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FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

Australia: a Major Market for Canada

What's Selling in Australia?

New Zealand: Prosperity Has Its Problems

FOREIGN TRADE

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COMING——HOW JAPANESE TRADING COMPANIES FUNCTION, MARCH 21

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ONTARIO

AUSTRALIA
— a Major Market for Canada

Last year Australia bought $100.8 million worth of Canadian goods —some 404 different products. The ample exchange reserves, a preferential tariff, few import restrictions, and a booming economy make Australian customers well worth cultivating. Is your company getting its share of this 100-million-dollar market?

R. B. NICKSON,
Commercial Counsellor, Canberra.

THE range of Canadian exports to Australia broadened further in 1963. Canada is currently Australia's fifth supplier and our share of the import market in the year ended June 30, 1963, increased to 4.3 per cent. Last year, Canadian exports to Australia totalled $100.8 million, only slightly less than in 1962. Table I demonstrates the strong upward trend in Canadian exports to Australia in recent years.

Australia is a large importer of a wide range of products, particularly capital equipment and goods for use by the manufacturing industries. Current imports, in fact, exceed £1,100 million a year. As Table II shows, the principal suppliers to Australia are Britain, the United States, Japan, Germany and Canada, in that order. They ship mainly industrial materials, plus smaller amounts of consumer goods. Britain currently supplies 30 per cent of Australian imports and the United States 21 per cent. Although Britain's share of the market has declined somewhat during the postwar years, its position in the last year or two has become more stable. In the year ended June 30, 1963, the United States, Japan and Canada have increased their share of the Australian import market.

The prospects for sales to Australia in 1964 are promising. There are clear indications that the economy will expand strongly this year, although some measures have been introduced recently to restrain excessive credit, mainly through the banking system. There is optimism about the business outlook in many circles here. The principal stimuli to the economy are the high level of exports, consumer spending and investment, coupled with further substantial development of resources.

Most of the principal economic indicators are currently rising. At the end of June 1963 the population had reached almost 11 million, an increase of 200,000 over the previous year. In the third quarter of

TABLE I
CANADIAN TRADE WITH AUSTRALIA

	Exports (Can.$ million)	Imports (Can.$ million)
1959	54	36
1960	99	41
1961	79	37
1962	105	45
1963	100.8*	36†

*Twelve months.
†Nine months.

TABLE II
AUSTRALIAN IMPORTS BY PRINCIPAL SUPPLIERS

	Years ended June 30			
	1962		1963	
	Aust. £ million	% of total	Aust. £ million	% of total
Britain	265.9	30.1	329.2	30.4
United States	174.1	19.7	230.0	21.3
Japan	49.5	5.6	64.7	6.0
West Germany	51.8	5.9	58.6	5.4
Canada	34.2	3.9	46.0	4.3
Arabian States	29.3	3.3	43.8	4.1
Indonesia	26.5	3.0	28.9	2.7
Italy	14.0	1.6	19.6	1.8
Iran	20.9	2.4	19.2	1.8
India	16.1	1.8	18.1	1.7
Sweden	16.7	1.9	17.9	1.7
France	11.1	1.3	17.8	1.6
New Zealand	13.6	1.5	17.7	1.6
Switzerland	13.8	1.6	14.2	1.3
Netherlands	13.1	1.5	13.8	1.3
Total (all imports)	884.7		1,081.4	

(Left) On the busy docks at Melbourne a Canadian freighter discharges its cargo. Soon it will be loading Australian products for the return voyage to Canada.

73405-3—2

1963 the gross national product went up 8 per cent over the same quarter of 1962. Unemployment has declined steadily in recent months: registered unemployed at the end of November numbered 59,500, or about 1.4 per cent of the total work force of some 4.3 million. Capital expenditure by industry in the six months ended December 1963 totalled some 10 per cent more than in the previous year. Industrial production expanded last year in practically all the major fields—such as coal, steel, electric motors, motor vehicles, cotton textiles and cement. Motor vehicle registrations have also risen substantially: in 1962 registrations of all vehicles except motorcycles averaged 27,000 a month; in the first ten months of 1963 they averaged 31,000. Housing construction is particularly active, principally because the Government has committed more financing to housing, on easier terms. Approximately 95,000 houses and flats were built last year and the prospect for 1964 is for some 100,000.

Exports Rising Rapidly

Perhaps the most important single stimulus to the Australian economy at the present time is the exceptionally high exports. In the second half of 1963 they reached £679 million, an increase of almost 20 per cent over the first half of the year. The products contributing most to this increase are wool, wheat, sugar, meats, coal, lead, dairy products and, to a lesser degree, manufactured products. For example, during the second half of 1963 wheat exports almost doubled (see article on page 22) and wool exports increased by almost 50 per cent over the same period of 1962. Although export prices rose in 1963 (particularly in the later months) the volume of exports has also increased substantially.

These increased exports have meant a substantial rise in the foreign exchange reserves; at the end of November 1963 they totalled £754 million compared with £512 million in 1959/60. These figures exclude substantial drawing rights that Australia has with the International Monetary Fund. Apart from these rights, reserves now equal about eight months' imports at the present rate.

TABLE III

PRINCIPAL CANADIAN EXPORTS TO AUSTRALIA

	10 months ended October 1962 ('000 Can.$)	10 months ended October 1963 ('000 Can.$)
Motor vehicles and parts	14,101	17,852
Newsprint	12,330	9,470
Softwood lumber	9,184	8,388
Wood pulp	2,357	3,632
Asbestos	3,234	3,419
Primary aluminum and scrap	8,744	3,268
Primary iron and steel	5,653	3,100
Plastics and synthetic rubber	2,521	2,885
Electrical equipment and parts	1,145	2,141
Chemicals, including medicinal chemicals	2,452	1,983
Plastic film and sheet	1,694	1,868
Nickel anodes, cathodes and ingots	1,128	1,346
Canned fish	669	1,186
Industrial machinery	1,843	1,045
Mining machinery and parts	800	903
Agricultural machinery and parts	320	901
Measuring, testing instruments and parts, including electrical	469	793
Nickel in oxide	857	785
Chain saws and parts	780	783
Kitchen utensils, cutlery and parts	212	780
Sulphur	435	731
Printing papers, other than newsprint	426	667
Tiling, flooring and wall coverings	....	667
Plastic resins	687	623
Sausage casings	620	594
Razors and blades	279	559
Aircraft and nautical instruments, apparatus and parts	....	555
Marine engines and parts	483	548
Tobacco	1,000	496
Office machinery and parts	1,390	483
Dolls, toys and parts	420	459
Bearings and parts	706	444
Communications equipment and parts	841	424
Coffee and products	400	375
Lubricating oils and greases	....	364
Perfume, toilet preparations and cosmetics	27	362
Synthetic fibres and waste	136	353
Military weapons and parts	194	333
Broad woven fabrics, cotton and synthetic	232	328
Nuts, bolts, screws and washers	39	318
Papermakers' and other felts	224	315
Synthetic yarns and threads	591	310
Hosiery	548	287
Laminated plastic materials	149	258
Sanitary paper	82	232
Firebrick and similar shapes	47	199
Converted paper	34	185
Fourdriner wire cloth	210	185
Recreation, sporting equipment and parts	81	137
Plywood and veneers	57	126
Hand tools	15	125
Plastic basic shapes and forms	26	123
Aircraft engines, assemblies and parts	136	122
Heating equipment	57	120
Carpets, mats, floor coverings, textile	99	117
Service industry equipment	5	112
Narrow fabrics	36	110
Locks, keys and parts	80	107
Wallpaper	102	106
Pickles and relishes	9	104
Hose, with or without couplings	31	98
Building paper	88	94
Welding wire rods and electrodes	59	92
Copper shapes, tubing and pipes	900	84

Import Composition Changes

During the second half of 1963 Australian imports have not been quite as buoyant as exports. Nevertheless, they were higher by approximately 5 per cent than in the first half and they are expected to expand considerably this year as a result of steadily improved business conditions. Because of the continued filling-out of industrial production in Australia, the greater productivity and competitiveness of Australian industry and, in some instances, higher tariffs, the composition of imports is likely to change further in 1964. However, Australia has a compelling need for a wide range of industrial imports. In addition, because of the free choice open to them Australian consumers take a considerable interest in imported goods.

As Table III shows, Canadian exports to Australia are diverse and many new products were introduced in 1963; in fact, diversification is possibly the principal characteristic of Canadian shipments in recent years. This is borne out by the number of products exported to Australia—in the first half of 1962 there were 338 and in the first half of 1963 about 404. Import restrictions have been almost completely eliminated and Canadian manufacturers are free to explore the market in much the same way as they do in Canada.

Canada enjoys tariff preferences in Australia that usually mean substantially lower rates of duty than those applicable to the United States and other most-favoured-nation suppliers. This market, therefore, is of particular interest to Canadian manufacturers and exporters and any who have not yet explored its possibilities should do so. Many of the export sales that Canada has developed in Australia in recent years were to a degree unforeseen so that any reasonable opportunity for development should not be ignored. Canada is also beginning to develop sales of defence equipment to Australia and prospects in this field should continue to be promising.

Some traditional Canadian exports to Australia have been adversely affected by various factors in recent months. For example, exports of newsprint are encountering increasing competition from New Zealand and exports of aluminum ingot are subject to severe restriction under special import control. However, other exports of long-standing importance increased in 1963, notably motor vehicles and parts (see article on page 15) and, to a lesser extent, wood pulp.

Australian exports to Canada have also expanded in recent months, as Table I shows. Important among these exports are sugar, wool, fruits (particularly dried and canned), frozen lamb and beef, canned meat, wines and a range of manufactures. Raw sugar for refining accounted for most of this increase, as a result of the substantial rise in sugar prices. Canadian imports of dried fruits also rose last year, and recently oranges have been shipped to Canada; this may indicate more trade for the future.

Trade Policy

There were a number of important developments in Australia's trade policy last year. Australia and Japan extended their bilateral trade agreement and this led to a further development of economic relations between these two important Western Pacific economies. Australia also attaches importance to the tariff and trade discussions and negotiations scheduled for 1964, particularly the GATT trade and tariff negotiations and the United Nations Conference on Trade and Development. In its attitude towards these negotiations and discussions, Australia has emphasized its rôle as an exporter of agricultural products.

Trade relations between Australia and Canada have also expanded in recent years. The two countries are becoming increasingly well known to one another, particularly at the business level, and these direct contacts have made possible the continued extension of trade. Canada-Australia relations have been assisted by the Trade Agreement concluded between the two countries in 1960 which provides, among other things, for the exchange of tariff preferences. In addition, various trade missions have been exchanged between the two countries.

During 1963 Australian understanding of Canada and its ability to provide Australia with a wide range of goods made further progress. Canada's large-scale participation in the Trade Fair in Sydney in August made a special impact on business circles and on the public. Undoubtedly the goodwill towards Canada here helps the expansion of trade. Canadian manufacturers and exporters can look therefore to a friendly and open reception for their goods and business conditions in Australia warrant careful exploration of the market. ●

Merchandising in Australia is following much the same pattern as in other countries, with regional shopping centres becoming popular. This one is in a Sydney suburb.

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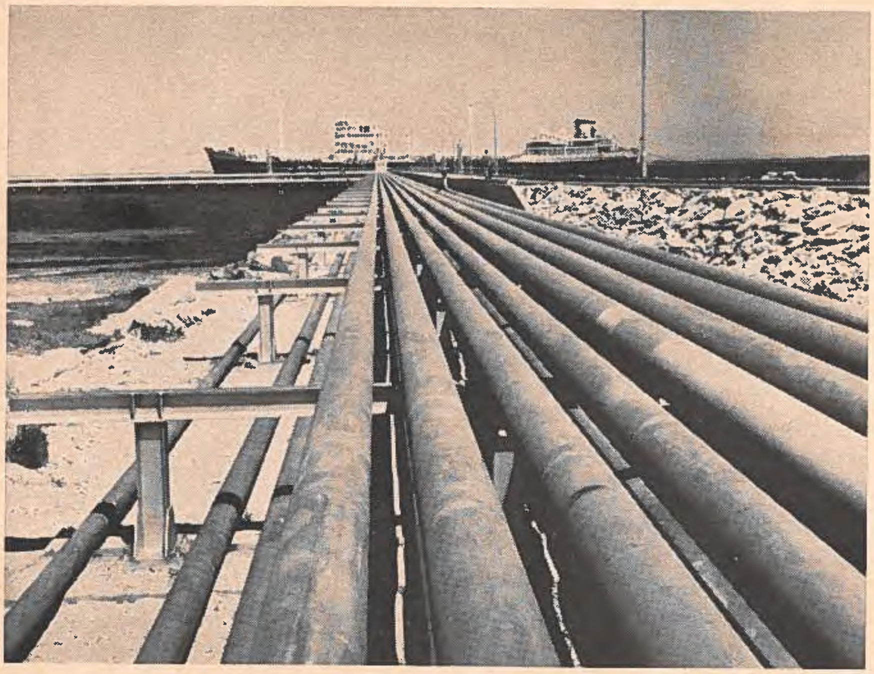
Industrial Expansion Continues



—Australian News & Information Bureau

Australia now has the capacity to refine 14.9 million tons of crude oil a year and soon will be able to handle over 17.5 million tons. These oil tankers are at anchor in Cockburn Sound, near the big B.P. refinery at Kwinana in Western Australia.

Postwar years have witnessed tremendous expansion in manufacturing, with emphasis on both heavy and light industries. Progress bids fair to continue, and sources and composition of imports may alter as industrialization proceeds in many parts of the country.

K. GRINER, *Commercial Assistant, Canberra.*

ONE of the principal features of postwar development in Australia has been the rapid growth of manufacturing industries. In 1939, Australia had about 27,000 factories employing 565,000 people; by 1963, there were 58,000 plants employing 1,145,000. Some 30 per cent of the labour force is now engaged in manufacturing, compared with 22 per cent before the war. Bearing in mind that Australia's population has increased from seven million in 1950 to almost eleven million by 1963, this gain is significant.

The following paragraphs cover industries which have developed most spectacularly.

Iron and Steel

Since World War II, an estimated £300 million has been spent on major projects in the iron and steel industry. The greater part of this development was financed within the country. Employment in the industry doubled and 500,000 persons—or more than 45 per cent of all those employed in manufacturing—are engaged in the engineering and metal trades associated with the iron and steel industry.

About 96 per cent of Australia's steel production is located in the Newcastle and Port Kembla areas of New South Wales. In 1962, seven blast furnaces were operating in New South Wales and three in Western Australia. Ingot steel is produced from 26 open hearth furnaces and from 11 electric furnaces.

Port Kembla was the centre of large-scale development during the 1950's and further development is planned; it is now one of the largest steelmaking centres in the Commonwealth. Recently completed projects will make Australia self-sufficient in tinplate and possibly in stainless steel. Plans are now under way to develop Whyalla in South Australia into an important steelmaker and rolling mill producer.

The building of a new rod mill at Newcastle at a cost of £18.2 million will permit a weekly operating capacity of 10,000 tons of rod. In 1962, Newcastle produced 120,000 tons of wire and wire products.

Motor Vehicles

Australia ranks fourth in the world in vehicle ownership with some three million registered vehicles. The local industry is producing about 225,000 vehicles a year and at a cost of £30 million projects are under way to meet anticipated future demand. In contrast to ten years ago, when 50 per cent of the vehicles sold were imported, the home industry now supplies a much larger proportion of local demand.

Fixed capital investment in the motor vehicle industry is estimated at more than £100 million, with some 50,000 persons employed.

Present production is mainly sold in the domestic market.

