649	4,134	2,330	4,781	1,706	3,426	1,619	4,078	4,206	3,481

(a) Silver, copper, tin, zinc, lead.

(b) Beef, lamb, mutton, pork.

(c) Sultanas, lexias, currants.

(d) Cattle hides, calf skins.

TABLE XVIII.

AUSTRALIA: IMPORT PRICE INDEX.

(Base of each Section: Average, 3 years ended June, 1939 = 1,000.)

Year.	Metals and Machinery.	Raw Materials.			Vehicles.	Oils.	Pierce Goods.	Mann- ufactures.	Food, Drink, Tobacco.	All Groups.
		For Primary Industries.	For Secondary Industries.	Total						
1928-29	726	1,272	1,170	1,222	1,002	1,458	1,180	1,039	769	1,064
1929-30	756	1,144	1,086	1,120	1,007	1,386	1,131	1,011	680	1,027
1930-31	846	1,192	839	1,015	1,109	1,158	1,099	1,086	698	1,023
1931-32	862	1,272	788	1,035	1,048	1,141	1,010	1,091	712	1,010
1932-33	844	1,196	740	972	1,053	1,107	917	1,015	651	945
1933-34	850	1,068	802	937	895	973	922	978	883	928
1934-35	861	1,073	803	940	916	934	917	958	941	925
1935-36	877	1,008	892	948	926	1,009	919	941	962	933
1936-37	927	962	1,066	1,026	945	1,049	958	958	969	967
1937-38	1,028	973	988	982	1,011	1,035	1,046	1,015	1,011	1,019
1938-39	1,045	1,065	946	992	1,045	914	997	1,027	1,021	1,014
1939-40	1,116	1,452	1,189	1,290	1,146	1,209	1,149	1,112	1,043	1,152
1940-41	1,303	1,343	1,358	1,355	1,398	1,039	1,648	1,311	1,215	1,362
1941-42	1,430	1,660	1,550	1,593	1,623	1,341	1,953	1,495	1,413	1,579
1942-43	1,649	2,122	1,624	1,812	2,106	1,240	2,322	1,731	1,341	1,816
1943-44	1,733	2,473	1,771	2,044	2,379	1,247	2,405	1,808	1,536	1,944
1944-45	1,761	2,470	1,859	2,103	2,324	1,243	2,562	1,864	1,611	1,994
1945-46	1,750	2,688	1,863	2,152	2,139	1,249	2,842	1,931	1,746	2,034
1946-47	1,944	3,266	2,074	2,550	2,333	1,561	3,385	2,174	2,152	2,340
1947-48	2,233	3,883	2,386	2,984	2,556	2,281	3,919	2,459	2,635	2,721
1948-49	2,425	4,254	2,422	3,155	2,634	2,149	4,251	2,546	2,741	2,854

Source: Commonwealth Bank of Australia.

TABLE XIX.

AUSTRALIA: TERMS OF TRADE.

(Base: Average, 3 years ended June, 1939 = 1,000.)

Year.	Export Price Index (excluding gold) (Commonwealth Statistician).	Import Price Index (Commonwealth Bank).	Terms of Trade.
1928-29	1,205	1,064	1,133
1929-30	980	1,027	954
1930-31	734	1,023	717
1931-32	715	1,010	707
1932-33	698	945	738
1933-34	894	928	963
1934-35	741	925	801
1935-36	942	933	1,010
1936-37	1,156	967	1,195
1937-38	1,025	1,019	1,006
1938-39	819	1,014	808
1939-40	964	1,152	837
1940-41	1,026	1,362	753
1941-42	1,047	1,579	663
1942-43	1,137	1,816	626
1943-44	1,170	1,944	602
1944-45	1,304	1,994	654
1945-46	1,477	2,034	726
1946-47	2,087	2,340	892
1947-48	2,955	2,721	1,086
1948-49	3,481	2,854	1,220

TABLE XX.

AUSTRALIA: EXPORTS, EXCLUDING GOLD, BY PRINCIPAL COMMODITIES.

(£A million f.o.b.)

Year.	Butter.	Meats.	Wheat and Flour.	Other Food- stuffs.	Wool.	Metals and Metal Manu- factures.	Other Exports.	Total.
1928-29	7.2	6.3	26.3	9.2	61.6	5.4	19.6	135.6
1929-30	7.0	6.3	15.0	9.1	36.6	6.4	17.9	98.3
1930-31	8.6	5.8	18.3	8.6	32.0	5.0	12.2	90.5
1931-32	10.3	6.4	23.1	10.2	32.1	4.7	10.1	96.9
1932-33	8.9	6.0	22.0	10.5	36.4	4.6	11.0	99.4
1933-34	8.2	7.1	12.1	11.3	57.1	5.0	14.5	115.3
1934-35	9.6	8.8	16.2	11.7	39.3	5.1	13.0	103.7
1935-36	9.8	8.8	18.6	11.0	52.3	7.2	16.7	124.4
1936-37	8.8	10.3	24.4	12.7	62.5	9.5	20.3	148.5
1937-38	10.8	12.3	26.9	14.8	47.0	9.5	20.4	141.7
1938-39	12.9	11.8	13.3	14.9	42.7	10.1	16.8	122.5
1939-40	15.9	15.1	12.8	16.6	56.9	13.7	18.7	149.7
1940-41	12.0	15.8	16.7	16.5	39.6	12.3	22.1	135.0
1941-42	8.1	14.1	8.8	16.8	58.0	17.3	36.7	159.8
1942-43	8.6	10.9	8.4	12.0	44.3	7.3	34.1	125.6
1943-44	6.9	13.1	15.0	16.6	45.8	7.3	42.0	146.7
1944-45	8.3	14.1	16.5	18.2	49.4	11.4	37.4	155.3
1945-46	12.3	14.0	17.6	28.0	69.3	14.6	41.1	196.9
1946-47	12.6	21.1	28.9	37.7	126.1	29.2	53.4	309.0
1947-48	20.6	22.6	84.6	54.1	148.7	29.6	45.9	406.1
1948-49	23.8	29.8	98.2	78.2	231.4	38.8	42.5	542.7

TABLE XXI.

