

Let's Look at the British Market (pages 2 to 32)

FOREIGN TRADE

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Trade Commissioners stationed in Britain (London, Liverpool, Glasgow) examine Canada's second largest market in detail and assess the sales opportunities for many products, against the background of a Britain keeping pace with progress.

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What manufactured goods? Hundreds of products, from complex automatic devices and packaging machinery to locksets, furnaces and food mixers. These reports tell you what you might sell—and offer advice on how to go about it.

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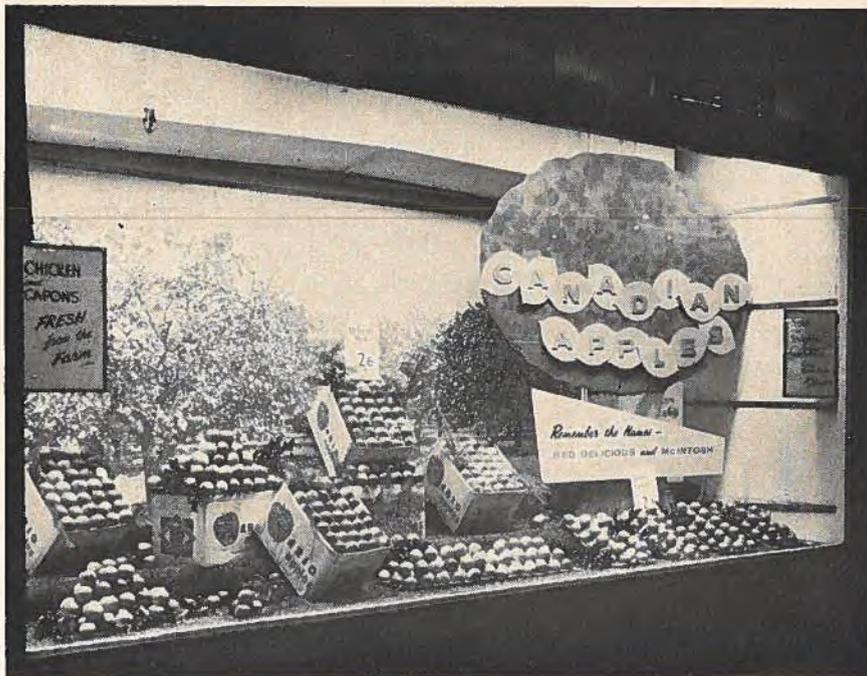
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Thousands of Canadian products can be and are being sold in the British market, beginning with "A" for apples (right). A display in one of the windows at the famous Selfridges in London advertised Canadian apples to the passing throngs of hurrying Christmas shoppers.



Let's Look

at the British Market



Waiting for the wash has become a household pastime in many parts of Britain with the advent of coin-operated self-service laundries. A Canadian company pioneered in this field and has quickly built up an excellent self-service laundry business there.

British Business in 1962

Favourable factors: *brisk retail sales
three per cent increase in exports
rise in incomes, easier credit*

Unfavourable factors: *decrease in investment in '62
uncertainty about future policies
some increase in unemployment*

Outlook for Canadian exports: *good, if penetration of market
increases.*

B. C. BUTLER, *Minister (Commercial), London.*

THE visitor to the department stores and specialty shops of any British city during the last Christmas season gained a striking impression of the spread of purchasing power in this country. There was every evidence that Britain is indeed becoming an affluent society. On the whole, domestic business was good during most of 1962 and retail trade is still at a high level. The index of retail sales of consumer goods averaged 115 at the end of the third quarter against the average of 113 for the year 1961. The sales index for durable goods was somewhat lower because of the limitations on credit during most of last year. These indices are, of course, subject to some modification in terms of the cost-of-living index, which now stands at about 120 (1957=100).

Some Uncertainties Prevail

Although the general tone of domestic business is good, uncertainty has overshadowed British business and industry for almost two years, retarding investment, postponing many decisions, and contributing to a general slackening in the pace of the economy. It is the view of most observers that the protracted negotiations for Britain's entry into the European Economic Community were the main cause of the hesitant attitude of business. The abrupt termination of the Brussels negotiations in mid-January when

a successful outcome seemed to be in sight left the question—"Where do we go from here?"

At the time of writing, no single alternative plan has emerged. Membership in EEC had been put forward as the stimulus through which the British economy would achieve healthy expansion without inflation, full employment, higher exports, and a more stable balance-of-payments position. The abrupt termination of the Brussels negotiations necessitated a reappraisal of the British position. This includes possible expansion of trade with the EFTA countries (the Outer Seven), the Commonwealth and the United States. In the past two years and increasingly in recent months these matters have been the subject of much discussion and debate in the press, on radio and television, and in private. Even more importance is being attributed in Britain to the possibility of lowering trade barriers internationally through the provisions of the United States Trade Expansion Act—the so-called "Kennedy round" of GATT talks.

Capital Investment

The official forecast of private investment indicated a probable increase of 3 per cent in 1962; actually, latest figures reveal a drop of over 7 per cent. This occurred chiefly in manufacturing and was only slightly offset by a small in-

crease in investment in the distributive and servicing industries. Any improvement in the rate of private investment in industry appears to depend upon the removal of the uncertainties in the international scene and a sufficient quickening of demand to take up the present spare capacity in most of the key industries—steel, motor cars and plastics, for example. Government steps to ease credit, encourage investment and create greater confidence are reflected in the recent target set by the National Economic Development Council (Neddy) of a 4 per cent increase in the gross national product in 1963. The question of a national incomes policy is also receiving attention and it is expected that either Neddy or the new National Incomes Commission (Nicky) will have something to say on this subject before long. Increased efficiency of management, labour and industrial plant is currently to the fore in public discussions.

Employment

In absolute terms, the number of unemployed—over 800,000 at time of writing—is disturbing, but in percentage terms the rate of unemployment is still relatively low—under 3 per cent on a national basis. The trouble lies in the fact that most of the unemployment is concentrated in a few chronically "black" spots, where big industries like shipbuilding are in difficulties. Northern Ireland, some parts of Scotland, and northeast England are the hardest hit. In these parts, the unemployment rate in some districts runs to over 10 per cent.

Conversely, and despite the rapidly growing population in southern England, there is a shortage of labour in many parts of the south, where business expansion in the postwar years has been most active. Business and employment suffered

TABLE I
BRITAIN'S FOREIGN TRADE, 1962

	Exports £'000	Change from 1961 (per cent)	Imports £'000	Change from 1961 (per cent)
North America	518.3	(+ 3)	826.2	(- 1)
Of which:				
United States	330.4	(+17)	477.0	(- 2)
Canada	187.9	(-15)	349.3	(0)
Latin America	161.0	(- 3)	298.1	(+ 7)
European Common Market	719.9	(+17)	708.5	(+ 5)
European Free Trade Assoc.	517.0	(+ 7)	550.7	(- 1)
U.S.S.R.	41.9	(- 3)	84.1	(- 1)
Japan	43.3	(+ 4)	53.2	(+36)
Australia	228.6	(+14)	185.4	(+ 6)
New Zealand	107.2	(-14)	169.6	(+ 6)
India	116.4	(-23)	136.0	(- 6)
Total, all countries	3,791.8	(+ 3)	4,492.0	(+ 2)

from the unusually severe winter, the record low temperatures, and the snowfalls in the last weeks of 1962 and the first weeks of this year. It is estimated that fully 150,000 were added to the unemployed during this period. The unaccustomed conditions upset road, rail and air transport, as well as gas and electricity generation and distribution. In some areas water, coal and other essentials were in dangerously short supply. These conditions were further aggravated by threatened strikes, especially in the electrical generating plants.

Trade

Though the increase in the first half of 1962 was encouraging, exports fell off in the second half and the total for the year was up only 3 per cent over the 1961 figures. Total imports increased by 2 per cent over 1961. Table I gives figures on import and export trade, with main countries and the percentage change (in brackets) in each case as compared with 1961.

Table I shows that, although exports to the United States rose 17 per cent, exports to Canada declined 15 per cent. Imports from the United States were down by 2 per cent in value but shipments from Canada were unchanged. In view of the lower exchange value of the Canadian dollar in 1962, this means

that Canadian shipments increased in volume by some 5 or 10 per cent in 1962.

Outlook for Canadian Trade

Despite the uncertainties detailed at the beginning of this report, domestic business in Britain is still good and will probably continue to improve with the rise in incomes and generally easier credit conditions. This country is Canada's second largest export market; every year our total sales move closer to the one-billion-dollar mark. More Canadian manufacturers and producers have active sales connections in Britain than in any other export market. Many of these connections have been established comparatively recently with the liberalization of British trade that began in 1959. Most of these firms have until now concentrated their efforts in the London area and are only beginning to give attention to other parts of the country where there should be good markets for their products—the Midlands, Scotland, Wales and Northern Ireland. Future expansion of our exports to Britain will therefore depend to a considerable extent upon a deeper penetration of the market and, as this takes place, our exports should rise to new highs.

Our offices in London, Liverpool, Glasgow and Belfast are at the service of Canadian businessmen

seeking to introduce their products or expand their present business in the British market. When we are asked, "What can be sold in Britain?" our answer is, "Almost any good quality product that is competitively priced and attractively presented". With preferential tariffs in their favour, (most goods with the necessary British Commonwealth content enter duty-free) many Canadian producers and manufacturers should give as much attention to this market of 52 million consumers as they do to their market in Canada, where the demand is only one third to one fifth as great.

Try an Export Merchant

THE small Canadian manufacturer considering export for the first time may feel frustrated and bewildered. How and where should he begin? The best answer could well be—begin by working with an export agent or export merchant.

An export agent generally works on commission. He seeks orders on your behalf in markets abroad and usually attends to the documentation requirements for each overseas country. An export merchant, on the other hand, buys your products at the factory and then attempts to sell them at a profit overseas. He assumes all responsibility for your goods from the time they leave your factory gates. There are variations in this pattern, but both the export agent and the export merchant must have a detailed knowledge of overseas markets. Unless they do, they will not stay in business long.

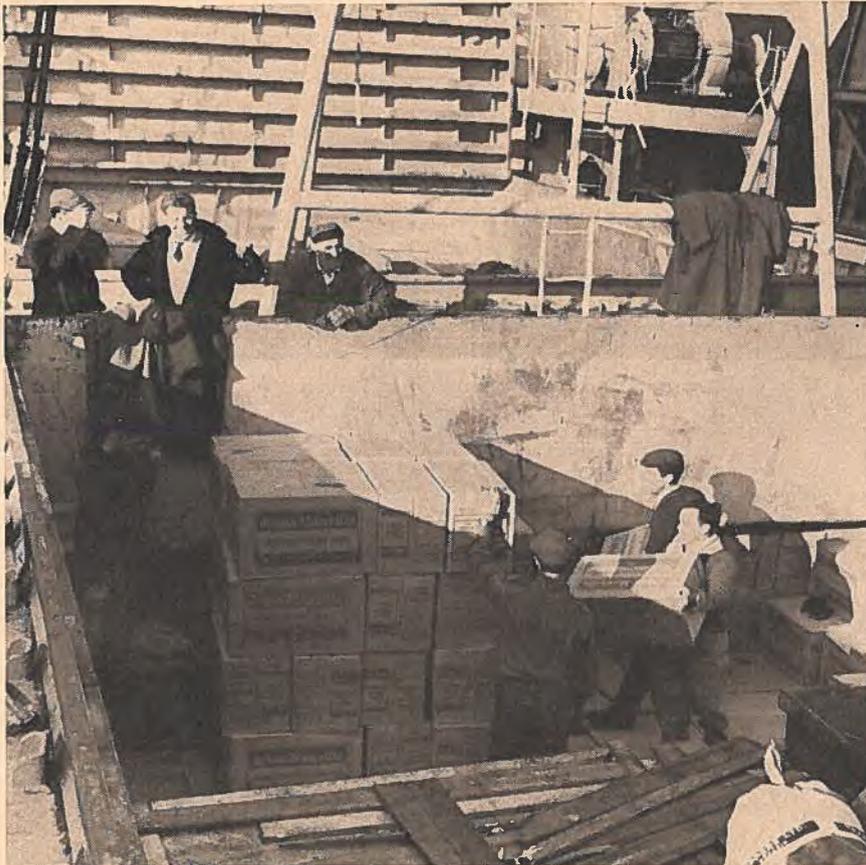
Export merchants and agents play an important rôle in Britain's overseas trade; it has been estimated that they account for as much as 15 per cent of all British exports. Generally speaking, the less sophisticated the overseas market, the bigger the rôle the export merchant and agent play.

If you are interested in selling abroad but hesitate to do so because of lack of knowledge of export trade, consider using the facilities and experience of an export house. For a more detailed explanation of the services of export merchants, write to the Editor, *Foreign Trade*, c/o the Department, for a copy of the pamphlet *Export Merchants Help Canadian Trade*.

What and Where Does Britain Trade?

- Raw materials, foodstuffs bulk large among British imports.
- Exports, particularly of highly manufactured goods, today pay five-sixths of import costs.
- About one-third of British foreign trade is carried on with Commonwealth countries; U.S. is her leading trading partner.
- Canada ranks as Britain's second largest supplier; in some years, is also her second largest market.

S. G. TREGASKES, *Commercial Counsellor, London.*



This shipment of acoustic decorative ceiling tile (two carloads), made in North Bay, Ontario, was dispatched to the manufacturer's British agent last fall. This was an initial order for this decorative material, but the company expects worthwhile repeat business if the tile catches on with British builders and householders.

BRITAIN has practically no natural resources and must depend on other and intangible assets to earn a living in world trade. Each year, she must import vast quantities of raw materials and foodstuffs to supply her factories and to feed the population. To pay for these imports, Britain exports some of them in finished form, the great bulk as sophisticated and intricate manufactured goods. Any shortfall between the import bill and export earnings is made good by the country's earnings as a world financial and entrepôt centre with net income accruing from banking, insurance, overseas dividends and interest, shipping, the tourist trade, and so on.

In the world of change since 1945, Britain has come to depend more and more on these intangible assets to achieve this fine balance in international trade—assets such as industrial experience and technical skills; an industrious, mature and stable people who appreciate the common need and urgency to increase their world trade; an island position from which goods can be sent cheaply by sea, and a fund of goodwill in many world markets.

Britain buys from the world and sells to the world. She does not depend on any particular country or area as a source of imports, but buys according to the purely commercial considerations of price and quality. The leading supplying country in 1962 furnished less than 11 per cent of Britain's total imports. Similarly, she does not depend on any particular country or area as a market for her exports. In 1962 her principal market took less than 9 per cent of her total exports. Britain's experience and knowledge as a world trader, accumulated through several centuries, is an additional asset to help her pay her way as a trading nation.

The casual observer is not always aware of the tremendous effort Britain has made in postwar years to have her exports pay for her imports. In prewar years and during the 1930's Britain paid no more

than half of her import bill by selling her exports, depending on returns from overseas investments and other invisible earnings to pay the other half. In postwar years, with overseas earnings and other invisible income drastically reduced, Britain was forced to make exports pay, or nearly pay, import costs. How well the British accomplished this is illustrated by Table I, which demonstrates that Britain now pays more than five-sixths of her import bill with the proceeds from exports.

More than one third of Britain's trade is carried on with Commonwealth countries*, although over 32 years this figure has varied substantially. Table II shows Britain's trade with Commonwealth countries and with all other countries for selected years 1930-1962. The year 1930 was chosen as the last complete trading year before the Ottawa Agreements of 1931 which instituted the Commonwealth preference system. The years 1938 and 1946 are the prewar and postwar normal trading years; 1954 is considered a normal trading year after the end of the Korean War and 1962 is the latest complete trading year.

*Trade with the Republic of Ireland and the Republic of South Africa are included for comparative purposes. Britain and these two countries still offer Commonwealth preference rates of duty on each other's goods.

TABLE I
BRITAIN'S FOREIGN TRADE

Year	Exports f.o.b.*	Imports c.i.f.
	(£ million)	
1930	571	1,045
1938	471	920
1946	912	1,298
1954	2,673	3,379
1958	3,176	3,748
1959	3,330	3,983
1960	3,555	4,541
1961	3,681	4,395
1962	3,792	4,492

*Re-exports not included.

Source: U.K. Trade and Navigation Accounts.

Canadian-British Trade

During this same 32-year period, the percentage of British imports of materials and foodstuffs supplied by Canada has fluctuated from less than 4 per cent in 1930 to more than 15 per cent in 1946. On the other hand, Canada has remained a remarkably steady market for British goods, taking each year about 5 per cent of all British exports. Table III gives these percentages.

