WOOL.

A COMMODITY REVIEW.

Some wool is produced in nearly every country of the world, but the bulk entering international trade comes from five countries of the Southern Hemisphere, namely, Australia, Argentina, New Zealand, South Africa and Uruguay. Together, these five main producing countries accounted for more than 80 per cent. of pre-war world wool exports, and their combined output represents about three-quarters of the world's production of apparel wool and well over half of the world wool clip. Actually, the United States is the world's fourth largest producer of wool, ranking next in importance to Australia, Argentina and New Zealand, but it belongs to the group of deficit countries and imports substantial quantities of wool.

The world's three main carpet wool producers are India, China and the Soviet Union, which produce over half of all carpet wool and 11 per cent. of the world wool clip. The Balkans, Turkey, Iran, French Africa and some of the South American countries produce the bulk of the remaining share of carpet wool output, or about 8 per cent. of the total for all wool.

TABLE I. *World Wool Production.*

Summary Survey of Main Wool Producing Countries, 1934-38 *and* 1946-47.

	1,000 metric tons.		Percentage of World Total.	
	1934–38.	1946–47.	1934–38.	1946–47.
I. Apparel Wool Production—				
(1) Five Main Surplus Countries (Australia, Argentina, New Zealand, South Africa, Uruguay)	922·6	988·8	53·5	60·5
(2) Five Main Deficit Countries (U.S.A., U.K., France, Germany, Canada)	306·2	211·8	17·8	13·0
(3) Other Countries	147·4	118·0	8·5	7·2
Apparel Wool Production, Total	1,376·2	1,318·6	79·8	80·7
II. Carpet Wool Production—				
(1) Three Main Carpet Wool Producing Countries (U.S.S.R., India, China)	190·5	186·0	11·0	11·3
(2) Other Countries	158·3	131·5	9·2	8·0
Carpet Wool Production, Total	348·8	317·5	20·2	19·3
WORLD WOOL PRODUCTION, TOTAL	1,725·0	1,636·1	100·0	100·0

GENERAL WORLD TRENDS.

(1) World's Sheep Numbers.

The following table gives figures of world sheep numbers from 1940 to 1946 for selected countries:—

TABLE II.

(Thousand head.)

Continent and Country.	Date of Enumeration.	1940.	1941.	1942.	1943.	1944.	1945.	1946.
Europe—								
Spain	30 May ...	24,237	...	23,489	...	...	...	22,000
United Kingdom ...	4 June ...	26,319	22,257	21,506	20,383	20,107	20,150	20,358
U.S.S.R.	1 July ...	102,500	...	80,600	72,000	68,000	70,000	72,000
North America—								
United States ...	31 Dec. ...	53,920	56 213	55,150	50,782	46,520	42,436	38,571
South America—								
Argentina	30 June ...	45,917	49,780	50,902	...	...	56,181	53,000
Uruguay	May ...	17,931	18,000	22,000	20,288	20,300	23,000	25,000
Asia—								
India	......	47,446	...	...	...	...	...	...
Turkey	31 Dec. ...	26,272	25,412	22,967	21,105	22,450	23,386	23,528
Africa—								
Union of South Africa	July-Aug....	38,290	...	...	37,888	...	...	...
Oceania—								
Australia	31 March ...	119,305	122,694	125,189	124,615	123,174	105,371	96,396
New Zealand ...	30 April ...	31,063	31,752	...	...	33,200	33,975	...

The total world sheep population has been estimated at 711 million head at the beginning of 1948, which represents an increase of 22 million, or 3 per cent. on the 1947 level, but 3 per cent. below the five-year average for the 1936-40 period.

(2) War-time Organisation.

Before proceeding to examine world production and consumption of wool, it is necessary to explain the present world position in reference to the war-time organisation of wool distribution. Soon after the outbreak of the second World War, the United Kingdom bought the entire clips of Australia, New Zealand and South Africa for the duration of the war and one wool year thereafter. This action was taken in anticipation of heavy demands for military requirements and the continuation of commercial demand in certain other European countries. With the fall of France and the cessation of shipments to most European countries, nearly half of the world's pre-war markets for Dominion and South American wools were cut off from overseas supplies. South American wools continued to be sold in a free market with the United States by far the largest buyer during the war. The United Kingdom controlled its imports of South American wool.

The United States clip was first guaranteed, and in 1943 was actually taken over by the Government. Prices paid to producers by the Commodity Credit Corporation averaged about 42 cents per lb. greasy. Until November, 1945, the C.C.C. sold wool at prices approximately equal to the level of purchase prices ranging from 10 to 15 per cent. above the values of comparable imported qualities on a duty-paid basis. Sales of wool by the C.C.C. during the war were facilitated by the legal requirements that wool fabrics purchased by the United States Armed Services should, as far as possible, be made from home-grown wool. There was no such provision with regard to civilian supplies and the price-spread between imported and domestic types led towards consumption of the former. Total United States war-time consumption reached the record level of 450,000 metric tons, greasy, per annum.

Consumption in Australia, Argentina, India and some other newer industrial countries was far from sufficient to make up for the loss of markets on the European Continent and in Japan. United Kingdom war-time consumption was about one-quarter below the pre-war level. Considered as a whole, world consumption during the war could absorb only about two-thirds of current supplies from the chief wool exporting countries, which meant that by the summer of 1945 the accumulation of world stocks had reached a total equal to about two years' supply.

In April and May, 1945, the Governments of the United Kingdom, Australia, New Zealand and South Africa held a conference in London to consider plans for the co-ordination of wool stock disposal. It was decided that the stock of all Dominion-grown wool owned by the United Kingdom should be transferred to the joint ownership of the United Kingdom Government and the three Dominion Governments concerned, and that a Joint Organisation (United Kingdom-Dominion Wool Disposals Limited) should be set up as a private registered company for the purpose of buying, holding and selling wool on behalf of the four Governments. The main functions of the Joint Organisation were defined as follows:—

(*a*) To determine total quantities of wool to be offered from time to time concurrently in the Dominions and elsewhere, to be made up of new-clip wool and an appropriate proportion of wool from the Organisation's stocks;

(*b*) to prepare schedules of reserve prices at which the Organisation will itself be willing to acquire wool;

(*c*) to lift from the market such quantities of wool as cannot be sold at these reserve prices;

(*d*) to hold and dispose of stocks as the agent of the Governments concerned and where necessary to acquire and own stores, plant and equipment for this purpose; and

(*e*) to facilitate the sale of wool in every possible way with a view to stimulating demand.

It was decided that a "fair degree of elasticity in the price relationship between different types of wool must be allowed" and that these conditions could best be met by a return to the auction system. After seven years' interruption auctions of Dominion wools in London and other centres were resumed in September, 1946.

(3) Production.

The following table gives figures for world wool production of the principal producing countries from 1935 until the 1947-48 season, and includes both apparel and carpet wools, shorn wool and pulled wool:—

TABLE III.