AUSTRALIA: IMPORTS, EXCLUDING GOLD, BY PRINCIPAL COMMODITIES.

*
(£A million f.o.b.)

Year.	Food-stuffs and Tobacco.	Oils, Fats and Waxes.	Textiles, etc.	Machines and Machinery.	Motor Vehicles and Parts.	Other Metals and Metal Manufactures.	Other.	Total.
1928-29	12.1	10.2	33.6	13.5	9.8	16.1	35.0	130.3
1929-30	11.4	10.8	30.5	13.4	6.4	14.3	32.1	118.9
1930-31	6.5	7.1	16.3	6.3	0.9	5.5	19.6	62.2
1931-32	4.6	5.6	16.0	3.1	0.5	4.0	17.2	51.0
1932-33	4.9	6.8	19.7	3.9	1.6	6.0	21.9	64.8
1933-34	5.5	6.0	18.2	4.9	3.2	6.8	23.2	67.8
1934-35	7.3	6.1	20.2	7.5	5.7	8.8	27.0	82.6
1935-36	7.9	7.6	19.7	10.9	7.6	10.3	31.3	95.3
1936-37	8.7	8.7	20.6	13.1	7.5	10.5	34.2	103.3
1937-38	9.2	10.7	24.0	17.4	9.8	15.2	41.1	127.4
1938-39	9.3	9.9	20.2	15.7	8.6	11.4	38.2	113.3
1939-40	10.4	14.4	28.0	14.5	7.6	15.6	41.4	131.9
1940-41	7.7	10.0	27.6	15.1	4.2	23.0	36.3	123.9
1941-42	8.4	16.2	32.7	17.2	5.9	48.7	41.2	170.3
1942-43	10.2	17.5	29.5	21.2	11.7	67.5	86.6	244.2
1943-44	11.0	23.7	38.6	19.6	14.0	74.1	61.8	242.8
1944-45	11.7	20.7	45.4	18.7	10.3	46.2	60.6	213.6
1945-46	15.4	20.8	31.7	14.2	7.6	24.4	63.6	177.7
1946-47	15.5	20.7	48.9	16.7	13.7	22.2	70.7	208.4
1947-48	28.7	31.8	96.1	28.3	20.8	36.4	93.0	338.1
1948-49	28.1	43.2	100.2	40.8	34.3	52.9	105.6	414.1

TABLE XXII.

AUSTRALIA: EXPORTS, EXCLUDING GOLD, BY PRINCIPAL COUNTRIES OF DESTINATION.

(£A million f.o.b.)

Year.	United Kingdom.	Canada. (1)	New Zealand.	Belgium.	France.	Germany.	Italy.	Japan.	India.	United States of America.	Other.	Total.
1928-29	50.0	0.7	3.7	9.0	15.1	9.7	5.2	11.5	8.1	5.8	16.8	135.6
1929-30	49.4	0.7	3.9	5.5	10.1	6.2	12.2	6.6	3.2	5.2	10.7	98.3
1930-31	41.6	1.0	3.0	4.2	6.7	5.3	3.5	9.5	2.4	2.9	10.4	90.5
1931-32	47.8	1.0	2.6	3.6	4.6	8.9	3.6	11.7	0.7	2.0	15.4	95.9
1932-33	47.2	1.2	2.8	4.1	6.1	5.1	3.3	11.5	0.8	1.3	16.0	99.4
1933-34	54.4	1.3	3.0	7.5	6.5	9.4	4.6	13.9	0.6	2.5	11.6	115.3
1934-35	53.8	1.4	3.6	6.1	4.7	1.7	1.0	12.1	0.8	2.8	15.7	103.7
1935-36	61.0	1.4	4.4	7.3	6.1	2.4	0.7	17.7	1.0	5.6	16.8	124.4
1936-37	72.8	2.3	5.7	9.4	7.9	4.2	5.3	9.7	1.1	10.9	19.2	148.5
1937-38	78.9	2.3	7.1	5.7	10.4	4.4	2.6	5.9	1.1	3.4	20.0	141.7
1938-39	66.8	2.0	6.7	5.5	9.4	2.7	1.2	4.9	2.0	3.6	17.7	122.5
1939-40	96.0	2.4	6.5	9.9	11.8	0.3	0.2	5.5	2.1	5.1	17.9	149.7
1940-41	57.6	4.0	7.7	...	...	...	...	5.4	2.9	24.5	32.9	135.0
1941-42	43.2	3.6	6.9	...	...	...	...	0.9	7.6	48.7	48.7	159.8
1942-43	36.8	2.4	7.8	...	...	...	...	...	7.0	33.5	38.1	125.6
1943-44	40.7	3.7	7.8	...	...	...	1.5	...	10.1	30.9	52.0	146.7
1944-45	52.1	3.8	7.1	...	9.4	...	2.1	...	15.8	30.8	43.2	155.3
1945-46	53.7	3.8	8.9	7.5	10.4	0.4	0.9	1.8	18.0	37.3	55.1	196.9
1946-47	89.6	5.3	12.9	19.1	20.7	1.4	13.2	5.6	13.0	47.3	80.6	309.0
1947-48	152.1	5.9	15.3	19.3	36.5	4.0	11.9	2.5	26.7	35.1	97.7	466.4
1948-49	228.0	8.7	17.3	19.9	46.6	4.1	29.1	7.4	26.0	32.1	123.4	542.7

(1) Including Newfoundland.

