

Australian ports for transshipment to overseas ports. These imports for re-export have therefore been deducted from the gross figures for both imports and exports. A further note is necessary with reference to interstate trade. Until 1904 'goods dispatched from one Australian state for transshipment in another state to an overseas country were simply recorded in the former as an export to the transshipping state, and thus no proper record of the export as "oversea" was made. Owing to this defect the overseas trade prior to 1904 is understated by an amount which it is impossible to estimate accurately, since it varies with the development of the shipping facilities of the states concerned.' An analogous discrepancy occurs in imports for which, however, an official estimate for the years affected is included in the table below.

Ships' stores represent another item not included in the total figures. For the years prior to 1906, however, this item was included in the recorded total of imports, and the blanks in the relevant column are thus explained. The import or export of vessels was not recorded before the year 1905, and the value of this item has been obtained from the annual statistics under this head recorded by the Board of Trade. As the value is quite a considerable item in the balance of indebtedness it has been included in the general table. For the items concerned, the Commonwealth statistics are as comprehensive and accurate as can reasonably be expected, and the pleasure of working with such excellent and well-arranged returns must be recorded.

The recorded value for exports, however, constitutes the least satisfactory item in the commodity balance. The method of registering the value of exports at current Australian prices, even if the returns furnishing the necessary data were accurate, leaves considerable room for over-statement. It is believed that the figure for exports are somewhat in excess of the true value; but any estimate of the error from over-valuation and of the deduction necessary to take into account overseas charges paid by Australia, presents great difficulty. Such estimates must be mainly guesswork, but it is felt that 5 per cent. of recorded value represents a conservative allowance. The figures, therefore, have been adjusted in accordance with this view.