Year.	World Total.	United States.	Australia.	Argentina.	British South Africa.	Uruguay.	New Zealand.	All Others.
				(Millions of lbs., grease basis.)				
1935-36	3,620	428	971	365	238	113	304	1,201
1936-37	3,720	419	983	374	264	116	303	1,261
1937-38	3,800	422	1,023	366	233	116	297	1,343
1938-39	3,920	424	984	399	248	125	328	1,412
1939-40	4,070	426	1,128	443	246	134	310	1,383
1940-41	4,180	434	1,142	474	271	139	332	1,388
1941-42	4,200	453	1,167	494	260	117	345	1,364
1942-43	4,160	455	1,151	510	250	124	340	1,330
1943-44	4,140	444	1,169	520	250	148	330	1,279
1944-45	3,940	412	1,017	500	234	157	372	1,248
1945-46	3,780	378	930	500	210	175	365	1,222
1946-47	3,730	341	970	470	195	176	350	1,228
1947-48	3,720	308	980	485	200	180	360	1,207

World production of apparel wool in the current season has been estimated at 2,900,000,000 lb. greasy. The downward trend in world wool production, of which apparel wool accounts for about 80 per cent., appears likely to continue through the present season. The estimate for all wool production, *i.e.,* apparel and carpet wool, is about 3,700,000,000 lb., which represents a decrease of 5 per cent. below the 1936-40 average, and 2 per cent. below the 1946 average.

During the 1944-45 and 1945-46 seasons, the Australian and South African wool clips were hit by severe droughts which reduced output to 75 per cent. and 78 per cent. respectively of the 1943-44 level. South African production for 1946-47 remained at the lower level, but substantial recovery took place in Australia. In the United States the downward trend evident since 1943 has continued. Present sheep numbers in the United States are the lowest in the eighty years of records, and in the United Kingdom sheep numbers were drastically reduced by heavy winter snowfalls and subsequent floods. In the Soviet Union all production was reduced under the impact of war from 136,000 metric tons, greasy basis, in 1938-39 to 109,000 metric tons in 1944-45, but considerable replacement of these losses has occurred in the last two seasons. The decline in world production since 1941 is due to very complex causes. Production levels generally change slowly and year to year changes are normally too small to have much effect on the market, although they are very important from the long-run point of view. Perhaps more important than over-all changes in the size of the world clip are changes in composition. It is clear from such estimates of quality as are available that merino wool production has fallen substantially in the last five years, while the reduction in the cross-bred clip has not been so marked. Thus, the present relative shortage of fine wools has arisen from a greatly-increased demand for these wools and also from a reduction in their supply. The current Australian clip contains a higher proportion of merino wool than last season's clip. It is likely that the disequilibrium will have to be adjusted by the greater use of cross-bred qualities.

(4) Stocks.

Stocks held in the United Kingdom and the United States are considered in some detail below. With regard to stocks in general, the following table gives the estimated world stocks of apparel wool at 30th June, 1946, and 1947:—

TABLE IV.

Country.	Total Stocks.		Government Stocks.		Commercial Stocks.	
	1946.	1947.	1946.	1947.	1946.	1947.
		(Millions of lbs.,		grease basis.)		
Australia	1,410	1,200	925	840	485	380
New Zealand	500	440	350	320	150	120
South Africa	265	120	100	65	165	55
Argentina	145	165	...	...	145	165
Uruguay		55	...	...		55
United States	935	820	500	425	435	395
United Kingdom Stock in U.S.A. ...	100	0	30	0	70	0
United Kingdom	810	715	580	370	230	345
Other Countries	825	880	...	...	825	880
Total	4,990	4,415	2,485	2,020	2,505	2,395

The June, 1947, total of 4,415 million lb. represents about sixteen months' stock on present estimated world consumption levels. That such an estimate has to be modified lies in the fact that nearly half of the total represents the holdings of the Joint Organisation and the United States Commodity Credit Corporation. These two stock piles are alike in one major respect, namely, that they now contain relatively small quantities of the clean fine wools on which demand is mainly concentrated. Though Joint Organisation stocks at 30th June, 1947, contained approximately 45 per cent. merino and 55 per cent. cross-bred wools, it is estimated that only about 25 per cent. of merino stocks were free to light burry wools of good to superior quality. Briefly, this means that in June, 1947, only about 12 per cent. of the Joint Organisation stocks (which have been further reduced since that date) were merino wools. Overall stocks of apparel wool are lower now than in June, 1947, and may be put in the region of about 4,000 million lb. greasy.

(5) Consumption.

World consumption of apparel wool in the season ending June, 1948, has been estimated at 3,400 million lb., greasy basis. This is about the same as in the previous year, but is probably about 10 per cent. higher than pre-war consumption. The biggest factors in world consumption are the requirements of the United States and Western Europe. In the United States mill consumption showed a tendency to decline in 1947. Up to September it was running at an annual rate of 970 million lb., compared with 1,072 million lb. in 1946. In 1948 consumption is expected to be between 900 and 1,000 million lb. In Western Europe consumption is still increasing.

In the United Kingdom woollen mill activity reached new high levels in the autumn of 1947 and, with the export drive, it should rise still further. In France, Belgium and Italy activity in the woollen mills reached pre-war levels during 1946-47 and has been well maintained. In Germany and Japan where pre-war wool consumption at some 550 million lb. annually was over 15 per cent. of the world's total, consumption is still comparatively low, but is increasing. Consumption of wool should be stimulated by the tariff reductions on wool textile imports agreed to by a number of countries at Geneva in November, 1947. These tariff reductions indicate the possibility of expanding wool consumption. Much importance, however, must be attached to the European Recovery Programme (Marshall Aid Plan) on which continued high activity in France and Italy will largely depend. The International Wool Secretariat in London has summarised the world apparel wool situation for the 1947-48 season as follows:—

Commencing stock, 4,400 million lb.
Production, 2,900 million lb.
Total supplies, 7,300 million lb.
Consumption, 3,400 million lb.
Stock at end of season, 3,900 million lb.

The rapid recovery of the wool textile industry is one of the brighter aspects in Western Europe's recovery. Outside of Germany the war-time destruction of plants and machinery was comparatively small and activity expanded rapidly when raw material became available. For 1947 all production was at 1938 levels in France, Germany, Italy and some of the smaller Western European manufacturing areas. These countries depend almost entirely on foreign sources for their raw wool which is available in large quantities from sterling areas and South America. Imports have been aided by credits which have been arranged by some of the exporting countries. The principal handicap to production appears to be the shortage of fuel. If fuel and power are made available, it seems likely the textile industry will continue to operate in Europe at a relatively high level. In the United Kingdom the main factors limiting the expansion of British wool textile activity are difficulties in the supply of labour and fuel. In 1939 the number of insured workers in the woollen and worsted industries was 237,000, but this number was reduced to nearly one-half by January, 1945. From then on numbers began to increase slowly but in December, 1946, the labour force of the industry was still 32 per cent. below the 1939 level. It has proved extremely difficult to induce women and girls to return to the mills, and it is anticipated that this shortage of women workers will continue.