The eight major companies and the percentage share of each in the market is as follows:

General Motors-Holden's Pty. Ltd.	44
Ford Motor Co. of Australia Pty. Ltd.	19
British Motor Corp. (Aust.) Pty. Ltd.	12
Volkswagen (A/asia) Pty. Ltd.	7
Chrysler Australia Ltd.	5
Rootes (Aust.) Ltd.	3
Australian Motor Industries Ltd.	1
International Harvester Co. of Aust. Pty. Ltd.	2
All other companies	7

General Motors-Holden is investing a further £15 million in expansion in four states—the sixth in the postwar years. This latest expenditure is designed to increase production capacity to 150,000 vehicles a year. Ford Motor Co. of Australia is planning a new plant at a cost of £15.5 million which will bring production of the all-Australian *Falcon* from 50,000 to 90,000 units a year. Volkswagen (Australia) is producing 25,000 vehicles a year and the British Motor Corporation is now turning out an Australian-made car.

Electrical and Engineering Industries

The electrical field has seen great progress in the last few years. Local manufacturers are producing modern appliances and specialized equipment. Electric wire and cable production includes coaxial high-frequency cables, automotive wiring, P.I.L.C. cables, and large capacity solid-core cables. A plant to make mineral-insulated copper-covered electric cable was recently set up. It is estimated that over 70 per cent of the electric transformers and more than 80 per cent of all electric motors sold are made in the country.

There has been a steady increase in output of hand and machine tools, metalworking machinery, and materials handling equipment and the range has broadened. The light engineering industries now manufacture roller bearings, die castings, gasoline engines, time switches, measuring and recording instruments, valves and control equipment, television antennae, and pumping, ventilating and heating equipment.

During the postwar years, the heavy engineering industries have advanced to the stage where they are producing complicated heavy-duty automatic machines of various types. Jet aircraft, diesel electric locomotives, railway rolling stock, earthmoving and excavating equipment, mining, farming and agricultural equipment are other examples of what Australian industry can make.

Chemicals

The advance in the chemical industry has been noteworthy in the last few years. The Shell Company at Geelong now produces sulphuric acid from waste sulphur gases and production exceeds a million tons a year. The company also operates an alkylate plant and an epoxy resin plant went into operation in New South Wales in 1961.

Australia is self-sufficient in carbon black because the Altona, Victoria, plant doubled its capacity and now turns out 60 million pounds a year. Five petrochemical units are also in operation at Altona and the Altona Petrochemical Co. Pty. Ltd. began making butadiene and ethylene in 1961. Some of the ethylene is used in the new polyethylene plant of Union Carbide Australia. C.S.R.-Dow Pty. Ltd. uses the ethylene also to make styrene monomer and ethylene dichloride in another plant which also produces chlorine and caustic soda.

In the same area an S.B.R. synthetic rubber plant with a capacity of 30,000 tons is in production. Polyvinyl chloride plastic resins have been manufactured since mid-1961.

In the last ten years, superphosphate production has more than doubled and two million tons a year are made. Production of sulphate of ammonia has doubled and the nitric acid industry has expanded five times. The alkali industries can meet practically all local demand.

Plastics manufactured include plastic moulding powder and crystals, including cellulose acetate, P.V.C., polystyrene, polyethylene, urea and phenol formaldehydes. This has led to Australian manufacture of a specialized range of moulding machines, extruders and ancillary plant and equipment.

Paper, Paperboard and Pulp

There are now nine paper and board mills in Victoria, four in New South Wales, three in Tasmania, one in Queensland, two in South Australia and one in Western Australia. Australian Paper Manufacturers Ltd. and Associated Pulp and Paper Mills Ltd. of Melbourne and the Australian Newsprint Mills Ltd. of Tasmania account for over 90 per cent of the industry's production of 500,000 tons a year. Australia's annual requirements are estimated at 900,000 tons.

Wood pulp production capacity is estimated at about 250,000 tons compared with 80,000 tons in 1945. A process for making paper pulp from short-fibred hardwoods using eucalyptus has also been developed. Some of the major paper industries are developing softwood plantations and part of the State forestry authorities' pine plantations is also available for pulp manufacture.

Oil Refining

New oil refineries and additions to plants in operation before 1953 have given Australia a processing capacity of 14.9 million tons of crude a year. Refined products in 1961/62 totalled 11.3 million tons. Over £150 million is invested in this industry.

In February 1963, a lubricating oil plant with an annual capacity of 100,000 tons of high-grade lubricating oil came into production. Another is under construction and when completed will produce 100,000 tons a year of high viscosity-index lubricating oils; a third will produce 80,000 tons of high-grade lubricating oil. Still another is planned to make feedstock for lubricating oil production.

When all projected development in this field is completed, the Australian refining industry will have an annual refining capacity of over 17.5 million tons of crude oil. Overall investment will reach £220 million.

1961/62 refinery production in million tons was:

Motor spirit	3.96
Furnace fuel	3.86
Automotive distillate	1.6
Industrial diesel fuel	.88
Aviation fuels	.35

Exports were valued in the same period at £22.4 million and consisted of, in million tons:

Furnace fuel	1.04
Automotive distillate	.62
Motor spirit	.16
Industrial diesel fuel	.12

Principal markets were New Zealand, Singapore, Japan, Africa and the Pacific Islands.

All signs point to continued expansion of Australian manufacturing during the next ten years, in spite of possible temporary slowdowns from time to time. Secondary industry and the auxiliary industries of finance, commerce and building are expected to provide employment for the expanding work force. It is also to be expected that new industries will be established in those fields now supplied by imports.

Despite the steady filling-out of Australian industrial production, the volume of imports, particularly of goods not manufactured in Australia, has risen steadily in recent years. It is likely that this trend will continue, although the pattern and composition of imports will alter as industrialization proceeds. Canadian manufacturers have become increasingly able to supply the components, materials, equipment and machinery that Australian industry needs. The market, while becoming more competitive, offers a challenging field to Canadians. ●

Iron Ore Becoming Major Export

Large iron ore deposits in Western Australia already furnishing export shipments. Japan, one of Canada's iron ore customers, has signed contract for five millions tons of Australian ore. What other significance has this development for Canadians?

R. D. LUCAS, *Assistant Commercial Secretary, Melbourne.*

AUSTRALIA will soon become a major exporter of iron ore, although it is only a few years since prospectors became aware of the hematite deposits in the northwest of the country. Japan, currently importing over one and a half million tons a year from Canada, is the logical market for this ore. Already a contract has been drawn up for the sale of over five million tons and shipments are bound to increase in the future.

The growth of Western Australia has always been closely linked with mining developments, although agriculture is now a greater source of wealth. For example, the total value of gold produced in Western Australia is now approaching £500 million, or nearly $1¼ billion. Recently mineral exploration has concentrated on iron, bauxite and oil. Only oil has not yet been located in significant quantities but the hope is that of the 100 exploratory wells drilled so far, one will soon prove to be a strike.

Until June 1960, the export of iron ore from Australia was banned. The embargo was placed in 1938, when the Commonwealth Government felt that there was not enough ore to supply domestic needs. It was removed when the large deposits in Western Australia were found.

Current Producer

Iron has been mined for the past twelve years at Cockatoo Island on the north side of Yampi Sound, about 1,200 miles north of Perth. A sister island, Koolan, will soon be in production. Both projects have been undertaken by Australian Iron and Steel Pty. Ltd., whose parent is Broken Hill Proprietary Limited. B.H.P., which employs over 40,000, controls practically the entire industry.

The hematite outcrops on both islands are worked from the surface. Ore is loaded directly onto carriers of up to 19,000 tons and shipped to the B.H.P. smelter at Newcastle on the other side of the continent, a distance of over 3,000 miles. The ships return carrying valuable fresh water as ballast. Cockatoo provides about 30 per cent of the 4.7 million tons of ore used each year at the steelworks. No ore is exported. Production at the second island, Koolan, should begin late this year. It is estimated that both islands will ultimately ship about three million tons a year. B.H.P. will probably continue to depend on them for its domestic iron production.

Contract with Japan

The five-million-ton contract already mentioned was signed between Japanese and Australian interests on December 13, 1963. The ore, which must average at least 60 per cent iron, is to be sold at a delivered price of U.S.$12.60 per ton. The total value of the contract approaches A£30 million and deliveries are to cover eight years, beginning in April 1966. The Australian principal in the agreement is Western Mining Corporation Limited, which is in partnership with two U.S. firms, Homestake Mining Company and Hanna Mining Company. Mining will take place in the Koolanooka Hills, about 140 miles southeast of the harbour at Geraldton. The same mining consortium also holds a concession in the Tallering Ranges, nearer the ocean port. If further sales are made, these deposits will probably also be brought into production.

Other Deposits Developed

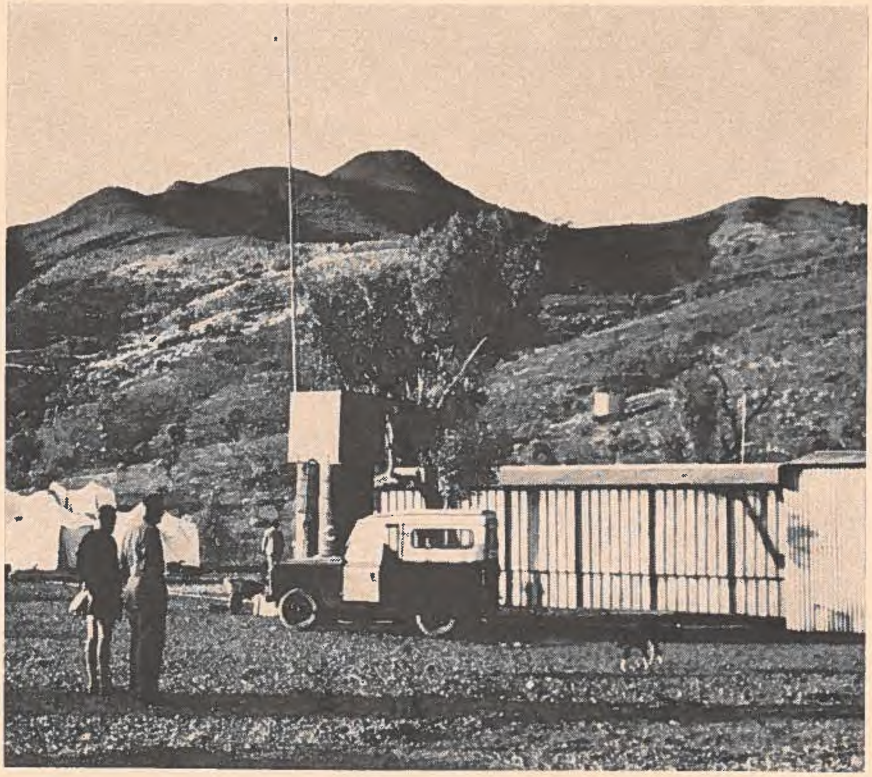
Just after announcement of the agreement between Western Mining and the Japanese interests, a different group, Mount Goldsworthy Mining Associates, stated it would spend £20 million ($48 million) on another project. This group comprises Consolidated Gold Fields (Australia) Pty. Ltd., Cyprus Mines Corporation and Utah Construction and Mining Company. The Federal Government has granted a licence for the export of up to four million tons a year from the Mount Goldsworthy area, about 60 miles east of Port Hedland.

The Goldsworthy ore is a sedimentary hematite which contains from 55 to 64 per cent iron; it too would be mined from the surface. Mount Goldsworthy negotiators are currently talking to the Japanese and if a contract is signed, a 125-mile rail link and townsite will have to be built. The ore would probably be shipped from Depuch Island to the north of the ore body, rather than from Port Hedland to the west.

Pilbara District

The largest deposits probably lie in the Hamersley Ranges of the Pilbara district. Conservative estimates place these at eight billion tons, but this figure can probably be doubled. Both limonite, averaging about 54 per cent iron, and hematite, running at 62 per cent, occur on the surface. The deposits cover an area of about 10,000 square miles, of which the greater part is held by Conzinc Riotinto of Australia Ltd. and Kaiser Steel Corporation. The name of the operating firm is Hamersley Iron Proprietary Limited. This project is still in the development stage, with diamond drilling and surface mapping under way. The agreement signed by these two firms with the Government of Western Australia calls for an iron export industry by 1967 and an integrated iron and steel industry by 1992. By the end of 1964, an estimated £800,000 will have been spent on exploration and feasibility studies. Expenditure over the period of the agreement will total at least £78 million. (See *Foreign Trade*, December 28, 1963.)

There are several other smaller but none the less important deposits in other parts of Western Australia. Broken Hill Proprietary, in addition to its activity in the Yampi Sound area, is spending £5 million in developing deposits at Koolyanobbing. Ore would be supplied to a blast furnace at Kwinana, where there is already a small rolling mill producing steel fenceposts. The hope is for a fully integrated steel plant in this area by 1978.



This camp in the Hamersley Ranges of the Pilbara district in Western Australia serves as a base for men exploring the huge deposits of limenite and hematite in this area, said to total some eight billion tons. By the end of 1964, some £800,000 will have been spent on prospecting work and on feasibility studies there.

TABLE I

CANADIAN EXPORTS OF IRON ORE

	1960	1961	1962
Total exports (tons)	18,559,400	14,868,166	21,645,758
Total exports (value)	$151,678,119	$142,565,982	$220,521,995
Exports to Japan (tons)	1,165,430	1,298,485	1,729,866
Exports to Japan (value)	$9,424,029	$10,152,146	$14,610,173

Another development is taking place at Mount Newman in the Opthalmia Ranges, about 750 miles north of Perth. The developing company is a wholly-owned subsidiary of American Metal Climax Incorporated. Still another firm, Garrick Agnew Pty. Ltd., is in partnership with the Cleveland-Cliffs Iron Company. This group also holds concessions in the Pilbara area.

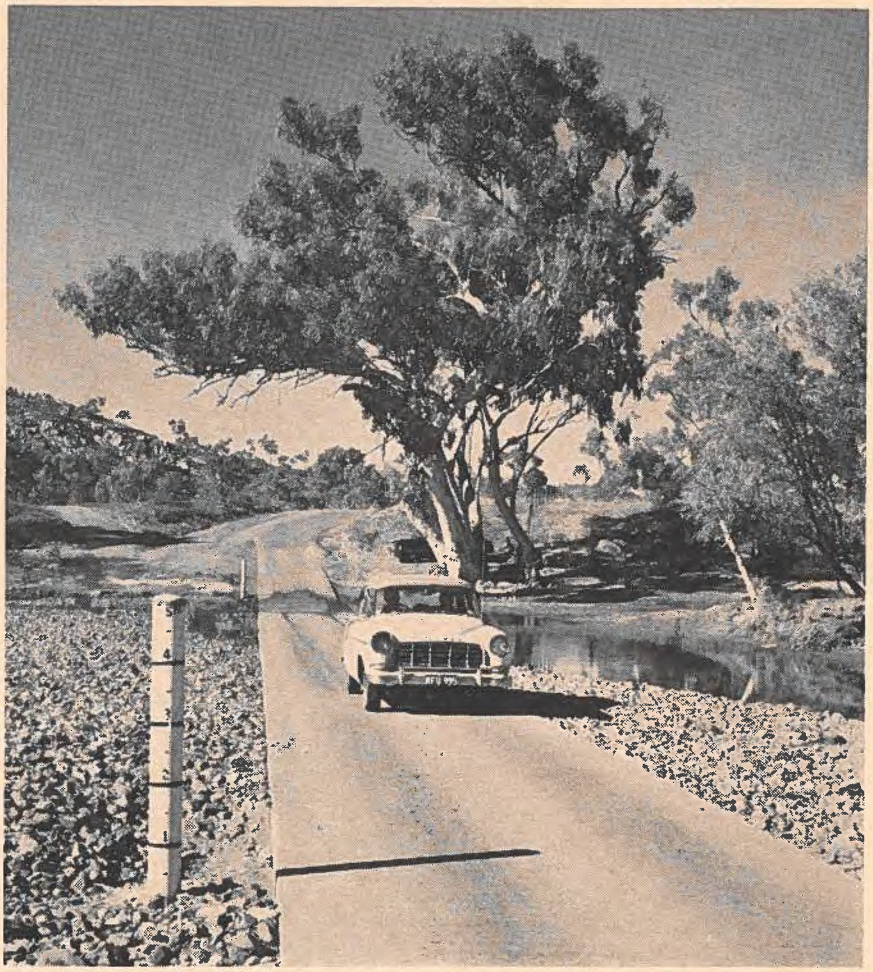
Significance for Canada

What is the significance to Canada of the new developments in Australia? Another major producer is about to enter a market that already has abundant supplies of raw material. Greater selling efforts and increased attractions for buyers will be required to retain certain of our traditional markets. Australia will be able to offer a high-grade direct-shipping ore, whereas our ores, particularly those from the West Coast, usually must be upgraded. Geographically we are also at a disadvantage because shipping distance is greater by a quarter. To reduce costs, vast tonnages of ore must be moved at the same time. Already a contract for building four 47,000-ton bulk carriers has been let in this country.