TABLE XXIII.

AUSTRALIA: IMPORTS, EXCLUDING GOLD, BY PRINCIPAL COUNTRIES OF ORIGIN.

(£A million f.o.b.)

Year.	United Kingdom.	Canada. (1)	New Zealand.	Belgium.	France.	Germany.	Italy.	Japan.	India.	United States of America.	Other.	Total.
1928-29	52.2	4.5	1.9	0.8	3.4	4.2	1.3	4.3	5.5	32.3	19.9	130.3
1929-30	50.8	3.3	1.4	0.9	2.9	4.1	1.3	3.9	4.2	28.4	17.7	118.9
1930-31	23.9	1.4	0.7	0.3	1.5	2.9	0.7	3.4	3.9	11.7	13.7	62.2
1931-32	20.2	1.6	0.6	0.3	1.3	1.7	0.5	2.8	3.2	8.2	10.6	51.0
1932-33	26.8	2.6	0.7	0.4	1.4	2.1	0.8	4.0	3.9	9.2	12.9	61.8
1933-34	28.7	3.3	1.1	0.4	1.1	2.2	0.7	4.2	3.9	8.9	13.9	67.8
1934-35	35.1	4.7	1.2	0.5	1.0	2.4	0.6	5.3	3.9	12.6	16.3	82.6
1935-36	38.6	6.1	1.4	0.6	0.8	3.4	0.5	5.7	3.1	15.8	19.3	95.3
1936-37	44.0	6.9	1.2	0.9	1.0	4.1	0.5	4.6	3.4	21.4	15.3	103.3
1937-38	52.7	9.2	1.6	1.3	1.1	4.8	1.0	6.1	3.5	20.2	25.9	127.4
1938-39	46.1	8.8	1.6	1.1	1.2	4.7	0.8	4.7	3.3	16.7	24.1	113.4
1939-40	50.1	10.4	0.9	1.2	1.1	1.3	0.9	6.6	6.7	22.9	29.8	131.9
1940-41	56.3	8.7	1.1	0.1	0.1	0.2	0.1	4.1	8.0	19.8	25.4	123.9
1941-42	64.4	10.9	1.9	...	...	...	...	0.5	12.6	51.1	30.7	170.3
1942-43	82.2	11.6	1.1	...	...	...	...	...	16.9	107.8	24.6	244.2
1943-44	94.6	16.5	0.9	...	...	...	...	...	23.7	118.6	24.5	242.8
1944-45	79.3	19.2	1.5	...	...	...	...	...	18.4	83.1	30.1	213.6
1945-46	67.1	7.9	2.1	0.4	...	...	...	...	11.4	45.7	41.4	177.7
1946-47	74.6	16.7	2.9	1.6	1.0	0.1	2.8	0.7	17.4	39.8	50.1	208.4
1947-48	132.2	15.3	3.4	5.2	3.1	0.6	2.7	1.4	26.7	66.8	80.7	338.1
1948-49	209.6	12.1	4.7	3.6	4.9	1.8	3.8	1.7	25.9	41.5	106.4	414.1

(1) Including Newfoundland.

TABLE XXIV.
AUSTRALIA: TOTAL MARKET EXPENDITURE AND
THE BALANCE OF PAYMENTS.

(£A million.)

Year.	I Home Gross Production.	II Imports c.i.f.	III Other Payments for Goods and Services.	IV Total Market Expendi- ture.	V Exports f.o.b.	VI Other Receipts for Goods and Services (in- cluding Gold Production).	VII Total National Supply.
1928-29	907	150	5	1,062	137	11	914
1929-30	838	141	5	984	96	12	876
1930-31	662	72	2	736	90	10	636
1931-32	633	60	2	695	97	13	585
1932-33	663	75	3	741	99	14	628
1933-34	725	78	5	808	114	15	679
1934-35	747	95	5	847	103	18	726
1935-36	834	112	6	952	124	21	807
1936-37	907	118	9	1,034	148	27	859
1937-38	963	147	10	1,120	141	31	948
1938-39	949	126	12	1,087	122	32	933
1939-40	1,025	151	18	1,194	152	34	1,008
1940-41	1,110	129	43	1,282	144	33	1,105
1941-42	1,283	138	20	1,441	133	34	1,274
1942-43	1,458	97	23	1,578	117	28	1,433
1943-44	1,496	93	-68	1,521	136	26	1,359
1944-45	1,455	106	-48	1,513	137	27	1,349
1945-46	1,496	135	-43	1,588	150	26	1,412
1946-47	1,617	238	63	1,918	265	29	1,624
1947-48	2,013	377	7	2,397	397	33	1,967
1948-49	2,267	461	33	2,761	522	40	2,199

NOTES TO TABLE XXIV.

"Other Payments for Goods and Services" is constructed so as to correspond to the sum of Items 15 (b), 15 (c) and 15 (d) (less freight and insurance on imports) as defined in the paper presented to Parliament on "National Income and Expenditure, 1949-50."

"Other Receipts for Goods and Services" is constructed so as to correspond to Item 14 (b) as defined in "National Income and Expenditure, 1949-50," plus gold production.

The entries in columns II and V exclude government imports and exports respectively from 1939-40 to 1945-46. During this period these government transactions are included in Items III and VI respectively.

TABLE XXV.

AUSTRALIA: NATIONAL INCOME AND RESIDENT NATIONAL INCOME.

(£A million.)