Canada is Britain's second largest supplier, usually by a wide margin. It also jockeys with Australia and West Germany for the position of second largest market and buys a great variety of British goods. The United States is Britain's leading trading partner.

TABLE II
**BRITAIN'S TRADE WITH COMMONWEALTH COUNTRIES
AND ALL OTHER COUNTRIES**

	1930	1938	1946	1954	1962
	(per cent)				
Imports into Britain from Commonwealth countries	29.1	40.4	48.8	51.3	37.8
Imports into Britain from all other countries	70.9	59.6	51.2	48.7	62.2
Exports by Britain to Commonwealth countries	43.5	49.9	49.2	53.0	35.4
Exports by Britain to all other countries	56.6	50.1	50.8	47.0	64.6

TABLE III
CANADA'S TRADE WITH BRITAIN

	1930	1938	1946	1954	1962
	(per cent)				
Imports from Canada as a percentage of British imports from all countries	3.8	8.8	15.0	8.1	7.8
Exports to Canada as a percentage of British exports to all countries	5.1	4.9	3.6	4.9	5.0

Canada's principal rôle in trade with Britain will continue to be the supplying of raw materials and bulk foodstuffs. But many of our manufactured and semi-processed goods will also find a market there, filling gaps in the British industrial complex or supplying products in which we have some unique or inherent advantage. Subsequent articles in this edition of *Foreign Trade*, devoted exclusively to British-Canadian trade, will highlight only a few of the opportunities for Canadian manufacturers and exporters in the British market. If your particular product is not discussed and you think it might sell in Britain, write to one of the Canadian Trade Offices in Britain or to the Department of Trade and Commerce, Ottawa, advising them of your interest.

We Suggest . . .

. . . you check this list of earlier articles on the British market, published in the 1961 and 1962 issues of *Foreign Trade*:

1961 Issues

- Export Merchants Help British Trade, Jan. 14
- Selling Processed Foods in Britain, Jan. 14
- The United Kingdom Aluminum Industry, March 11
- Canada Sells More to Britain, April 8
- Canada Sells Steel to Britain, June 17
- Market for Heating Equipment (Part I), Dec. 16
- Market for Heating Equipment (Part II), Dec. 30
- How to Advertise in Britain, Dec. 30

1962 Issues

- Market for Tobacco, Feb. 10
- Market for Domestic Appliances, March 10
- Britain's Trade in 1961, April 21
- Market for Processed Fruits and Vegetables, Aug. 11
- Britons Take to the Water, Sept. 8
- British Customs and Tariff Regulations, Oct. 8
- Britain in 1962, Nov. 17
- Market in Brief, Nov. 17
- Why Not Sell Lamps in Britain? Dec. 29

Selling Manufactured Goods in Britain

A rapidly rising standard of living, plus industry's recognition that it must step up production with modern methods, has created a strong and growing demand in British home and factory for products that Canadians make—such as heating equipment, domestic appliances, building accessories, machinery and equipment.

Machinery and Equipment

BRITAIN has imported \$2 billion worth of machinery and equipment over the past two years, although it is a major net exporter of this class of goods. Imports have risen substantially since 1959, as Table I shows. The tapering off in 1962 probably was the result of investment uncertainty on the part of industry during Britain's EEC negotiations. Indications are that 1963 will be a year of renewed investment in new machines and equipment. The pressure of intense competition for export markets, plus the strain placed on existing facilities by growing domestic demand for modern conveniences, is making British industry extremely conscious of the necessity for greater productivity. The Government has recognized this need in designating 1963 as National Productivity Year.

Allowing for the dollar devaluation in 1962, Canada's share of the British machinery and equipment market has doubled in four years. As Table II shows, a wide variety of Canadian products has been sold here. In general, Canadian machinery and equipment which is of unique design and which will improve quality, lower manufacturing costs, or reduce lead time will sell in Britain. Canadian firms should not pass up the opportunities presented by this large, sophisticated and highly industrialized market, especially since all but a few products can enter duty-free.

We believe that British industry is on the threshold of revolutionary changes; it must diversify and be-

come more efficient if Britain is to solve her balance-of-payments problems and cut down rising unemployment. The following five fields will be directly involved in this new industrial revolution; they present potentially lucrative markets for Canadian firms which have the foresight to capitalize on these changes.

Metalworking Machines

British imports of machine tools totalled \$97.5 million in 1962 and will probably increase dramatically over the next five years because 60 per cent of Britain's 1.25 million machine tools are over ten years old and 21 per cent over 20 years old.

There are up-to-date machines in the aircraft and automotive industries but the older ones predominate in shipbuilding and heavy industries.

The newest ideas in machine tools are already winning acceptance. This is true in the more popular lines of United States medium-size precision and production-type machine tools, German-made precision machinery and light machines (such as engravers' pantograph milling machines and profilers), and Italian heavy boring and milling machinery.

Packaging Machinery

Although the British are becoming more design-conscious, their

TABLE I

BRITISH IMPORTS OF MACHINERY, EQUIPMENT AND APPLIANCES

Non-Electrical Machinery					Electrical Machinery, Equipment and Appliances			
Engines; pumps; agricultural, office, metal working, rolling mill, mechanical handling, mining, woodworking, printing, textile, air exhausting and packaging machines, etc.					Motors, industrial control equipment, electronic tubes, radio and TV apparatus, communication equipment, medical apparatus, etc. Imports of electrical appliances are estimated at about £8 million annually.			
(£ million c.i.f.)					(£ million c.i.f.)			
1959	1960	1961	1962	Major Suppliers	1959	1960	1961	1962
43.6	66.7	83.3	81.2	United States	11.4	19.7	21.9	27.4
40.5	49.3	63.2	61.2	West Germany	7.7	9.3	10.8	11.5
11.3	11.6	13.5	15.1	Switzerland	1.7	2.2	2.5	3.3
7.8	9.9	12.1	12.7	Sweden	1.1	1.5	2.6	2.2
7.7	8.8	11.5	12.5	France	1.8	2.3	3.3	3.4
7.4	7.8	11.8	12.2	Italy	1.1	1.6	1.4	1.8
9.2	8.8	9.9	9.3	Netherlands	6.4	7.0	8.0	9.0
3.8	5.2	7.3	6.9	Belgium	.5	.5	.7	.6
4.7	6.7	8.1	7.8	CANADA	1.1	1.4	2.5	2.5
27.1	25.6	30.8	32.8	Others	7.4	8.3	11.8	14.0
163.1	200.4	251.5	251.7	Totals	40.2	53.8	65.5	75.8

TABLE II
CANADA'S EXPORTS OF MACHINERY AND EQUIPMENT TO BRITAIN

Selected Items	1961	1962	Selected Items	1961	1962
	Can.\$ f.o.b.			Can.\$ f.o.b.	
		(Jan.-Nov.)			(Jan.-Nov.)
Material handling equipment	3,921	41,734	Shoemaking machinery	16,502	11,967
Engines, turbines	60,488	150,508	Special industrial machinery	1,338,529	159,147
Generators	57,015	153,014	Motor vehicles, components and parts	1,008,372	777,472
Electric motors, parts	128,220	151,558	Parts for combine reaper-threshers	243,509	1,051,662
Bearings	282,199	146,876	Parts of wheel tractors	21,344	210,227
Power transmission equipment	37,766	16,337	Marine engines	862,097	645,894
Industrial furnaces, ovens	321,171	82,072	Aircraft, engines, assemblies, parts	3,216,553	2,774,391
Foundry equipment	29,822	64,168	Fuel-burning heating equipment	593,442	1,029,539
Compressors, fans, blowers	31,107	5,556	Radio, TV equipment and parts	177,304	369,039
Pumps, pumping systems	122,964	208,267	Radar and related equipment	20,060	332,997
Packaging machinery	90,659	35,060	Electronic tubes, semi-conductors	37,935	64,450
Conveyors, conveyor systems	19,893	53,385	Communication equipment components	133,489	207,499
Cranes, hoists, winches	1,025	420,675	Transformers, parts	20,915	308,409
Rock drilling machinery	135,899	40,599	Switchgear equipment	134,809	136,021
Excavating, dredging equipment	10,630	126,497	Industrial control equipment	224,379	428,278
Mining, oil, gas, machinery	119,432	103,066	Wiring devices, parts	97,395	72,902
Boring, drilling machinery	13,924	13,764	Electric measuring instruments, parts	22,415	18,286
Metalworking machine tools	133,816	170,863	Commercial air-conditioning, refrigeration equipment	460,543	496,028
Metalworking machinery, equipment	494,653	215,821	Medical instruments	13,259	69,934
Rubber working machinery, equipment	*	638,421	Laboratory, optical, scientific instruments	11,159	15,408
Plastics industrial machinery and equipment	*	73,180	Measuring and testing instruments	308,461	207,237
Construction, maintenance machinery	83,378	152,357	Card-punch machines, computers	949,698	1,080,447
Chain saws, parts	352,186	599,521	Safety, sanitation equipment	22,574	122,141
Saws, sawmill machinery	19,573	8,926	Service industry equipment	257,846	183,681
Woodworking machinery	15,867	24,773	Handsaws, blades	134,543	113,830
Pulp and paper machinery	25,497	43,103	Adding, office machines	182,380	40,847
Electrotypes, stereotypes	10,561	6,124	Typewriters	404,732	558,059
Printing, bookbinding machinery	35,153	103,514			
Textile machinery	744,466	842,940			
Dairy plant, milking machinery	28,400	22,339			
Food, beverages, tobacco machinery	255,046	39,687			

*No figures available.

packaging methods tend to lag behind the North American by several years, both in consumer and industrial goods. The basic approach differs: we place great emphasis on packaging as a merchandising tool while the British tend to think of it in terms of protection. This thinking is changing fast as the British become increasingly interested in design and more receptive to the products of large U.S. subsidiaries that employ American packaging methods.

In food packaging, the use of glass containers and polyethylene and the packaging of frozen foods in contamination-free containers are not as advanced as in Canada.

Manual labour and semi-automatic machines are widely used. Fully automatic packaging is relatively unknown; it is considered uneconomic because of the normal practice of operating a single shift. However, rising wage costs and the need for greater efficiency may soon bring changes.

Air Cooling and Ventilating

Despite Britain's temperate climate, there is an important and growing demand for commercial air-cooling, filtration and ventilating equipment. This is a field that Canadian manufacturers, faced with intense foreign competition in Canada, should examine closely in their ef-

forts to step up production and reduce costs. An encouraging number of air-cooling installations have been made in British stores, theatres, office buildings, beauty parlours and restaurants, and the need for many more is recognized. More and more factories are installing filtration and air-cooling equipment. Many new housing units are being put up with built-in facilities for future insertion of air-cooling equipment. There is an immediate market also for air purifiers and hood ventilators for kitchens.

Automation

The majority of British firms are 'job shops' (95 per cent employ less than 250 men) with short production runs. It will take two to five years to sell these firms on the advantages of numerically controlled machines—increased accuracy with the employment of few skilled men, savings in jigs and fixtures, and rapid and comparative cheapness of changeover to a product of a different design. At the moment, there are less than 200 of these machines in Britain, primarily in the aircraft industry and in certain industrial laboratories. Market opportunities exist or can be developed for numerically controlled machine tools of the co-ordinate positioning and continuous path type.

Because of the pressure to increase productivity per machine and per manhour, the small British firm is now ready to accept low-cost semi-automatic devices. Automatic feeders; rotary and in-line indexing tables; standard tooling for milling, drilling, etc.; sensing devices; micro-switches, etc.; hydraulic and pneumatic actuators for positioning, clamping and other component manipulative functions—all these, we believe, have immediate market interest in Britain.

Controls and Instrumentation

The demand for instrumentation and controls is growing rapidly; the larger firms are becoming more conscious that only modern automatic

devices will make possible a marked increase in productivity. The following industries provide a good market: distilleries, electronics, plastics, power plants, food packers, and research laboratories. Many of these now employ manual control and batch-type processes but there is a growing trend towards automatic control and continuous process. There is also a market for the basic instrumentation needs in process control for continuous-flow

industries such as petroleum, fine chemicals, steel mills and power utilities, but this is a highly competitive field. The demand for sophisticated systems is still limited to a few petroleum refineries and catalytic cracking plants. However, as the British process-control market gains confidence after improving manual controls through instrumentation, further sophistication in control systems will be more acceptable.

Britain is a large potential market for Canadian machinery and equipment. A number of your domestic competitors have already established themselves here. Why not invest in your future growth by sending a representative to Britain? Our London, Liverpool and Glasgow offices stand ready to assist you.

—E. L. BOBINSKI,
*Assistant Commercial Secretary,
London.*

Building Accessories

CANADIAN manufacturers of building accessories could probably find selling opportunities in Britain if they examined the market personally. The following are a few of the opportunities that have come to our attention recently.

● *Windows*—Canadian heating equipment manufacturers have observed in the course of their installation work that few British homes have double windows. Builders provide the traditional casement window even when the house is being centrally heated. After the first one or two heating seasons, the householder starts to search for ways to

weatherstrip his draughty cement windows or to build in double windows. Possibly the builder may have considered providing double-glazed windows but found the cost prohibitive. There might be a market for the cheaper Canadian sashless double window.

● *Chimneys*—If suitable sales promotion was directed towards architects and local building authorities in Britain, Canadian prefabricated metal chimneys might be sold to housebuilders here, particularly where Canadian gas furnaces are being installed. These operate better with metal chimneys, which also

save on chimney costs. Metal chimneys are ideal for Canadian timber houses which are gaining favour in Britain.

● *Door Hardware*—Two Canadian companies are already selling locksets in Britain for use in hotels and commercial buildings. They were the first to introduce the popular North American door-handle with built-in press-button lock. Eventually this door set should be popular in houses as well.

—G. W. S. ROONEY,
*Assistant Commercial Secretary
(Industrial Development)*

Domestic Appliances

THE demand in Britain for appliances of all kinds is increasing with the rising standard of living. This market has been hungry for more comforts for many years and the demand covers the whole range of appliances—from refrigerators and dishwashers to table lamps, flour sifters and food mixers.

Buying was further stimulated in January 1963 when refrigerators, washing machines and a few other appliances were taken out of the luxury class and the purchase tax on them eliminated.

Tables I and II show the growth of British imports and the small share of this market that Canadian exporters hold. It must be remembered, however, that British import controls on these products were only removed in 1959.

● *Kitchen Ranges (Cookers)*—British production of gas and electric ranges is rising to satisfy the demand indicated by imports last year. However, the manufacturers still have not developed a mass-production market for larger ranges that

North American companies enjoy. Several Canadian companies are exploiting this market in Britain and may be able to expand into the field of smaller size ranges as they become more firmly established.

● *Washing Machines*—Canadian figures for exports of washing machines to Britain probably represent chiefly the commercial units being installed by Canadian companies in coin-operated laundries. To date, Canadian manufacturers of domestic washers have found that their

To help increase the use of electric power, the Electricity Board pushes sales of electrical appliances; maintains well-appointed showrooms in various cities. This one in Brighton is stocked and staffed by the South Eastern Electricity Board.



wringer-dryer types are not popular in England and new types must be designed to suit British requirements. The British want a fully automatic washer and dryer combined in a square case with a flat table top to fit into the modern

TABLE I
CANADIAN APPLIANCE EXPORTS TO BRITAIN*

	1960	1961
	(Can.\$)	
Electric ranges and parts	476,107	893,541
Other ranges	3,494	34,699
Washing machines and laundry equipment and parts	19,123	121,197
Refrigerators and freezers	79,776	418,583
Lighting fixtures and lamps	758	121,251

*Source: Dominion Bureau of Statistics.

TABLE II
IMPORTS OF APPLIANCES INTO BRITAIN*

	1960	1961
	(pounds sterling)	
Electric cookers	2,232,735	2,835,766
Domestic washing and drying machines	1,430,261	1,018,080
Domestic refrigerators and refrigerator equipment	5,313,313	1,554,946
Electric lighting appliances and parts	2,051,245	2,207,472

*Source: U.K. Trade and Navigation Accounts.

counter-style kitchens. However, Canadian mass-production methods should still provide a price advantage over current British washers, when the market is fully developed.

● *Refrigerators*—Three years ago Canadian companies won a foothold for their larger size domestic refrigerators because at that time Britain was not producing any. This year the British have begun to make larger refrigerators and soon will exploit this field fully. However, there is still a market for commercial and domestic deep freezers and Canadian manufacturers are selling successfully again this year. Exhibits at forthcoming food and catering exhibitions in Britain might be a good sales promotion technique. Table III shows sales of refrigerators through the Electricity Board; additional sales were made through private electrical dealers and merchants.