One interesting facet of the development is the degree of participation by foreign interests. The U.S. steel mills, which are assumed to have a plentiful supply of ore from Canada and South America, are participating in many of them. This attests to both the vastness and the quality of the new ore deposits. Japanese capital has so far not participated and whether it will later is not known. At any rate, the Australian Government is fully aware of the problems associated with foreign ownership and is being careful to avoid pitfalls.

Opening of the new iron fields in Western Australia will mean a big new demand for mining, ore-handling and transportation equipment. Although Canada qualifies for preferential tariff treatment, the Australians do not usually think of us as suppliers of this type of heavy equipment. We may, however, be able to sell our technical knowhow.

Canada's exports of iron ore are now approaching a value of $250 million a year. The bulk of this is made up of sales to the United States, Britain and Western Europe. Sales to Japan are currently worth about $15 million. Whether the new source of supply will displace any of this trade is questionable. But because Australia and Japan are becoming increasingly aware of each other as trading partners and neighbours, trade between them will undoubtedly increase. It seems likely that, with the accelerating Japanese demand for iron ore, both Canada and Australia will become major suppliers to that market. And Australia will have acquired a valuable new source of foreign exchange. ●



—Australian News & Information Bureau

Like Canada, Australia has had to conquer distance in settling and exploiting the resources of a continent. Roads, like this one outback crossing a dry river-bed in Northern Queensland, have played an important part in the conquest of distance.

What's Selling in Australia?

Sporting Goods

—Over 80 competitive sports are popular with the Australians and the market for sports equipment is big and growing. Canada could sell more, especially to the skiing, hockey, bowling, hunting and fishing enthusiasts.

E. E. PRICE, *Assistant Commercial Secretary, Sydney.*

ONE of the most equable climates in the world, a five-day work-week, three to four weeks' holiday a year, and rising incomes provide Australians with a way of life that has made them the world's most sports-minded people. Natural facilities are abundant and easily accessible and there are many public pools, tennis and squash courts; Sydney alone has 82 golf courses and 32 public beaches.

One in every four Australians from 17 to 70 engages in at least one of the over 80 competitive sports played in this country. Most popular in terms of registered players is lawn bowls with over 400,000 devotees. Fishing ranks second with 380,000 enthusiasts, then cricket 350,000, golf 300,000, tennis 250,000, skiing 60,000, and basketball 40,000. This widespread participation, encouraged and fostered by sports clinics and schools, has made Australia dominant in tennis, rugger, squash, cricket and swimming, and prominent in rowing, track and cycling.

What They Want . . .

Equipment to service this prosperous, expanding sporting goods market is provided in large part by an extensive and diversified domestic industry. Over 100 manufacturers, including such internationally-known names as Slazenger, Spalding, and Dunlop, produce at competitive prices equipment for tennis, cricket, squash, golf, track, lawn bowls and surfing, and also balls, footwear and protective apparel. There is little scope for imports in these fields, but for other sports Australia must still buy a wide variety of products abroad, as Table I shows.

Currently, Canada supplies only 3 per cent of Australia's sporting goods imports, mostly ski, golf, and ten-pin bowling equipment; some 34 Canadian manufacturers are selling here. We believe that Canadian sales could be expanded and diversified, basing our optimism on Canada's advantageous tariff position as a Commonwealth supplier, its reputation for top-quality, competitive winter sports equipment, and the fact that it produces American-style gear, which is an advantage in competing with Britain, Australia's principal Commonwealth (British preferential) supplier. Provided Canadian equipment has a minimum of 75 per cent Canadian (and/or Australian) content in its factory or works cost (which includes Canadian materials, manufacturing wages, factory overhead expenses and inside containers) it will qualify for entry at a preferential rate of duty of 17½ per cent (somewhat higher on a few items). This is considerably less than the most-favoured-nation rate of 60 per cent assessed on the f.o.b. port-of-export value of most U.S., Japanese and European sports equipment.

. . . In Winter

The winter season "down under", June to October, is the time for traditional winter sports such as skiing and hockey and also for golf, hunting and baseball. Equipment for these sports is normally ordered

TABLE I

AUSTRALIAN IMPORTS OF SPORTING GOODS, 1962-63*

	Suppliers: British Preferential (Can.$'000†)	Suppliers: Most Favoured Nation (Can.$'000†)	Suppliers: Canada (Can.$'000†)	Total imports: Value (Can.$'000†)	Total imports: Quantity
Archery equipment	....	43	18	61	....
Billiard accessories	55	5	....	60	....
Dartboards and darts	113	....	....	113	....
Fishing gear and tackle	147	750	7	904	....
Golf balls	120	34	....	154	50,544 doz.
Golf clubs and parts	57	72	26	155	45,204
Ten-pin bowling equipment	....	518	58	576	....
Hockey and roller skates	106	7	5	118	49,983 prs.
Table tennis equipment	70	14	6	90	....
Fishing, hunting and sporting knives (non-folding)	27	96	....	123	....
Shotguns	15	502	....	517	11,382
Rifles, including air guns (50:50)	76	463	1	540	39,454
Cartridges—.22 calibre	29	246	....	275	99,685,000
—shotgun	4	80	....	84	1,685,000
—shot, bullets, slugs	65	25	1	91	2,912 cwt.
Other (including badminton, baseball, hockey, squash, cricket, tennis,ski and diving equipment)	847	586	19	1,452	
Total	**1,731**	**3,441**	**141**	**5,313**	

*Excludes all marine and swimming pool equipment, garments, footwear and camping gear.

†Converted at A£1=Can.$2.40.

73405-3—3

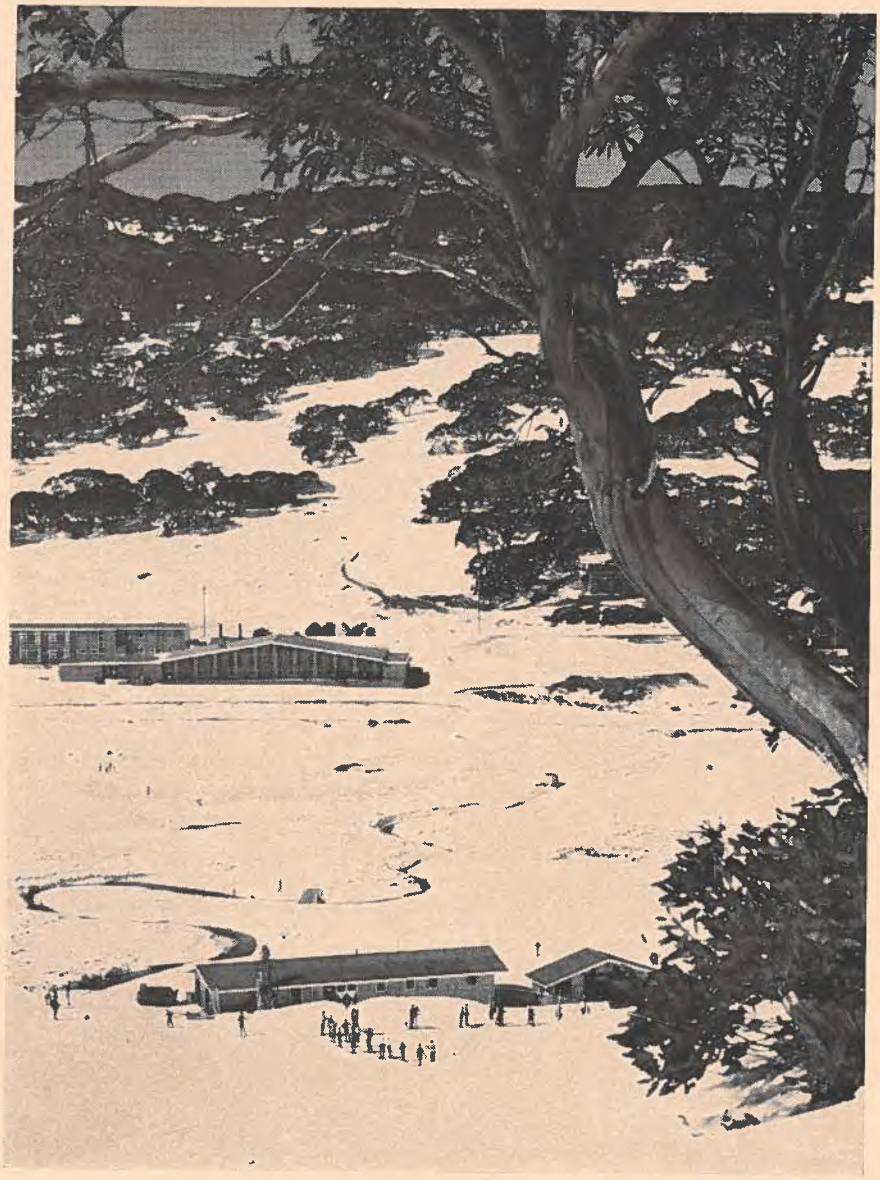
from November to January for delivery from March to June. This category appears to offer the best prospects for larger Canadian sales, as detailed below:

Snow Skiing—With the recent development of ski resorts in the Australian Alps, approximately midway between Sydney and Melbourne (which together contain one-third of the country's population), skiing has become Australia's fastest growing sport. Most equipment used on the wet, sugary snow is European. Wood skis retailing at $60 to $75 are most popular, followed by metal models at $130 to $160. Austrian and German bindings are fitted to most skis, including the small volume of locally-made spotted gum and alpine ash skis stocked by hire shops at the resorts. Steel and aluminum poles predominate; fiberglas poles introduced recently are expected to become popular.

Canadian boot trees, boots for the hire shops, après-ski sealskin boots, ski mitts and fashionable pullovers have begun to make small inroads against formidable European competition and an imaginative local ski garment industry.

Sales of Canadian aluminum and wood toboggans and sleds will continue to grow as skiing developments open up more snow country.

Ice Hockey—This game has been played in Australia for 50 years but only in a small way because of lack of interest and inadequate facilities —of the five rinks in the country only one is regulation size. A dedicated group of four hundred players in Melbourne, Sydney and Brisbane use Canadian protective equipment almost exclusively, British hockey sticks, and Canadian and British skate blades fitted to locally-made boots. But Australia now is active in Olympic hockey and a new rink will be opened soon in Sydney. With these developments it should be possible to introduce fully-matched Canadian hockey (and figure) skates and hockey sticks to a sports group anxious to improve its stature by the use of first-class equipment.



—"Ski Australia" Magazine

Perisher Valley, high among the Australian Alps amid snow gum trees, is one of the newly developed resorts that attract skiers from late May to early October.

Golf—Official recognition of the small English ball only and an unshakeable local preference for clubs with stainless steel shafts and heads have kept Canadian sales down. Domestic competition is keen. Cheaper Japanese stainless steel clubs have made it increasingly difficult for Canadian mild steel, chrome-plated clubs to retain a part of the lower-priced, mixed set market. The anticipated acceptance by the Australian P.G.A. authorities of the larger American ball at some future date could help Canadian sales. Golf shoes, carts and accessories are available at reasonable prices from an abundance of local sources.

Hunting—The proliferation of rabbits and kangaroos in Australia's outback has been a boon to local hunters, almost all of whom prefer .22 calibre rifles. The sole domestic manufacturer holds close to 70 per cent of this market. Nevertheless, there are good opportunities for Canadian .22's and air rifles which have a tariff advantage of 15 per cent (b.p. 12½ per cent, m.f.n. 27½ per cent) over French, German and U.S. competition. A considerable volume of .22 ammunition is imported, principally from the United States.

Single barrel, 12-gauge shotguns are standard equipment during the duck season from February to April. The absence of any domestic production has allowed Japanese, Belgian and U.S. suppliers to dominate the market, but this could change markedly when an Australian-made model is introduced later this year. A very small volume of solid plastic and rubberized plastic decoys are imported from New Zealand in the form of Australian black ducks (similar to Canadian wood ducks).

Baseball and Softball—Popularized by U.S. troops stationed here during World War II, baseball and softball have been widely accepted by high schools. New South Wales and Victoria are trying to develop a little league system similar to the Canadian organization which, if successful, could herald a promising future for both games. Canadian bats have been well accepted, but our leather products have made little impact in competition with good quality Japanese gloves, masks and balls.

. . . In Summer and Year Round

The Australian summer is relatively short—from December to March—but warm and conducive to outdoor relaxation. Cricket, tennis, surfing (board and body) and fishing occupy most people's leisure hours. Archery, ten-pin bowling, and weight lifting are enjoyed throughout the year. The seasonal demand for summer and year-round equipment is not as pronounced as for winter goods and orders are more frequent and evenly spaced.

Tennis, Table Tennis, Darts—Winner of the Davis Cup seven times in the past ten years, Australia has on every occasion used domestic equipment. Most of the top Australian tennis and squash racquets incorporate Canadian ash strip exclusively, an attractive bit of business not reflected in the statistics shown.

Imports of table tennis equipment are confined to low-priced bat, ball and net sets to meet a marginal local demand in competition with top quality British and Australian equipment.

The local market for darts and dartboards is about $100,000 a year and is supplied almost entirely by Britain. Men's clubs and pubs are the major outlets.

Skin Diving—Australian coastal waters abound in tropical fish, now hunted by thousands throughout the year using snorkel, mask, flippers and rubber suits. Competition from international brand equipment made locally under licence has precluded the sale of Canadian snorkels and masks. The demand for two-piece rubber suits is at present met entirely by European and U.S. suppliers, despite the 35 per cent tariff advantage that Canada enjoys (b.p. 22½ per cent, m.f.n. 57½ per cent).

Fishing—Ocean surf, rock and deep-sea fishing, using fiberglas and bamboo one-piece rods from ten to 19 feet long, occupy 75 per cent of Australia's fishermen the year round. They prefer stainless steel runners to chrome because of rust from salt corrosion. The other fishing enthusiasts (and their numbers are increasing) go after the trout in inland fresh waters from September to May. They use standard spinning and fly rods and are prospective customers for Canadian fiberglas rods and spinning reels. Canadian tackle, lures and flies have proved uncompetitive in the past with domestic and Japanese suppliers.

Archery—With contests at country fairs and well-organized clubs in the major metropolitan areas, archery now has a following estimated at about 10,000 and growing. Australians show a distinct preference for a composition recurve bow made from laminated timbers coated with fiberglas. Most bows used are made locally from lemonwood and walnut and retail at $45 to $75. Cheaper fiberglas bows ($25-$28) are considered suitable only for beginners because they do not have a window and their pistol grip makes them less accurate.

Duralium arrows are most popular and are imported in some quantity from the United States—most frequently in lengths to be cut, flexed and pressed locally. Accessories come mostly from local suppliers, although imported gloves are popular.

Ten-Pin Bowling—Since construction of Australia's first ten-pin alley in 1961, 1,400 bowling alleys have been opened in 65 centres. Growth has slackened recently, but demand remains good for imported American Bowling Congress approved tenpins, automatic pin setters, and hard rock maple for alley beds and gutters. Locally-produced balls, fixtures and shoes supply the personal needs of Australia's 22,000 registered bowlers who now participate fervently in leagues and sponsored tournaments.