(6) Trade.

It is not possible in a general review of this kind to examine in detail the complex structure of trading in wool. It is necessary, however, to examine the main developments since the war in this field.

Wool figures prominently in the tariff and trade agreement signed at Geneva which became operative on 1st January of this year. Perhaps the most important concession is that of the United

States, which undertakes to reduce the duty on most types of imported wool by 25 per cent. (*i.e.*, from 34 to 25½ cents per lb. of clean content). Certain lower grades of wool will be subject to similar American duties, but the 25 per cent. cut applies to the type which forms the greater bulk of Australian wool exports. This reduction of import duty will be of considerable value to the wool-exporting Dominions. Another important United States' concession was that of reducing her import duties on British wool textiles by varying amounts which represent cuts of an average of 30 per cent. Trade comment on these tariff cuts has been generally favourable and, although it is too early to assess accurately their effect on the flow of international wool and wool textiles, there is no doubt that they represent an important step in the direction of increased world wool consumption.

Reviewing activity in general terms in the chief producing countries, details of the Australian situation are not included (see below).

PRODUCING COUNTRIES.

New Zealand.

Wool offerings in New Zealand in the last half of the 1947-48 season are scheduled to total 683,000 bales and approximately 230 million lb. Although exports of wool in the period July to June of the current season—190 million lb. are nearly twice those of the corresponding period in 1938-39, the destination of shipments was similar. The United States, Belgium and Canada all took considerably larger quantities than they did before the war. However, in comparison with the previous seasons, the United Kingdom, France and Belgium were each shipped larger quantities of wool, while the United States and Canada were sent similar amounts.

South Africa.

A total of 624,000 bales was exported during the period July, 1947, to March, 1948, which was slightly over half of the exceptionally large quantity exported during the first nine months of the previous season, but more than the quantity exported in the same period of 1937-38. The United Kingdom remained the largest market, taking 27 per cent. of total exports. The United States which, before the war, took very little wool from the Union of South Africa, was sent 28 million lb. up to the end of March, 1948.

Argentina.

The quantity of wool received at the Central Produce Market between 1st October, 1947, and 24th March, 1948, amounted to 69.5 million lb., compared with 68.3 million lb. in the same period of 1946-47. Despatches consistently exceeded arrivals. By 24th March, 1948, stocks were only 60 per cent. of the quantity held on the same date in 1947. Commercial stocks at 1st January, 1948, have been estimated at 203 million lb., of which 175 million lb. was greasy wool. The increase in holdings is due to increased production of fine cross-bred wools. Total exports for the first five months of the season at 223 million lb. were 78 per cent. above the 125 million lb. exported during the corresponding period of the previous season. The United States took 62 per cent. and France 19 per cent. of the total.

Uruguay.

Some 112 million lb. of wool arrived at the Montevideo market during the first four months of the season. The total available supply of wool, including stocks, is expected to be about 187 million lb., of which 14 million lb. will be required for the local textile industry. Exports from Uruguay in the first five months of the season were 83.3 million lb., 95 per cent. of the shipments being destined for the United States, Belgium and Switzerland.

General.

Exports from the three main Commonwealth exporting countries are continuing on a large scale. Shipments from Australia in February were 103 million lb. and aggregated exports for the period July, 1947, to February, 1948, were 616 million lb.—21 per cent. above the 1937-38 figures. Export of wool from South Africa for the nine months ended March, 1948, amounted to 187 million lb. Shipments of raw wool from Argentina and Uruguay for the period October, 1947, to February, 1948, also showed increases.

A general picture of increased exports is qualified when we consider the sustained demand for imports on behalf of the chief consuming countries.

Activity in the United Kingdom and the United States is dealt with separately (see below). The general trend in both countries is for a sustained demand for raw wool and a high level of industrial activity in textiles.

CONSUMING COUNTRIES.

France.

France has resumed her place as the leading wool consumer in Western Continental Europe and the recovery in her wool consumption is an important factor in the economic revival of Western Europe. During the first three-quarters of 1947 production of felts reached 128 per cent., top production 110 per cent., yarn deliveries 94 per cent. of the pre-war level. Furthermore, at the time of liberation at the end of 1944, France had accumulated an enormous deferred demand through insufficient allocations of textiles during the occupation and had completely exhausted her stocks of raw wool. Consequently, the first task of the industry was building up of new stocks, which are now sufficient for about nine months' present consumption. In spite of her need to import about nine-tenths of her raw wool requirements, France is one of the leading exporters of wool manufactures; in fact, her top exports are the largest in the world. It has been estimated that French industry now uses about 87 per cent. of virgin wool and about 13 per cent. of recovered wool and other fibres, a gross requirement of 80,000 tons. Of the wool exported from France only 3 per cent. is not processed. Foreign countries take 85 per cent. and French countries overseas 15 per cent. of the total out-going. France depends on Australia for more than half of her imports of apparel wool, followed by Argentina, New Zealand and South Africa, in that order. The £12,500,000 credit granted to France at the beginning of 1947 to finance purchase of wool within the British Commonwealth, and the New Zealand wool credit of £5,000,000 have enabled the French industry to attain a high level of production. Although the high 1947 export target was not quite reached, the industry has made remarkable progress since the war. Wool textile rationing was abolished in the summer of 1947.

Belgium.

Continued homeward shipments reduced supplies of Belgian-owned wool in countries of origin and afloat to only 17.2 million lb. at the end of February, 1948, compared with 24.5 million lb. at 1st December, 1947. Some decline has taken place in the scouring operations of Belgian plants, but more wool is being carbonised. Woollen yarn consumption by Belgian weavers fell by over 50 per cent. during 1947, but that of worsted yarns increased very slightly. Total cloth production in the first two months of 1948 was some 30 per cent. lower than production in 1947.

Austria.

The wool textile industry in Austria is still seriously impeded by a shortage of raw materials, and commercial imports of raw wool are currently about 55 per cent. of the monthly average imports in 1937. Furthermore, wool yarn is being imported at only one-eighth of the pre-war rate. Shortages of raw materials are reflected in the very low exports of wool semi-manufactures.

Czechoslovakia.

The production of wool yarn and wool fabric in January and February, 1948, exceeded the planned output by about 10 per cent. The quantity of yarn produced, 11.6 million lb., was greater than in the first two months of 1947 by 7,000 lb.

Germany.