TABLE III
ELECTRICITY BOARD'S APPLIANCE SALES FOR YEAR ENDING MARCH 31, 1962

	Number of units
Electric cookers	398,800
Water heaters	300,800
Wash boilers	59,700
Washing machines	113,400
Refrigerators	135,100

● *Lamps*—Canadian floor and table lamps are beginning to appear on the British market and are attracting attention because of their original design and low price. For further information see "Why Not Sell Lamps in Britain", *Foreign Trade*, December 29, 1962.

● *Kitchen Appliances*—Small kitchen appliances and gadgets appeal to British householders and many varieties are appearing here, imported from Italy, France, Germany, Sweden and other parts of Europe. Among them are bread slicers, fruit squeezers, can openers, and so on. We have had inquiries recently for the type of flour sifters that Canadian housewives use.

● *Power Lawnmowers*—Power lawnmowers from Canada appeared in local hardware stores throughout Britain last year and sold well because of their good design, attractive appearance and reasonable price.

For additional information on these products see "Domestic Appliances in Britain", *Foreign Trade*, March 10, 1962.

—G. W. S. ROONEY,
Assistant Commercial Secretary
(Industrial Development)

Heating Equipment

SIX Canadian companies are now engaged in developing a market in Britain for their full range of Canadian warm air heating equipment and others are introducing heating components, ductwork, fittings and accessories.

British householders are becoming more heating conscious every year and the recent severe winter should increase their interest in and stimulate sales of heating equipment in 1963. Only about 5 per cent of British homes are fully heated; the remainder are heated inadequately by standards in other countries. Table I gives some indication of

Council and do not include the installations by private installers.

The small-bore hot water radiator system of heating still costs much more than a warm air system in Britain but it probably will continue to capture most of the home market because it is easier to put into houses that are already built. Cheapest of all to install is a full electric heating system, but because of the high electricity costs in Britain, it will not sell as well as gas or oil equipment. Most Canadian heating experts feel that gas-fired systems will prove the most popular in the long run. A British gas-fired system

as low as £100 installed. However, it produces only 21,000 British thermal units per hour which does not give the average householder full heating and eventually he must buy portable heaters to give him real comfort.

The British standard of living is rising rapidly and the British have been buying a greater variety of appliances every year. With only 5 per cent of the 14 million homes adequately heated and 300,000 new homes being built every year, there should be ample scope for promoting Canadian heating equipment in this market.

The builders' merchants, with their networks of hardware stores throughout Britain, provide excellent distribution outlets for Canadian heating equipment.

For further information see "Heating Equipment in Britain", published in two parts in the *Foreign Trade* issues of December 16 and 30, 1961.

—G. W. S. ROONEY,
Assistant Commercial Secretary
(Industrial Development)

TABLE I

CENTRAL HEATING SYSTEMS INSTALLED IN BRITISH HOMES

Year ending March	No. of Units		
	Oil	Gas	
1959	10,000	6,000	
1960	35,000	13,000	
1961	40,000	26,000	
1962	45,000	37,500	of which: hot water, 22,500 warm air, 15,000
1963 (estimated)	50,000	50,000	

sales in Britain of full heating equipment. The figures were obtained from the oil companies and the Gas

is now being put into new housing projects at the rate of almost 1,000 per week because it sells for

Canadian-British Exchange of Manufacturing Licences

THERE are over 55,000 manufacturing companies in Britain and 78 of these have over 5,000 employees each—just one indication of the manufacturing capacity of British companies and their potential for research in new product fields. Whether or not Britain eventually enters the EEC, she has close connections with the Continental market. Many British companies have established branch factories throughout Europe and also have set up networks of agents, distributors and retail outlets.

British companies can offer new products developed through their extensive financial and research facilities and are constantly seeking

Canadian companies which can manufacture these products under licence in Canada. When Canadian and British companies have a mutual interest, they can handle each other's marketing problems at the beginning and later manufacture under licence or assemble as the market demands. Any loss of exports of complete products as a result of manufacturing or assembling under licence in Britain is compensated by a larger volume of sales in the early stages and later by larger exports of components. Smaller Canadian manufacturers are able to explore the British market without the risk involved in setting up their own dis-

tribution arrangements and secure a foothold more quickly by using a British partner with the necessary financial, sales and manufacturing facilities.

Our office in London receives many inquiries from British companies who have new products for licensing in Canada and who also have the manufacturing capacity for handling new Canadian products in Britain. Further information is available through the Industrial Promotion Branch, Department of Trade and Commerce, Ottawa, or from the Assistant Commercial Secretary (Industrial Development), Office of the High Commissioner for Canada, London, W.I. England. ●

Selling Foodstuffs in Britain

The world's biggest importer of foods, Britain buys more Canadian agricultural products than any other customer. There's still plenty of scope for the alert, progressive exporter to expand his sales, especially of processed foods, as the accompanying articles show.

Home-Grown and Imported

TRADITIONALLY, farming has had an important place in Britain and it continues to be one of the largest industries. Agricultural land makes up a good part of the country and about one-third is arable; the climate is mild and the rainfall abundant. Only 4 per cent of the population works in agriculture and they produce just over 4 per cent of the gross national product. In terms of value, about one-half of Britain's food is produced there, compared with one-third before the war.

Many factors have favoured the domestic production of a substantial share of British food requirements. Geographical isolation and defence needs have encouraged it. The relative scarcity of natural resources has forced Britain to depend upon export earnings and to import large quantities of industrial raw materials. A strong domestic agriculture cuts down the amount of exchange earnings spent on food and in recent years, social considerations have added weight to arguments in favour of greater farm production.

None the less, the large population has made sizable food imports necessary and Britain continues to be the world's leading importer of foodstuffs. Historically, the country has accepted as a national policy the necessity of importing food in quantity and at low prices. It has been necessary to balance these objectives with the national desire to retain a basic level of agricultural production and to safeguard the farmers' income. Comprehensive farm-support legislation has been devised. This permits the prices of

most foods to find their own level based on world prices but the British farmer is protected through a system of deficiency payments and grants. This program has brought agriculture to a high and sustained level of output. Production of basic foodstuffs is large, as Table I confirms, and has provided the raw materials for a thriving food-processing industry.

The British Diet

The monthly expenditure on food in Britain averages about \$18.00 per person. Naturally, the diet is similar to the Canadian but the British rely more on relatively unprocessed staples and less on convenience-type foods. The war and subsequent economic expansion have influenced eating habits; consumption of dairy products, eggs, poultry meat, breakfast cereals and most convenience foods has increased.

Agricultural Imports

The value of food, beverages and tobacco (including materials for industrial use) imported by Britain has averaged about \$4,325 million a year in the past ten years. This constitutes about one-third of total imports (a slight decline from pre-war levels) or about 75 per cent of Canada's total exports by value. Imports of most foods are expanding slowly as living standards rise and the population increases. Most agricultural products enter free of duty or at relatively low tariff rates and the major share of the Commonwealth supplies come in under Commonwealth preference. Small quantities of these products are exported, particularly beverages, re-

processed sugar, grain, dairy produce and live animals.

Table III provides a summary of these imports, showing the volume of trade in 1957 (before relaxation of restrictions against products from dollar sources) compared with more recent years.

Britain has bought from 25 to 60 per cent of all Canadian agri-

TABLE I
PRODUCTION OF SOME AGRICULTURAL PRODUCTS

	1951	1957	1961
	(long tons '000)		
Wheat	2,316	2,683	2,573
Barley	1,939	2,957	4,974
Eggs	464	660	722
Beef and veal	617	887	786
Pork	464	691	684
Butter	6	34	48
Cheese	44	113	114
Fruit	956	687	517
Vegetables	2,387	2,351	2,681
Canned and bottled fruit	83	80	90
Canned vegetables	300	471	562

Source: Annual Abstract of Statistics, 1962.

TABLE II
CONSUMPTION OF SELECTED FOODS

	1951	1957	1961
	(pounds per person per year)		
Flour	203.6	172.5	164.8
Fresh and frozen meat	53.6	93.5	93.8
Poultry	5.5	7.9	14.6
Fresh, frozen and cured fish	22.0	18.9	17.6
Fluid milk	345.2	318.7	326.2
Cheese	10.5	10.0	10.1
Eggs in shell	24.5	28.9	32.1
Fresh fruit except citrus	48.9	49.6	51.8
Canned and bottled fruit	8.9	15.9	17.9
Canned vegetables	10.0	10.2	11.6

Source: Annual Abstract of Statistics, 1962.

TABLE III
BRITISH IMPORTS OF FOOD, BEVERAGES AND TOBACCO

	1957	1961	1962	Per cent from Canada 1962
	(millions of Can.\$)			
Live animals chiefly for food	136	132	113	*
Meat and meat preparations	923	934	957	.4
Dairy products, eggs and honey	420	475	504	1.9
Fish and fish preparations	100	129	181	7.7
Cereals and cereal preparations	642	640	736	30.1
Fruits and vegetables, including nuts	639	753	882	2.4
Sugar and sugar preparations	465	224	189	*
Coffee, cocoa, tea and spices	569	501	509	*
Miscellaneous food preparations	51	53	53	*
Beverages	102	141	136	*
Tobacco and tobacco manufactures	257	302	242	11.8
Total	4,304	4,284	4,502	

Source: Annual Abstract of Statistics, 1962.

*Negligible.

cultural exports by value through the years and thus constitutes an important market for these products. The volume of our sales fluctuates with changes in the basic factors of supply, demand and world

commodity prices. All major food-exporting nations compete for a share of this large market but Commonwealth countries are the principal suppliers. The majority of our sales in the foodstuffs category

are of traditional exports such as wheat, flour, grains, animal feeds, fish and fruit. Although our exports to Britain represent a significant share of our total food sales, we supplied only about 6.5 per cent by value of British purchases in 1962.

Trade in traditional products is less affected by specific promotion and merchandising techniques. On the other hand, it is not static and there is scope for expansion. Canada's exports of processed foods are growing quickly as the British adopt new eating habits and earn more money to spend on foods. Trade in processed foods is more easily influenced by improved selling techniques and as the British market changes, new opportunities for Canadian exporters arise.

—W. M. MINER,
Agricultural Secretary, London.

Merchandising Methods Are Changing

THE food distribution and selling industry in Britain has changed a great deal in the last ten years and is tending to concentrate into the hard-selling, large-volume low-margin types of organizations similar to those in North America. Every Canadian food exporter should now ask himself whether his selling methods and his promotion in Britain are geared to these new conditions. If they are not, someone else from some other country may soon be doing the business. Exporters throughout the world are keen to increase their share of the British grocery trade, valued at \$7,350 million in 1962.

Table I gives some of the salient features of the grocery trade in Britain today. Here are others.

● *Chain stores and co-operative societies account for 50 per cent of the total annual grocery turnover.*

You will note from the table that although these organizations control

only 18,500 of Britain's 146,000 grocery stores, together they account for half the turnover.

● *Voluntary groups of independent grocers compete with the big organizations.*

In order to survive the growing competition, many independent grocers have formed marketing groups to gain the economies of volume. There are three main types:

1. The regional voluntary group organized by one wholesaler working with a local group of retailers.

2. The national voluntary groups organized jointly by several wholesalers, each serving 200 to 300 retailers. Several of these use well-advertised symbols to promote their particular organization. Some of them now contract for merchandise under their private 'symbol' labels.

3. The voluntary distributive co-operative organized by groups of retailers to pool their purchases and distribution for mutual benefit.

These voluntary groups now have a membership of over 40,000 independent grocers and are estimated to

TABLE I
ORGANIZATION OF BRITISH RETAIL GROCERY TRADE—1961

	Independent Grocers				Total
	Chain Stores	Co-operative Societies	Large ¹	Medium and Small	
Number of retail outlets	17,400	11,100	9,400	108,700	146,600
Annual turnover in millions ²	\$1,866	\$1,371	\$972	\$2,475	\$6,684
Annual turnover as per cent of total	28	21	14	37	100

¹Those with annual turnover of \$60,000 or more.

²Converted at approximate rate of £1=\$3.00.

account for 28 per cent of Britain's total turnover.

● *The number of grocery buying points is contracting steadily.*

It has been estimated that in 1960 there were 500 buying points among the grocery chains, 890 in the co-operative societies (as distinct from the voluntary group distributive co-ops), and 230 in the voluntary groups. These 1,620 purchasing units were responsible for three quarters of the total grocery turnover. As an example of this concentration, a grocery-trade magazine published a list in January which showed that the five largest national 'symbol' groups and the 17 foremost regional groups together had 24,834 retail grocer members, whom they served through 149 member wholesalers operating 276 warehouses.

● *Self-service selling started slowly but may soon dominate the grocery trade.*

In 1950 only 600 stores in Britain used self-service; ten years later there were 8,000. In 1961 a further 1,400 stores began self-service selling and by the end of the year 6 per cent of all stores used this method, as did 28 per cent of the total grocery trade.

● *Supermarkets are attracting the new capital.*

Most of the investment in grocery retailing until recently went into the modernization and conversion to self-service of small old conventional stores. Consequently they were limited in floor and shelf space and many failed to achieve economies. Now the trend is toward completely new units of at least 2,000 square feet and many exceed 10,000 square feet. Expansion under one roof in built-up areas, however, is restricted by a lack of suitable building sites, limited parking lots and congested roads. The self-contained shopping centre on the outskirts of town may be the answer, but so far most of Britain's 1,100 supermarkets are in the city centres.

● *The unit sale package is smaller than in North America.*

The average British housewife gets her money once a week, shops every other day, walks to the stores, and carries home her purchases. Her kitchen is not too spacious and only one in five has a refrigerator. Consequently she prefers small packages that can be easily stored and can be eaten at one sitting—the 10 to 15-ounce sizes in canned goods, the 7 to 12-ounce packages of frozen foods, four apples to a package, etc. Although there is evidence that this preference may be starting to change as the *better buy* attraction of the larger sizes becomes more obvious, it is doubtful whether the giant sizes will be popular.

● *In convenience foods, the growth outpaces the average grocery expansion.*

The expenditure on convenience foods increased by 18.6 per cent from 1956 to 1960 but the amount spent on other foods grew by only 6.7 per cent. During this time, the price of convenience foods increased less rapidly than that of the over-all grocery trade because of brand competition and the economies of volume production. Here are some examples of consumption gains during the four-year period: canned soups up 50 per cent, dehydrated soups up 100 per cent, fruit juices 65 per cent, canned fish 38 per cent, frozen vegetables 300 per cent. The trend continued in 1961, when the turnover in convenience foods rose by 14 per cent compared with an increase of 4.6 per cent in all grocery items.

● *Resale price maintenance is being replaced by discounting.*

British law still supports the principle of resale price dictation by the manufacturer but in practice it is near extinction in the grocery trade. The smaller number of buyers with their much larger purchasing franchise have forced even the most traditional sellers to negotiate their prices.

● *Non-food sales through grocery outlets is beginning.*

There is no doubt that the sale of non-food products through grocery stores is increasing and that it will be a big factor in the future. The rate of growth and present importance of this trade have not yet been accurately assessed. Among the 1,100 self-service stores, however, one third carry hardware lines, one fifth sell textiles and three quarters handle toiletries. This is further evidence that the habits of the British consumer continue to follow the North American pattern.

● *Specialty food sales are on the increase.*

The increased shelf space that cautious grocers are reserving for specialty foods shows that their growing popularity is not confined to the delicatessen trade. The range of products with volume sales now includes canned Chinese foods, numerous types of Italian pasta products, honey from all parts of the world, and products like pie fillings, prepared cocktail dips, peanut butter and sweet pickles. Only a few years ago the experts said these would never sell in Britain!

● *Some brand promotion is almost essential.*

Every merchandising device with any possibility of influencing a new sale is being used in Britain's food industry. As a result, more and more business is being placed with the larger buyers on the basis of promised TV and national advertising support, point-of-sale promotion or a special discount. It is difficult to get goods on the shelf—or off it—without some introductory aid.

Sales Can Be Increased

These developments should mean great opportunities for the Canadian food exporter. Our quality and grade standards are known and respected; our labels and packages are designed for self-service selling and we have the right types of products—convenience foods, specialty and frozen foods, plus the standard

Canned Fruit and Vegetables

canned fruit and vegetable lines. We should be able to meet the price for comparable quality; we benefit from preferential tariffs, our dollar is 7 per cent cheaper, and our transportation costs are comparable to those of our competitors. Furthermore, we are fully experienced in the methods of food merchandising now used in Britain: the smaller number of purchasing offices, the growth of self-service and supermarkets, the use of special promotions, discounts and stamp trading are all familiar. Despite these advantages, it is doubtful whether we are getting the best possible share of the market. Why not?