Year.	I National Income.	II Public Authority Interest Payable Overseas.	III Other Income Payable Overseas (net).	IV Resident National Income.
1928-29	799	28	10	761
1929-30	726	30	11	685
1930-31	565	37	8	529
1931-32	539	34	4	501
1932-33	561	32	6	523
1933-34	622	31	7	584
1934-35	641	29	8	604
1935-36	718	28	9	681
1936-37	786	27	12	747
1937-38	832	27	12	793
1938-39	814	28	12	774
1939-40	877	28	14	835
1940-41	949	28	14	907
1941-42	1,069	28	14	1,057
1942-43	1,253	27	15	1,211
1943-44	1,309	27	17	1,265
1944-45	1,274	27	12	1,235
1945-46	1,303	25	14	1,264
1946-47	1,376	22	19	1,335
1947-48	1,761	21	21	1,719
1948-49	1,955	20	20	1,915

TABLE XXVI.

AUSTRALIA : COMPONENTS OF THE BALANCE OF PAYMENTS AND VARIOUS
NATIONAL INCOME AGGREGATES.

Year.	I Imports and Other Invisibles Payments as a Percentage of Total Market Expenditure.	II Exports and Other Invisibles Receipts as a Percentage of Total Market Expenditure.	III Income Payable Overseas (net) as a Percentage of National Income.	IV Public Authority Interest Payable Overseas as a Percentage of National Income.	V Public Authority Interest Payable Overseas as a Percentage of Total Public Interest Payments (net).
1928-29	14.6	13.9	4.8	3.5	52.9
1929-30	14.8	11.0	5.6	4.1	53.6
1930-31	10.1	13.6	8.0	6.5	57.8
1931-32	8.9	15.8	7.0	6.3	53.1
1932-33	10.5	15.2	6.8	5.7	55.2
1933-34	10.3	16.0	6.1	5.0	56.4
1934-35	11.8	14.3	5.8	4.5	55.8
1935-36	12.4	15.2	5.2	3.9	52.8
1936-37	12.3	17.0	5.0	3.4	52.9
1937-38	14.0	15.4	4.7	3.2	51.9
1938-39	12.7	14.2	4.9	3.4	52.8
1939-40	14.2	15.6	4.8	3.2	51.8
1940-41	13.4	13.8	4.4	3.0	50.0
1941-42	10.9	11.6	3.8	2.5	48.3
1942-43	7.6	9.2	3.4	2.2	43.5
1943-44	1.6	10.7	3.4	2.1	39.7
1944-45	3.8	10.8	3.1	2.1	36.5
1945-46	5.8	11.1	3.0	1.9	32.1
1946-47	15.7	15.3	3.0	1.6	27.5
1947-48	16.0	17.9	2.4	1.2	25.9
1948-49	17.9	20.4	2.0	1.0	24.4

TABLE XXVII.

AUSTRALIA: NATIONAL INCOME, PUBLIC BORROWING, NET PRIVATE INVESTMENT AND PRIVATE CAPITAL INFLOW.

(£A million.)

Year.	I National Income.	II Public Authority Overseas Borrowing (net).	III Public Authority Total Borrowing.	IV Net Private Investment.	V Private Capital Inflow (including errors and omissions).
1928-29	799	(a)	46	101	(a)
1929-30	726	(a)	40	95	(a)
1930-31	565	(a)	36	...	(a)
1931-32	539	(a)	24	— 7	(a)
1932-33	561	— 4	13	23	16
1933-34	622	— 9	18	30	23
1934-35	641	— 1	26	51	— 14
1935-36	718	— 6	20	75	13
1936-37	786	— 1	17	85	25
1937-38	832	1	18	122	13
1938-39	814	3	27	95	— 3
1939-40	877	— 3	40	103	45
1940-41	949	15	110	45	39
1941-42	1,060	— 10	189	32	22
1942-43	1,253	— 3	358	— 26	39
1943-44	1,309	— 23	306	— 7	24
1944-45	1,274	— 20	211	34	— 21
1945-46	1,303	— 45	151	125	8
1946-47	1,376	— 12	16	242	43
1947-48	1,761	— 9	— 19	333	80
1948-49	1,955	— 14	— 10	354	104

(a) Not available.

NOTES TO TABLE XXVII.

Public Authority Overseas Borrowing (net).

This item consists of the net movement in each year in the total indebtedness overseas of all public authorities—Commonwealth, State and Local. It includes movements in the amount of public authority debts held overseas, changes in the amount of New Zealand public authority debt domiciled in Australia, discounts and cash bonuses on the conversion of Australian overseas debts, changes in the overseas assets of the National Debt Sinking Fund and movements in the Commonwealth Bank's holdings in London of marketable Australian securities.

Private Capital Inflow.

This item includes errors and omissions in other items. It includes changes in net private investment in Australia by foreigners, changes in Australia's net liability to the Joint Organization, the International Monetary Fund and the International Bank for Reconstruction and Development, and changes in the Australian currency holdings of foreign banks and governments.

APPENDIX II.

Treatment of Wool Transactions, 1939-40 to 1948-49.

After the outbreak of war in September, 1939, negotiations were concluded between the Governments of the United Kingdom and Australia whereby the former contracted to purchase the entire Australian wool clip for the duration of the war and the full clip thereafter. An agreement was also made in respect of the exportable surplus of woolled sheepskins.

Considerable quantities of the wool and sheepskins which were sold to the United Kingdom between 1939-40 and 1944-45 were stored in Australia during the war years and the recorded export statistics thus give little indication of the actual amounts received by Australia during those years.

By 31st July, 1945, the United Kingdom had accumulated stocks of Australian wool in Australia and the United Kingdom valued at £127.4 million. On that date the "United Kingdom-Dominion Wool Disposal Limited" (referred to below as Joint Organization or J.O.) was formed, and this wool was transferred to the joint ownership of the governments of the United Kingdom and Australia. All subsequent transactions (both purchases and sales) in Australian wool have been undertaken on behalf of the two Governments jointly.