Figures are now available for wool yarn production in Bizonia, the Anglo-American zone of Germany. Output appears to have been at about one-third of the 1936 level at the beginning of 1947, but by the end of the year it had increased to one-half. Production in the United States zone, which was under 600,000 lb. in January, 1947, had doubled by November. Output in the British zone increased from under 2.5 million lb. monthly at the beginning of the year 1947 to over 3.1 million lb. in December. Nearly 60 per cent. of this increase took place in the comparatively small worsted section. In 1936 the present area of Bizonia accounted for about 30 per cent. of total German wool yarn production.

Canada.

Although the Canadian wool textile industry has recently been said to have enough capacity to satisfy domestic demand, Canada is importing large quantities of finished wool textiles. Despite efforts to increase domestic wool production, Canadian consumption exceeds production by 17 million lb. annually. Under the revised quota arrangements, American manufactures are virtually excluded from the Canadian market and larger imports from the United Kingdom have been returned.

China.

Domestic wool production in China and the dependencies was estimated at 110 million lb. greasy before the war, and is now about 75 million lb. This wool is almost entirely of the carpet type and is generally in poor condition and badly graded. A considerable proportion of the domestic clip is exported as carpet wool and the remainder is manufactured into carpets, particularly around the Tientsin area. The woollen and worsted industries depend almost entirely on imported wool. Actually imports of wool in 1946, for example, were 8.9 million lb., and for the eleven months of 1947 wool imports rose to 13.4 million lb., of which Australia and the United Kingdom contributed about 6 million lb. each.

Japan.

Japanese raw wool consumption during 1946 amounted to 8,600 tons, clean basis, as compared with a consumption total of 49,000 tons in 1934-38. Before the war Australia was Japan's main supplier of wool. During 1947 Japan imported 3.2 million lb. of raw wool, compared with an average 200 million lb. pre-war, and a tentative import quota of 48 million lb. in 1948. The quantity imported during 1947 was insufficient either to occupy the available capacity or to meet the domestic demand for woollen goods. Exports of wool semi-manufactures were also on a very small scale during 1947. The Australian Government has decided to allow Japan to import 50,000 bales of wool by the end of the present season. The production of wool yarns reached 22 per cent. of the 1938 output.

(7) International Consultations.

In November, 1946, an International Wool Conference was convened in London by the United Kingdom Government to discuss the world wool situation. The conference recommended that an International Wool Study Group be set up to provide a medium for the further discussions of world apparel wool disposal problems. The first meeting of the Study Group was held in March-April, 1947, and was attended by delegates and observers from twenty-three countries. The Department of Economic Affairs of the United Nations Secretariat, the Food and Agriculture Organisation, and the Joint Organisation were represented by observers. Membership was open to all countries substantially interested in the production, consumption and trade in wool, and the Group has the responsibility for considering possible solutions to any problems that are unlikely to be resolved by the ordinary development of world trade in wool. Furthermore, the Group will arrange for the collection of any necessary statistics.

Wool production and consuming interests of the United Kingdom and the Dominions maintained in London the International Wool Secretariat to gather information on the production, consumption and distribution of wool in all countries, and to sponsor research.

Also, the Food and Agriculture Organisation of the United Nations has been giving close attention to world trade in wool and has made available several publications on related subjects.

AUSTRALIA.

Production and Stocks.

Figures for Australian sheep numbers and for aggregate production are given in the General Tables I, II and III above. The present clip is expected to approximate 3,061,000 bales, and in the nine months ended 31st March, 1948, 1,923,517 bales of greasy wool worth £85,396,000 were exported. Although the number of bales exported was 747,446 fewer than in the nine months ended March, 1947, the proceeds were £7,988,000 higher.

For Australia as a whole, considerable improvement in seasonal conditions has been experienced in comparison with recent seasons. Grazing conditions have been most favourable and heavy lambings took place in the spring of 1947. Flocks which had been reduced by drought are now being built up to present levels and it is anticipated that in the coming season production will maintain the levels reached in the season just completed.

On 31st July, 1945, stocks held by Joint Organisation totalled 10,407,000 bales. By 30th June, 1947, stocks had dropped to 4,515,000 bales, and by the end of June, 1948, it was estimated that the total would have dropped still further to a figure of 3,250,000 bales. The General Manager of United Kingdom-Dominions Wool Disposals Limited said in June at Amsterdam that he expected the reserve wool stocks would be reduced to about 2 million bales at the end of the new season.

The Joint Organisation arranged to offer for sale within Australia in the January-June period a total of 155,000 bales, which included 25,000 bales carried over from the first half of the current season owing to the cancellation of Sydney auctions in December. The offerings comprised the following approximate totals of various types:—

	Bales.
Greasy merino combing	49,000
Greasy merino carding	50,500
Greasy cross-bred combing	22,500
Greasy cross-bred carding	15,500
Scoured carding	17,500
	155,000

Offerings of combing wools consisted chiefly of medium to heavy burry types, while carding wools were mostly carbonised types.

Consumption.

During the recent war Australian wool manufacturing industries, incorporating woollen and worsted mills, scouring and carbonising plants and knitting mills, met Allied military requirements as well as those of the local market by doubling pre-war production. At the peak period of output 245,027,988 lb. of greasy wool were treated, plus the wool from over 13 million sheepskins. From these primary establishments 70 million square yards of woven and felted wool fabrics were produced, while the knitting mills which used 50 per cent. of wool in their production turned out an estimated 140 million single items. One of the outstanding features of recent wool-selling seasons has been the increased and sustained competition from local mills. During the season, 1946-47, 647,823 bales of locally-grown wool were absorbed by Australian manufacturers, as compared with the previous peak of 470,500 bales in 1941-42.

The industry has reached the stage where it is able to meet practically the total requirements of the Commonwealth in respect of woollen and worsted cloth, yarns and knitted wools. During the war years an export trade was developed which has been well maintained since. The trend in Australia has favoured the worsted section and the production of worsteds under normal working conditions is now about equal to internal consumer demand. It has been estimated, however, that the normal production of woollens will exceed local demands by about 24 per cent. At the present time those surpluses can be disposed of in export markets while Australian prices compare favourably with those of other countries. One of the major difficulties faced by the local industry is the shortage of skilled labour. A recent estimate that 5,000 additional hands could be given profitable employment is strong evidence on this point. The following figures illustrate the growth and progress of the domestic wool industry over the past eight years:—

TABLE V.

Australian Woollen and Worsted Mills.

Years.	No. of Factories.	Persons Employed. (*)	Salaries and Wages Paid (†)	Value of Materials, etc., used. (‡)	Value of Production.	Value of Output.
	No.	No.	£ 000.	£ 000.	£ 000.	£ 000.
§1938-39	90	19,608	2,888	7,331	4,791	12,515
§1939-40	96	22,041	3,413	9,039	6,262	15,767
§1940-41	102	25,031	4,042	11,772	8,751	21,060
§1941-42	111	26,362	5,416	15,408	9,454	25,467
§1942-43	118	26,436	5,968	16,605	10,075	27,336
§1943-44	116	24,858	5,896	15,455	9,319	25,433
§1944-45	122	23,095	5,485	13,781	8,861	23,251
1945-46	114	21,536	5,324	12,315	8,951	21,777

* Includes Working Proprietors.