Most of the replies we get to this question point a finger at Canadian marketing methods. Here are some typical comments:

- √ lack of continuity of supply
- √ failure to establish known brands—with a few notable exceptions
- √ too much selling under buyers' labels
- √ lack of investment in trade-level promotion
- √ insufficient brand promotion at the consumer level
- √ tendency to regard Britain as a residual market
- √ slowness in adjusting legitimate claims
- √ inadequate volume under a single brand.

The British grocery trade admits that there are reasons for our shortcomings: the difficulties of small firms in a large market, unpredictable seasonal fluctuations in production, the closed season for navigation, and the recent years of import restrictions on dollar goods. They are sympathetic, but they point out "That's your problem". And it is.

—D. B. LAUGHTON,
Agricultural Counsellor, London.

THE British market absorbed 1,145,000 long tons of canned fruit and vegetables in 1961, the equivalent of approximately two cases of 24 one-pound tins for every person in the country. About 60 per cent of the total supply was produced domestically, including 561,000 long tons of canned vegetables and only 90,000 tons of canned fruit. Imports totalled 494,000 long tons, of which 75 per cent was canned fruit. In short, Britain imports most of its canned fruit and produces domestically the bulk of its canned vegetables. All categories of the trade increased in both volume and variety during 1962.

Domestic Canning

Britain's production of canned fruit largely depends upon raw materials imported in bulk, to which are added seasonal surpluses of domestic soft fruits such as strawberries, gooseberries, rhubarb, and small quantities of apples and cherries. Local produce contributes

less than half of the normal canned fruit production of 90,000 tons; the remainder is made up by reprocessed imports. Fruit salad heads the list and accounted for 23,000 long tons in 1961.

The volume of canned vegetable production in Britain has remained static in the last few years at approximately 560,000 long tons a year. There have been no major changes in the type of product either, and beans in tomato sauce (203,000 long tons); peas (182,000 tons), and carrots (30,000 tons) are the principal items.

The growth in demand for processed vegetables has been met by increased imports of canned vegetables and greater use of frozen vegetables, rather than by more domestic canning.

Canned Fruit

Britain's imports of canned fruits have gone up considerably since 1957: the volume has almost doubled for peaches, pears, apricots,

In a Liverpool supermarket, two value-wise shoppers examine a display of Canadian canned fruit and vegetables. Self-service has made great strides in Britain; 28 per cent of the grocery trade is now done in stores that have adopted this technique.



TABLE I
SELECTED BRITISH CANNED FRUIT IMPORTS

	(In '000 cwt., 112 lb.)		
	1957	1961	1962
Peaches, total	1,039.6	1,905.9	2,055.3
Of which:			
Canada	1.0	3.5	13.9
Australia	248.4	300.0	580.5
South Africa	509.2	915.0	771.5
Spain	203.2	101.0	84.3
United States	40.2	544.8	582.3
Pears, total	753.5	1,151.6	1,327.8
Of which:			
Canada	.5	13.5	58.2
Australia	547.3	692.3	892.5
South Africa	139.4	241.4	191.7
Italy	21.8	142.8	153.2
United States	3.8	11.9	88.1
Apples (unsweetened), total	55.8	150.2	257.7
Of which:			
Canada	.....	39.3	96.8
Australia	3.5	14.4	46.2
New Zealand	.....	.....	11.8
Belgium	14.9	17.7	14.6
Netherlands	31.6	43.9	21.1
Ireland	5.6	2.9	2.8
South Africa	.....	2.4	22.0
United States	.....	20.0	29.7
Apricots, Fruit Salad, Cherries, total	441.7	813.0	978.0
Of which:			
Canada	.6	.....	23.7
South Africa	362.8	294.8	118.7
Australia	100.0	34.5	126.7
Spain	9.4	215.5	247.2
United States	70.8	249.3	383.2
Italy	.....	.....	8.4

Source: Commonwealth Economic Committee, London.

fruit salad, and cherries, and shipments of canned apples have multiplied nearly five times. Peaches lead the canned fruits and imports exceeded two million cwt. in 1962.

Australia and South Africa are the principal suppliers and maintain their position by constant national promotion campaigns. The figures show that, except for apples, Canada is only a nominal supplier by comparison. However, the recent increase in Canadian canned fruit sales has been particularly impressive: peaches rose from 1,000 to nearly 14,000 cwt., pears from 50 to 58,000, and cherries, fruit salad, etc., from 600 to 23,000 cwt.

TABLE II
SELECTED BRITISH CANNED VEGETABLE IMPORTS

	(In '000 cwt.)		
	1957	1961	1962
Tomatoes, whole	1,463.0	1,298.4	1,436.4
Total	1,463.0	1,298.4	1,436.4
Of which:			
Italy	1,436.4	1,175.0	1,189.8
Beans in pod	141.4	79.2	106.9
Total	141.4	79.2	106.9
Of which:			
Canada	.....	4.2	5.5
South Africa	104.5	57.1	70.3
Beans, other	2.8	3.4	6.9
Total	2.8	3.4	6.9
Of which:			
Canada	.....	.....	1.1
South Africa	.....	.....	1.6
Peas	117.6	28.2	13.6
Total	117.6	28.2	13.6
Of which:			
Canada	.....	4.5	.4
New Zealand	68.5	5.6	1.7
Belgium	7.3	8.7	7.8
South Africa	32.6	6.2	.....
Carrots	4.4	13.3	41.0
Total	4.4	13.3	41.0
Of which:			
Canada	.....	.....	21.0
Belgium	1.1	3.9	8.2
Netherlands	2.3	6.4	7.2
Asparagus	12.8	18.9	26.8
Total	12.8	18.9	26.8
Of which:			
Canada	.....	1.0	2.5
Australia	5.1	1.3	1.9
France	3.2	1.9	2.3
United States	2.3	10.6	20.2
Corn	24.6	40.4	67.3
Total	24.6	40.4	67.3
Of which:			
Canada	1.8	25.7	46.4
United States	6.7	6.4	12.6

Source: Commonwealth Economic Committee, London.

Obviously this volume is not sufficient to finance national promotion campaigns on the same scale as those of Australia and South Africa, but it is interesting to note that one major Canadian canner is advertising extensively on a smaller scale.

However, Canada enjoys a major share of the canned apples business in Britain, supplying 37 per cent of total imports of 258,000 cwt. in 1962. There is a British quota restriction on canned apples that limits the total from the dollar area, Western Europe, Argentina, and

Japan to £800,000 c.i.f. a year. This trade is almost entirely in A10 size for catering and institutional use and Canada has established a good reputation for quality and continuity of supply.

Part of the expansion in the British canning industry has been founded on imports of whole unsweetened fruits in bulk for re-canning, particularly for fruit salad. A total of 420,000 cwt. of these bulk fruits was imported last year, of which only 4,000 cwt. came from Canada. British canning output is likely to go on expanding in line with the growing consumer interest in canned fruits and could provide opportunities for Canadian packers. About one tenth of these bulk shipments is imported in casks or drums and the remainder in catering-size tins.

Canned apple juice shipments from Canada appear to fluctuate, with no marked upward trend. The current market in Britain is about 40,000 gallons a year; a great variety of juices are available to the British but per capita consumption is still relatively low. The staple cider drink has been glamorized by national advertising and some promotion will also be needed to establish the Canadian product.

Canadian Canned Vegetables

The domestic vegetable canning industry dominates the British market but canned vegetable imports have risen almost every year and in 1962 may reach a record 2.7 million cwt.

There have been changes in the postwar pattern of imports; some have benefited Canada, others have not. Canadian sales of canned tomatoes and puree are insignificant; Italy is the major supplier. Canada is, however, increasing its share of the market for tomato juice and in 1962 shipped 90,500 cwt. out of total British imports of 266,000 cwt. Although Italy now supplies half the total, if the present trend is maintained Canada may soon lead the market; our consistent

quality is highly regarded. A large proportion of the trade is in the A 10 can sizes for packing under British labels and for institutional use; the favoured retail sizes are 15 and 20 ounces. The 48-ounce size has not been popular and does not yet appear to suit British shopping habits.

In recent years Canada has made small but increasing shipments of cut beans, but the market for canned peas appears to have been badly affected by the inroads of the frozen foods industry. There has been little effect on local canning of peas because of their low price.

Two severe winters in a row have been instrumental in opening up a market for Canadian canned carrots; imports of 21,000 cwt. were recorded for the first time in 1962. Large losses of fresh carrots have affected canners' supplies as well as the fresh market, and have led to inquiries for Canadian brands. The present trade is a stop-

gap and it might be difficult for us to compete in price under normal circumstances.

The United States holds the bulk of the import trade in canned asparagus but Canada dominates in canned corn, shipping 46,000 of the 67,000 cwt. imported by Britain. Consumer interest is growing but little corn is canned domestically and there are relatively few brands on the market. Much of the expansion resulted from recent promotion campaigns.

British imports of both canned fruit and canned vegetables continue to increase. The trades that handle large volumes of imported canned goods say they apply "the 3 P's" test—Product, Price and Presentation—and if these are right they are interested. Judging by our rising sales, many Canadian canned goods can meet this test and yet our sales still represent only a small proportion of total British imports. In 1962 we supplied only 0.7 per

cent of the peach imports and just 4 per cent of the pears, although we did ship 69 per cent of the corn and 34 per cent of the tomato juice. One problem is that we do not produce the most popular varieties. For example, our peaches are mainly freestone rather than clings, and our pears Keiffer rather than Bartletts. But the more serious problem appears to be our marketing methods. Other countries exporting canned foods offer continuous supply, consistent quality and competitive prices, backed by sufficient promotion to establish their brand names firmly with the British public. Very few Canadian firms are in this fortunate position. Unless we can organize our export business to meet this competition, it will be difficult to win a really large share of the British market.

—D. B. LAUGHTON
*Commercial Counsellor
(Agriculture), London.*

Canned and Frozen Fish

BRITAIN'S total production of fish ranks slightly below Canada's and constitutes only one-quarter of one per cent of the gross national product. It employs a great many people, however, and adds much to the British diet. Per capita consumption of fish exceeds 18 pounds a year.

Annual landings of fresh and frozen fish total about 850,000 long tons, 15 per cent of which is supplied by other countries. Nearly half of the foreign landings are made directly by fishing vessels. The total landings, and in particular the British proportion, have been declining for some years but the latest figures available (eleven months to November 1962) show a small gain over 1961 with an increase in the British catch and a decrease in the foreign proportion.

Nearly 85 per cent of the fish landed in Britain is still eaten fresh

and the short distances from the ports to the main centres make it possible for deliveries to be made within 24 hours. Because of restrictions on some traditional fishing grounds, British trawlers now have to make longer voyages and some of the fish may be ten days old when it reaches the market. There are improved methods of freezing a larger portion of the catch at sea but the installation of these facilities will necessarily take some time. Meanwhile housewives are beginning to realize that fish frozen on the day it is caught is a better buy, even though it may have travelled hundreds of miles after freezing. This has led to larger imports of frozen fish from Iceland, Norway and a number of other countries, including Canada.

The production of quick frozen fish has increased enormously in recent years and an unofficial

estimate puts the 1962 figure for frozen fish sticks at 44 million pounds. There are 30 brands of frozen fish packages produced in Britain, using 15 types of fish in various forms as well as specialties such as prawns, shrimps, crab and lobster. The sizes range from three ounces for smoked salmon to 16 ounces for fillets of cod, haddock, plaice and lemon soles, but the majority of fish products are put up in eight ounce and 14 ounce packs. In addition, cod and haddock, the most popular varieties, are marketed in seven ounce and 12 ounce packs, skinless and boneless cod in six ounce and skinless cod in 7½ ounce and 13 ounce.

Britain's exports of fish and fish preparations increased in value from \$18.9* million in 1961 to \$21

*Note: converted at approximate rate of £1=\$3.00.

million in 1962. They are far outweighed by imports, which rose from \$128.4 million to \$180.6 million over the same period. Japan was the principal supplier with shipments valued at \$80.7 million, followed by Norway (\$21 million) and Denmark (\$14.7 million). Canada, with \$13.8 million, ranked fourth and increased its sales by \$3.6 million over the previous year.

Canned Fish

Out of total fisheries imports of \$180.6 million, canned salmon accounted for \$90 million, almost double the 1961 figure. The quantity rose from 470,000 to 932,000 cwt. and Japan was responsible for nearly four-fifths of the trade in both years. Table I gives the value of imports from the main suppliers in 1957 (the last full year in which canned salmon was under import quota) and in the last two years.

TABLE I
IMPORTS OF CANNED SALMON
INTO BRITAIN

From:	1957	1961	1962
		(\$'000)	
Canada	8,028	6,684	10,050
Japan	13,851	33,438	71,184
United States	3,891	4,101	5,151
U.S.S.R.	7,236	1,434	3,555
Others	240	174	120
Total	33,246	45,831	90,060

Although Canada's shipments of canned salmon increased from 64,000 cwt. in 1961 to 112,000 in 1962, our share of the total value declined to just over 10 per cent, compared with 14 per cent in 1961 and 24 per cent in 1957.

British import statistics do not list the various species separately but the latest available information on Canadian exports shows that, although shipments of canned chum salmon were made at approximately the same rate as in 1961, the amount of coho increased by 50 per cent. The demand for pinks rose throughout 1962 and the 1961 figure was exceeded in the first six months. The efforts of Canadian exporters to dispose of the record

pack of pinks resulted in increased shipments during the later months and by the end of November the total was three times the 1961 figure. The demand for sockeye, Canadian shipments of which exceeded all other varieties combined in 1961, could not be satisfied in 1962 because of the small pack and Canadian sales fell by 30 per cent.

There has been a growing trend in recent years to market canned salmon in Britain under the importer's label and consequently only a small proportion of Canadian shipments appears on the shelves with the packer's own label.

With the rising standard of living in Britain there is a continuing demand for canned lobster and imports from Canada in 1962 amounted to over \$500,000, double the 1961 figure. In 1961 the demand for Canadian canned sild (sardines) could not be met because of the poor season but in 1962 the supply position improved considerably and this enabled Canadian exporters to double their shipments. A small amount of business was done in other Canadian canned products, including kipper snacks and lobster paste.

Frozen Fish

Britain's imports of chilled or frozen fish totalled nearly 35,000 long tons in 1961; two-thirds was in the form of fillets. Canada's share of the total was more than 3,800 tons valued at \$3 million and was made up of 1,800 tons of fillets (principally cod but including some haddock), 800 tons of whole or dressed salmon and 1,200 tons of other forms (mainly cod blocks). Norway and Iceland are the principal suppliers of frozen cod and haddock fillets, with Denmark supplying the bulk of the plaice. Imports of all fillets from these and other European countries rose in 1962 but imports from Canada fell considerably, partly because the prices obtainable in the United States were higher.

Imports of frozen salmon in 1961 totalled 2,800 tons, 800 of which

came from Canada, 1,000 from Japan, 750 from Norway and 100 each from the United States and Poland. There was a record run of salmon in Scotland and Ireland in 1962 and at one stage it looked as if the proportion being sent for freezing would seriously curtail imports. The 1962 import figures are incomplete but it is clear that, although imports of Atlantic salmon from Canada and Norway were smaller, imports of Pacific salmon increased and the total of all types imported from Canada was greater than in 1961.

About 40 per cent of the frozen salmon imported into Britain, including nearly all weighing six pounds or more, goes into the production of smoked salmon. Although there is some preference for Japanese chum over the Canadian on the grounds of greater uniformity of colour, the smoking trade in Britain considers that Canadian troll-caught coho is more suitable than Japanese chum because of uniformity of size, quality and colour as well as more attractive prices. In 1962 Canadian exporters took advantage of this preference for their coho by trebling shipments over the 1961 figure.

British importers are equally interested in buying frozen halibut from Canada but they were not prepared to pay the high prices in 1962 and the bulk of their purchases were made in Japan. Frozen lobster meat from Canada is also in demand in Britain but the available supplies did not permit an increase in exports in 1962.

The outlook for Canadian canned and frozen fish in the British market appears generally encouraging. Shipments of frozen fillets may fluctuate with the supply on both sides of the Atlantic, but there is a growing demand for specialty items, including prawns, cod roe, eels and live lobsters. Canadian exporters should find this substantial market well worth investigating.

—H. G. GARLAND,
Attaché (Fisheries), London.

Frozen Foods

THE frozen food trade has boomed in recent years, thanks to rising incomes, changes in merchandising methods, and growing consumer acceptance of convenience-type foods. Consumption of quick-frozen foods (as they are known in Britain), including some fish and meat products, is estimated at about 5½ pounds per person a year and is rising. In fact, Britain is the largest producer of frozen foods in Europe and imports considerable amounts to supplement local supplies. The trade recently estimated the value of the retail market, including imports, at approximately \$200 million in 1962, a more than fourfold increase over the past five years.