The ultimate balance of profit or loss arising each year from the transactions of J.O. in Australian wool has been shared equally between the Governments of the United Kingdom and Australia.

Further details of this arrangement are contained in the Official Year Book of the Commonwealth of Australia No. 37, pp. 875-9.

The following notes explain how wool transactions are brought into account in the estimates for 1939-40 to 1948-49.

Adjustment to Recorded Value of Wool Exports.

The table below shows details of the adjustment which is made in Item 7 of Table I (Appendix I) to the recorded value of wool exports.

ADJUSTMENT TO RECORDED VALUE OF WOOL EXPORTS.

(£A million.)

Year.	I Proceeds of Bulk Purchase of Wool and Sheepskins.	II Recorded Exports of Wool and Sheepskins.	III Exports of J.O. Wool Stocks	IV Purchases of Wool by J.O. in Australia.	V Sales of Wool by J.O. in Australia.	VI Miscel- laneous J.O. Expenses in Australia.	VII Profits Payable by J.O. (or United Kingdom in Govern- ment) to Australia.	VIII Total Adjust- ment (I + IV + VI + VII) less (II + III + V).
1939-40	61.1	58.1	...	...	...	...	1.2	4.2
1940-41	58.1	38.5	...	...	...	...	2.6	22.2
1941-42	59.7	58.2	...	...	...	...	1.6	6.1
1942-43	60.6	43.6	...	...	...	...	1.4	24.4
1943-44	69.8	43.8	...	...	...	...	1.6	27.6
1944-45	61.2	48.9	...	...	...	...	2.3	15.5
1945-46	...	...	70.6 (a)	58.2	9.7	0.7	3.6	16.8
1946-47	...	...	40.8	0.9	7.3	1.2	0.1	36.9
1947-48	...	...	4.1	0.3	14.0	0.2	10.8	7.2
1948-49	...	...	13.8	0.1	20.2	0.4	14.1	19.4

(a) Including some United Kingdom wool stocks.

The differences between the entries in columns I and II for the period 1939-40 to 1944-45 are due to the United Kingdom practice of storing large quantities of wool in Australia during the war years.

Part of the original agreement entered into with the United Kingdom in 1939 stated that any profits resulting from the resale of wool purchased by the United Kingdom would be shared equally by the United Kingdom and Australia. The profits accruing from the resale of wool purchased by the United Kingdom from the 1939-40 to 1944-45 wool clips amounted to £13.7 million by June, 1945. In column VII this £13.7 million is apportioned between the six years according to the profits made on each season's wool. As none of Australia's share of the profits was paid during these years a contra-entry is necessary in the balance of payments on capital account showing increases in the investment in J.O. by Australia.

The Joint Organization commenced operations in 1945-46 and purchased the Australian clip on a similar basis to that which had been used previously by the United Kingdom Government. The appraised value of the wool was £58.2 million and this amount is shown in column IV as an addition to Australia's receipts (*i.e.*, is treated as an export). Exports of wool owned by J.O. or the United Kingdom Government in 1945-46 amounted to £70.6 million and this amount is deducted in column III from the recorded value of Australian exports.

Wool sold by J.O. in Australia yielded £9.7 million in 1945-46 (see column V) and this amount is treated as a negative or returned export.

Column VI includes miscellaneous expenses incurred by J.O. in Australia. Most of these expenses may be regarded as an addition to the f.o.b. equivalent of J.O. purchases and are so treated.

The entry for column VII in 1945-46 is Australia's share of J.O.'s profits in respect of Australian wool during the year (£7.3 million) less an adjustment made to the divisible profits account between 30th June, 1945, and the commencement of J.O.'s operations, which reduced the £13.7 million payable to Australia to a figure of £12.0 million. This adjustment consisted of an addition of £1.4 million for the balance of f.o.b. charges, etc., and a deduction of £3.1 million which was Australia's share of an amount deductible from the cost price of the opening stocks in accordance with certain provisions of the Financial Plan of the Joint Organization.

Wool auctions were recommenced at the beginning of 1946-47. For the years 1946-47 to 1948-49, exports of J.O.-owned wool stocks are deducted in column III and the other adjustments are similar to those for 1945-46, except that column VII shows Australia's share of J.O. profits for the year adjusted only for certain minor amendments (each of less than £0.1 million) which were made to the divisible profits accounts for former years.

The final adjustment for each year in column VIII is transferred to Item 7 of Table II.

Joint Organization Transactions Affecting the Balance of Payments on Capital Account.

It has already been explained that a contra-entry is necessary in the balance of payments on capital account to balance the profits payable to Australia which are added to the recorded value of wool exports in Table II. This item is shown as "Increase in investment in Joint Organization, etc." in Table XI in Appendix I.

By 30th June, 1949, J.O. had built up fixed assets, investments, cash balances, etc., in Australia of £43.2 million. This total is the sum of the entries for

item 17, of Table XI, for 1945-46 to 1948-49 inclusive. The relation of this item to other items in Australia's balance of payments on current and capital account is explained in the table below:—

JOINT ORGANIZATION ASSETS IN AUSTRALIA IN RELATION TO BALANCE OF PAYMENTS ON CURRENT AND CAPITAL ACCOUNT.

(£A million.)