† Excludes amounts drawn by Working Proprietors.

‡ Includes also containers, packing, etc., replacement of tools and repairs to plant.

§ Includes Wool Scouring Works in Victoria and Tasmania and Wool Scouring Works and Fellmongeries in South Australia.

The forthcoming withdrawal of the Commonwealth Government's subsidy on raw wool for home-consumed manufactures has given much stimulus to the buying by Australian mills at recent sales. At the opening of Brisbane's eighth series of sales at the end of June, Australian mills were the heaviest purchasers.

Trade.

The following table shows movements of raw wool to and from brokers' stores in Australia up to March, 1948, and shows comparative figures for previous seasons:—

TABLE VI.

Movement of Raw Wool to and from Brokers' Stores in Australia.

Period.	Received into Store.			Total Sold.	Shipped Before Sale.	Held in Store at end of Period.
	First-hand Wools.	Wools for Re-sale.	Total.			
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
Season 1938–39—						
July–March	2,448,538	60,585	2,509,123	2,278,091	17,932	213,100
Total—Season 1938–39 ...	2,758,124	74,704	2,832,828	2,714,033	20,573	98,222†
Season 1946–47—						
July–September	937,373	3,063	940,436	260,648	888	678,900
October–December	1,514,062	7,704	1,521,766	919,702	4,360	1,276,604
January	73,562	3,034	76,596	347,599	868	1,004,733
February	50,174	3,209	53,383	327,685	1,185	729,246
March	74,520	3,907	78,427	342,056	916	464,701
July–March	2,649,691	20,917	2,670,608	2,197,690	8,217	464,701
Total—Season 1946–47 ...	2,996,226*	40,835	3,037,061	2,949,430	15,080	72,551†
Season 1947–48—						
July–September	868,649	7,102	875,751	315,666	3,119	556,966
October–December	1,493,205	12,789	1,505,994	961,029	7,185	1,094,746
January	98,188	4,939	103,127	280,782	1,991	915,100
February	65,726	5,150	70,876	315,903	1,184	668,889
March	98,782	3,937	102,719	179,404	1,473	590,731
July–March	2,624,550	33,917	2,658,467	2,052,784	14,952	590,731

* Including 22,149 bales carried over from the previous season; other figures refer to the current season's clip.

† Carried over into next season.

Australian wool exports showed a reduction in quantities sent to the United States. To 31st March, 1948, shipments to the United Kingdom totalled 721,892 bales worth £31,053,000, against 423,698 bales worth £12,378,000 in the previous year. However, the United States took 325,383 bales which represented a decrease of over 523,000 bales on the previous season's figures. The drop in the wool cheque from the United States was almost £7,000,000. Shipments to Canada also declined. Exports of scoured and carbonised wools, tops, noils, and waste showed a similar trend. The United Kingdom took 148,868 bales more, U.S.A. 798,000 fewer, and Canada 18,000 fewer. The detailed disposal of Australian exports indicated in the following table shows the country of destination, quantities received and value of quantities received for the eleven months ended May, 1948, compared with corresponding figures for 1947:—

TABLE VII.

Country of Destination.	Eleven months ended May— 1947. lbs.	1947. £A 000 f.o.b.	1948. lbs.	1948. £A 000 f.o.b.
Wool—Greasy—				
United Kingdom	160,084,300	16,005	262,170,200	38,521
Canada	6,615,900	752	5,246,100	969
India	1,251,600	139	581,700	88
New Zealand	849,000	4	1,371,800	124
Other British Countries	1,867,400	182	852,300	131
Belgium	156,966,700	12,261	99,488,000	12,134
Czechoslovakia	3,568,400	293	3,244,500	549
Denmark	4,022,700	365	953,600	133
France	172,132,800	13,796	141,850,100	17,121
Germany	303,500	37	17,293,900	3,489
Italy	104,708,400	9,659	36,464,200	6,150
Mexico	1,394,100	185	84,700	14
Netherlands	5,912,000	593	6,907,800	1,280
Poland	1,340,900	158	3,958,300	852
Portugal	3,078,800	326	2,139,900	346
Soviet Russia—				
Baltic and Northern Ports ...	....	....	3,090,600	785
Black Sea Ports	....	....	4,992,100	1,229
Spain	2,951,500	264	711,400	131
Sweden	13,407,700	1,401	4,536,000	814
Switzerland	6,426,300	730	2,844,600	403
Turkey	9,691,200	1,091	5,231,400	1,218
United States of America	296,763,300	30,419	112,729,800	21,528
Other Foreign Countries	4,210,200	476	2,776,400	563
Total	956,782,600	89,136	719,519,400	108,572
Wool—Scoured and Washed, Tops, Noils and Waste—				
United Kingdom	56,930,800	6,726	69,788,300	10,317
Canada	14,124,000	2,231	10,096,500	2,255
Hong Kong	663,200	222	1,699,900	550
India	3,162,900	595	4,516,800	818
Palestine	1,004,900	204	232,500	47
Other British Countries	1,065,000	229	844,600	162
Belgium	18,224,300	2,504	14,155,900	2,421
China	7,783,300	2,049	4,428,600	1,384
Denmark	2,164,900	372	2,386,000	532
Egypt	1,642,400	376	902,500	325
France	10,530,500	1,398	16,336,500	3,090
Italy	6,928,500	1,500	4,641,100	919
Korea	....	....	1,566,000	376
Mexico	3,359,200	650	404,500	142
Netherlands	3,247,200	539	2,340,800	445
Norway	796,800	132	894,900	190
Portugal	1,595,300	337	348,400	92
Sweden	6,668,700	1,151	4,276,700	859
Switzerland	1,255,200	225	985,800	177
Turkey	3,702,000	698	1,167,600	281
United States of America	26,953,100	3,923	8,397,400	1,878
Other Foreign Countries	3,940,000	769	2,577,500	603
Total	175,742,200	26,830	152,988,800	27,863

Estimates made at the end of May, 1948, anticipate that a world record total of £145,000,000 for the 1947-48 wool clip is likely to be realised. This amount exceeds by over £52,000,000 the previous highest of £92,000,00 in 1947. It is anticipated that the demand for wool will continue to be heavy for some time in view of the fact that the world has not yet reached its pre-war production figures and that, furthermore, increased industrial demand is evident in many countries. Australia's proposed withdrawal of the £11,000,000 subsidy on woollen manufactures should improve Australia's dollar balance. For many months America has been severely restricting its wool purchases in Australia because of the fact that wages and other costs in the United States are so high that wool manufacturers cannot afford to pay the current high prices for Australian wool and still turn out manufactured goods at saleable figures in America. Australian manufacturers, aided by the subsidy, have been able to bid to highest prices, but when the subsidy goes an important factor operating to maintain high price levels will be removed and America should return to the market if the price levels drop. American wool trade authorities believe that the general world level of fine wool prices for the 1948-49 clip are likely to be reduced. Further reasons for likely American heavy demand for wool are present popularity of woollen goods in the United States, the increased demand of the military forces, the 12,000,000 population rise since 1939 with a drop in sheep numbers, most particularly in breeding ewes (from 37 million in 1942 to 23 million in 1948). The tariff reductions are also a great help as far as the Australian producer is concerned. Australian greasy wool may now be landed in the United States at an average of approximately 3½d. per lb. cheaper than the previous duty allowed.