The range of frozen foods now offered to the British housewife, though perhaps not as sophisticated as in North America, is none the less broad. Every week new products appear in the grocer's cabinet. A survey of food stores in London revealed 18 brands of frozen vegetables and 15 brands of frozen fruits, each offering packs ranging in size from 4½ ounces to one pound; the majority were five or ten ounces. In addition, there were 30 brands each of frozen fish, poultry and other meats, all in a multiplicity of packs and sizes. A number of firms are selling frozen pies, fish cakes, dinners and pastry products. The factors limiting greater sales appear to be the physical shortage of refrigerated space in shops and homes and the traditional British conservatism. But even these are changing as refrigerators become cheaper, larger and more common and a new generation adopts different foods.

Catering Trade

There is some evidence that the rapid expansion in retail sales of frozen foods is levelling off, but the catering trade is providing potential for further growth. Frozen foods are ideally suited to the needs of caterers who emphasize continuity of supply

and consistency of quality and price, and who appreciate the lower cost of staff and kitchen facilities required for convenience-packed foods. This industry—serving hotels, restaurants, factory canteens, shipping and airline companies, the Armed Services, and a variety of similar organizations—is responsible for an estimated \$35 to \$40 million a year in frozen food sales. The catering trade is also the fastest growing segment of food merchandising, with a 7 per cent increase in sales in 1961 compared with 4.5 per cent for all food sales.

Production

Because Britain was a relative latecomer in frozen food packing, the industry began with the newest developments in production techniques. Packers achieved standards of efficiency and quality that permitted them to compete strongly for the growing frozen-food market. Beginning with fish fingers and peas, the list of products now packed ranges from frozen green vegetables to complete dinners, from raspberries to potted shrimps. The remarkable increase in the broiler industry added a variety of poultry products ideally suited to frozen packs to the wide range of meats now sold. Although their share is declining, vegetables still dominate the frozen market, and peas still account for about 30 per cent of the total. Table I includes recent statistics on the growth of domestic production.

TABLE I
BRITISH PRODUCTION OF
SELECTED FROZEN FOODS

	1957	1960	1961
	('000 of long tons)		
Green peas	*	39.3	50.8
Green beans	*	8.9	7.4
Brussels sprouts	*	3.5	3.2
Other varieties	*	5.9	6.6
All frozen vegetables	30.0	57.6	68.0
All frozen fruit	1.0	.9	1.2
All frozen fish	37.1	52.4	56.0

*Not available.

British production is centered in a relatively few companies whose brands have attained national distribution. One company estimates that it supplies over half the market. These giants also import and grow supplies in England under contract; some of them have affiliated wholesale and catering companies. Although a few packers distribute their own products directly, most sell through a wholesale organization.

Imports

Imported frozen foods have participated fully in the market development, with shipments arriving from every major world supplier. Britain imported approximately 25,000 tons of frozen vegetables in 1962, a substantial rise from the 6,500 purchased in 1957. The principal imported vegetable was green peas, followed by green beans, french fries, and Brussels sprouts. Other frozen vegetables imported include broccoli, carrots, corn and cauliflower. Sweden is the main source of frozen foods (including vegetables) and has established distribution facilities in Britain; the other principal European exporters are the Netherlands, Belgium, Italy and Denmark. Canada and the United States are increasing their shipments of frozen vegetables, with over 3,000 tons coming from Canada last year.

The important exporters of frozen fruit to Britain are the Netherlands, South Africa, Sweden, the Irish Republic and a number of East European countries. Although frozen meats are purchased from a number of traditional suppliers, Canada does not participate in this trade, apart from shipping small quantities of frozen cooked poultry meat. Most imported frozen foods from Canada are sold in bulk for repacking or the catering trade. The leading buyers are British packers or their affiliates but separate import companies handle a certain share.

There is ample scope for further expansion in Britain. Consumption is lower than in North America and

is likely to continue rising. Refrigerated space in retail outlets is increasing as supermarkets and self-service stores become more common and other shops are installing cabinets. New retail packs find buyers easily as the British housewife becomes increasingly willing to experiment with new foods and to pay for convenience. But the vigorous, efficient British packer, using modern merchandising methods, is likely to dominate the ex-

panding market. European packers, some with selling organizations in this country, are strong competitors. Nevertheless, there is room for Canadian exporters who can offer products that are new, cheaper, or of better quality for use in catering, retail pack or repacking.

The sale of frozen foods to caterers seems to offer the best prospect for Canadian exporters. This fast-growing trade buys in bulk and in general is less interested in adver-

tised brands. Canadian exporters have been most successful with frozen vegetables and fish but there is scope for other types of food. Britain is the leading European market for frozen foods and Canadian products enjoy general acceptance and tariff preference over most other suppliers. It is a market worth careful study.

—W. M. MINER,
Agricultural Secretary, London.

Marketing Specialty Foods

THERE'S a new emphasis on variety and even a new adventurousness in British tastes and eating habits. The opportunity to spend holidays abroad again, the rapid growth of the tourist trade in Britain itself, the expansion in food imports—all these are helping to create an appetite for specialty foods. To cater to this new market, a group of manufacturers, importers, distributors and retailers has sprung up in a few short years. Pastas, meats, pickles and other delicacies normally found only in foreign shops are now stocked in the better grocery stores, department stores and supermarkets in Britain. Special restaurants and stores cater to specialty food 'addicts'. Many of these foods Canada can supply or is already selling in Britain.

HONEY

Honey is a good example of the Canadian specialty foods that have been doing well in Britain since the import restrictions were lifted in 1958. In 1959 we sold 600,000 pounds there, in 1960, 1.5 million, in 1961, 2.1 million and from January-November 1962, 2.1 million.

How much honey do the British use? This is difficult to estimate because local production is unknown. An unofficial figure of British output in normal weather is 6.7 million pounds. But this fluctuates widely; in the wet summer of 1960, produc-

tion was almost nil. In 1961, the supply picture was as follows:

	Million pounds
Imports into Britain	23.4
Estimated domestic production	6.7
Total supply	30.1
Re-exports	.3
Estimated consumption	29.8

Before the last war, Canada supplied one third of Britain's total imports. Today, of the 20 million pounds imported, Australia and Argentina supply 13 million and these two honeys, because they are cheaper, provide the basis for the staple blends at popular prices. Local processors use some Canadian honey (shipped in bulk in 650-pound drums or the standard 70-pound cans) for blending. It is also packed locally as "Pure Canadian"; under British regulations it must be so labelled and blended honey must show the sources. Recently trade in retail packaged honey has developed and is expanding, without any apparent loss to the bulk trade. Honey from British Columbia, the Prairie Provinces and Ontario can be found on most grocery shelves in a variety of glass and plastic packs and is winning acceptance because of good presentation and quality.

Prices of Canadian honey are a little higher than those of the bulk Australian and Argentine varieties, but the British consumer is willing to pay the small premium for

quality. Some special varieties are imported in token quantities from Spain, France and Greece and command high prices in the connoisseur trade.

Prolonged periods of below average temperatures in the past two years have kept the market buoyant and consumption high. I understand that Australian output this season is below average and the combination of these factors may help Canada to increase its share of the market in the coming year.

MAPLE SYRUP

While honey enjoys special prominence in the specialty market, maple syrup languishes in comparative obscurity. Key problems have been the limited or fluctuating Canadian supplies since the war and new generations of purchasers know nothing about the flavour of maple syrup and its uses. It can, however, be found in leading department stores and health-food shops but prices are rather high and most containers too large for the customer who merely wants to sample it. Imports at present are limited to two or three firms which cater to the specialty trade, and these factors militate against a more general acceptance of maple syrup in Britain.

Canadian producers interested in export might consider educating the British with recipe books, leaflets, etc., and so make maple syrup bet-

ter known. A fundamental remedy might be to ensure better continuity of supplies. For example, 28,465 pounds were shipped to Britain in 1961 but only 8,354 in the first eleven months of 1962.

PICKLES, SAUCES, RELISHES

The British market consumes a tremendous volume of pickles—about 287 million pounds in 1961, of which only 8.5 million were imported. British output totalled 278.8 million pounds in 1961; (125 million pickles, 106 million sauces).

Imports have risen sharply—from 8.2 million pounds in 1960 to 14.3 million in 1962 (January-November); one major reason was the rapid rise in shipments from Canada. (Hungary also shared in this expansion.) Canada shipped 51,000 pounds in 1960 but by 1962 (January-November) was selling 2.4 million and ranked as the second most important overseas supplier.

These figures illustrate further the current revolution in British tastes. The market is dominated by home production and the average Britisher uses mainly finely chopped pickles, chutney, onions, gherkins, etc. Dill pickles and relishes with a "sweet sharpness" were relatively unknown until the advent of Canadian products, attractively packed in glass jars and self-advertising. These are now selling at a premium over local products and are found on most store shelves.

PASTA PRODUCTS

A direct result of more tourist travel has been the greater popularity of pasta products in Britain. British producers have taken advantage of this new market and their output has risen steadily from 26.8 million pounds in 1956 to 32 million in 1961. (Separate figures on macaroni and spaghetti production are not available.) Imports of pasta products, almost entirely from Italy, totalled 11.9 million pounds in 1961 and rose to 12.5 million in 1962 (January-November). The British



A Canadian company which has gained a firm foothold in the British market has adopted a novel form of export crating that cuts down on losses through breakages and pilfering. The standard number of cartons are stacked up on a wooden pallet, a corrugated cardboard sleeve is lowered around them, and the package is then made into a unit by wire strapping. Here an export "cube" is offloaded on a Belfast dock.

market for pasta is thus approximately 43 million pounds a year, 75 per cent of which is produced locally and the remainder imported from Italy. With increased imports in 1962 and the continued rise in British output, the market may soon approach 50 million pounds. Competition is intense, with prices which Canada finds difficult to meet. However, this market is worth close study by Canadian producers, who might find opportunities for selling some of the more specialized prepared spaghetti meal kits.

CANNED POULTRY

Poultry imports into Britain from North America are restricted to fully cooked products because of avian health regulations. Despite the high domestic output of poultry meat, there is an import trade in specialty poultry products, cooked and canned. British imports totalled 9.7 million pounds in 1960, 10.3 million in 1961, and 11.2 million in 1962 (January-November). The Netherlands and the United States

regularly supply more than 70 per cent of this; only 469,000 pounds were shipped from Canada in 1962.

Canned and frozen cooked poultry are retailed in most stores except cut-price chains. They are also used by the catering and hotel trades, particularly the frozen boneless rolls. There has been some interest in Britain in importing these and other specialty poultry products for the retail, institutional and processing trades. With a tariff advantage of three cents a pound over the United States and the Netherlands, Canadian exporters might take a closer look at current opportunities.

Tariff Advantages for Canada

Most of the products mentioned in this report enter Britain under preferential tariff rates; on honey the full duty is 5 shillings per 112 pounds, on maple syrup 3/8½d. per 112 pounds (sugar duty), and on pickles and pasta products 10 per cent ad valorem.

The range of specialty products for the food-fads market is almost

unlimited: Canada is supplying significant quantities of canned nuts, peanut butter, spices, chewing gum, pie fillings, and many other specialty items. And the range could be extended—for instance, Chinese and Oriental foods are growing popular.

National press and TV advertising keeps up a continual pressure on the consumer and trade magazines reach the distributive trade. National promotion of this type is so expensive that it can only be used to push high-volume products but

it is interesting to note that several Canadian foods are being advertised nationally. Joint participation by Canadian manufacturers and the Canadian Government in trade fairs and exhibitions in London, Manchester, and Glasgow has also helped a great deal in spreading the gospel of the goods Canada can offer. A successful Canadian show was staged at the Delicatessen Exhibition, London, in March.

There are many factors in Canada's favour in exploiting the mas-

sive British market. Apart from the sentimental attachment to Canada, there are useful tariff advantages and a good level of purchasing power among the 53 million consumers. If the prices are right and the taste good, they will buy Canadian food products. There should be no limit to the scope for expansion here.

—BASIL M. FILLMORE,
*Office of the Minister (Commercial),
London.*

Selling Metals and Minerals in Britain

THE year 1962 will be remembered for the pronounced decline in prices in most commodity markets throughout the world, and particularly in metals and minerals. During the year the general picture was one of production overtaking consumption, and primary producers everywhere complained of increased competition and heavy pressure on profit margins.

In Britain, metal and mineral prices fell at a time when the general economy of the country was at a low ebb and struggling to regain equilibrium after recovering from a serious balance-of-payments crisis. The emphasis was on restraint at home to strengthen net earnings abroad. British imports of metals and minerals during 1962 decreased by approxi-

mately £35 million (or 6.6 per cent) compared with 1961; Canadian sales were cut by about £12 million (or 8.1 per cent).

Table I shows the decline in 1962 of Canadian shipments of metals and minerals to Britain. Only the iron and steel groups increased their sales, mainly because of the dollar devaluation in the middle of the year. Of all the non-ferrous metals, only sales of aluminum improved. Sales of nickel, copper, lead, zinc and other less important metals all declined in value compared with 1961. British purchases of all non-ferrous base metals dropped by £2.9 million and Canadian sales by £4.5 million. Nickel suffered the sharpest drop, because of lower steel production during the year.

The larger Canadian producers of metals have sales offices in Britain. Some steel, nickel, aluminum, copper and asbestos producers represent their own interests here. Others (and also producers of metals such as lead, zinc and cadmium) have agents or "metal merchants" handling their business. There are also instances where the interests of Canadian producing companies in the British market are handled by American affiliates.

Sales Prospects

Prospects for 1963 are rather difficult to forecast. The breakdown of the negotiations in Brussels leaves the tariff preference unchanged and sales of aluminum, lead and zinc are expected to be on approximately the same scale as in the past few years. There have been announcements of smaller sales of certain types of Canadian zinc but higher prices for others may balance the total sales value. The purchase of an independent steel company by the integrated state-owned giant may decrease sales of one type of steel in this market. Some of the forecasts for steel production are not encouraging and in some instances will mean that cautious buying of alloying materials will continue.

—J. M. ROCHON,
*Commercial Counsellor
(Metals and Minerals), London.*

TABLE I
BRITISH IMPORTS OF METALS AND MINERALS
(£'000)

Commodity		1961	1962
Non-ferrous base metals	total	245,428	242,565
	from Canada	89,605	84,971
Iron and steel	total	49,004	53,651
	from Canada	5,346	5,849
Iron ore and concentrates	total	73,577	62,349
	from Canada	11,605	8,529
Metalliferous ores and metal scrap	total	143,706	120,688
	from Canada	19,264	18,678
Asbestos crude, fibre and waste	total	12,090	9,725
	from Canada	3,827	3,022
Grand total		523,805	488,978
From Canada		129,647	118,049

Note: Above figures include over 95 per cent of all metals and minerals imported by Britain.

Selling Forest Products in Britain

Britain is the world's second largest market for forest products and currently spends approximately \$1.3 billion a year on purchases of pulp, paper, timber and wood products. Canada, with over 18 per cent of the total British market, ranks third as a supplier. Sales of Canadian forest products reached some \$180 million last year and accounted for 20 per cent of our commodity exports to Britain.

Timber and Plywood

BRITAIN, with limited forest resources, is the world's second largest wood importer next to the United States. Timber products are the largest single component in Britain's annual expenditure of approximately £1 billion on imports of basic materials; they account for about 18 per cent of the total, or some £180 million. In addition, a wide range of manufactured wood products (including plywood), valued at nearly £60 million a year, have also been imported in recent years, bringing Britain's total timber requirements to between £215 and £245 million (see Table I).

TABLE I
VALUE OF TIMBER AND WOOD PRODUCTS IMPORTED INTO BRITAIN, 1960-1962

	1960	1961	1962
	(thousands of £)		
Basic Materials			
Softwoods	136,839	126,901	115,346
Hardwoods	35,174	35,103	26,903
Sleepers	4,646	5,012	3,410
Pitprops	4,479	4,478	5,317
Telegraph poles	1,181	1,561	1,951
Other	4,035	4,000	3,845
Total	186,354	177,055	156,772
Manufactured Woods			
Plywoods	30,364	27,902	30,837
Veneers	3,766	3,256	2,861
Boxboards	2,701	3,246	2,753
Other	23,145	22,908	23,102
Total	59,976	57,312	59,553
GRAND TOTAL	246,330	234,367	216,325

Source for all the tables: Board of Trade, *Accounts Relating to Trade and Navigation of the United Kingdom*, December 1961 and 1962.