	1945-46.	1946-47.	1947-48.	1948-49.
1. Amounts (net) due to J.O. from current transactions in Australia (column V less columns IV and VI in previous table)	— 49.2	5.2	13.9	19.7
2. Increase in J.O. fixed assets, investments, cash balances, etc., in Australia	2.7	0.9	8.6	31.0
3. Item 2 minus Item 1	51.9	— 4.3	— 5.3	11.3
4. J.O. remittances from United Kingdom to Australia (net)	16.3	— 29.7	— 1.9	8.6
5. Plus excess of amounts received in Australia by J.O. over sales at auction included in Item 1 above ..	35.6	25.4	— 3.4	2.7
6. Item 4 plus Item 5	51.9	— 4.3	— 5.3	11.3

Item 1 of the above table is a current account item and if J.O. made no remittances between United Kingdom and Australia and paid and received cash for all transactions in Australia, it would be identical with item 2, which appears in the capital account (see Table XI).

In fact, Items 1 and 2 were appreciably different in each of the four years and the equivalence of the balances on current and capital account was brought about by movements in Australia's international reserves of an amount equal to the difference between the two items (i.e., the movements shown in Item 3).

Items 4 and 5 show how this movement was divided between (a) remittances by J.O. to or from United Kingdom, and (b) differences between J.O. sales at auction in Australia and the actual amount received in Australia by J.O. during the year for sales of Australian wool. The position in 1945-46 was as follows:—The appraised value of the Australian clip was £58.2 million but J.O. remittances to Australia amounted to only £51.9 million. At the same time J.O. sold a large proportion of that wool to overseas buyers and received £35.6 million in Australia during the year (see Item 5). This amount was remitted to United Kingdom and Item 4 shows a net remittance to Australia of £16.3 million.

The entries for 1946-47 to 1948-49 in the table are similar to those for 1945-46 but, in 1947-48 and 1948-49, J.O.'s receipts in Australia approximated more closely to the value of J.O. sales in Australia during the year.

General.

The value of United Kingdom wool stocks taken over by Joint Organization on 31st July, 1945, was £127.4 million. Australia's share of these stocks was £63.7 million and payment was to be made in four equal annual instalments after allowing for the £12.0 million standing to Australia's credit in the divisible profits account for previous years.

By June, 1947, Australia's share of the proceeds of J.O. operations had cancelled this debt and J.O. owed Australia £1.1 million. In addition, Australia's share of the wool stocks was valued (at previous appraised price) at £24.3 million,

At the end of 1948-49 J.O. owed Australia £41.3 million, but the potential effect of this debt on Australia's international reserves was nullified by J.O.'s cash balances, etc., in Australia valued at £43.2 million. In addition Australia owned £9.0 million (at appraised or cost price) of stocks and would receive, in effect, all profits made on the resale of these stocks.

The table below summarizes the movements in Australia's share of J.O. stocks and profits up to the end of 1948-49.

AUSTRALIA'S SHARE OF J.O. WOOL STOCKS AND PROFITS, ETC.

(£A million.)

Year.	Beginning of Year.		Operations During Year.		End of Year.		
	Australian Share of J.O. Stocks (at cost).	Australia Owed J.O.	Australian Share of Stocks Sold During Year (at cost).	Australian Share of Profits.	Australian Share of J.O. Stocks (at cost).	Australia Owed J.O.	Net Position of Australia
1944-45	...	...	...	...	63.7	50.0	13.7
1945-46	63.7	50.0	19.1	5.6	44.6	25.3	19.3
1946-47	44.6	25.3	20.3	6.0	24.3	— 1.1 (a)	25.4
1947-48	24.3	— 1.1	7.5	10.8	16.8	— 19.4	36.2
1948-49	16.8	— 19.4	7.8	14.0	9.0	— 41.3 (a)	50.3

(a) Including adjustment of £0.1m. to divisible profits account for previous years.

APPENDIX III.

Survey of Companies with Overseas Affiliations.

(SEE CHAPTER VII.)

Copies of the questionnaires used in connection with this Survey for 1948-49 are included in this appendix.

Australian resident companies received only those sections of the Resident Company questionnaires relevant to their company. About 25 per cent. of the 1,050 resident companies received only the "Questionnaire to Resident Companies with Minor Overseas Affiliations." The remaining resident companies received one or more of the "Overseas Branch Questionnaire," the "Overseas Subsidiary Questionnaire" and the "Questionnaire to Australian Subsidiaries" if they had the necessary overseas affiliations. In addition these resident companies received the "Resident Companies—General Questionnaire" except where an overseas company owned 100 per cent. of the Australian company's shares, in which case only the "Questionnaire to Australian Subsidiaries" was necessary.

Non-resident companies (other than insurance companies) received only the "Non-Resident Companies—General Questionnaire" and a modified form of that questionnaire (the "Non-Resident Insurance Companies—General Questionnaire") was prepared for use by insurance companies.

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COMMONWEALTH OF AUSTRALIA.
COMMONWEALTH BUREAU OF CENSUS AND STATISTICS.

SURVEY OF COMPANIES WITH OVERSEAS AFFILIATIONS.

RESIDENT COMPANIES—GENERAL QUESTIONNAIRE.

Note.—The information requested in this questionnaire is for the year ended 30th June, 1949. If it is impossible for you to give details for this period, your accounting period nearest to the year ended 30th June, 1949, may be substituted. If this is done, please indicate substituted accounting period used

ALL AMOUNTS SHOULD BE SHOWN IN £AUST.

1. What was the amount of your paid-up capital and issued debentures at 30th June, 1949?

(a) Ordinary shares £..... (c) Other shares £.....
(b) Preference shares £..... (d) Debentures £.....

2. What dividends and debenture interest did you pay or credit during the twelve months ended 30th June, 1949?

(a) Ordinary dividends £..... (c) Other dividends £.....
(b) Preference dividends £..... (d) Debenture interest £.....

3. What amount of your paid up capital and debentures was held at 30th June, 1949, by companies incorporated overseas or by persons resident outside Australia or by nominees for such companies or persons (so far as you are aware)? Approximate amounts will be sufficient. If you answered this question in detail last year and no change in any item has occurred greater than £1,000 you should insert "no significant change."