Sales and Prices.

The average price of wool per lb. sold in Australia rose 54 per cent. in the ten months from 1st July, 1947, to 30th April, 1948, based on the corresponding figures for the 1946-47 season. The average price in pence per lb. was 38.97 (average price of greasy wool in Australia for the first six months of the current season was 36.8 cents, United States currency). At recent sales in Sydney catalogues have averaged only £43 per bale, compared with £56 early in the year. Wool at present being submitted is now carrying vegetable fault and dust, and the catalogues include large quantities of lambs, crutchings and other oddments of relatively low value. The National Council of Wool Selling Brokers of Australia has compiled the following statistical summary of ten months of the 1947-48 season from 1st July, 1947, to 30th April, 1948:—

1. (*a*) Receipts and Disposals during the ten months ended 30th April, 1948, were as follows:

	Bales.			
	Received into Store.	Sold.	Shipped Abroad for Sale.	In Store, Unsold, at 30 April, 1948.
New South Wales	1,028,445	918,532	12,493	97,420
Queensland	389,232	276,296	1,983	110,953
Victoria	817,327	670,541	1,828	144,958
South Australia	306,100	265,293	126	40,681
Western Australia	281,870	276,343	1,176	4,351
Tasmania	52,071	46,181	49	5,841
	2,875,045	2,453,186	17,655	404,204
Including,	71,036	Carried over from previous season,		
	37,439	Received for re-sale.		
	2,766,570	Bales Current Clip.		

1. (*b*) Comparative figures for the corresponding period of the previous season were :—

	Bales.			
	Received into Store.	Sold.	Shipped Abroad for Sale.	In Store, Unsold, at 30 April, 1947.
New South Wales	1,039,625	907,589	5,197	126,839
Queensland	401,355	369,052	1,058	31,245
Victoria	773,642	656,920	1,848	114,874
South Australia	254,576	220,491	93	33,992
Western Australia	255,754	246,873	907	7,974
Tasmania	51,458	51,321	......	137
	2,776,410	2,452,246	9,103	315,061
Including,	22,149	Carried over from previous season,		
	25,731	Received for re-sale.		
	2,728,530	Bales 1946-47 Clip.		

Total Sales, Average Prices, etc., during the ten months ended 30th April, were :—

July–April.	1947–48.	1946–47.
Bales Sold—		
Greasy	2,329,348	2,321,450
Scoured	125,838	130,796
	2,453,186	2,452,246
Total Proceeds—	£	£
Greasy	114,616,603	72,007,892
Scoured	5,776,298	4,838,686
	120,392,901	76,846,578
Average value per bale—	£ s. d.	£ s. d.
Greasy	49 4 1	31 0 4
Scoured	46 12 10	36 19 11
	49 1 6	31 6 9
Average price, in pence per lb.—	d.	d.
Greasy	38·57	24·66
Scoured	51·32	41·13
	38·97	25·30
Average net weight, lbs. per bale—	lb. per bale.	lb. per bale.
Greasy	306·7	301·9
Scoured	218·1	215·9
Increase in average price per lb., compared with same period of previous season—	per cent.	
Greasy	56·4	
Scoured	24·8	
	54·0	
Increase in average price per lb., compared with average over whole of previous season—	per cent.	
Greasy	57·5	
Scoured	23·7	
	54·9	
	Bales.	Bales.
Note.—Sales include wools bought-in by Joint Organisation ...	16,232	37,281

The Queensland season closed on 30th June, the cheque for the season amounting to £30,000,000 which is £13.25 million above last season's record. The fourteenth Melbourne series concluded on 14th June with values firm for merino and fine comebacks—values for cross-bred and short or faulty types were irregular, and local mills purchased freely. Further figures made available to include sales during May show that the average price per lb. for greasy wool for the eleven months ended 31st May was 39.24d. and for scoured 51.74d.

The general level of reserved prices for Australian wool in the 1948-49 season will be about 20 per cent. ex store greasy above the average overall level for the season just closed. Another item of importance was the recent announcement by the Minister for Commerce and Agriculture that the wool contributory charge would be reduced from 1st July to one-half of 1 per cent.

Closer settlement is having a marked effect on wool production in New South Wales. This has been reflected in daily sales, while the steadily-decreasing number of bales per lot is having its effect in reduced total offerings quite apart from prices received. The average lot is now down to 2 or 3 bales per day. The 1948-49 wool selling season will open in Sydney on 30th August, and in Adelaide on 31st August. The International Council of Wool Selling Brokers anticipates that 1,450,000 bales will be offered before Christmas, of which 775,000 bales will be offered in New South Wales and Queensland, and 675,000 bales in Victoria, South Australia and Western Australia. At a rough estimate, the new season could return a wool cheque from anything up to £A150 million. The 1948-49 clip is expected to produce 3,160,000 bales, which estimate is 99,000 bales more than for 1947-48. It is expected that the clip will comprise 73.5 per cent. merino and 26.5 per cent. cross-bred wools, and that the average net weight per bale will be 303 lb.

United Kingdom.

Stocks of raw wool held by the United Kingdom at the end of 1947 totalled 386 million lb. compared with 417 million lb. in 1946. Most of these stocks were held by Joint Organisation. Sales from stocks held by Joint Organisation during the period July to December, 1947, amounted to 601,361 bales, of which 138,992 bales originated in Australia. The provisional total of offerings from Joint Organisation stocks in the period January to June, 1948, is 525,000 bales, including 25,000 bales carried forward from the postponed Sydney sale in December. The following summary of stocks held by Joint Organisation at 31st December, 1947, gives the position in some detail:—

TABLE VIII.

Summary of Stocks at 31st December, 1947.