Four countries usually obtain about two-thirds of this total business: Finland nearly 23 per cent, Canada about 15 per cent, and the U.S.S.R. and Sweden each 14 per cent. Over 80 per cent of these British expenditures cover three classes of wood products: sawn softwoods 54 per cent, hardwoods 13 per cent, plywood and block-board 14 per cent.

Softwood Lumber

With softwood lumber consumption in Britain running at or near record figures over the past three years and domestic production able to fill less than 3 per cent of total requirements, annual imports have normally totalled about 3.2 billion board feet. In 1960, however, a new record of nearly 1.8 million standards (or some 3.5 billion board feet) was set up. Canada currently accounts for almost one-fifth of Britain's sawn softwood imports. (See Table II.)

Price is the predominant factor in competing for softwood lumber sales, particularly for standard specifications. By entering the market early with large stocknotes and by offering attractive 'fall clauses', the U.S.S.R. has tended to dominate the timber market in Britain during recent years. At present, however, Soviet timber sales are limited to some extent by their substantial domestic needs and their lack of ice-free ports. In many areas of Britain, importers regard Baltic shippers more or less as traditional suppliers and they have developed a reputation for supplying the quality and sizes that the trade prefers. In addition, their proximity to the British market gives them an important advantage.

Eastern Canadian Softwoods

Canadian softwood lumber exporters, however, enjoy a number of advantages too that enable them to compete successfully in the

TABLE II
SOFTWOOD LUMBER IMPORTS, BRITAIN, 1960-1962

Supplying Country	1960 (standards)	Per cent	1961 (standards)	Per cent	1962 (standards)	Per cent
Finland	512,091	28.6	493,310	30.9	428,168	27.7
U.S.S.R.	380,896	21.2	339,173	21.2	368,253	23.9
Canada	309,607	17.3	299,083	18.8	297,440	19.3
Sweden	390,181	21.8	304,800	19.1	258,137	16.7
Poland	53,130	3.0	56,856	3.6	84,835	5.5
Brazil	32,419	1.8	33,112	2.1	37,250	2.4
Czechoslovakia	38,387	2.2	24,415	1.5	33,178	2.2
Others	73,637	4.1	45,495	2.8	35,008	2.3
Total	1,790,348	100.0	1,596,244	100.0	1,542,296	100.0

British market. Shipping services from Eastern Canada to the west coast of Britain have strongly favoured the development of trade in spruce lumber over the years. Mills in the Maritime Provinces, Quebec and Ontario have built up an excellent market in the Liverpool and Manchester areas as well as in Northern Ireland, where eastern Canadian spruce is a preferred species and the largest selling softwood in the Belfast area. The superiority of Eastern white pine as a patternmaking material is recognized and has resulted in an important trade of long standing for Canadian shippers. Although the British are somewhat reluctant to accept knotty material for decorative purposes, there are signs that, with some added promotion, it may be possible to develop a market for knotty white pine panelling.

Western Softwoods

Suppliers in Western Canada have a distinct advantage over other foreign competitors in the sizes and types of lumber they have to offer. Western white spruce has great appeal in areas such as Scotland which prefer whitewood. The special sizes of this species put it in a good selling position vis-à-vis Baltic whitewood and sales prospects are encouraging. Douglas fir and Pacific Coast hemlock are well known and widely used because of their superior strength. In addition, the sizes and grades of these timbers cannot be obtained anywhere else except the United States.

Western red cedar, Sitka spruce and yellow cedar are other lumber species not readily available from sources other than Canada. The use of Western red cedar has increased rapidly and current demand has been so strong that temporary local shortages have developed. It is used as exterior cladding for homes and in garages, garden sheds and fencing. The unique properties of both Sitka spruce and yellow cedar have created a steady demand to fill special needs. Sitka spruce

TABLE III
HARDWOOD LUMBER AND TIMBER IMPORTS, BRITAIN 1960-1962

Supplying Country	1960	1961	1962
	(thousands of board feet*)		
Ghana	117,660	111,816	91,020
Nigeria	97,320	83,628	77,016
Sarawak	44,292	39,600	26,268
Fed. of Malaya	36,636	33,528	26,556
France	33,612	31,392	26,196
Canada	26,148	29,820	21,132
Rumania	29,304	18,876	15,384
Japan	21,852	16,428	13,620
United States	16,800	16,704	11,760
Yugoslavia	23,544	14,496	12,216
Others	131,208	150,996	118,620
Total	578,376	547,284	439,788

*Data converted from cubic feet on basis of 1 cu. ft.=12 bd. ft.

recently received nation-wide publicity when it was selected for the special ceiling in the new Coventry Cathedral.

Hardwood Lumber

Although softwoods dominate the British timber market, hardwoods nevertheless are important for special uses. Consumption of hardwood lumber for the past three years has fluctuated between 670 million and 765 million board feet a year. In contrast with softwoods, British hardwood lumber production based in equal proportions on homegrown timbers (mainly beech and oak) and imported logs can supply about 50 per cent of market requirements. This leaves about 360 million board feet to be imported every year and it has been estimated that about 200 different species come in from all over the world. Canada, whose hardwood trade with Britain suffered a serious setback as a result of World War II, has regained some of the lost ground and currently holds sixth place among hardwood suppliers, in spite of keen competition from newly developed African and Asian sources. (See Tables III and IV.)

Opportunities for Canadian birch and maple flooring have not yet been fully exploited because only a relatively small number of British

TABLE IV
LUMBER AND PLYWOOD CONSUMPTION, BRITAIN, 1960-1962

	Lumber		
	Softwood (million board feet)	Hardwood	Plywood* (million sq. ft.)
1960	3,253.9	764.6	1,163.0
1961	3,328.8	721.4	1,024.6
1962	3,207.2	669.5	1,137.7

*Includes blockboard, laminboard, etc.

NOTE: Data converted on following basis:
Softwoods: 1 standard=1,980 bd. ft.
Hardwoods: 1 cu. ft.=12 bd. ft.
Plywoods: 1 cu. metre=1,695.12 sq. ft., 4" basis

homes are built with hardwood floors. Canadian hard maple, however, is well known and preferred for floors in dance halls, gymnasia, schools and factories. However, it faces increasing competition from tropical hardwoods. Canadian birch and maple lumber is widely used in industry in such products as furniture frames, shoe shanks, pool cues, hammer boards and pallets.

Plywood

Britain's annual consumption of plywood and blockboard stands at over 1.1 billion square feet (quarter-inch basis). Because the domestic industry, with an output of less than 70 million square feet, can meet only about 6 per cent of total needs, between 975 million and 1,075 million square feet have been imported annually during the last three years from over 48 different countries. However, three countries alone supply nearly 70 per cent of total imports—Canada, Finland and the U.S.S.R., in that order.

Sales of Canadian plywood have increased steadily and significantly since 1954, when import controls were removed. It now accounts for 26 per cent of British imports—nearly 222 million square feet in 1962, exceeding the amount purchased from any other source. Douglas fir plywood, the biggest part of the sales from Canada, has been able to fill the need for a tough, exterior-grade plywood suit-

TABLE V
PLYWOOD IMPORTS*, BRITAIN,
1960-1962

	1961	Per cent	1962	Per cent
	(million sq. ft.)		(million sq. ft.)	
Canada	175.3	22.4	221.7	25.9
Finland	207.8	26.6	197.0	23.0
U.S.S.R.	175.6	22.4	179.5	21.0
Others	223.6	28.6	258.2	30.1
Total	782.3	100.0	856.4	100.1

*Excludes imports of blockboard, lamin-board, etc.

NOTE: Data converted from cubic metres on basis of 1 cubic metre=1,695.12 sq. ft., $\frac{1}{4}$ " basis.

able for structural applications. For example, concrete shuttering, previously confined to softwood boards, is proving the biggest outlet at the present time. Plywood is also being used more and more in hoardings and building-site offices, farm buildings, packing cases and engineered structures incorporating web beams, stressed skin panels, and so on. Douglas fir decorative panels are also becoming more popular in the British market and are frequently used in restaurants, hotels, recreation halls and trade exhibits.

Sales of Canadian hardwood plywood are concentrated mainly in prefinished yellow birch panels. The superior pattern and appearance of Canadian yellow birch gives it an advantage over Baltic plywood, a low-priced material sold primarily as core stock or where paint finishes are to be used. This type of factory-finished plywood is a comparatively new product here and Canadian suppliers have few competitors. On the other hand, the standard unfinished plywoods have not had significant success in Britain because of the keen competition from Finnish and Soviet birch plywood and blockboard.

Channels of Trade

Certain basic trading rules and practices have developed over the years to ensure that the import trade in timber and wood products is conducted in an orderly manner. The trade channels for timber products

have become well defined and are, for the most part, strictly observed and carefully watched by the timber trade through its closely-knit trade organizations. It is accepted practice for British importers to buy their timber from accredited agents or brokers who are usually members of the national association, the Timber Trades Federation, and not directly from foreign exporting firms. The importer in turn sells to merchants as well as to big industrial users.

It is important that interested Canadian exporters be aware of these trading rules so they will not run counter to accepted practices and jeopardize their success in this market. As a first step to entering the British market, Canadian exporters must establish connections with a reputable and active agent. In addition to acting as his sales representative in Britain, a good agent generally provides the Canadian shipper with valuable information on market conditions and trends and protects the interests of the firm he represents if difficulties arise over some of the shipments. The London office currently has two timber specialists who through their close contact with the British timber trade can recommend and assist in arranging suitable agency connections.

Market Review and Outlook

The closing months of 1961 saw a significant decline in softwood timber prices in Britain as a result of intense competition among some of the major European suppliers. This disturbed the market because the large stocks held by importers were seriously affected by devaluation. Consequently, the softwood market in Britain began 1962 in a sensitive state and this persisted well into the year before signs of confidence and stability appeared.

However, in spite of this and the combined influences of bad weather early in the year and the concern of importers to reduce stocks in line with the more accepted norm of about 500,000 standards, consump-

tion and imports recovered sufficiently to finish 1962 at relatively satisfactory levels. British consumption of softwood timber in 1962 reached nearly 1,620 thousand standards and imports over 1,540 thousand standards—an over-all decline for both of only about 4 per cent.

A significant feature of the softwood trade in Britain last year was the way in which Canadian lumber exporters managed to increase their share of a smaller market to 19.3 per cent, even though shipments by volume were down marginally. This increase advanced Canada from fourth to third place as a softwood lumber supplier to Britain. East European shippers (such as the U.S.S.R., Poland and Czechoslovakia) all made significant gains, mainly at the expense of Finnish and Swedish suppliers, whose sales dropped substantially.

For the hardwood trade, 1962 was not one of the better years. With its mainstay, the furniture industry, rather depressed, demand was down and consumption dropped by more than 7 per cent. In addition, the determination of importers to reduce stocks led to buying on a hand-to-mouth basis and this cut over-all imports by about 20 per cent. The plywood market in Britain, on the other hand, showed considerable strength again last year after a brief pause in 1961; both consumption and imports were up about 10 per cent over the previous year.

The basis for the satisfactory softwood timber and plywood consumption in 1962 was largely the high level of activity in the construction industry, particularly in housebuilding, as the bank interest rate was gradually reduced. Last year, 305,400 houses were completed in Britain, more than 3 per cent more than in 1961 and the largest number since 1955. Home construction is expected to increase even more in the current year.

The renewed interest in housing by British authorities is of particular

importance here. To speed construction, a new building system is being advocated by the Ministry of Housing. This will take at least twice the quantity of lumber used in the average conventional British brick dwelling and commercial construction of this new type is expected to begin soon. More private firms are going into the construction of timber frame houses and builders are increasing the timber content

of traditional houses by partial external cladding, interior panelling, kitchen and bedroom cupboards, etc.

Thus, even though the early weeks of 1963 were hampered by the most severe winter in several decades, the outlook for timber and plywood imports and consumption is much more encouraging than it was a year ago. The new impetus in housing plus the recent reduction in

the interest rate are expected to be important factors in maintaining strong demand. In addition, forward buying during the closing months of last year for 1963 delivery proceeded more briskly than usual as prices became stabilized. The trade regards this as a clear indication that equilibrium has been restored to the market and that importers are looking to the current year with confidence. ●

Pulp and Paper

BRITAIN is a large and growing market for pulp and paper and traditionally has been the biggest overseas market for Canadian manufacturers of newsprint and wood pulp and, in recent years, of fine and coarse grade papers and boards. Of the £201 million that Britain spent on pulp and paper imports in 1962, £44 million went to Canada.

The British Industry

However, imports fill only 27.5 per cent of this country's total paper requirements; the remainder is satisfied by Britain's own active and diversified paper industry, based largely on the use of imported papermaking materials such as wood pulp and esparto grass.

Production of wood pulp is small, amounting to about 300,000 tons a year, and is confined to a few companies, the largest of which is the Bowater Organization. Although imported pulpwood is largely used at present (66,584 piled cubic fathoms in 1962), there is a strong trend to the use of homegrown timber with a resulting decrease in pulpwood imports. Wood pulp production should increase as plans go forward for the establishment of an integrated pulp and paper mill in Scotland by Wiggins Teape & Co. Ltd., manufacturers of a wide variety of specialty papers. Origin-

ally planned as a pulp mill by a consortium of British mills, this development will be based mainly on pulpwood obtained from plantations established over a period of years by the Forestry Commission. Thames Board Mills Ltd., one of the original collaborators in this scheme, is currently investigating the possibility of establishing its own integrated pulp and board mill in Scotland.

Many of Britain's more than 200 paper and board mills are small companies producing high-quality printing, writing or specialty papers on one or two small machines. Over half the industry's total output of some four million tons of all grades is made by five large organizations—Reed Paper Group, Bowaters U.K. Pulp and Paper Mills Ltd., Thames Board Mills Ltd., Wiggins Teape Paper Mills Ltd., and Inveresk Paper Co. Ltd. The four principal newsprint mills, which are turning out just over 700,000 tons a year, are cutting newsprint output in favour of better quality mechanical printing grades, produced on the same machines and in many cases yielding a higher return.

Kraft liner production is negligible, at an estimated 5,000 tons; other packaging papers and boards account for some 1.8 million long tons. Printing and writing papers

are an important segment of the British industry and accounted for just over one million tons in 1961.

British newsprint exports (24,000 long tons in 1962) have been dropping sharply but those of high quality papers and boards are increasing; these offer a good return to the producing mills. These sales totalled 219,000 long tons in 1962 and included coated and uncoated papers and boards, and specialties such as cigarette papers, vegetable parchment, blotting and filter papers.

Canadian Performance

The Canadian pulp and paper industry's chief stake in the British market has been the sale of newsprint and wood pulp. Canada has maintained its position as the largest supplier of newsprint for many years and in 1962 shipped 442,000 long tons, which represented 68 per cent of British newsprint imports (396,000 tons in 1961). Canada's closest rival in newsprint sales is Finland, which shipped 140,000 long tons last year, followed by Sweden with 48,000.

British imports of wood pulp in 1962 totalled 2.4 million tons, down from 2.6 million in 1961. Canadian pulp sales, in common with those from all sources, followed this over-all decline and dropped for all grades from

252,000 to 222,000 long tons. Sweden is by far the biggest supplier, shipping last year 848,000 long tons, followed by Finland with 470,000 and Norway with 450,000. Canada occupies fourth place and in 1962 supplied just under 10 per cent of British pulp imports. Bleached grades of both sulphate and sulphite, including dissolving, represent the largest part of chemical wood pulp requirements and imports are rising at the expense of unbleached grades. Mechanical grades are also imported in fairly substantial volume.

The relaxation of import controls in the mid-fifties sparked a Canadian assault on the growing British market for packaging material. Assisted at the outset by a favourable duty preference, Canadian producers of kraft liner and corrugating medium succeeded in securing a good volume of sales in the face of stiff competition from Scandinavia and the United States. Despite the lower rates of duty being assessed against EFTA countries (now standing at 50 per cent of the original rates), Canadian sales have continued to expand, assisted in large measure by the establishment of sales offices in Britain and an aggressive sales policy. Imports of Canadian kraft liner and board totalled 87,000 long tons in 1962, 26 per cent of the total British imports of 332,000 tons. Canadian sales came second to the United States and ahead of those from Scandinavian and Finnish shippers.

Printing and writing papers, which have established a fine reputation here, and boxboard and various sanitary and specialty papers round out our exports to Britain.