Introduction of a smaller pin game, such as duck or candle, does not appear imminent because of the local industry's co-operative publicity efforts to increase public participation in ten-pin bowling.

Weight-Lifting and Gymnasium Equipment—Most Australian schools have a physical training program, based primarily on outdoor participant sports. A general shortage of adequately equipped gymnasiums and qualified instructors has hampered the introduction of weight-lifting and gym equipment. The equipment used in Australian schools is almost entirely domestic but new products, such as trampolines, are always of interest.

However, many athletic clubs are now actively promoting bodybuild-

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ing programs and sales of weight-lifting equipment, both domestic and imported, are growing.

Canada Could Sell More

All sporting goods sold in Australia, with the exception of footwear and clothing, are subject to a federal sales tax of 12½ per cent payable on the duty-paid, into-store wholesale price. Retail and wholesale margins vary considerably, but average from 33 to 50 per cent. Australian agents' commissions vary from 5 to 10 per cent; most Canadian firms pay the higher rate.

Some sporting goods, such as ten-pin bowling equipment, are sold direct to the end-users but most are sold through Sydney or Melbourne agents to wholesalers and retailers on indent or from local stock. Reliable agents, known to both the Sydney and Melbourne Trade Commissioner offices, are always eager to examine new Canadian sports equipment. They want catalogues and f.o.b. Canadian port-of-export prices first. Then, if the product seems to have good prospects, they will probably ask for a sample by air; they usually expect the Canadian exporter to pay at least half the air freight cost. Agents want to be assured of the exclusive Australian franchise before they begin to solicit orders. It pays to meet the requirements of a legitimate agent.

Canadian manufacturers of sporting goods (particularly the products featured in this article) who are interested in exploring the Australian market at first hand are invited to contact the Canadian trade offices in Sydney and Melbourne. We will be glad to help in any way we can. Why not take a sporting chance? ●

Domestic Light Fixtures—Imports of high quality, unusual light fixtures increasing every year. Canadian producers, who can benefit from British preferential rate of duty, should be able to initiate or increase their sales here.

R. D. LUCAS, *Assistant Commercial Secretary, and*

L. B. STRYKER, *Commercial Assistant, Melbourne.*

CAN Canadian manufacturers of domestic light fixtures sell successfully in the Australian market? We think the answer is yes. Australia has a large number of producers but most of them cater to the lower-priced, high-volume market. Higher quality fittings of unique design or material are being imported in increasing quantities each year.

TABLE I

AUSTRALIAN IMPORTS OF DOMESTIC LIGHT FITTINGS

Country of origin	1961-62	1962-63
	(Australian £)	
Britain	37,783	24,525
Other Commonwealth	3,080	5,761
Belgium/Luxemburg	5,843	6,731
Czechoslovakia	13,827	32,304
West Germany	28,726	30,880
Italy	34,404	58,222
Japan	17,976	11,404
Netherlands	10,018	12,673
Spain	13,254	15,510
United States	23,507	24,694
Others	7,434	9,870
Total	**195,852**	**232,574**

Although production figures for the entire industry are not available, there are probably between 70 and 75 producers in the country. Of these, about 50 merely assemble component parts. Imports are currently running at about £200,000 (about $490,000) a year. People in the industry estimate the over-all market at at least ten times that figure.

Table I shows the value of Australia's imports of lighting fixtures and the countries of origin for the 1962 and 1963 fiscal years, ending June 30.

Favourable Rates of Duty

Canada enjoys a margin of preference on home lighting fixtures in the Australian market that varies between 22½ per cent and 30 per cent. Duty on Canadian chandeliers, pendants and brackets is 22½ per cent ad valorem, compared with 45 per cent from m.f.n. countries such as West Germany, Italy, Japan and the United States. Canadian wall, floor and table lamps are dutiable at 27½ per cent ad valorem; the m.f.n. tariff is 57½ per cent. Despite the preferential advantage, our exports to date have been too small even to appear in official Australian import statistics.

Electrical Standards

Electrical current in Australia is uniformly 50 cycles, 220 to 240 volts. Most lamp sockets are of the bayonet type; screw mountings are seen only occasionally.

The Standards Association of Australia defines the conditions that must be met for approval and sale of electrical equipment in this country and these are set out in a helpful pamphlet, *S.A.A. Approval and Test Specification for Definitions and General Requirements for Electrical Materials and Equipment.* In addition to this general guide, the Association has published a two-page pamphlet, *Approval and Test Specification for Lighting Fittings.* Both are available from the Standards Association of Australia, 422 Collins Street, Melbourne, Victoria.

Regulations governing the use of component parts such as cables, sockets, connectors and plugs are rigidly enforced. However, the finished article per se generally does not require approval by the various state electricity authorities.

The statistics on home building give some indication of the demand for lighting fixtures. The 1961 census indicated that there were nearly 2.8 million private dwellings in Australia. The following figures show the building activity:

	Houses Completed	Flats Completed
1960-61	80,775	13,690
1961-62	74,044	12,219
1962-63	75,796	11,951

Total amount spent on new housing in the year ended June 30, 1963, was approximately £165 million ($400 million).

Market for Canadians

Canadian manufacturers who wish to enter the lighting fixture market in Australia are advised to follow the procedure used by other supplying countries; they normally ship the chief components to the importer/distributor who assembles them, using some local materials.

Australian consumers, currently riding a wave of prosperity, seem ready and willing to spend money on imported quality light fixtures. Canadian manufacturers who are able to offer an attractive product should have no difficulty in winning a share of this market. ●

Automotive Parts—**Local manufacturers now turn out most of the parts needed for motor vehicles but imports continue, especially of parts for original equipment. Efficient overseas suppliers, working through the limited number of manufacturers' representatives or independent wholesalers, can sell here.**

C. N. K. LEGGE, *Commercial Assistant, Sydney.*

AUSTRALIA has become Canada's largest market for motor vehicles and parts and took $15 million worth during the year ended June 30, 1963, thanks to the rapid expansion of the Australian automotive industry since 1948, when mass production of cars began. Today the country ranks fourth in number of vehicles in use in relation to population—after the United States, Canada and New Zealand—with one for each five persons.

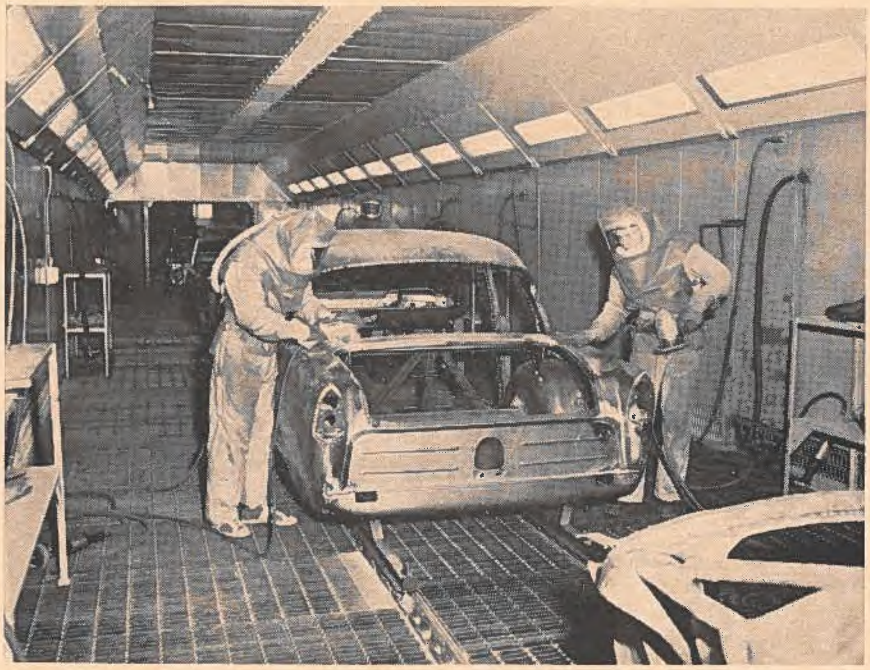
Table I* gives the number of registered motor vehicles in Australia from 1953-1963, and Table II gives particulars of new motor car registrations from 1956 to 1962 and indicates which makes are the big sellers. Station wagons, which have become popular during the last few years, are not included in these figures, though sales have risen from less than 3,000 in 1956 to over 61,000 in 1962. Two manufacturers have almost a monopoly of the market: Holden with approximately 44 per cent of the sales and Ford 19 per cent.

Truck sales have not varied much in recent years, and only 15,893 trucks were registered in 1962 compared with 16,313 in 1956. Bedford vehicles headed the list with approximately 35 per cent of the registrations, followed by International Harvester 25 per cent, Ford 12 per cent, B.M.C. 8 per cent, and Dodge 7 per cent.

Imports of Vehicles

During 1949-50, 103,185 complete new vehicles were imported but because of the growth of the local industry in recent years, less than 10,000 cars are now brought in each year, as Table III shows.

The latest statistics (for the year ended June 30, 1963) put new car imports at 11,999, mainly because of larger imports from Japan. The



—Australian News & Information Bureau

One in every five Australians owns an automobile and the industry is expanding rapidly. Ford Motor of Australia supplies about 19 per cent of the market. In the Ford assembly plant at Broadmeadows, Victoria, workers are filling the body-panel joints with solder and polishing them smooth before bonderizing and painting.

*For tables, see page 16.

TABLE I

MOTOR VEHICLES ON REGISTER IN AUSTRALIA

	Motor Cars		Commercial Vehicles	
	as at June 30	Per cent increase over previous year	as at June 30	Per cent increase over previous year
1953	1,102,959	7.5	584,341	−0.1
1954	1,195,133	8.4	611,580	4.7
1955	1,341,996	12.3	654,674	7.1
1956	1,467,252	9.3	683,396	4.4
1957	1,564,335	6.6	707,107	3.5
1958	1,675,638	7.1	735,171	4.0
1959	1,782,852	6.4	766,281	4.2
1960	1,924,197	8.0	807,254	5.3
1961	2,064,871	7.3	843,650	4.5
1962	2,185,088	5.8	868,807	3.0
1963	2,343,485	7.2	903,619	4.0

TABLE II

NEW MOTOR CAR REGISTRATIONS, AUSTRALIA

	1960	1961	1962
Holden	66,799	58,710	72,801
Ford	31,129	24,154	35,456
Morris	12,668	11,583	25,787
Volkswagen	24,388	14,970	21,273
Chrysler	2,579	1,081	9,407
Hillman	6,679	3,272	5,926
Vauxhall	6,579	4,692	5,611
Austin	10,617	4,301	5,370
Volvo	1,877	1,039	3,169
Simca	7,746	3,456	3,088
Fiat	3,249	1,398	2,804
Chevrolet	1,864	1,326	1,528
Humber	1,446	1,428	1,439
Peugeot	1,802	970	1,243
Triumph	6,930	4,300	1,212
Mercedes-Benz	1,479	1,132	1,157
Renault	1,413	996	1,099
Studebaker	176	615	1,069
Others	7,613	5,442	6,024
Total	**197,033**	**144,865**	**205,463**

TABLE III

IMPORTS OF MOTOR VEHICLES, AUSTRALIA

Year	Cars	Commercial Vehicles	Other	Total
1959	4,430	1,046	126	5,602
1960	7,807	529	163	8,499
1961	3,771	515	277	4,563
1962	7,619	1,771	295	9,685

principal suppliers were Japan 3,576, West Germany 2,482, Italy 2,203, and Britain 2,051; 361 new cars were purchased from Canada.

Supplying Components

Since the end of World War II, the local manufacture of motor vehicle parts has increased sharply and today Australian manufacturers can supply most components. Despite this, large imports of parts continue: the figure was approximately $232 million for the year ended June 30, 1963. However, $204 million of this represented parts brought in for original equipment.

Many of the vehicle manufacturers are subsidiaries of overseas companies. When they introduce new models which have already been proved overseas, it is common practice for them to import a large proportion of the necessary components initially from parent organizations and then to increase the Australian content gradually by contracting for their requirements with local parts manufacturers. In the same way, many of the leading parts manufacturers are themselves subsidiaries of overseas firms and often adopt the same procedure, importing parts until new vehicle sales are large enough to make local manufacture of parts economic.

The import of a large volume of components as original equipment for vehicle assembly is facilitated because the major portion of these parts are admitted free or at low rates of duty under bylaw. Legislation may be introduced to alter this situation, but the volume of parts imported is unlikely to be seriously affected until motor vehicle designs originate in Australia. At present most vehicles are designed overseas, although some are modified to suit conditions in this country.

Distributing Replacement Parts

Vehicle parts are distributed chiefly by the vehicle manufacturer through his distributor and dealer organization or by members of the Wholesale Automotive Supplies & Parts Association of Australia (WASPA). Before World War II, members of WASPA imported almost all replacement parts and a distribution system was built up covering the whole of Australia. Today this is probably more comprehensive in the range of parts handled than any system elsewhere in the world.

Leading vehicle manufacturers such as General Motors, Ford, and International Harvester have long recognized the value of the wholesalers' distribution system, and for more than 25 years have allowed their genuine spare parts to be distributed by selected members of WASPA, in addition to distributing them through their own vehicle dealers' organization. Local parts manufacturers who have become established since the war have found it advisable to use WASPA members to distribute their parts to the trade, in addition to the normal practice of supplying vehicle manufacturers where their products have been approved for use in original equipment.

Opportunities for Canadians

The widespread distribution of Australian-manufactured parts through the WASPA organization makes it difficult for overseas suppliers to penetrate this market. There are, however, a limited number of manufacturers' representatives and independent wholesalers still importing parts from overseas and they would probably provide the best opportunities for Canadian parts manufacturers wishing to sell in Australia. Despite a highly competitive industry, there are always opportunities for efficient overseas suppliers here, provided their products can be landed at prices which permit selling them competitively. ●

Foodstuffs—Market for specialty food products growing, as influence of immigrants broadens Australian tastes. Canadians are selling canned fish, quality cheeses, pickles, maple syrup; could sell other lines if they offer something different in quality, pack or price.

R. L. RICHARDSON, *Assistant Commercial Secretary, Sydney.*

AUSTRALIANS, particularly new Australians (over half a million in the last ten years) demand an international variety of foodstuffs. It is this demand, plus certain basic deficiencies in domestic production, that accounts for the country's growing bill for food imports, expected to reach the $100 million mark in 1964. Most new Australians like to buy something from their homeland each week for the family and for fellow countrymen who call. Shops cater to them with shelves stocked with products originating in almost every country of Europe, as well as specialty items from the United States and Canada.

What Kind of Market?

Australia is well established as one of the world's major producers and exporters of cereal grains, sugar and fruits. Endowed with vast areas of fertile land spread over temperate, sub-tropical and tropical zones, it can grow almost any plant known to man. It is in this context that we must assess the possibilities of selling foodstuffs here.

TABLE I

AUSTRALIAN IMPORTS OF FOODSTUFFS

	1961/62	1962/63
	(Australian £*)	
Of animal origin:		
Fish		
canned	4,085,830	4,038,974
other	4,449,957	4,892,100
Sausage casings		
natural	1,310,694	1,167,486
other	130,350	777,114
Cheese	803,947	972,618
Other	490,634	492,935
Total	11,271,412	12,341,227
Of vegetable origin:		
Tea	12,914,361	12,529,025
Coffee and chicory	3,428,676	3,889,324
Cocoa and chocolate	3,757,812	3,491,452
Nuts	2,005,106	2,294,466
Vegetables	2,025,248	1,502,283
Spices	705,677	775,001
Fruit	894,951	625,591
Confectionery	380,561	505,858
Other	2,898,639	2,138,516
Total	29,011,031	27,751,516
Total food imports	**39,382,443**	**40,092,743**

*A£=$2.40 Canadian.