	COUNTRIES IN WHICH PAID-UP CAPITAL AND DEBENTURES HELD				
	U.K.	U.S.A.	Canada.	N.Z.	Other Overseas Countries.
(a) Ordinary Shares ...	£	£	£	£	£
(b) Preference Shares ...					
(c) Other shares					
(d) Debentures					

4. What was the book value of shares and debentures held by you at 30th June, 1949, in companies incorporated overseas?

	COUNTRIES IN WHICH COMPANIES INCORPORATED.				
	U.K.	U.S.A.	Canada.	N.Z.	Other.
(a) Shares.....	£	£	£	£	£
(b) Debentures					

5. During the year ended 30th June, 1949, what amounts did you pay for purchases of or receive from sales of shares and debentures of companies incorporated overseas.

	<i>Shares.</i>	<i>Debentures.</i>
Purchases	£.....	£.....
Sales	£.....	£.....

6. During the year ended 30th June, 1949, what amounts did you pay overseas (or credit to local bank accounts of known overseas companies or persons or their nominees) in respect of the following items? Approximate amounts will be sufficient.

	COUNTRIES TO WHICH PAYMENT MADE.				
	U.K.	U.S.A.	Canada.	N.Z.	Other.
(a) Dividends	£	£	£	£	£
(b) Interest					
(c) Royalties, etc.					
(d) Commission					

7. During the year ended 30th June, 1949, what amounts did you receive from overseas in respect of the following items?

	COUNTRIES FROM WHICH AMOUNTS RECEIVED.				
	U.K.	U.S.A.	Canada.	N.Z.	Other.
(a) Profits	£	£	£	£	£
(b) Dividends					
(c) Interest					
(d) Royalties, etc.					
(e) Commission					

SUPPLEMENTARY QUESTIONS TO BE ANSWERED ONLY BY COMPANIES WHICH DID
NOT COMPLETE QUESTIONNAIRE LAST YEAR.

8. What was the amount of your paid-up capital and issued debentures at 30th June, 1948?

(a) Ordinary shares	£.....	(c) Other shares	£.....
(b) Preference shares	£.....	(d) Debentures	£.....

9. If any of the amounts in the answer to question 3 were different from the corresponding amounts at 30th June, 1948, please list alterations for each country of £1,000 or more during the year indicating whether the change was an increase or decrease.

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The contents of this return will not be disclosed to anyone except specially authorized officers of the Commonwealth Bureau of Census and Statistics, who are pledged to secrecy.

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COMMONWEALTH OF AUSTRALIA.
COMMONWEALTH BUREAU OF CENSUS AND STATISTICS.

SURVEY OF COMPANIES WITH OVERSEAS AFFILIATIONS.

OVERSEAS BRANCH QUESTIONNAIRE.

The period referred to in the following questions is 1st July, 1948—30th June, 1949. If it is impossible to give details for this period your accounting period nearest to the year ending 30th June, 1949, may be substituted. If this is done please indicate substituted accounting period used

Extra copies of this form will be supplied on request.

ALL AMOUNTS SHOULD BE SHOWN IN £AUST.

1. Country in which branch operated £
2. Home office (*i.e.*, Australian office) book value of the net assets of the branch at 30th June, 1948

Add—

3. Home office charges for cash remitted
4. Home office charges for merchandise, machinery, etc., shipped to branch
5. Other home office charges
6. Net earnings of foreign branch

TOTAL ADDITIONS
(3—6)

Deduct—

7. Cash remittances to home office
8. Shipments of merchandise, etc., to home office
9. Other deductions

TOTAL DEDUCTIONS
(7—9)

10. Home office book value of the net assets of the branch at 30th June, 1949

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COMMONWEALTH BUREAU OF CENSUS AND STATISTICS.

SURVEY OF COMPANIES WITH OVERSEAS AFFILIATIONS.

OVERSEAS SUBSIDIARY QUESTIONNAIRE.

If your company held 25 per cent. or more of the ordinary shares (or voting stock) on 30th June, 1949, of a company or companies incorporated overseas please answer the questions below in respect of each such overseas company.

The period referred to in the questions is 1st July, 1948-30th June, 1949. If it is impossible to give details for this period, your accounting period nearest to the year ending 30th June, 1949, may be substituted. If this is done please indicate the substituted accounting period used

Extra copies of this form will be supplied on request.

ALL AMOUNTS SHOULD BE SHOWN IN £AUST.

1. Country in which overseas company is incorporated
2. Book value of Australian company's holdings of shares and debentures of overseas company at 30th June, 1949. £
 - (a) Shares
 - (b) Debentures
3. Amount (if any) paid to or received from overseas in respect of any change in holdings of shares and debentures of overseas company during the year ended 30th June, 1949
4. Approximate percentage of Australian company's holdings of shares and debentures of overseas company at 30th June, 1949 %
5. Receipts by Australian company (net of foreign income tax) from overseas company during year ended 30th June, 1949 £
 - (a) Dividends—
 - (i) Ordinary
 - (ii) Preference
 - (b) Interest
 - (c) Royalties, etc.
6. Inter-company accounts, deposits and advances outstanding between Australian company and overseas company

30-6-48	30-6-49
£	£

 - (a) Due to Australian company
 - (b) Due to overseas company

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COMMONWEALTH OF AUSTRALIA.

QUESTIONNAIRE TO AUSTRALIAN SUBSIDIARIES.

SURVEY OF COMPANIES WITH OVERSEAS AFFILIATIONS.

QUESTIONNAIRE TO AUSTRALIAN SUBSIDIARIES.