Market Highlights

● *Wood Pulp*—Idle production capacity in most producing countries during 1962 unsettled the wood pulp market and prices fell sharply, despite the 20 per cent curtailment of output by Scandinavian and Finnish producers. Pub-

lished pulp prices were slightly lower during the first quarter and real prices were about £1 to £2 below these. It was hoped that prices could be maintained at satisfactory levels, but by mid-year real prices were well below the published prices and they reached bottom in September at totally unrealistic levels, some 17 per cent below 1961 averages. October saw the Northern pulp producers reach further agreement to continue restrictions on production during 1963 and firm prices published were higher but still on the average below those prevailing at the beginning of 1962. Although this situation could conceivably result in higher prices if any shortages develop, buyers generally welcomed the attempt to achieve market stability and published prices became firm during the last quarter of 1962. North American pulp continues to be sold at prices marginally lower than Scandinavian and Soviet prices, as usual, are lower still.

● *Paper*—The British paper trade has been facing difficult conditions as a result of falling profits, severe competition, and uncertain demand, caused to some degree by the question of Britain's entry into the EEC. The influence of EFTA has been keenly felt as import duties on papers produced in integrated mills in

TABLE I
BRITISH IMPORTS OF PULP
AND PAPER

Country of Origin	1961		1962	
	'000 long tons	% of total	'000 long tons	% of total
Pulp and Waste Paper				
Sweden	893	34.4	848	34.6
Finland	474	18.2	470	19.2
Norway	476	18.7	450	18.3
Canada	252	9.7	222	9.0
United States	248	9.3	194	7.9
Others	254	9.7	272	11.0
Total	2,597	100.0	2,446	100.0
Paper, Paperboard and Manufactures				
Canada	512	35.3	528	34.7
Finland	238	16.4	267	17.6
Sweden	260	17.9	251	16.5
United States	173	11.9	196	12.9
Norway	82	5.6	87	5.7
Netherlands	127	8.8	88	5.8
Others	60	4.1	103	6.8
Total	1,452	100.0	1,520	100.0
Newsprint in Rolls				
Canada	396	64.7	442	68.2
Finland	127	20.8	140	21.6
Sweden	67	10.9	48	7.4
Norway	22	3.6	18	2.8
Total	612	100.0	648	100.0
Kraft Liner and Board in Rolls				
United States	.....	.....	182	54.8
Canada	.....	.....	87	26.3
Finland	.....	.....	35	10.5
Sweden	.....	.....	25	7.5
Others	.....	.....	3	.9
Total	.....	.....	332	100.0

Sources: Board of Trade.

U.K. Trade and Navigation Accounts, December 1961 and 1962.

H.M. Customs and Excise.

TABLE II
APPARENT BRITISH CONSUMPTION OF PAPER AND BOARD
(excluding building boards)

	(hundreds of long tons)						
	1958	1959	1958	1960	1959	1961	1960
			as per cent of	as per cent of			as per cent of
Production	3,436	3,590	+4	3,999	+11	3,957	— 1
+ Imports	1,130	1,193	+6	1,408	+18	1,441	+ 2
	4,566	4,783		5,407		5,398	
- Exports	215	198	-8	177	-11	154	- 13
Apparent consumption	4,351	4,585	+5	5,230	+14	5,244	+0.26
Pounds per capita	189	198		244		233	

Source: Statistical Summary, British Paper and Board Makers Association.

other member countries tell. However, increases in production towards the latter part of 1962 should bring the total for last year to the 1961 figure of just over four million tons. The failure of the Common Market negotiations is a keen disappointment to the paper companies, which looked on British entry as a means of reducing pressure from EFTA producers and of providing an attractive export market for many paper grades. Papermakers do not seem optimistic about prospects for 1963, but they are hopeful that they can maintain production even though prices and profit margins may have to be restricted.

The long-term prospects for paper and board consumption in Britain are good. The newsprint publishing industry has become more stable as the number of national dailies has been reduced and Sunday papers continue to expand. Although newspaper circulation has fallen since the early 1950's, the increase in the number of pages has accounted for a steady rise in newsprint consumption. Nevertheless,

prewar consumption levels were not regained until 1960.

● *Packaging*—The rapid development of supermarkets, accompanied by the growing number of car-owners and the tendency to purchase food in larger volume, are among the factors favouring the rapid growth of the packaging industry. However, consumer packaging has a long way to go in Britain. For example, with the exception of small sulphite or imitation kraft bags to hold a few vegetables or a pound of butter, it is still uncommon for foodshops and supermarkets to supply large kraft bags to customers. The square bottomed S.O.S. kraft sack, taken for granted by shoppers in Canada, is almost completely unknown and when bags are provided they are usually too narrow for easy packing and with their wedge bottoms cannot stand up by themselves while being filled. In contrast, it is becoming common

for coal merchants to sell dust-free coal in large multiwall kraft sacks that can readily be stored in a small flat or house.

A small but noticeable trend to beer consumption at home is reflected in rising sales of canned beer, which can now be bought in a supermarket or grocery shop. As a result, an attractive paperboard carrier holding six cans has been developed and brewers have begun to use returnable fibreboard packing cases with 24 bottles.

● *Household*—Sales of household papers such as waxed paper have not yet been developed and the traditional Canadian box with metal strip is virtually unknown. Paper towels are items the householder seldom has the opportunity of buying, and reaction to these on the Canadian stand at the last International Packaging Show in London suggests that a market for them could be developed. ●

—E. J. WARD, *Commercial Secretary (Timber)*, and

—O. HICKIE, *Assistant Commercial Secretary (Timber)*, London.

From the hold of a Manchester Liner docked in Liverpool come huge rolls of kraft liner made in Canada. Britain produces only about 5,000 tons of this a year; bought about 26 per cent of its supplies, or 87,000 long tons, from Canada in 1962. Leading supplier is the United States.



W. R. VAN,
Trade Commissioner, Liverpool.

ONE of the interesting developments in retail trade in Britain during the past few years has been the expanding mail order business. Within five years, it more than doubled; now it seems to have stabilized, with an annual rate of growth of between 10 and 12½ per cent. (Expansion in retail trade generally has been averaging some 4 per cent a year.) It is estimated that business by post during 1962 represented more than 3½ per cent of total retail sales. The retail stores

offers. The third type is the specialized mail order house that usually deals in one or two specific products or types of products and caters to special interest groups, such as gardeners and stamp collectors. High-class delicatessen stores are another example. Their technique is to contact customers through direct mail promotion and then forward goods to their order.

General Mail Order Houses

It is the general mail order houses that offer opportunities to the Canadian exporter. There are several dozen such houses, located chiefly in the north of England. Some 75 per cent of the trade, however, is dominated by the Big Three—the Great Universal Store organization in London, Littlewoods in Liverpool, and Grattans in Bradford. Two of these companies control a number of catalogue houses, but the third sells under its own name only.

Purchasing power in England has been increasing most quickly among the lower income group and purchasing by mail has become popular with them. In this group, more than one member of the family usually goes out to work and the time for shopping has been cut down. Thumbing through a well-prepared catalogue in the seclusion of the home is an excellent substitute for a leisurely visit to a large department store—and there are no crowds to cope with. Using it, the family can decide on major purchases on the spot or hold consultations about them. The goods are delivered as promptly as from any retail store in the heart of the shopping district and because these houses operate on sufficiently high margins, they can offer liberal credit terms. Many people open and run regular mail order accounts.

The mail order catalogues, issued twice a year, in spring and in autumn, are expensive productions with full colour illustrations and may run to 700 pages. Consequently, instead of distributing these catalogues

Selling to Mail Order Houses

Business by post in Britain last year made up an estimated 3½ per cent of retail sales. Canadians with footwear, clothing, appliances, furnishings and other consumer goods to sell should investigate this lucrative market. Here's more information about it.

have until recently looked upon mail order as a short-term fad: now their association is undertaking an inquiry into the impact of the mail order houses on conventional retail sales. In North America, the mail order houses cater particularly to people in isolated communities and on farms. In Britain, well over half their business comes from residents of cities and towns.

Three Main Types

There are three main types of mail order houses in Britain. The first is the general mail order firms, which transact over 90 per cent of all the business. The second type concentrates on advertising particular goods in newspapers and magazines or both and looking after the resulting orders. The Sunday press usually carries many pages of this kind of advertising. Several large firms specialize in this method and so do those trading chiefly in government surplus stock. Others use it now and then to advertise special

TABLE I
MERCHANDISE BOUGHT BY
MAIL ORDER HOUSES

	Percentage
Women's, children's and babies' clothing	26
Men's clothing	4
Clothing, unspecified	9
Footwear	12
Total clothing and footwear	51
Furniture	2
Bedding, household textiles and soft furnishings	19
All other household goods, i.e., china, cutlery, lamps, electrical appliances, electric heaters, and kitchen utensils	13
Total household goods	34
Toys, sports goods, handbags and luggage, radio and TV, etc.	3
Clocks and watches	2
All other items	10
Total	100

widely some firms work through agents, usually women interested in part-time work. These women, armed with the catalogues, work up sales for a 10 per cent cash commission or a 12½ per cent discount on merchandise.

What They Sell

Table I gives a breakdown of the types of goods bought by mail order houses in a twelve-month period.

No matter what is sold, the emphasis is on quality and on value for the money. Unless the mail order house is satisfied that the product is of good quality, it will not handle it. Enlightened self-interest has led to the adoption of this practice. In the early years of mail order in this country, the quality of the goods sold sometimes left much to be desired and dissatisfied customers (especially in small communities) multiplied. This fault has been overcome. In fact, mail order houses tend to accept more than the usual responsibility for the goods supplied. Most articles are carefully checked against factory specifications; this precaution is usually taken with all except the best known brands. Many houses have their own brand names, as a mark of

quality and a guarantee to the public.

Canadians Should Investigate

Canadian firms, either manufacturers or exporters, interested in this highly competitive and different form of retailing should keep these points in mind:

1. The mail order houses issue catalogues twice a year and merchandise advertised must be available throughout this period. Any failure to keep up supplies means a loss of goodwill.
2. Most mail order houses do not hold stock in excess of one month's estimated sales.
3. Most of the merchandise is selected some six or seven months before it is featured in a catalogue. The usual practice is to place a

small initial order. Further orders may be forthcoming within hours of the appearance of the catalogue and continued as long as demand is brisk.

Canadian companies now selling in Britain, and especially those who are warehousing or contemplating warehousing, should investigate the mail order houses. For products small in size, the use of air freight might be proposed if the mail order people are doubtful about cataloguing products from distant places.

The best way to secure mail order business is to come to Britain personally and call on these firms. A few Canadian companies have done this and some of their products have been accepted. Perhaps you too can sell to mail order houses. The Liverpool office will be glad to help you and, given sufficient notice, can arrange necessary introductions and make appointments. ●

U.S. Tariff Reclassification

THE United States last year enacted a statute to give effect to a comprehensive reclassification of its customs tariff (see *Foreign Trade*, June 16, 1962). Last fall, the U.S. envisaged that its new tariff classification would be brought into force on January 1 of this year. However, it is understood that the target date for implementation of these new schedules has been set back until July 1, 1963.

As indicated in last year's article in *Foreign Trade*, Canadian export interests were active over a long period of time (for example, at public hearings of the U.S. Tariff Commission) to ensure that the U.S. authorities were familiar with all the relevant implications of particular reclassification proposals. Although no definite date has so far been announced, it would be prudent for Canadian exporters to proceed on the assumption that the effective date of the new classification will be July 1 of this year. Arrangements should be studied for clearing entries through U.S. Customs under the new system of item numbering and nomenclature of the reclassified U.S. tariff, by consultation with the exporter's customs broker or other special consultant in U.S. tariff requirements.

If any Canadian exporter considers that the application of the new classification will involve a problem for his shipments to the U.S. market, he should consult the U.S. Division of the Department's International Trade Relations Branch at the earliest opportunity.

It is understood that the United States Tariff Commission is preparing an up-to-date consolidation of the new tariff schedules for publication before the new classification is proclaimed. This forthcoming consolidation will be accompanied by an additional volume annotated for statistical purposes. The consolidation will simplify the task of consulting the new U.S. tariff classification, but any exporters who have not made themselves familiar with this classification as it applies to products of interest to them should not delay further in conducting their own examination. Data (such as time of publication and price) about the new consolidation and the annotated volume will be made public when available. The U.S. Government Printing Office, Washington 25, D.C., will be the publishers.

—J. R. DOWNS,
Chief, U.S. Division.

British Customs and Tariff Regulations

Exporters to Britain should be thoroughly familiar with Commonwealth preference requirements and the reductions in purchase tax.

L. N. LAUNDY, *Office of the Minister (Commercial), London.*

THE British tariff provides for preferential treatment of a wide range of goods when these are imported from Commonwealth countries, provided they fulfil the Commonwealth preference requirements. For this reason, before claiming preferential tariff treatment, Canadian manufacturers and exporters should become fully conversant with these regulations and make sure that each article on which they claim preference does in fact meet all the conditions.

It should be remembered that incorrect statements made on certificates of origin can lead to confiscation of the goods, with the added possibility of paying a heavy fine. Notice No. 27A, issued by H. M. Customs and Excise, explains these regulations and exporters can obtain copies free from the Commonwealth Division, International Trade Relations Branch of the Department, or from the Trade Commissioner Service's London office. Both can also give guidance and help on these matters.

Goods made in Canada are nevertheless not treated as manufactured in the Commonwealth unless the appropriate proportion of the costs of manufacture represents Commonwealth expenditure. For preference purposes, the manufacturing costs of any goods are those the manufacturer incurs before they are dispatched in finished form and include material, labour and overheads. Such items as the cost of exterior packing, the manufacturer's profit, royalties, and the expenses of carriage and freight incurred after manufacture are *excluded* from the costs of manufacture.

Preference Requirements

The first step an exporter should take is to ascertain the percentage of Commonwealth content required to qualify his product for Commonwealth preference. For "manufac-

tured goods" the qualifying proportion can be 25, 50 or 75 per cent, but goods "grown or produced" must be entirely of Commonwealth origin to qualify.

The two additional requirements for preference are: one, direct consignment from Canada to Britain, and two, manufacture of the goods in Canada. The second requirement means that the goods as imported into Britain must have acquired their essential character in Canada and must not have been merely finished there.

In completing the certificate of origin, exporters should make certain that they do this carefully. Certificate of Origin D Form 119 (Sale) is used for goods grown or produced and Certificate of Origin E Form 120 (Sale) for manufactured goods. In addition, there is a Certificate of Origin F Form 121 (Sale) which should be used for refined sugar, extracts of sugar, molasses and manufactured tobacco.

Purchase Tax

The top rate of purchase tax, 45 per cent, was abolished as of January 1, 1963. All goods which paid that rate (television and radio sets, gramophones and records, perfumes and some cosmetics) are now taxed at 25 per cent, the rate already charged for many electrical durables, motor cars and other goods. For automobiles the reduction from 45 to 25 per cent took place in November 1962. Abolition of the top bracket reduces the number of purchase-tax rates from four to three: 25 per cent for items such as those named above, 10 per cent on clothing, furniture and some other goods, and the 15 per cent rate (introduced in the 1962 Budget) on ice cream and confectionery. The range of purchase-tax rates, which in April 1962 ran from 5½ per cent to 55 per cent, has

therefore been substantially narrowed.

Purchase tax is payable on the *open market wholesale value* of the goods in Britain, and the amount of purchase tax payable on an import is calculated by adding the import duty (if any) to the declared value (approximate landed price), plus cost of delivery to the buyer's premises (or 2½ per cent if this is not known), plus an over-all "uplift" to bring the price in line with the open market wholesale value. It is on this figure that the amount of purchase tax payable is assessed. The over-all "uplift" made by H. M. Customs differs for various goods, and ranges from 40 per cent for watches to 10 per cent for clothing. Small quantities of goods exported directly to retailers are generally not subject to this over-all "uplift".

Documentation

Much delay and confusion arises from incorrect documentation. Exporters should ensure that each invoice contains a full and correct description of the goods shipped. The terms of sale (c.i.f., etc.) and any discount should be clearly stated.

The use of unfamiliar weights and measures should be avoided. The exporter should use only those weights and measures with which he is fully conversant; they can easily be converted at the appropriate time by the forwarding agent.

The need for packing lists should be kept in mind; it must be possible for both H. M. Customs and the importer to determine the contents of each and every package in a shipment.

Much of the worry associated with documentation can be avoided by employing a freight forwarding agent who can provide a comprehensive service. A firm of this type will take care of all documentation and customs requirements. In addition, it is advisable for the exporter to have on his staff at least one person who is familiar with shipping procedure.