Clearly there are two separate markets. The first is for those few products not indigenous to Australia and the Canadian supplier can compete with suppliers from other countries on equal or better (under preferential tariff rates) terms. The second market is for products that are processed from plant or animal life indigenous to Australia. In this, the Canadian supplier faces the problems of freight costs and tariff protection of the domestic producer, and his success depends on a difference in quality and/or price, supported by good packaging and promotion.

What Will Sell?

• **Fish**—The main deficiency in Australian supplies of animal foodstuffs is fisheries products. The annual import bill for these products exceeds £9 million or some $22 million and the major items are salmon and sardines. For many years, Canada supplied most of the canned salmon with an annual volume of 300,000 cases. Since the Second World War, our sales have dropped to an average of 30,000 cases and Japan has become the major supplier. U.S.S.R. red salmon is regularly on the market but its sales of pink have been spasmodic.

Canadian sardines have maintained their dominant position with no competitors in their price range. European sardines in oil will always be in demand here, even at a much higher price, by those who prefer them. There is also a growing consumer interest in other types of specialty fish products, including frozen and smoked varieties. You can find on the shelves of Australian variety foodstores such things as crab meat from Canada, shark fins and frogs' legs from Japan, and caviar from Russia. Canadian packers of specialty items could develop an increasing trade.

• **Meat Products**—Imports of meat products are not significant because Australian production is ample for the domestic market and for sizable exports to North America. Sausage casings are the only major import, worth £2 million. Australia both exports and imports natural casings but imports are gradually being replaced by local production. Over the past year, imports of synthetic casings, which also come from Canada, have risen rapidly.

• **Cheese**—Dairy products would hardly deserve mention except for the surprising growth of the market for imported cheese. The cheese course has become increasingly popular with Australians and they are developing a taste for foreign varieties. The value of cheese imports has climbed in five years from $900,000 to over $2.25 million last year. Canadian brands can be found in the better-class shops.

• **Plant Products**—Tea is the largest import in this category, followed by coffee, confectionery, nuts, vegetables and spices. Although all of these items are processed in Australia, there is a growing market for specialty and high quality varieties. Canadian processors participate in this trade with instant coffee, the most important item, and some tea, nuts and vegetables in consumer packs. The scope for sales depends on the ability of Canadian processors to offer something different in quality, pack or price. A survey of delicatessen shelves here reveals chocolates from England, spinach from Belgium, guava jelly from Hawaii, gherkins from Poland and not least, maple syrup, pickles and frozen french fries from Canada.

The Marketing Pattern

The marketing pattern at all levels shows a variety of methods and a degree of specialization not common in North America.

• **Retail**—At the retail level the movement to supermarkets is under way. But the number of small outlets is still staggering to any North American housewife who finds herself shopping in at least three different places for her weekend groceries—the green grocer for fresh vegetables and fruit, the butcher shop for meats, and the general grocery for canned goods.

Most small retail outlets are family concerns and the combination of low overhead and friendly service will enable them to compete with the chain supermarkets for some years to come.

Delicatessen shops are numerous and carry a wide range of local and imported foods. Another type of specialty retail outlet which has become popular in recent years is the health foods store—there are over 300 in the State of New South Wales alone. Their varied stock is designed to meet every dietary deficiency and personal, semi-professional advice is given on the spot. Promotion includes pamphlets listing the food products available with analysis and prescription for the customer's needs.

• **Wholesale**—Behind the retailers are the importers, distributors or wholesalers. Some importers are agents who operate on commission, indenting to the wholesalers. In some instances, the importer is also a wholesale distributor operating warehouses and delivery vans. Yet another successful technique is the self-service wholesaler. He uses circulars to keep his customers informed about products and prices and lets the small shopkeeper pick up his own supplies for cash. He operates in supermarket style with shelves where the retailer, pushing a large cart, can pick up one jar of pickles or take a case from a higher shelf. There is a cashier to check off the items just as there is in the supermarket. This method lowers prices for the small proprietor because the cost of having salesmen and delivery vans come to his shop is eliminated.

Canadian exporters must offer something different if they are to compete successfully with Australian products, and some have already done so with pickles, fish, maple syrup, cheese and frozen french fries. Any Canadian who manufactures food products should examine the chances for his product through the services of Trade Commissioners' offices. We can check out the market through several leading food importers and you need only send us some samples and price lists. Why not "give it a go", as they say down under. •

Fertilizers and Fertilizer Materials—Growing demand cannot be met by local production alone; opportunities good for long-term sales of sulphur, potash, nitrogenous compounds.

R. L. RICHARDSON, *Assistant Commercial Secretary, Sydney.*

CANADIAN FIRMS in the fertilizer trade seeking business in Australia should not be discouraged by certain confusing peculiarities of the market. An understanding of government bounties on local production, exclusive importing arrangements, and the interwoven relationships of firms in the local industry will clarify the marketing procedures for overseas suppliers.

Australia depends on agriculture for over 60 per cent of its export earnings. High productivity of wheat and pasture land and of the sugar and fruit-growing areas is therefore of vital economic importance. Soil deficiencies vary with the area and the crop, but generally Australian soil lacks phosphates. Although nitrogen and potassium and other trace elements are required, superphosphate accounts for almost 90 per cent of the fertilizer used. Nitrogenous and mixed fertilizers have to date been used only in the areas growing fruit and vegetables. A brief look at the local fertilizer industry provides the necessary background to a market evaluation.

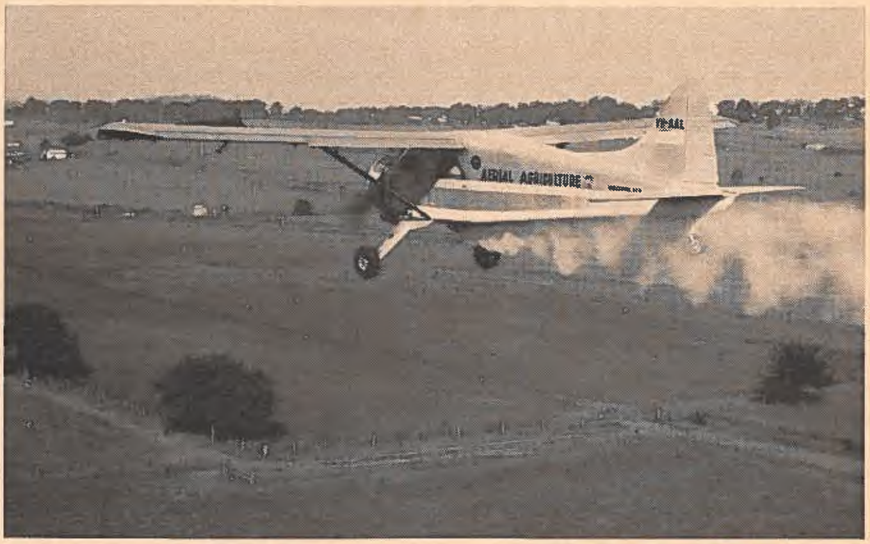
Superphosphates

Phosphate rock was discovered in Western Australia and an industry established back in 1878. By 1900 it was evident that local supplies of phosphate could never meet the demand and phosphate rock was imported from the nearby islands of Ocean and Nauru in the Pacific. Later, Christmas Island in the Indian Ocean became a source of phosphate for the Australian industry. These three islands, then British protectorates, have depended on this one industry for their livelihood and are reported to have sufficient resources to meet Australia's foreseeable needs.

Because of the complications created by two world wars, a commission known as the British Phosphate Commission has been maintained by agreement of the British, Australian and New Zealand Governments to serve as a controlling agent for the trade in phosphate rock. Its rôle later was broadened to include control of other strategic materials, including sulphur, and this Commission, located in Melbourne, still operates as an exclusive import agent for phosphate rock and sulphur.

The superphosphate industry continues to expand, with some 21 plants in operation. These are located strategically along the coast of all States of Australia, to minimize transportation costs for both raw materials and finished product. The sulphuric acid industry has grown up beside the superphosphate industry as the other main component and there are now 23 sulphuric acid plants similarly located around Australia. Production of superphosphate in 1963 reached 2,750,000 tons, and with an expected annual growth of 5 per cent a year, will reach 3 million tons within the next two years. About 75 per cent of the sulphuric acid made here goes into the production of superphosphate fertilizer.

Superphosphates are applied to wheat and pasture crops, mostly by aerial spraying, and the fertilizer manufacturers usually own a share in an aerial spraying firm. The industry is seasonal, with the fertilizers applied between July and December each year. To offset the seasonal fluctuations, manufacturers are offering a 10/- discount per ton for off-season purchases, and an additional 10/- discount if aerial spraying is used during the off-season. Thus on a ton of superphosphate worth approximately £12, the farmer may receive indirectly the benefit of a £3 bounty and the double off-season discount, which could reduce his outlay by one-third.



—Douglas Baglin Pty. Ltd.

Aircraft are used for applying superphosphates to wheat fields and to pastures between July and December. Manufacturers are offering fertilizers to farmers at a substantial discount in the off season to spread their sales more evenly throughout the year.

Nitrogenous Fertilizers

The only other fertilizer material currently produced in Australia is ammonium sulphate which is used mainly in the sugar-growing areas of Queensland and New South Wales, and for other fruit and vegetable growing in the eastern area. Local production capacity totals about 100,000 tons, about 10,000 tons less than current demand. Ammonium sulphate is produced by three firms, using byproducts from their main operations, which are outside the fertilizer industry. The largest plant, producing some 60,000 tons, is a zinc refinery located in Tasmania, where both ammonia and sulphuric acid are byproducts of refining operations. The second plant, producing some 35,000 tons, obtains the ammonia as a byproduct of a steel smelter. The third producer of some 5,000 tons is a city gas manufacturer.

It is estimated that the demand for nitrogenous fertilizers could increase five or six times over the next decade. The need is for a more concentrated nitrogenous fertilizer and three new plants are now in the planning or building stages. One plant will begin to turn out urea early next year. Two others to produce concentrated nitrogenous fertilizers are already planned. These additional production units will supply the mixed fertilizer industry and will reduce its dependence on certain imported components.

Government's Rôle

To promote local manufacturing and, more important, to ensure a continuous and reasonably priced supply of fertilizers, the Government has chosen a system of bounties. The superphosphate manufacturers received a bounty of 10/- per ton back in 1937 and have since received increasing and varying amounts up to 1960, when the bounty was withdrawn. In the August budget this year, a bounty of £3 per ton was reinstated. In addition to the bounty on superphosphates, manufacturers of sulphuric acid are paid £3 per ton for any acid going into the production of fertilizers. Thus, sulphuric acid producers receive the £3 per ton bounty on 85 per cent of their production, of which 75 per cent goes into superphosphate manufacturing and 10 per cent into the manufacture of ammonium sulphate. The three ammonium sulphate producers also receive a £2 per ton bounty on their production. The fertilizer industry, and through it the agricultural industry, is thus receiving considerable government support in the form of bounties.

Government has also played an important rôle in establishing the present importing and marketing arrangements. Nitrogenous Fertilizers Pty. Ltd. is appointed by the Government to handle all trade in ammonium sulphate. Until recently, it also controlled all marketing of other nitrogenous fertilizers but now retains only an interest in channelling distribution of supplies. As mentioned earlier, the British Phosphate Commissioners are sole importers of sulphur and phosphate rock.

Company Relationships

In addition to the complexity of the Government's rôle in the industry, it is generally known that most of the superphosphate manufacturers, the sulphuric acid manufacturers, and the ammonium sulphate producers have interlocking financial relationships and directorates. Similarly, the present manufacture of mixed fertilizers (as well as the three new plants under construction) is in the hands of companies which already have some degree of interest in the other firms in this industry. Canadian exporters must therefore realize that importers and distributors of fertilizers have an inherent interest in the welfare of the local producers.

The Market

Australia paid out the equivalent of $25 million last year on imports of fertilizers and raw materials for the fertilizer industry. Although additional investment in local factories will reduce imports of certain fertilizers, it will also contribute to a larger demand for raw materials. At the same time, greater application of fertilizers, particularly nitrogen and potassium compounds, will continue to provide a demand for imports.

The superphosphate industry will need larger quantities of phosphate rock and sulphur. A $3.5 million dollar plant is to be built at Heywood and a $10 million plant will be built in Melbourne. The nitrogenous fertilizer industry is expanding rapidly in an effort to keep pace with a growing market. Potash, also needed, is not available in Australia and will continue to run up a large import bill.

To date, Canadian suppliers have made substantial sales of both ammonium sulphate and sulphur. The market for ammonium sulphate will in future be marginal, but the sulphur market, currently amounting to a quarter of a million tons, will probably expand. Canadian suppliers could well obtain a much larger share of this market, now supplied from the United States and Mexico.

The market for urea is currently supplied by Japan; mixed fertilizers are imported in the main from Europe; Chile is the major source of potassium salts. The growing demand for potash should provide a valuable market for Canada's developing industry, as potash is not available in Australia. ●

Ord River Project Proceeding

THE dual problem of water conservation and control has exercised the minds of Australians ever since they first settled here. In attacking this problem, the federal and state governments have built more than 40 dams and reservoirs of 100,000 acre feet or over throughout the country. The most recent of these is the Ord River project, one of the largest dam-reservoir complexes, the first stage of which has just been completed.

The Ord River valley covers an area of about 100,000 square miles of subtropical country in northwestern Australia. First explored in the 1870's, the district has been only thinly settled because the lack of water in the dry season has limited the progress of the pastoral industry and efforts to raise tropical crops have met with little success. But following a favourable report on the feasibility of building a dam to control and conserve the water of the Ord River, experiments began to determine what crops could be grown most successfully on its fertile delta.

The Ord River project has several objectives. One is to settle more people in this area through irrigated agriculture. Related ones are to assist the pastoral industry by providing better grazing and protein feed for fattening as a byproduct of crops to be raised, to provide cheap hydroelectric power, and to set up light industries. Australians welcome the Ord development because it gives them visible proof that something is being done to settle the empty northern half of their country.

The first stage of the project, completed last July, included a £A4 million diversion dam that provides enough water to irrigate 30,000 acres, channels, drains, control structures, a pumping station and a river intake. A townsite was laid out and an all-weather road built to connect it with Wyndham, the most northerly and only deep-water port in Western Australia. The land is being divided into farms of 600 acres each and it is expected that eventually the townsite will accommodate 3,000 people.

Since last July, five farms totalling 3,000 acres have been occupied and they are now producing their first commercial crop—safflower, an oilseed similar to linseed used in the paint industry. The following crop will be cotton. The State Department of Agriculture improved two-thirds of each farm before the new owners arrived so that the latter could do their planting at once. Before these farmers were accepted as Ord River pioneers, each had to show that he had sufficient capital and/or machinery and vehicles to work his new farm properly. The minimum required was £17,000, though some of the settlers had farm equipment worth considerably more. The cost of the land is £1 per acre plus £20 per acre for cleared land, plus 30/ per acre foot for irrigation water.

Australians regard these men as a new kind of pioneer farmer. They are not wresting a precarious living from arid land but are capitalists prepared to risk considerable money in a venture made possible by co-operation between the federal and state governments.

The intention is to allocate seven to nine more farms a year until all of the 30,000 acres have been occupied—probably by the end of 1967. Another and bigger dam 30 miles upstream is proposed and this would irrigate a further 120,000 acres. If this plan is approved and work is started on the main dam in 1965, it may be completed by 1967. This will mean a total of 150,000 acres and 250 farms in this once arid region.

