

SUMMARY

Wool Buying by Japanese Traders in Australia in the 1930s

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After 1910, Japan experienced an unfavourable trade balance with Australia for an extended period. The only time that Japan posted a trade surplus against Australia during this period was in 1918, when its exports surged due to the economic boom generated by World War I. However, in the 1920s, Japan's exports of rayon and cotton products to Australia increased, and there were times when Japan overtook Britain's share of exports of cotton products to Australia. After 1932 in particular, Japan's exports to Australia rose sharply as a result of the depreciation of the yen caused by a prohibition on the export of gold, and in 1935, the value of Japan's exports to Australia exceeded 70 million yen. Meanwhile, because Australia's wool exports to Japan rose rapidly in the 1930s, the value of Australia's exports to Japan exceeded 200 million yen and Japan's adverse trade balance with Australia reached more than 100 million yen.

Japan's massive imports of Australian wool were spurred by the development of the Japanese wool industry, and the demand for wool from companies in the industry. In terms of Australia's wool export value by country, Britain always held the top position, but Japan moved up to second place in the early 1930s. In Australia, Japanese traders such as Mitsui & Co., Ltd, Kanematsu (Aus) Ltd., Iida & Co., Ltd., and Mitsubishi Trading Co. were extremely active in the wool market. In the wool auctions held in cities across the nation, including Sydney, Brisbane and Melbourne, each buyer's allotment of bidding seats in the sale room was decided based on the amount of wool bought in the past 5 years. Because Japanese companies purchased large quantities of wool in the 1930s, they were placed in the upper position in the allotment of bidding seats for many Australian auctions.

This paper considers the dramatic increase in wool purchasing by Japanese companies in the 1930s, and attempts to conduct an analysis from the perspective of the allotment of bidding seats in Australian auctions. The study also considers the competition between Japanese companies as wool purchases surged and the effects of the trade protection law against Australia passed in June, 1936 on their wool buying activities.