If any one company incorporated overseas, or a group of companies incorporated in one overseas country, held 25 per cent. or more of your ordinary shares on 30th June, 1949, please answer the questions below. If more than one "parent" company or group held such a proportion of your shares a separate statement should be supplied for each parent. Extra copies of this form will be supplied on request.

The period referred to in the following questions is 1st July, 1948-30th June, 1949. If it is impossible to give details for this period your accounting period nearest to the year ending 30th June, 1949, may be substituted. If this is done please indicate the substituted accounting period used

ALL AMOUNTS SHOULD BE SHOWN IN £AUST.

1. Country of incorporation of parent company or parent group of companies
2. Book value of parent company's (or group's) holdings of shares and debentures in Australian company at 30th June, 1949—
 - (a) Shares
 - (b) Debentures
3. Amount (if any) paid to or received from overseas in respect of any change in parent company's (or group's) holdings of shares and debentures in Australian company during year ended 30th June, 1949
4. Percentage of ordinary shares of Australian company held by overseas parent at 30th June, 1949%
5. Payments made by Australian company to parent company or group (net of Australian income tax) during year ended 30th June, 1949. £
 - (a) Dividends—
 - (i) Ordinary
 - (ii) Preference
 - (b) Interest
 - (c) Royalties, etc.
6. Receipts of commission from parent company or group during the year ended 30th June, 1949.
7. Inter-company accounts, deposits and advances outstanding between Australian company and parent company or group or other associated overseas companies.

	30-6-48,	30-6-49,
(a) Payable to parent company or group £.....	£.....	£.....
(b) Due from parent company or group £.....	£.....	£.....
(c) Payable to other associated companies overseas £.....	£.....	£.....
(d) Due from other associated companies overseas £.....	£.....	£.....

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COMMONWEALTH OF AUSTRALIA.
COMMONWEALTH BUREAU OF CENSUS AND STATISTICS.

SURVEY OF COMPANIES WITH OVERSEAS AFFILIATIONS.

QUESTIONNAIRE TO RESIDENT COMPANIES WITH MINOR OVERSEAS AFFILIATIONS.

In the questionnaire relating to the year ended 30th June, 1948, you indicated that—

- (a) The total amount of your paid-up capital held by companies incorporated overseas or by persons resident outside Australia was less than £10,000.
- (b) No company incorporated overseas held more than 25 per cent. of your ordinary shares.
- (c) Your company did not carry out operations overseas by means of branches.
- (d) Your company did not hold 25 per cent. or more of the ordinary shares of a company incorporated overseas.
- (e) Your company neither paid overseas, nor received from overseas, profits, dividends, interest or royalties of amounts exceeding £1,000.

If the situation was unchanged at 30th June, 1949, please write YES in the rectangle below, but, if some change in your overseas affiliations or operations occurred between 30th June, 1948, and 30th June, 1949, please indicate which of (a)-(e) above is no longer applicable to your company and write NO in the rectangle below.

YES or NO.	
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COMMONWEALTH OF AUSTRALIA.
COMMONWEALTH BUREAU OF CENSUS AND STATISTICS.

SURVEY OF COMPANIES WITH OVERSEAS AFFILIATIONS.

NON-RESIDENT COMPANIES—GENERAL QUESTIONNAIRE.

The period referred to in the following questions is 1st July, 1948-30th June, 1949. If it is impossible to give details for this period your accounting period nearest to the year ended 30th June, 1949, may be substituted. If this is done please indicate substituted accounting period used

ALL AMOUNTS SHOULD BE SHOWN IN £AUST.

1. In which country is your company incorporated?
2. What was the home office book value of your net assets in Australia on 30th June, 1948?
3. What additions were made to the home office book value of your assets in Australia during the year ended 30th June, 1949, in respect of—
 - (a) Cash remittances from home office
 - (b) Merchandise, machinery, etc., received from home office
 - (c) Net earnings in Australia
 - (d) Other additions

TOTAL ADDITIONS

4. What deductions were made from the home office book value of your assets in Australia during the year ended 30th June, 1949, in respect of—
 - (a) Cash remittances to home office
 - (b) Shipments of merchandise, etc., to home office
 - (c) Other deductions

TOTAL DEDUCTIONS

5. What was the home office book value of your net assets in Australia on 30th June, 1949? (This should be equal to the amount shown in question 2 plus the amounts in question 3 and less the amounts in question 4.)

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COMMONWEALTH OF AUSTRALIA.
COMMONWEALTH BUREAU OF CENSUS AND STATISTICS.

SURVEY OF COMPANIES WITH OVERSEAS AFFILIATIONS.

NON-RESIDENT INSURANCE COMPANIES—GENERAL QUESTIONNAIRE.

The period referred to in the following questions is 1st July, 1948-30th June, 1949. If it is impossible to give details for this period, your accounting period nearest to the year ended 30th June, 1949, may be substituted. If an accounting period ended December is substituted please use the year ended December, 1948. Please indicate substituted accounting period used (if any)

ALL AMOUNTS SHOULD BE SHOWN IN £AUST.

1. In which country is your company incorporated?
2. What was the value of your net physical assets in Australia on—
 - (a) 30th June, 1948?
 - (b) 30th June, 1949?
3. What additions were made to the value of your assets in Australia during the year ended 30th June, 1949, in respect of—
 - (a) Cash remittances from Home Office
 - (b) Net earnings in Australia (i.e., premiums and investment income received less claims, expenses, taxes and re-insurance (local and overseas) premiums paid)
4. What deductions were made from the value of your assets in Australia during the year ended 30th June, 1949, in respect of cash remittances to Head Office

The contents of this return will not be disclosed to anyone except specially authorized officers of the Commonwealth Bureau of Census and Statistics, who are pledged to secrecy.