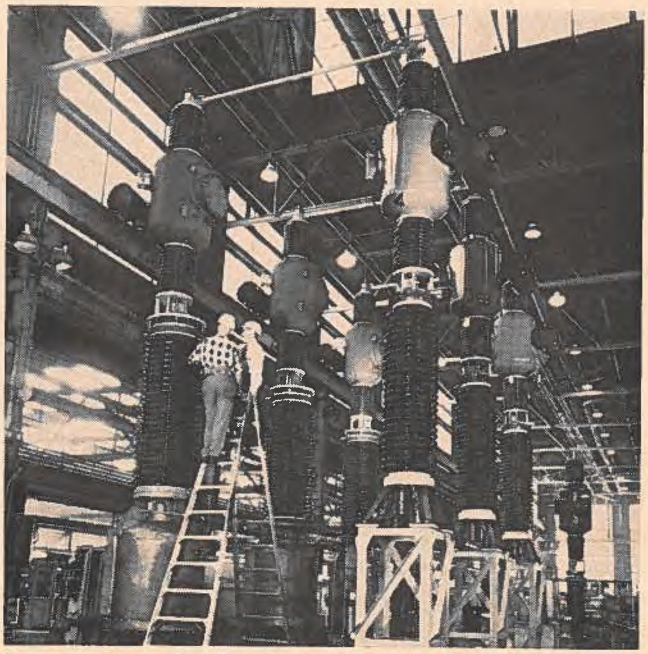
—H. A. GILBERT,
Commercial Counsellor, Melbourne.

In Australia—In June . . . winter has begun in the south (it never comes to the north) and outside a casualty station at one of the popular ski resorts in the Snowy Mountains a nursing sister prepares to go to the rescue in a Canadian Ski-Doo.

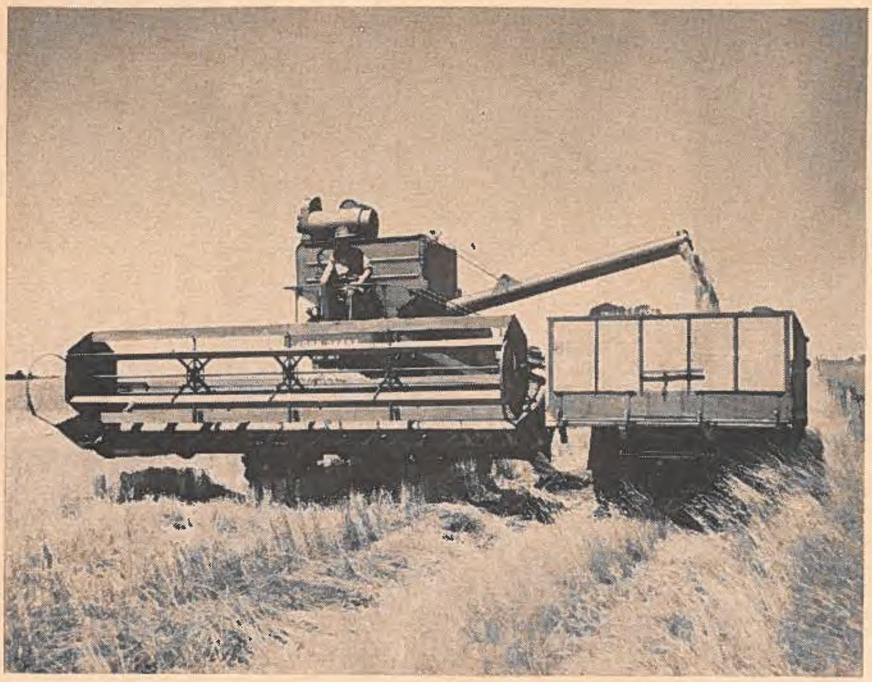
In New Zealand—The first shipment of Canadian sulphur to New Zealand, some 12,764 tons, arrived at the port of Auckland late last year. Here we see it being unloaded from the ship into waiting trucks for delivery to the New Zealand importer.

Canada in Anzac Markets

In Australia—Bushfires are a frequent menace in Australian summers. To help fight them, the State Electricity Commission of Victoria bought four 40-hp. Canadian tractors last year. This one carries a three-man crew, two hoses and a power pump.



In Australia—Almost ready for shipment from the Canadian plant, these air-blast circuit breakers have been ordered by the State Electricity Commission of Victoria. This is the first time the Canadian company has built units of this type for export.



—Australian News & Information Bureau

Last season brought Australian farmers a record wheat harvest of 320 million bushels and underlined the need for more silos in which to store it. Here the wheat is being poured into a waiting truck for transport to a silo near Horsham, Victoria.

Wheat Sales Soar

Like Canada, Australia is selling substantial quantities of wheat to Communist China and to the Soviet Union. With assured markets, many farmers are seeding to wheat land that they previously used to pasture sheep. Wheat now makes up over 14 per cent of exports.

L. B. STRYKER, *Commercial Assistant, Melbourne.*

AUSTRALIA recently concluded one of the most successful wheat seasons* in its history. Although the 1963 crop is expected to reach an all-time record of 320 million bushels, the Australian Wheat Board has no surplus wheat available for export other than to established markets until the 1964 harvest is brought in. With a year of record overseas sales behind it, the Board is justified in looking forward confidently to the new season.

Communist Customers

The reason for this position is that Communist China, which made its first purchase of Australian wheat in 1961, has remained a very substantial buyer—indeed it has purchased more than half of Australia's exportable surplus. When the first contract was signed between Australia and Communist China, there were doubts about whether this market would continue. However, later developments indicate the possibility of China's remaining a good customer for the next few years at least. In fact, there are reports that she is seeking a long-term wheat agreement with Australia. With the most recent sale of 41 million bushels, sales to China since 1961 total over 260 million bushels valued at some $485 million. This is about three times as much as Britain bought during the same period—and it has been traditionally Australia's biggest individual market.

The first sale to Communist China was for cash but later contracts, including the last, have been on credit—that is 10 per cent cash at date of shipment, 20 per cent in six months, 20 per cent in nine months, and the balance of 50 per cent in twelve months from date of shipment. Communist China has maintained its position as a good credit risk, with payments currently months ahead of schedule. The Australian Wheat Board has indicated that it is entirely satisfied with the financial arrangements.

During the year just ended, when the Soviet Union was seeking sources of supply of wheat, a contract for the sale of 64 million bushels was concluded with the Australian Wheat Board. This was a cash sale valued at about $100 million and although it was the result of smaller 1963 crops in the U.S.S.R., Australia, like other wheat suppliers, is hopeful that the Soviet will continue to be a market in the future.

Wheat Acreage Increased

It is interesting to note that since 1958 Australian farmers have gradually increased the acreage sown to wheat from 10.4 million to 16.4 million acres. This 60 per cent increase can be attributed mainly to better returns from wheat than from wool and to the security that the Wheat Stabilization Plan provides.

*In Australia the wheat-growing season begins with seeding from March onwards and ends with harvesting in October through to January, depending on the state. The official wheat year begins on December 1.

This scheme, which was due to expire in November 1963, has now been revised by the Federal Government and will remain in force for another five years, ending in 1968. The main variation in the Plan is that wheat farmers are guaranteed a minimum export price for 150 million bushels instead of the previous 100 million.

Another reason for the increased acreage is better farming methods, which have made it possible to use land which at one time was considered unfit for wheat production.

Although final figures for the 1963 crop are not yet available, forecasts originally indicated an increase in area sown over 1962. Poor weather at the beginning of the season, however, upset the plans of many farmers and a smaller acreage resulted. Yet more than half the land cultivated during these two seasons was sown to wheat.

Production Has Risen

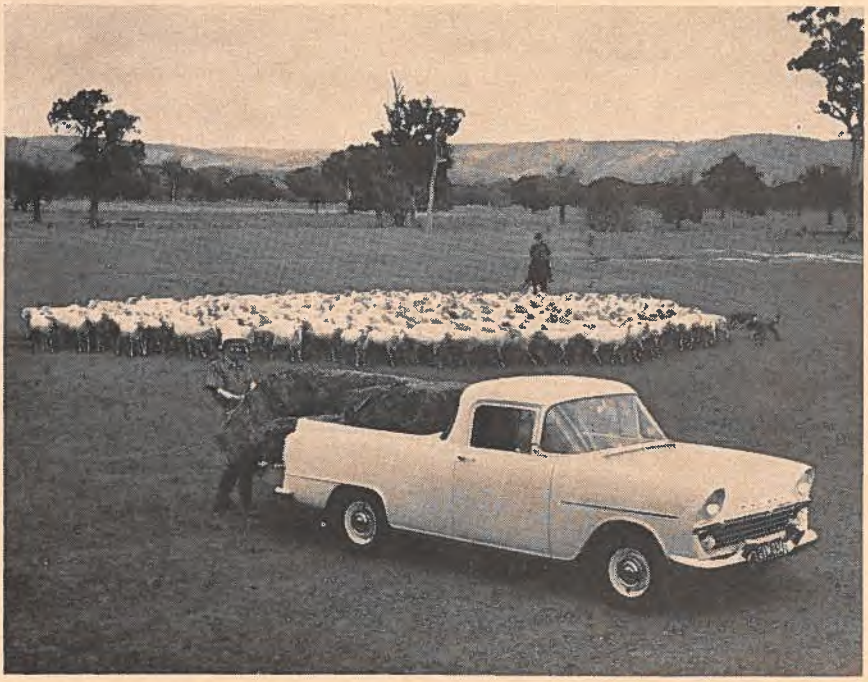
The yield per acre in each of the previous five seasons has fluctuated between 16 and 20 bushels but only in one year, 1959, did the harvest drop below 200 million bushels. During the next season a record crop of 273.7 million bushels was brought in but this figure was easily surpassed in 1962, when 307.2 million bushels were harvested. Should the present estimate of 320 million bushels prove correct, Australia will have produced an all-time record harvest—and from a smaller acreage.

TABLE I

AUSTRALIAN WHEAT SUPPLIES

	1961-62	1962-63
	(million bushels)	
Carryover, including wheat as flour, at beginning of crop year December 1	24.6	18.2
New crop	247.2	307.2
Total supplies	**271.8**	**325.4**
Less domestic requirements	76.3	73.7
Available for export and carryover	**195.5**	**251.7**
Deduct:		
Exports of wheat as grain from December 1 to November 30	152.8	203.7
Exports of wheat as flour from December 1 to November 30	25.1	24.9
Total exports in wheat equivalent	**177.9**	**228.6**
Balance for export and carryover at November 30	**17.6**	**23.1**

Table I shows the carryover position at the end of the 1962-63 wheat year, with the comparable figures for the previous year.



Sheep, rounded up by dogs, wait patiently for their hay ration. With good wheat prices, some farmers are switching land from pasturing sheep to growing grain.

Record Sales Made

Table I confirms that the Australian Wheat Board, the sole marketing authority for export sales of wheat and flour and domestic consumption of wheat, disposed of 302.3 million bushels during the 1962-63 wheat year. Exports of wheat reached the record total of 203.7 million bushels (or 5,437,304 long tons), of which more than half was shipped to Communist China.

The principal buyers of this wheat in order of importance were:

	(long tons)
Communist China	2,919,909
Britain	580,115
Japan	360,445
Eastern Europe	229,477
New Zealand	178,328
India	150,996
North Korea	133,603
Pakistan	104,206
	4,657,709

Another 25 countries purchased the remaining 780,000 long tons; chief among these buyers were Norway, Rhodesia, Eire, and Lebanon/Syria/Jordan.

An analysis of the export figures released by the Australian Wheat Board reveals that Asia is by far the leading market. Some 71 per cent of shipments in 1962-63 was destined for Asian ports, compared with only 20.5 per cent for European. Of the remainder, 5 per cent was shipped to Africa and the Middle East and the rest went principally to New Zealand.

In moving its wheat supplies to the various shipping ports for overseas markets, the Australian Wheat Board is not faced with freeze-up problems like Canada. The season just ended, however, has highlighted the growing need for silo storage space in some of the major wheat-producing states. Plans are already in hand for additional silos but in New South Wales, Victoria and Queensland in particular large quantities of grain will have to be stored temporarily on farms while awaiting storage space at bulk depots.

Future Outlook

The Australian wheat farmer is in a very satisfactory position at present but what does the future hold for him? In the short term, the prospects are for continued success with a high rate of production being matched by increased sales abroad. The Australian Wheat Board is adopting a realistic approach to the problems of selling wheat on the world market. Experts and sales missions from many countries—including Brazil, Norway, Communist China, Japan and India—have visited the wheat-growing areas of Australia at the Board's invitation.

Because of the vagaries of weather and of world supply and demand, it is difficult to make long-term forecasts about the wheat industry. Apart from certain schemes such as the United States "food for peace" plan, which could affect Australian exports to markets such as India and Pakistan, one local factor that could influence farmers is a stabilization of the wool market.

Wool has traditionally been Australia's leading export but between the fiscal years 1958-59 to 1961-62 the percentage of wool exports to total exports fell from 41 to 35, although there was an over-all increase in total export earnings of some 20 per cent. By contrast, wheat exports during this period rose steadily from 4.7 per cent of the total to over 14 per cent. This rise is continuing during the current fiscal period; the first four months show an increase of nearly 100 per cent over the corresponding period of last year.

As mentioned earlier, part of the swing to wheat production may have resulted from the more stable conditions in this industry compared with wool. Should the recently constituted Australian Wool Board achieve similar conditions in the wool industry in the years to come, it is not unlikely that many "fringe" farmers will look to this commodity as their primary source of income. ●

Business Briefs from Australia

Aluminum

A world-wide consortium of aluminum interests will construct an alumina mill at Gladstone. It will cost approximately £50 million and will produce 600,000 tons of alumina per year.

The partners in the enterprise are the Rio-Tinto Zinc Corporation of London, Kaiser Aluminum and Chemical Corporation of California, Aluminium Limited of Canada, and the Pechiney Company of France—the newcomer to the group and Europe's largest aluminum producer. The new plant is scheduled to be in production by 1967—Sydney.

Bauxite

One of the remotest parts of Australia, northeastern Arnhem Land, may become the country's biggest mining field. The announcement made last October that Swiss Aluminium Limited has applied for bauxite leases near Yirkalla and is prepared to spend up to £50 million could mean great development of this area.

Gove Bauxite Corporation already has begun exploration on leases there. The French aluminum company Pechiney has a controlling interest in Gove Bauxite and is committed to spending £50 million by 1970 on a port, an aluminum smelter, and a town for 3,000 people if ore deposits prove worthwhile. Investment by the two companies would mean capitalization greater than that of the Broken Hill and Kalgoorlie companies combined—Sydney.

Communications

Work on two more major links in a £32 million nation-wide network of trunk systems for telephones, telegraphs and broadcasting will begin soon, the Australian Postmaster-General announced on January 30. The network will eventually provide thousands of channels, some for television, by the end of 1966. It will span 6,800 miles in the eastern states and another 1,250 miles in the west. The new links will comprise: additional aerial wiring and the installation of electronic amplifying equipment on the east-west trunk system between Port Augusta in South Australia and Kalgoorlie in Western Australia, and a new aerial line between Talgarno, Broome and Derby in Western Australia. These additions are expected to cost £1 million.

The project began with the installation of a microwave radio system between Melbourne and Bendigo, Victoria. The first interstate link, the most important broadband system in Australia, was the Sydney-Canberra-Melbourne coaxial cable system opened in April 1962—Melbourne.

Exports

Figures released in a recent Trade Department report showed a rise to a record $98.9 million of exports of Australian manufactures in the September quarter of this year, 48 per cent above the September quarter of the previous year. Manufactured goods represented 13 per cent of all exports compared with 12 per cent in each of the previous three years. A substantial part of the rise was accounted for by a few large shipments of iron and steel, mainly to Britain.

During the quarter, exports of processed primary products also reached a record $219.9 million, 42 per cent higher than the September quarter of 1962. The main rises were in sugar, butter and canned fruit—Melbourne.

Foreign Exchange Reserves

Australia's international reserves rose by £128 million to a total of £795 million during the December quarter of 1963-64—the largest increase since the June quarter of 1961, according to a report by the Federal Statistician on January 30.

The current account at the end of the December quarter showed a surplus of £42 million compared with a deficit of £42 million in the corresponding quarter of 1962-63—Melbourne.

