

New York to oversight the trade. To remove any possibility of direct competition between Australian meat and domestically produced table beef the Board has, on its own initiative, prohibited the export of fresh or chilled meat to the U.S. and has restricted, to insignificant quantities, exports of meat prepared for direct consumption.

The Australian industry and the Australian Government have always been ready to consult with the United States and to co-operate to ensure that our exports do not damage the U.S. cattle industry. In 1964 Australia voluntarily agreed to limit its meat exports to the U.S. and only to increase exports in accordance with a predetermined growth factor. The quantities involved for 1964 represented a cut back of 6 per cent on our 1963 performance.

Notwithstanding this Agreement (and similar agreements with New Zealand, Ireland and Mexico) exporting countries have, since 1965, been faced with the continuous threat of quotas under PL88-482.

The Meat Board also has taken positive action in regard to the pattern of shipments from Australia to the U.S.A. Arrivals of Australian meat in the U.S., reflecting our southern hemisphere production season, normally tend to be at their highest levels during the July-September period. This would appear to match rather well with the seasonal pattern of U.S. production of manufacturing beef which is highest in October/January, and with the pattern of U.S. demand. Nevertheless, in response to concern expressed by U.S. cattle producers, the Australian Meat Board has obtained the active co-operation of exporters and sought that of importers, shipowners and end users, to secure a more even flow of arrivals over 1968.

The development of markets for Australian meat outside U.S.A.

While the continued availability of the United States market is of prime importance to the Australian meat industry, the Meat Board and exporters have been making strenuous efforts to develop new markets.

Results so far are encouraging. Meat exports to Japan and Okinawa during 1967 at 100.3 million lb. were 200 percent above the 1963 level and since 1964 Japan has been Australia's main outlet for mutton. Increases in exports to Canada, the Middle East and other smaller markets have been also significant. It is anticipated that the continuing development of such markets will be of increasing importance as Australian production expands.

The development of world trade in meat is greatly hampered by high trade barriers erected in many traditional importing countries and Australia has constantly endeavoured through bilateral and multilateral discussions to secure the removal or reduction of these barriers. At the 24th Session of G.A.T.T. in November 1967 Australia strongly supported the establishment of the G.A.T.T. Committee on Agriculture which will examine the problems confronting international trade in meat and establish a framework for future negotiations aimed at securing freer access to world markets. Prospects for success in these and other endeavours would be hampered greatly if the United States—the major trading nation of the world—were further to restrict access to its market.

Trading relations between U.S.A. and Australia

In 1967, U.S.A. exported to Australia \$US889 million worth of goods, whereas it imported only \$US406 million from Australia, almost one-half of which was Australian meat exports. Any development which adversely affected meat exports could significantly reduce Australia's ability to maintain its current rate of imports.

The Australian economy provides an excellent market for U.S.A. exporters of machinery, aircraft (both commercial and military) and other transport equipment as well as such diverse products as chemicals, textile fibres, paper, lumber, fertilizers, tobacco, plastic materials and scientific equipment. In the last decade Australia has been one of America's most rapidly growing markets and its third largest buyer of defence goods; but over this same period, Australia's trade deficit with the United States has been of the order of \$US2,500 million.

Based on Australian statistics the Australian market for U.S. commodities during recent years has grown faster than the U.S. market for Australian goods, and the balance of trade has moved steadily in U.S. favour. Imports of United States goods represented 173% of Australian exports to U.S.A. in 1963, 208% in 1966 and 217% in 1967 (year ended June).

As evidence of the increasing commercial ties between the two countries, it is significant that a major U.S.A. Shipping Line is proceeding with plans to