For further information on this topic, the exporter should consult the report entitled "British Customs

and Tariff Regulations" in the October 6, 1962, issue of *Foreign Trade*. ●

The Market in Scotland

SCOTLAND had its problems in 1962. The number of capital investment projects declined and the number of unemployed in December reached 100,603, or 4.7 per cent of all insured employees, compared with 76,356 (or 3.5 per cent) a year earlier. Some branches of light engineering and textiles continued to do well, however; returns from the fisheries were maintained despite disappointing summer and fall herring seasons, and agriculture had a reasonably prosperous year despite difficulties during harvest. Productivity in the coal fields increased sharply and shipbuilders showed considerable enterprise in obtaining orders, though at the end of June those on hand totalled under 750,000 gross tons.

Earnings of males in manufacturing industries rose in 1962 to well over £16 (\$48) per week, to £14 in the clothing trade, and to £19 in the building trade—and most families have more than one wage-earner. Meantime, new industries are being encouraged to come to Scotland (19 companies decided to establish here last year), increased factory space is being provided on industrial estates, and the Government is being pressed to speed up capital spending, reduce purchase tax, and recognize the need for improved highways in Scotland, not only north-south but east-west as well. The signs are favourable for continued economic progress in 1963.

Scotland is certainly a market that deserves the attention of every thoughtful exporter. Total expenditure on goods and services in Britain last year reached £32,146 million (\$96,420 million) of which £17,-

336 million (\$52,000 million) was spent on consumer goods. Scotland has approximately 10 per cent of the total population of Britain and this suggests that it accounts for 10 per cent of these expenditures.

The close ties between Scotland and Canada should be an important factor in trade between the two countries. In the 1961 census, 1.9 million Canadians said they were of Scottish descent. In addition, millions of letters reach Scotland from immigrants to Canada, telling the folks at home of the Canadian way of life, the ease of shopping, the central heating, the refrigerators, the kitchen gadgets, the coin-operated laundries, and the shopping centres. These letters whet the appetite of the Scottish consumer and encourage her to seek out some of these things that make for an easier way of life. Many of them can be supplied through the initiative and enterprise of Canadian exporters.

What can the exporter sell in Scotland? Home-heating equipment certainly, after the coldest winter in 15 years. Coin-operated laundries and dry-cleaning plants are catching on. Canadian household electric lighting fixtures and lamps are becoming popular. All kinds of building materials should find a good market—shingles, plywood and panelling especially. Every month in Britain, says a recent survey, 100 food shops are being converted to self-service and 17 or more supermarkets are opened. Canadians should be able to sell many products that lend themselves to this type of merchandising. ●

—FINLAY SIM,
Trade Commissioner, Glasgow.

COMMODITY NOTES

Radio Sets

GHANA—The Government is to set up a £156,300 radio assembly plant at Tema. A Ministry of Industries spokesman said a contract for the project would be signed between the Ghana Government and Messrs. Philips of Holland. The factory is expected to produce about 20,000 transistor sets yearly—Accra.

Steel Mill

NEW ZEALAND—The New Zealand Steel Investigating Committee has recommended that an iron and steel mill to produce initially 150,000 tons a year be established in South Auckland. Studies indicate that local iron-sand concentrate and local coal could be used. It was also suggested that the firm be New Zealand-controlled but with limited participation by overseas interests—Wellington.

Steel Tubing

ANGOLA—Japan has recently delivered, in its own vessels, 41 miles of steel tubing to the port of Luanda, Portuguese West Africa. It is to be used for construction of a new pipeline from the oil wells near Luanda, in production since 1962. Angola currently has an excess of 950,000 tons of top-quality crude oil for export—Lisbon.

Synthetic Fibres

ISRAEL—At Ashdod, the new port south of Tel Aviv, Monsanto Chemicals of the United States has begun building a factory for the manufacture of acrylic fibre. The new plant, Israel Chemical Fibres Ltd., is expected to begin operations in two years. Initial annual capacity will be two million pounds, 70 per cent for export—Tel Aviv.

TV Sets

GHANA—The Edward Nasser Group of companies has completed a £20,000 TV set factory in Accra, which will initially employ about 120 people and eventually 200. According to Mr. Edward Nasser, yearly production will be about 10,000 sets. Local materials will be used although some component parts such as valves and switches will be imported. The company will soon send ten Ghanaians to the U.S. to study television manufacturing methods—Accra.

Wheat

AUSTRALIA—A decline in the consumption of both bread and flour over the next decade could serve to halt any appreciable rise in the home consumption of wheat, the Australian Bureau of Agricultural Eco-

nomics suggested recently. A survey showed that wheat consumption per head declined from 276.6 pounds in 1948-49 to 254.0 in 1960-61. Flour consumption per head had also dropped continuously since 1948-49— from 203.7 pounds to 170.0 in 1960-61. The survey indicated that both bread and flour consumption per head would continue to decline in Australia during the next decade, with wheat consumption falling possibly to 223.4 pounds and flour to 148.9 pounds per head.

Taking into account the expected increase in population, Australia's domestic requirements for wheat might increase by only three to five million bushels over the 1960-61 level of 43 million bushels—Melbourne.

Foreign Tariffs and Trade Regulations

Dominican Republic

INTERNAL CONSUMPTION TAX ON RADIOS AND BATTERIES—Radios that operate exclusively by battery have been exempted from the Dominican Republic internal consumption tax, according to a law published in Santo Domingo on February 1, 1963. Other types of radio receivers, however, remain subject to a consumption tax of 25 per cent ad valorem.

By the same law, the internal consumption tax on batteries has been reduced to 5 per cent ad valorem; previously this item was taxable at 10 per cent.

The Dominican Republic's internal consumption taxes apply to a wide range of imports and are in addition to the normal tariff duties.

France

IMPORTS OF FRESH APPLES FROM CANADA AND THE U.S.—The French Government announced in the January 8, 1963, issue of the *Journal Officiel* that import licences for apples from Canada and the United States were now available to French importers for the period January 1 to March 31, 1963—Paris.

Ireland

IMPORTS OF RAW APPLES—Because supplies of local apples are almost exhausted, the Minister for Agriculture in the Republic of Ireland has announced that raw apples may be imported from all countries without restriction during the period March 1 to July 7, 1963. Previously, a quota for 500 long tons had been announced for the period January 15 to February 28, 1963.

Fruit importers in the Republic have to secure licences for the import of such apples from the local Department of Agriculture, but these licences are readily available—Dublin.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalent multiply by .928613.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 25	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free .....	.007995	125.08	
Australia	Pound .....	.....	2.4148	.4141	
Austria	Schilling .....	.....	.04170	23.98	
Bahamas	Pound .....	.....	3.0185	.3313	
Belgium and Luxembourg	Franc .....	.....	.02161	46.27	
Bermuda	Pound .....	.....	3.0185	.3313	
Bolivia	Peso Boliviano	Free .....	.09076	11.02	
Brazil	Cruzeiro	Official Free Special Category .....	.002303 †	434.21 †	
Britain	Pound .....	.....	3.0185	.3313	
British Guiana	Dollar .....	.....	.6289	1.59	
British Honduras	Dollar .....	.....	.7546	1.32	
Burma	Kyat .....	.....	.2261	4.42	
Ceylon	Rupee .....	.....	.2264	4.42	
Chile	Escudo	Free .....	.3739	2.67	
Colombia	Peso	Certificate .....	.1197	8.35	
Congo, Republic of	Franc .....	.....	.02181	46.27	
Costa Rica	Colon .....	.....	.1625	6.15	
Cuba	Peso .....	.....	†	†
Czechoslovakia	Koruna .....	.....	.1496	6.68	
Denmark	Krone .....	.....	.1561	6.41	
Dominican Republic	Peso .....	.....	1.0769	.9286	
Ecuador	Sucre	Official .....	.05983	16.71	
El Salvador	Colon	Free .....	.05007	19.97	
Fiji	Pound .....	.....	.4308	2.32	
Finland	Markka .....	.....	2.7194	.3677	
France, Monaco, etc.	Franc .....	.....	.3365	2.97	
Franco-African Republics, etc. ..	Franc .....	.....	.2198	4.55	(1)
French Pacific	Franc .....	.....	.004396	227.48	(2)
Germany	D Mark .....	.....	.01209	82.71	(3)
Ghana	Pound .....	.....	.2692	3.71	
Greece	Drachma .....	.....	3.0185	.3313	
Guatemala	Quetzal .....	.....	.03589	27.86	
Haiti	Gourde .....	.....	1.0769	.9286	
Honduras	Lempira .....	.....	.2154	4.64	
Hong Kong	Dollar	Free .....	.5384	1.86	
Iceland	Krona	Official .....	.1866	5.36	*Feb. 15
India	Rupee	Official .....	.1887	5.30	(4)
		.....	.02504	39.94	
		.....	.2264	4.42	

†Exchange auctions will be held each week for limited amounts of exchange.

‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.

*Latest available date.

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 25	Units per Canadian dollar	Notes (See below)
Indonesia	Rupiah	Official	.02393	41.79	(4)
Iran	Rial		.01422	70.34	
Iraq	Dinar		3.0153	.3316	
Ireland	Pound		3.0185	.3313	
Israel	Pound		.3590	2.78	
Italy	Lira		.001735	576.37	
Japan	Yen		.002992	334.22	
Lebanon	Pound	Free	.3583	2.79	
Mexico	Peso		.08615	11.61	
Morocco	Dirham		.2154	4.64	
Netherlands	Florin		.2990	3.34	
Netherlands Antilles	Florin		.5710	1.75	
New Zealand	Pound		2.9979	.3336	
Nicaragua	Cordoba		.1538	6.50	
Nigeria	Pound		3.0185	.3313	
Norway	Krone		.1507	6.63	
Pakistan	Rupee		.2264	4.42	
Panama	Balboa		1.0769	.9286	
Paraguay	Guarani	Free	.008728	114.57	
Peru	Sol	Free	.04014	24.91	
Philippines	Peso	Free	.2761	3.62	
Portugal & Colonies	Escudo		.03746	26.69	(5)
Singapore and Malaya	Straits dollar		.3518	2.84	
South Africa	Rand		1.5093	.6625	
Spain and Dependencies	Peseta		.01795	55.71	
Sweden	Krona		.2077	4.81	
Switzerland	Franc		.2489	4.02	
Syria	Pound	Free	.3012	3.32	
Thailand	Baht	Free	.05110	19.57	(4)
Tunisia	Dinar		2.5953	.3853	
Turkey	Lira		.1197	8.35	(4)
United Arab Republic	Pound	Official	2.4768	.4037	
United States	Dollar		1.076875	.928613	
Uruguay	Peso	Free	.09821	10.18	
Venezuela	Bolivar	Controlled market rate	.3215	3.11	
		Official Free	.2371	4.22	
West Indies	Dollar		.6289	1.59	(6)
	Pound		3.0185	.3313	(7)
Yugoslavia	Dinar	Official	.001436	696.38	

Notes

1. Franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
7. Jamaica.

Markets in Brief

NEW ZEALAND

Area: 103,000 square miles, North Island and South Island.

Population: 2,498,440.

Climate: temperate and generally equable. The seasons are opposite to the Northern Hemisphere and seasonal differences are not great in most parts. There are no extremes in temperature and rainfall is fairly evenly spaced throughout the year.

Language: English.

Currency: N.Z. pound; one N.Z. £ equals about \$3.00 Canadian (January 1963).

Foreign exchange and import controls: the New Zealand pound is not freely convertible. All imports require a licence which automatically carries with it an allocation of foreign exchange. There are no restrictions on the import of currency.

Weights and measures: imperial standard.

Capital: Wellington (population) 250,000.

Chief ports: Auckland, Wellington, Christchurch, Dunedin, Napier, New Plymouth.

Marketing centres: Auckland (population) 448,000, Wellington 250,000, Christchurch 220,000, Dunedin 105,500.

Economy: agriculture, forestry.

Total New Zealand imports: 1961—N.Z. £322 million; 1960—N.Z. £282 million.

Chief imports: (N.Z. £ million) 1961—lumber, glass, newsprint, pulp, rubber and other industrial materials, motor vehicles, tires, mineral fuels 89.3; iron, steel, copper, lead and manufactured metal 46.1; piecegoods, yarns, fibres, carpets, footwear, hosiery, agricultural machinery, electric motors, typewriters 37.4; chemicals including sulphur, salt, fertilizers 22.3; canned fish, canned and dried fruit, bananas, tea, coffee 21.7.

Chief suppliers: (N.Z. £ million) 1961—Britain 128.4, Australia 47.0, United States 27.0, Canada 10.7.

Value of imports from Canada: 1962 (10 months)—Can.\$21.7 million; 1961—Can.\$31.1 million.

Chief imports from Canada: (Can.\$) 1962 (10 months)—aluminum pigs, ingots, slabs 2,134,591; locomotive engines and parts 1,806,590; newsprint paper 1,297,800; copper pipe and tubing 953,187; plastics, synthetic rubber not shaped 920,173; pulp and paper industrial machinery and parts 852,548; bars, steel hot rolled 715,376; passenger autos and chassis 651,314; generators and parts 645,373.

Total New Zealand exports: (N.Z. £ million) 1961—283.6; 1960—302.5.

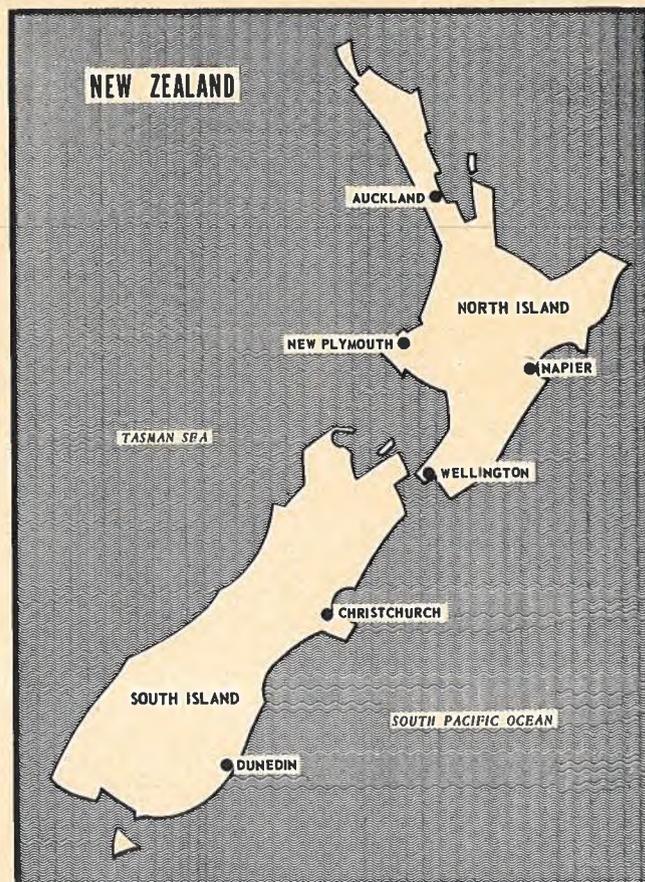
Chief exports: (N.Z. £ million) 1961—wool 100.1, meat 77.0, dairy products 68.3.

Chief markets: (N.Z. £ million) 1961—Britain 143.8, United States 28.8, France 17.8, Japan 14.8, Australia 10.9, West Germany 8.8, Canada 3.7.

Value of Canadian purchases: (Can.\$ million) 1962 (7 months)—7.8; 1961—9.6.

Chief Canadian purchases: (Can.\$ million) 1962 (7 months)—wool 2.7, sausage casings 2.2, mutton and lamb 1.3, beef and veal 1.2.

Prices: prices in government tenders should be f.o.b. in currency country of origin with freights specified. Other prices can be in either N.Z. pounds, Canadian or U.S. dollars, preferably c.i.f.



Usual credit terms: most of New Zealand's import trade is financed by sight drafts, frequently with terms 30 to 90 days depending on the arrangement between exporter and importer. Letters of credit are seldom used.

Samples: as a general rule, samples are liable to customs duties but a refund is obtainable on satisfactory proof of re-export. Trade samples, other than wines and spirits, not exceeding £10 in value, and provided that the Comptroller of Customs is satisfied that they are genuine samples, may be imported without a licence. If the value exceeds £10 but is still a reasonable amount, the Comptroller has authority to issue a licence.

Visas: no visa required.

Trade agreements: Canada's trade relations with New Zealand are governed by the Canada-New Zealand Trade Agreement of 1932.

Import controls, documentation, customs tariffs, marking and labelling: consult the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Correspondence: airmail; 25 cents per half ounce.

For detailed information on this market write to:

Commonwealth Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

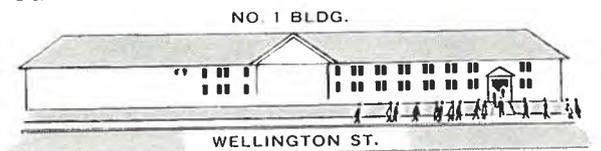
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