Gross National Product

Australia's gross national product in the 1962-63 financial year increased by £481 million to a record £7.84 billion, according to preliminary estimates released by the Federal Statistician. Most of the increase resulted from a sharp rise in personal consumption expenditure from £4.74 billion in 1961-62 to £4.99 billion in 1962-63. Of this, £1.2 billion was spent on food, £498 million on tobacco, cigarettes and alcoholic drinks, £541 million on clothing and footwear, £389 million on household durables and £483 million on rent—Melbourne.

Leather Research

The Australian Government and the tanning industry will spend about $500,000 over the next five years on leather research. The decision to set up an internal research fund was made as a result of the severe competition from plastics.

The money will be used in a program of leather investigations by the Commonwealth Scientific and Industrial Research Organization in Melbourne. Among the research projects are post mortem changes in the hide and their relation to the properties of finished leather; techniques for assessing such properties as feel, texture, hardness and strength of hides and skins after tanning; design and construction of instruments to measure thickness of hides for control of shaving and splitting, surface acidity and moisture content—Melbourne.

Pulp and Paper

A new Queensland industry, forestry pulpwood, will begin early next year in the Petrie-Glasshouse Mountains area. The Forestry Department recently signed a contract with a local paper mill to supply 4.7 million board feet of pulpwood per year for ten years.

The Petrie paper mill will make the pulp into high-grade paperboard for packaging goods. A special coating mill will be installed at Petrie to put a glossy finish on it—Sydney.

Trade Commissioners on Tour

Bahamas—R. W. Blake, Commercial Counsellor in Kingston, Jamaica, will visit Nassau March 8-14.

Britain—D. S. Armour, Assistant Trade Commissioner in Liverpool, will visit Birmingham, Wolverhampton and Coventry April 6-10.

Ceylon—W. G. Brett, Trade Commissioner in Bombay, India, will visit Ceylon toward the end of March.

Communist China—M. T. Thomas, Trade Commissioner, and D. Molgat, Assistant Trade Commissioner, in Hong Kong will visit Shanghai, Tientsin and Canton in March.

India—W. G. Brett, Trade Commissioner in Bombay, will visit Goa and Kerala toward the end of March.

Italy—J. H. Stone, Commercial Counsellor in Rome, will visit Sardinia March 7-10 and Florence March 23-25.

J. J. R. Gagnon, Assistant Commercial Secretary in Rome, will visit Naples March 15-17, and Palermo and Catania (Sicily) May 18-23.

Ivory Coast—R. A. Kilpatrick, Assistant Commercial Secretary in Accra, Ghana, will visit the Ivory Coast March 8-12.

Libya—W. J. Jenkins, Commercial Secretary in Rome, will visit Benghazi April 12-18.

Malta—J. H. Stone, Commercial Counsellor in Rome, will visit Malta April 27-May 3.

Mexico—H. S. Hay, Assistant Commercial Secretary in Mexico City, will visit Monterrey March 20, 21, 22.

Tennessee—G. E. Blackstock, Consul and Assistant Trade Commissioner in New Orleans, will visit Memphis March 13-16 and Nashville March 17-18.

Texas—T. F. Harris, Consul and Trade Commissioner in New Orleans, will visit Houston April 6-8, Austin April 10-13, and San Antonio April 14-16.

Businessmen who would like these officers to undertake assignments for them should write to them at their posts as soon as possible.

NEW ZEALAND

Prosperity Has Its Problems

Good wool prices, the highest since the Korean War, have boosted export earnings and heightened demand for imports. Some authorities believe economy expanding too quickly; controls on imports will be retained. Within the licensing framework, opportunities for selling Canadian products and engineering services continue good.

W. B. McCULLOUGH, *Commercial Counsellor, Wellington.*

—Wellington "Evening Post"

The Rt. Hon. Keith Holyoake, leader of the National Party and lately re-elected Prime Minister of New Zealand, talks by telephone with the Rt. Hon. L. B. Pearson, Prime Minister of Canada, during the recent official opening of the Commonwealth Pacific Cable. Note the emblems of Canada and of New Zealand in the background.

FOR NEW ZEALAND, 1963 was a year of buoyant business activity. Prices for its principal exports—wool, meat and butter—were higher than expected and this helped in the recovery of business confidence. Wool prices in particular, at an average of about 55 pence a pound, are the highest since the Korean war boom of 1950-51. There is virtually no unemployment and the demand for consumer goods, both locally made and imported, is at a record high.

New Zealand's foreign exchange earnings from exports are only rarely large enough to cover payments for imports and other requirements; the difference is made up by government borrowing overseas. For the eleven months ended November 1963, foreign exchange receipts from all sources totalled £NZ371.3 million, compared with £341.6 million for the corresponding period in 1962. Total payments for this period reached £371.9 million, compared with £326.9 million for the eleven months of the previous year. Net foreign exchange holdings at December 31 were estimated at about £62 million, approximately the same as at the end of 1962. The influence of increased export earnings will be felt this year and some observers forecast an increase of about £20 million in foreign exchange assets.

The budget estimated £250 million for private imports for the import licensing year July 1, 1963, to June 30, 1964. The monthly average is running somewhat higher and total licences may reach £280 million for this period. The import licensing system will continue for the foreseeable future.

A recent Australia and New Zealand Bank quarterly summary stated: "There is now evidence that the economy may be expanding too quickly. Debits to bank accounts in July, for example, were 24 per cent above the previous year's figures. Business confidence is high and government announcements, although stressing the desire to avoid an artificial boom, have been at pains not to upset this confidence. Many measures in the New Zealand budget presented on July 11 were commendable, but over-all the budget can be expected to add to the inflationary pressures in the economy and this is a most serious fault in view of the current upsurge in economic activity."

The Bank of New South Wales in its November Review had this to say about conditions in New Zealand: "The considerable improvement in export prices in recent months, superimposed on a relatively neutral monetary and fiscal policy, has brought renewed confidence to New Zealand business. So far none of the unfortunate side effects of over-commitment, which have been a normal feature of past periods when export earnings were good, have re-emerged. New Zealand can probably afford a relatively modest increase in the volume of imports to match higher export income. If monetary policy is kept reasonably taut at this stage to forestall any excessive ballooning of demand, it should be possible to avoid the need subsequently for the more violent countervailing action which has been necessary in the past to deal with the inflationary consequences on the internal price and employment structure of rises in export income."

Government's Policy

In the general election held on November 30, the National Party, headed by the Rt. Hon. Keith Holyoake, Prime Minister, was returned to office. In Mr. Holyoake's New Year's statement he said:

"In the present buoyant state of the economy, unless there is firm control, inflationary pressures, with rising costs and prices, could undermine the achievements of the export drive that must be the basis of our expanding economy. The upsurge of the past year in internal economic activity was based on firm prices for New Zealand's main exports. With export receipts so vulnerable to influences outside our control, the Government will continue to keep a firm rein on the present buoyant position and to keep the country on a course of sound development and real growth. Export earnings reached a record £348 million for the year ended November 1963, £41 million higher than last year, but this has been balanced by the high level of importing in the first half of the July 1963 to June 1964 importing year. This has kept net overseas assets from rising as fast as expected, although the position will improve in the New Year. If expansionary forces, which are an incipient danger, continue to build up, higher costs and prices could result. This could prejudice New Zealand's ability to maintain a steady rate of growth—the main objective of Government policy. Accordingly, some measures have been announced which will maintain balance and growth in the economy. The Government is determined to keep the

TABLE I

DIRECTION OF NEW ZEALAND'S TRADE

	1961		1962		Jan.-Sept. 1963	
	Exports to	Imports from	Exports to	Imports from	Exports to	Imports from
	(NZ£ million)		(NZ£ million)		(NZ£ million)	
Britain	144.0	129.0	139.9	102.6	111.6	86.9
United States	41.0	27.2	46.1	21.8	47.1	20.5
France	17.4	2.9	17.7	2.5	16.2	1.7
Australia	11.0	46.9	10.9	49.6	12.7	43.7
Japan	14.8	8.4	9.4	8.5	12.2	11.1
West Germany	8.0	10.0	9.1	7.3	8.9	6.7
Italy	6.8	2.3	9.4	2.7	7.9	1.7
Belgium and Luxemburg	8.3	2.3	8.9	1.8	6.7	1.4
Netherlands	4.0	5.6	4.2	2.8	3.9	2.7
Canada	3.8	10.8	3.9	8.3	4.2	7.2
Total all countries	**282.2**	**288.3**	**284.2**	**244.4**	**252.2**	**217.3**

TABLE II

LEADING EXPORTS FROM CANADA TO NEW ZEALAND

	1961	1962	Jan.-Oct. 1963
	$	$	$
Aluminum	2,314,364	2,940,578	3,086,898
Plastics	1,763,939	1,837,073	1,436,820
Locomotives and engines	2,100,898	1,806,590	927,740
Copper	1,392,200	1,793,800	968,746
Steel	3,198,638	1,673,786	634,472
Newsprint paper	3,912,839	1,484,447	850,213
Passenger autos and chassis	1,754,078	1,214,325	665,842
Pulp and paper industrial machinery	2,886,125	969,645	482,826
Generators and electric motors	453,902	914,768	1,319,111
Lumber	1,125,411	789,628	424,323
Engines, turbines and parts	611,168	721,820	1,253,796
Asbestos	722,468	680,492	482,606
Writing and reproduction papers	516,020	629,077	606,467
Canned fish	903,874	501,360	919,626
Textiles	454,387	465,004	573,977
Chain saws and parts	560,022	462,080	585,267

economy moving ahead on a path of continuous development and orderly growth."

Main Exports Agricultural

Agriculture, particularly sheep raising, is the lifeblood of New Zealand and there are roughly twenty sheep to each New Zealander. Of total commodity exports valued at £327.9 million for eleven months ended November 1963, wool accounted for £113.5 million, meat (mostly lamb) £90 million, butter £49.3 million, and cheese £18 million. New Zealand must export its agricultural produce to survive.

In recent years the manufacturing industry has also received emphasis and New Zealand now has a wide range of locally manufactured consumer goods.

Direction of Trade

Britain continued to be New Zealand's best customer and largest supplier (see Table I) but New Zealanders are making efforts to expand their trade with other countries, such as Japan, Australia, the United States and Canada. During 1963 a Trade Mission visited the west coast of Canada and the United States and reported success.

During the ten months ended October 1963, Canadian exports to New Zealand were valued at $24,642,395, compared with $21,758,691 for the corresponding period in 1962, and our total exports for the twelve months, at $30,549,131, nearly matched the record $31.12 million of 1961. Some of the leading Canadian exports to New Zealand are given in Table II.

As I have already pointed out, New Zealand is anxious to expand or diversify its export markets. Because the trade has been roughly three to one in Canada's favour, it is significant that our imports from New Zealand increased during the first nine months of 1963 and reached $11,966,039, compared with $9,853,250 in 1962 and $7,616,353 in 1961. The principal Canadian imports from New Zealand are frozen lamb and beef, sausage casings and wool.

Import Licensing

Under the import control regulations, all commercial imports into New Zealand require an import licence, though a few products are exempt. Licences are issued by the Customs Department in co-operation with the Department of Industries and Commerce and are valid for a stated period (the licensing year is from July 1 to June 30). Import licences automatically authorize the allocation of foreign exchange and a commercial bank may remit payment against a licence without further reference to the Reserve Bank.

In the 1963-64 licensing year there were some revisions and liberalization within the commodity groups and these gave the licence-holder more latitude in selection. Furthermore, the schedule provided for 106 items in "A" category compared with 15 in the previous year. Under this category the initial licence represents 75 per cent of the 1962-63 licence and additional licences may be issued against actual need as demonstrated by sales or use in manufacture by the licence-holder. Category A includes a wide range of industrial raw materials plus many essential products for retail sale. Some firms have been inclined to replenish and build up inventories and this has contributed to the forecast increase of about £30 million over the £250 million ($750 million) budgeted for private imports.

Trading Prospects

Low foreign exchange reserves, an adverse balance of trade, and a balance-of-payments deficit continue to present problems. Although the overseas reserves are expected to increase in 1964, import licensing will probably continue for some time. However, within the licensing framework there will be opportunities for Canadian exporters to sell a wide range of products. These include raw materials, semi-processed goods for local industry, machinery and parts, copper, aluminum, chemicals, lumber, and some canned salmon. Recently Canada obtained an order for and supplied 12,764 tons of sulphur, the first shipment to New Zealand. If our prices are competitive with those of United States and Mexican sources, we can obtain a continuing portion of this business.

Several large projects are either under construction or in the offing. The Manapouri power project in the South Island is the largest and work is now under way. The Bechtel Corporation, P.O. Box 3965, San Francisco, are the consultants and also issue calls for tenders on various phases of this project. The firm sends full details of these tenders to the Canadian Construction Association, Canadian Manufacturers Association, and Canadian Electrical Manufacturers Association, and specifications are also available from the offices of the New Zealand Trade Commissioners in Montreal and Vancouver. The results of competing bids are not published nor are they available.

A small, fully integrated steel mill and a copper rolling and extrusion mill are contemplated and an oil refinery is almost completed. Recently the Government negotiated a loan of $7.8 million from the World Bank for the Harbour Boards in Auckland, Lyttelton, Napier, Timaru and Whangarei. These funds will be used largely for improvements to dock handling facilities. Canadian firms may wish to investigate opportunities for selling engineering services and equipment in New Zealand also.

Index to *Foreign Trade*

The index to Volume 120 of "Foreign Trade", covering the issues from July 13 to December 28, 1963, has now been printed. Readers who wish to have copies should write to the Editor.

Canada now ranks as Japan's third largest source of agricultural imports and the market is expanding. What products are we shipping to the Japanese and what are the prospects for expanding these sales? Here is a brief rundown.

P. A. SAVARD, *Commercial Counsellor, Tokyo.*

Japanese Market for Agricultural Products

JAPAN'S agriculture had regained its prewar levels of production by 1951 and by 1961 had surpassed any previous record. Nevertheless it is still far from meeting the expanding demand for food products. Only 20 per cent of the country consists of arable land and all of this is cultivated intensively but it cannot produce more than a fraction of the food needed. As a result, these densely populated islands with a rapidly rising standard of living have become one of the world's largest importers of foodstuffs and other agricultural products. Although, in the main, agricultural imports have been controlled, these controls have not affected products considered essential to the economy. The Japanese Government has also made substantial progress in the liberalization of commodities covered by special import licensing controls now that Japan is no longer maintaining restrictions to safeguard its balance of payments.

Canada Ranks Third

The bulk of the agricultural imports into Japan come from the United States, Canada, Australia and New Zealand. In 1962, these four countries supplied imports as follows (values in thousands of dollars):

United States	$482,820
Australia	321,869
Canada	118,328
New Zealand	30,324

As this brief table shows, Canada ranks third. Japan is now a principal market for many of our agricultural products; this trade is well established and from all indications, 1963 was a record year.

The following are our leading agricultural exports to Japan.

Plant Products

• **Wheat**—Wheat provides the solid basis of this trade. For many years now Japan has been a large and steadily increasing market as its people have come to accept bread grains more and more. Recently feed wheat has been moving in substantial quantities as plans for increasing use of livestock, dairy and poultry products have developed.

• **Oilseeds**—For some years now flaxseed and rapeseed have gone to Japan in volume. Given normal marketing conditions there should be further increases in imports. Estimates for rapeseed are particularly encouraging, partly because rapeseed meal finds a ready market as fertilizer in the Japanese tobacco-growing industry.