	Bales.		
	In Australia.	In United Kingdom.	Totals.
Australian Wool—			
Greasy...	1,891,044	299,951	2,190,995
Scoured	367,484	136,184	503,668
Carbonised	4,579	19,998	24,577
Total	2,263,107	456,133	2,719,240
	In New Zealand.	In United Kingdom.	Total.
New Zealand Wool—			
Greasy...	551,670	200,272	751,942
Scoured	74	56,415	56,489
Slipe	61,029	78,903	139,932
Total	612,773	335,590	948,363
	In South Africa.	In United Kingdom.	Total.
South African Wool—			
Merino...	26,411	81,749	108,160
Native, etc.	81,465	1,478	82,943
Karakul	55,144	2,267	57,411
Total	163,020	85,494	248,514

TOTAL STOCK—	
In Dominions	3,038,900
In United Kingdom	877,217
	3,916,117

Apparel wool prices were strong in overseas markets at the commencement of the present season. There was some reaction from the high level of prices at the opening sales in September when prices of fine wools rose 15 per cent. to 25 per cent. above June closing rates. By early October prices for these grades returned to opening levels. One feature of the present selling season has been strength in the prices of fine cross-bred wools. They advanced 20 per cent. above June, 1947, closing rates and continued to rise moderately, levelling off in November, 1947. Good combing 64's-70's were quoted at 137.7 cents per lb. The first series of 1948 London sales ended on 30th January and, as compared with the opening, greasy merinos and medium cross-breds were 10 per cent. to 15 per cent. higher, greasy fine cross-breds and South African wools 5 per cent. to 10 per cent. dearer, and scoured merinos firm but unchanged. These levels were strongly maintained during the Liverpool week which immediately followed the London sales, due largely to the operations of Russia and Central Europe, whose buyers constantly out-bid all other competitors for all types of merino and cross-bred wools. The opening of the second series of London wool sales in March found competition hesitating and erratic, prices for Joint Organisation wools being up to 25 per cent. lower than they had been in Liverpool, while in the "Free" wool catalogues withdrawals were frequent. Firmer tendencies were noticeable at the end of the sales when prices for good merinos and fine cross-breds improved by 5 per cent. Joint Organisation offered about 100,000 bales from stock for the London July sales, which comprised 61,000 bales of Australian wool. Prices for merino wool at the close of the third series of London sales in June were 15 per cent. to 25 per cent. higher than the closing rates of the second series. In other words, the market showed a return to the higher level of prices during the first series. The Bradford tops market is a good indicator of wool values. When the control of tops was lifted last November they were quoted at 82d. per lb. To-day the figure is 115d. The following approximate quotations for Tuesday, 15th June, for merino tops at Bradford were the highest for nearly thirty years:—

70's—Super, 132d.
70's—Average, 125d.
64's—A, 121-122d.
64's—B, 116-117d.
60's—Super, 102d.
60's—Average, 96-97d.

Two main points proceeding from examination of the United Kingdom sales are, first, the earlier concentration of demand on merino qualities and, secondly, the tendency for demand to shift to cross-bred qualities, first to fine cross-breds, and later to medium and coarse qualities.

Consumption of wool in the United Kingdom has shown a marked upward movement during 1947 in spite of the effects of the fuel crisis in the early months of the year. Consumption was about 13 per cent. of the 1946 rate. In the first six months of 1947, in spite of the fuel crisis, weekly consumption of raw materials rose to about 12 million lb. in October, a level of about 20 per cent. higher than the average for the previous year. The weekly rate of top production at the end of 1947 was 25 per cent. higher than at the end of 1946 and almost double the rate of output in 1945. The overall activity was estimated at some 25 per cent. to 30 per cent. above the average level of the previous year. The total of personnel employed rose from 166,400 in September, 1946, to 185,800 in September, 1947. At this period United Kingdom mills were consuming for top-making 3,320,000 lb. of fine wool per week and 2,210,000 lb. of cross-bred wool for the same purpose; 1,200,000 lb. of merino wool and 2,620,000 lb. of cross-bred wool were being used for woollen spinning, as well as smaller quantities of East India wool, noils, laps, wastes, etc. These figures are in terms of weekly averages. 4,930,000 lb. of tops were produced and 3,640,000 lb. were consumed at the same period. The monthly average delivery of worsted yarn reflected a higher productive level. Deliveries of woven wool fabrics for the month of September, 1947, totalled 21,870,000 linear yards. The United Kingdom exported 13,207,000 lb. of tops in the period January to March, 1948, compared with 6,963,000 lb. in the corresponding period in 1947; 2,620,000 lb. of worsted and 609,000 lb. of woollen, giving a total of 3,229,000 lb. of yarn were exported during the period January to March, 1948. 7,622,000 square yards of worsted tissues and 16,704,000 square yards of woollen tissues were exported from Great Britain in the same period.

Manufacturers have received a communication from Wool Control that, while considerable increases in exports of wool tissues have been effected, the target for the end of 1948 is approximately one-third higher. The United Kingdom consumed 48,000,000 lb. of British wool during 1947.

United States.

In 1946 the President of the United States suggested that Congress should enact wool legislation providing that the parity price of wool be revised, that the Commodity Credit Corporation should support incomes of all producers and be authorised to continue to sell wool at prices competitive with imported foreign wool. He also urged that the funds and gross receipts from duties collected under the customs laws be appropriated and made available to the Commodity Credit Corporation to offset losses incurred. Legislation has now been enacted along these lines, although certain major modifications remain. It was recently reported that the United States Congress is considering arranging price support for agricultural products to cover domestic wool—this would mean that the Commodity Credit Corporation would establish a floor price of 75 per cent. of "parity" in normal seasons and would not be permitted to sell below specified prices.

The National Association of Wool Manufacturers said on January 1st last that the United States had 35,332,000 sheep and lambs, the lowest total for 77 years. The United States Bureau of Agricultural Economics reports that the 1947 wool clip brought forward 310,000,000 lb. (greasy basis), which was the lowest production figure since 1925. The general trend of decline in production is shown in the following figures:—

Wool Production ('000 lb.):—

	1946.	1947.
Shorn	280,487	252,798
Pulled	61,300	57,300
	341,787	310,098
Weight per fleece (lb.)	8.06	8.09
Local market price (cents per lb.)	42.3	42
Cash receipts ('000 dollars)	118,395	106,106
No. of sheep and lambs shorn (thousands)	34,718	31,241

The U.S. Department of Agriculture forecasts an even further reduction in the United States shorn wool clip for 1948 which is expected to be about 240,000,000 lb. greasy.

Up to the end of September, 1947, apparel wool stocks held by United States mills, dealers and the Government were about 20 per cent. smaller than the previous year, when they were at a record of 996,000,000 lb. (greasy basis). Mills and dealers held 413,000,000 lb. and Commodity Credit Corporation stocks were 371,000,000 lb. The Department of Agriculture aims to sell all Government wool holdings by the end of 1948. In spite of the decrease in total stocks, it is interesting to note that actual stocks of pulled wool rose 32.7 per cent. in the period 30th September, 1946, to 31st October, 1947. Substantial reductions had taken place in the holdings of fine wools, while little alteration occurred in the stocks of cross-bred and comeback wools. In the case of worsted-type wools stocks actually increased over the period of the twelve months prior to 31st October, 1947. A significant proportion of the stocks has been held and represents cullings from previous purchase programmes. The condition of this old wool is therefore problematical, taking into account the American practice of packing much of the domestic wool loosely in bags. The importation of apparel wool into the United States during the first two months of 1948 far exceeded imports for the similar period in 1947. Commodity Credit Corporation stocks continued to decline and, by the end of March, 1948, there were only 143,000,000 lb. clean basis, on hand. The greatest movement was with stocks of wool 60's and finer. Stocks of fine wools are almost exhausted. At least one-half of the current domestic clip has already been sold and moved either into consumption or stocks. Mill men anticipate that they have enough from the United States clip and from foreign wool on hand to last them until September, 1948, but that after that date they will become more dependent on foreign wool. It is expected that American mills will make greater use of foreign wool in 1949 than during any year since 1946, when use of foreign wool totalled 86 per cent. of total foreign wool consumed.

Consumption.

Domestic wool consumption in 1947 decreased by 40,000,000 lb. from the 1946 level, sheep wool consumed totalling 698,000,000 lb. (scoured basis). Apparel class wools consumed in 1947 showed a decline of 84,000,000 lb. less than in 1946 but consumption of carpet class increased more than 44,000,000 lb. Foreign apparel wools spun on the woollen system decreased 39 per cent., and on the worsted system the drop was 19 per cent.

An examination of the consumption of the wool in the United States reveals that before the war the amount of wool used in worsted production in the textile industry was normally twice the amount used on the woollen system. During the war the quantity used on the woollen system multiplied until, by 1943, it had emerged as the greater user of wool fibres. Since the war statistical tables show a downward tendency in the consumption of raw wool in the woollen division of the industry and a gradual return to the pre-war basis. There has also been a change in the grades of wool used. For 1946 55 per cent. of the wool used was in the category 60's and finer. During 1947 this percentage increased to 61.1 per cent. with the present indication that the percentage of fine wool used would be even greater if it were available. In 1946 only 14.7 per cent. of wool used was of domestic origin. In 1947 the proportion had increased to 26.7 per cent. The U.S. Department of Agriculture has estimated raw wool consumption in 1948 to be between 825,000,000 lb. and 925,000,000 lb., greasy basis. Preliminary figures available for the consumption of apparel wool for the two months ended February, 1948, reveal that total consumption is running well behind that of the similar period in 1947. Consumption of all apparel wool at the end of February, 1948, was 20 per cent. below consumption at the same date in 1947. Much of the decline has occurred in the use of wool coarser than 60's, while finer wools have shown an increased use. Some decline in the proportion of domestic wools in total consumption is also indicated.

Prices of imported fine wools advanced rapidly in September and October and remained firm in November. This reflected the sharp increase in prices in foreign markets which occurred at the opening of the new season's sales. Australian 64's, 70's, good top-making wools, which were $1 4 cents a lb., clean basis (before payment of duty), in the first week of September, 1947, advanced to $1 25 cents a lb. for the week ending 28th November.

The following table gives comparative prices from four sources of supply at 23rd April, 1948:—

TABLE IX.

(Dollars per lb.)

Country of Origin.	70's.	64's.	62's.	58–60's.	56's.	50's.	44's.	40's.
U.S.A.	1·37	1·40	1·26	...	1·0	·93	...	...
Montevideo	...	...	1·40	1·27	1·12	1·02	...	...
Cape of Good Hope ..	1·78	...	...	...	...	...	...	...
Australia	1·76	1·72	1·66	1·65	1·25	·87	...	...
Buenos Aires	...	...	...	...	...	...	·52	·43
New Zealand	...	...	...	...	1·28	·88	...	...

Textile Production.

Woollen and worsted woven fabric production in 1947 reached 501,000,000 linear yards, a figure 17 per cent. below the 604,000,000 yards produced in 1946. At the end of 1947 there were 38,572 woollen and worsted looms in place and 34,774 were in operation at some time during the year. The number of production workers employed in the wool industry in December, 1947, has been estimated at 177,300. The production of woollen and worsted spun yarns totalled 789.2 million lb. in 1947. Of the exports of wool yarns totalling 4,347,000 lb. for 1947, Canada received 1,335,000 lb., South America 554,000 lb., Europe 1,740,000 lb., Africa 126,000 lb., Asia and the Pacific 472,000 lb.

GENERAL OUTLOOK.

The outlook for the new selling year which opens in September is favourable. Mills are well employed abroad and their produce is readily disposed of. The Continent, Yorkshire, United States, and the mills in Australia are likely to want raw material in substantial quantities and, with the present encouragement being given by the United States to Japan's mill production, the latter country proved a larger buyer than she has been for the present season. Russia has recently been a figure of prominence at sales but this is mainly due to a trading agreement between the Soviet Union and the British Government. The demand for wool is likely to be sustained. Much of Europe is still requiring to be rebuilt and the almost unlimited uses to which wool will be put, plus the demands for wearing apparel which are likely to remain unsatisfied for several years to come, give further grounds for the view that demand will continue to be heavy. Supplies of wool have never been so relatively scarce in recent years as they are at the present time. Remaining stocks should be very greatly reduced in the forthcoming season. Provided the world is preserved from political or economic crises and given the success of the European Recovery Programme, there appears to be good prospects for the maintenance of apparel wool consumption at its present high level. However it is a distinct possibility that prices at sales may fall. The availability of purchasing power is becoming more limited, and it is doubtful if some nations can continue to pay prices as high as those ruling at the end of last season. Australian sales may see falls in prices brought about by these factors. Also, there may possibly be a continuation of the trend for a heavier demand for cross-bred wools, with a subsequent reduction of the price difference between the two main groups.

J. B. MAYNE, Economics Research Officer.

THE BRITISH MINISTRY OF FOOD EGG SCHEME.

In a recent article entitled " The Ministry of Food—Egg Scheme,"* Mr. S. M. Griffin, a Ministry of Food Area Egg Officer,† described in some detail the war-time developments in egg marketing in the United Kingdom. As it is felt that this article will prove of considerable interest to egg producers and egg marketing authorities in this country, it is here reprinted in full.

"When the announcement was made in the early days of the war that the importation, marketing and distribution of eggs (in the United Kingdom) was to be controlled, many experienced merchants were of the opinion that the difficulties of formulating and administering a practical scheme were insurmountable because of the uncertainty of supply and perishable nature of the commodity. However, despite a variety of setbacks which were incapable of anticipation, the scheme has been an unqualified success and has raised the future prospects of the industry.

"The objects to be achieved were:—

1. To secure the maximum quantity of shell eggs and egg products.

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* Published in "Public Administration," Vol. XXVI, Number 1; Spring Number, 1948.

† The article, however, was written in Mr. Griffin's private, and not his official capacity.