• **Livestock Feedstuffs**—With the greater emphasis on increasing the

CANADA'S AGRICULTURAL EXPORTS TO JAPAN

	1961	1962	1963 (Jan.-Sept.)
	(Can.$'000)		
Wheat	92,382	87,503	73,401
Oilseeds	16,522	16,263	16,947
Livestock feedstuffs	1,808	2,807	2,504
Mustardseed	443	562	597
Forage seeds	41	161	13
Hides and skins	2,732	2,459	1,488
Cattle, purebred	11	112	....
Swine, purebred	....	....	3
Baby chicks	....	....	83
Meat, fresh, frozen, cured	182	241	62
Milk powder, whole, skimmed	195	63	84

livestock population, the need for adequate feedstuffs has grown. This has meant larger imports of feed grains and grain products and a new development in Canadian exports to Japan—pelleted screenings, for which it has become our leading overseas market.

• **Mustardseed**—Japan has been a steady customer for mustardseed for some time and the Canadian product enjoys a high degree of acceptance. Japan ranks second only to the United States as a market for it.

• **Forage Seeds**—Prospects for larger sales of forage seeds appear promising as dairy herds increase. There is evidence of local interest in growing them under contract but this development may take time.

Livestock Products

• **Hides and Skins**—Japan, taking some 10 per cent of Canada's exports in this category, is an attractive market. Competition is keen, however, and quality, price and delivery the decisive factors.

• **Livestock**—Seriously limiting the rapid increase in the cattle population is the lack of adequate pasture and range land. For this reason, it is unlikely that Japan could sustain a dairy and beef cattle population that would fill its needs. However, since protein in the Japanese diet is amply provided by fisheries products, the size of the cattle population is relatively less important than in North America. With this reservation, good progress is being made in providing more cattle of better quality.

Dairy Cattle—Acceptance of dairy products has been increasing for some time and has led to a well-considered program of importing purebred cattle under government auspices. Up to the present, all such imports have been limited by the amount of foreign exchange allocated. Nevertheless, Canadian exports are faring well and we should enjoy a satisfactory share of future sales.

Swine—There are possibilities for increasing business in swine. However, unlike the dairy cattle population, the hog population is well established. Swine imports therefore are restricted to those needed for improvement and experimental purposes. If livestock imports are liberalized, individual breeders will have more freedom to follow their own programs.

Beef Cattle—Here again, steps are being taken to provide the foundation for a more highly developed beef industry. It is still limited, however, and up to the present Canadians have not participated.

Poultry Breeding Stock—Poultry raising, because it does not require so much space, has been less hampered in its development. Canadian suppliers have made a strong impact, although the United States has been the major source of chicks. Air transportation has made possible deliveries of day-old chicks to Japan with a very low mortality rate. Originally, layers were imported (and still are) but the last eighteen months have seen the introduction of broilers as well.

Future Prospects

At the present time, Japan is already the United States' largest market for agricultural products, but the figures for other major suppliers, including Canada, are equally impressive. The demand for established products should continue and possibilities are also good for introducing new ones into this large and expanding market. •

The Swedish Canned Fruit Market

CANNED fruit sales in Sweden vary between $9 and $10 million a year. In 1962, imports of canned fruits and berries exceeded 20,000 tons—an increase of over 3,000 tons from the previous year. Peaches are now the most popular imported fruit, followed by pineapples, fruit cocktail, pears and apricots. At one time pineapple was the most popular but now peaches account for 47 per cent of canned fruit imports from the United States. There is little demand for cherries, figs and plums.

The domestic harvest affects consumption and imports, and there are also seasonal and regional differences in consumption of canned fruit. The period of heaviest consumption is from December to May and the lightest is the period following the autumn harvest. The southern and western areas of the country consume more than the central and northern regions. As in other countries, urban dwellers consume more per capita than their country cousins.

It is estimated that 120 different brands of canned fruit are found in Swedish stores but only ten claim a share of the market of over 1 per cent. The two leading brands, both from the United States, account for 64 per cent of sales. Until some years ago there were even more brands on the market because of the large number of private wholesaler brands. This type is still numerous, although it has suffered from a lack of advertising. The leading brands, as the only ones available throughout Sweden, have been able to use advertising effectively at a low per unit cost. Following an advertising campaign, one of the leading brands increased its 1962 sales by 20 per cent.

Over 50 per cent of the sales of the leading brand are made through KF (Cooperative Union) stores. KF does not feel that there is any need to market its own brand. Chain stores also concentrate on the nationally advertised brands. For example, 90 per cent of EPA (a leading chain store) sales are of a nationally advertised brand. This merchandising policy contrasts with that of the private retail shops which sell a large assortment of minor brands instead of one of the major ones. Very often these brands are a means of disposing of surplus stock and are not available on a continuing basis. But if these smaller shops are to avoid accumulating unwanted stock that they cannot transfer to another branch as the chain stores can, they should concentrate on the major brands, each of which can offer them a much wider range of fruit than do the less well known lines.

—E. A. DIXON,
Commercial Assistant, Stockholm.

Foreign Commercial Representatives in Canada

ARGENTINA
Ottawa—Economic Counsellor, Argentine Embassy, 211 Stewart Street.

AUSTRALIA
Ottawa—Commercial Counsellor, Australian High Commission, 90 Sparks Street.
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, Suite 608, Burrard Bldg.

AUSTRIA
Ottawa—Embassy of Austria, Suite 202, 85 Range Road.
Calgary—Consulate of Austria, 700 Lancaster Bldg., 300 8th Avenue S. W.
Halifax—Consulate of Austria, 6 Young Avenue.
Montreal—Consulate General of Austria, Suite 815-817 Castle Bldg., 1410 Stanley Street.
Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.
Vancouver—Austrian Consulate, 525 Seymour Street.
Winnipeg—Consulate of Austria, 54 Harrow Street.

BAHAMAS
Toronto—Trade Commissioner of the Bahamas, Room 707, Victory Bldg., 80 Richmond Street West.

BELGIUM
Ottawa—First Secretary, Belgian Embassy, 168 Laurier Avenue East.
Montreal—Consul General of Belgium, 913 Royal Bank of Canada Bldg.
Toronto—Consul General of Belgium, Room 303, 11 Adelaide Street West.
Vancouver—Consul General of Belgium, Room 1432, 355 Burrard Street.

BOLIVIA
Montreal—Consul-in-Charge, Consulate General of Bolivia, 5559 Canterbury Avenue.

BRAZIL
Ottawa—Brazilian Embassy, 305 Stewart Street.
Montreal—Brazilian Government Trade Bureau, Suite 960, 615 Dorchester Boulevard West.

BRITAIN
Ottawa—The Senior British Trade Commissioner in Canada and Economic Adviser to the High Commissioner, British High Commission Bldg., 80 Elgin Street.
Edmonton—The British Trade Commissioner in Alberta, Suite 600, Bank of Montreal Bldg., 101st and Jasper Avenue.
Halifax—The British Trade Commissioner in the Atlantic Provinces, 5425 Spring Garden Road.
Montreal—The Principal British Trade Commissioner in the Province of Quebec, 635 Dorchester Boulevard West.
Regina—The Assistant British Trade Commissioner in Saskatchewan, Room 207, Derrick Bldg., 2431 11th Avenue.
Toronto—The Principal British Trade Commissioner in Ontario, 119 Adelaide Street West.
Vancouver—The Principal British Trade Commissioner in British Columbia, Bank of Nova Scotia Bldg., 602 West Hastings Street.
Winnipeg—The British Trade Commissioner in Manitoba and Saskatchewan, 402 Monarch Lift Bldg., 333 Broadway Avenue.

CHILE
Ottawa—Embassy of Chile, 56 Sparks Street.
Montreal—Consulate of Chile, Suite 1100, 200 St. James Street.
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

CHINA
Ottawa—Counsellor, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Ottawa—First Secretary and Consul, Embassy of Colombia, Suite 33, Roxborough Apts.
Montreal—Consul General of Colombia, 1500 Stanley Street.
Toronto—Consul of Colombia, 67 Yonge Street.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

COSTA RICA
Montreal—Consul General of Costa Rica, 4753 Lacombe Avenue.

CUBA
Montreal—Cuban Trade Commissioner, Suite 1150, 1435 Saint Alexandre Street.

CZECHOSLOVAKIA
Montreal—Commercial Section, Czechoslovak Consulate General, 640 Cathcart Street.

DENMARK
Ottawa—Royal Danish Embassy, 446 Daly Avenue.
Montreal—Royal Danish Consulate General, Suite 1525, 1245 Sherbrooke Street West.
Toronto—Royal Danish Consulate, Holland Life Insurance Bldg., 1130 Bay Street.

DOMINICAN REPUBLIC
Montreal—Consul General of the Dominican Republic, 3865 Lacombe Avenue.

ECUADOR
Montreal—Consul General of Ecuador, Room 708, 1410 Stanley Street.
Vancouver—Consul of Ecuador, 3532 West 32nd Avenue.

EL SALVADOR
Montreal—Consul General, Room 215, 300 St. Sacrement Street.

FINLAND
Ottawa—Attaché, Embassy of Finland, 85 Range Road.

FRANCE

Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Counsellor of France, 2060 Mackay Street.
Toronto—Commercial Counsellor of France, 185 Bay Street.
Vancouver—French Trade Commissioner, Suite 1216, 736 Granville Street.

GERMANY

Ottawa—Commercial Counsellor, Embassy of the Federal Republic of Germany, 1 Waverley Street.
Edmonton—Consulate of the Federal Republic of Germany, 11618 100th Avenue.
Montreal—Consulate General of the Federal Republic of Germany, 1501 McGregor Street.
Toronto—Consulate General of the Federal Republic of Germany, 77 Admiral Road.
Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., 325 Howe Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.

GHANA

Ottawa—First Secretary, Office of the High Commissioner for Ghana, Suite 606, The Fuller Bldg., 75 Albert Street.

GREECE

Ottawa—Commercial Attaché, Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA

Montreal—Consul General of Guatemala, 3467 Wilson Avenue.

HAITI

Ottawa—Consul General, Embassy of Haiti, Apt. 111, 150 Driveway.
Halifax—Honorary Consul of Haiti, 6070 Quinpool Road.
Montreal—Consul General of Haiti, 4350 Decarie Boulevard.

HONDURAS

Montreal—Consul General, Consulate General of the Republic of Honduras, 4753 Lacombe Avenue.

INDIA

Ottawa—Second Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.
Vancouver—Trade Commissioner for India, Suite 804, Standard Bldg., 510 West Hastings Street.

INDONESIA

Ottawa—Second Secretary (Economic Affairs), Indonesian Embassy, 275 MacLaren Street.

IRAN

Ottawa—Imperial Embassy of Iran, Apt. 502, Sandringham Apartments.

IRAQ

Washington—First Secretary (Commercial), Embassy of the Republic of Iraq, 1801 P. Street, N.W.

IRELAND

Montreal—Irish Trade Representative (Irish Export Board), 2100 Drummond Street.

ISRAEL

Montreal—Consul and Trade Commissioner of Israel, 1555 McGregor Street.
Toronto—Consul of Israel for Economic Affairs, Suite 828, 159 Bay Street.

ITALY

Ottawa—Commercial Counsellor and Senior Trade Commissioner, Embassy of Italy, 172 MacLaren Street.
Montreal—Vice Consul and Trade Commissioner, 1595 McGregor Avenue.
Toronto—Italian Trade Commissioner, Suite 510, 100 University Avenue.
Vancouver—Italian Trade Commissioner, 640 Hastings Street West.

JAPAN

Ottawa—First Secretary (Commercial), Embassy of Japan, 75 Albert Street.
Montreal—Consulate General of Japan, Suite 2505, 1155 Dorchester Boulevard West.
Toronto—Consulate of Japan, Imperial Life Tower, 4th Floor, 44 Victoria Street.
Vancouver—Consulate General of Japan, Room 1401, Standard Bldg., 510 West Hastings Street.
Winnipeg—Consulate of Japan, 301 Tribune Bldg.

LEBANON

Ottawa—Embassy of Lebanon, Roxborough Apartments, Apt. 3, Laurier Avenue West.

LUXEMBOURG

Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

MEXICO

Ottawa—Embassy of Mexico, Room 706, 88 Metcalfe Street.
Montreal—Consulate General of Mexico, Suite 1730, 1245 Sherbrooke Street West.
Quebec—Consulate of Mexico ad honorem, 2040 Terrasse Stuart, Sillery.
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.
Vancouver—Consulate of Mexico, Room 607, Burrard Bldg., 1030 W. Georgia Street.
Winnipeg—Consulate of Mexico ad honorem, 906-908 Confederation Bldg.

MONACO

Montreal—Consul of Monaco, Suite 700, 60 St. James Street West.

NETHERLANDS

Ottawa—Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue.
Edmonton—Netherlands Consulate, Merit Bldg., 10008 106th Street.
Montreal—Netherlands Consulate General, Room 1736, Place Ville Marie.
Toronto—Netherlands Consulate General, 159 Bay Street.
Vancouver—Netherlands Consulate General, 475 Howe Street.

NEW ZEALAND

Montreal—New Zealand Government Trade Commissioner, Room 708, Prudential Assurance Bldg., 635 Dorchester Street West.
Vancouver—New Zealand Government Trade Commissioner, Suite 615, United Kingdom Bldg., 409 Granville Street.

NICARAGUA
Montreal—Consul General, Consulate General of Nicaragua, 3601 Decarie Boulevard.

NORWAY
Ottawa—Secretary, Royal Norwegian Embassy, Suite 700, 140 Wellington Street.
Montreal—Consul General of Norway, Royal Norwegian Consulate General, 2007 Imperial Bank of Commerce Bldg., 1155 Dorchester Boulevard West.
Vancouver—Consul of Norway, Royal Norwegian Consulate, 837 West Hastings Street.

PAKISTAN
Montreal—Trade Commissioner for Pakistan, Suite 606, 1230 McGregor Street.

PANAMA
Montreal—Consul General, Consulate General of Panama, 3553 Girouard Avenue.

PERU
Ottawa—The Ambassador, Embassy of Peru, 539 Island Park Drive.

PHILIPPINES
Vancouver—Trade Commissioner, Philippines Consulate General, 525 Seymour Street.

POLAND
Ottawa—Commercial Counsellor to the Polish Embassy, Apt. 58, 255 Stewart Street.
Montreal—Commercial Section, Polish Consulate General, 1500 Stanley Street, Suite 525.

PORTUGAL
Ottawa—Embassy of Portugal, 285 Hanmer Avenue.
Halifax—Consulate of Portugal, 428 Barrington Street.
Montreal—Consulate of Portugal, 4135 Sherbrooke Street West.
North Sydney—Consulate of Portugal, P.O. Box 769.
Quebec—Consulate of Portugal, 155 Laurier Avenue.
St. John's—Consulate of Portugal, King's Bridge Court, Apartment 2E.
Toronto—Consulate of Portugal, Suite 712, 159 Bay Street.
Vancouver—Consulate of Portugal, 736 Granville Street.

REPUBLIC OF SOUTH AFRICA
Ottawa—Commercial Secretary, South African Embassy, 15 Sussex Drive.

SPAIN
Ottawa—Commercial Counsellor to the Spanish Embassy, 162 Daly Avenue.

SWEDEN
Ottawa—Royal Embassy of Sweden, Suite 704, 140 Wellington Street.
Montreal—Royal Consulate General of Sweden, Suite 800, 1155 Dorchester Blvd., West
Toronto—Trade Commissioner for Sweden, 1057 Bay Street.
Vancouver—Trade Commissioner for Sweden, Dominion Bank Bldg., Suite 1105, 207 West Hastings Street.

SWITZERLAND
Ottawa—Counsellor of Embassy, Swiss Embassy, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 100 University Avenue.
Vancouver—Consul of Switzerland, 402 West Pender Street.
Winnipeg—Consul of Switzerland, 200 Bradburn Bldg., 269 Kennedy Street.

THAILAND
Toronto—Consul of Thailand, Suite 405, 112 King Street West.
Vancouver—Consul of Thailand, 1495 Marpole Street.

TURKEY
New York—Commercial Counsellor, Turkish Embassy, Empire State Bldg., 350 Fifth Avenue.

UNION OF SOVIET SOCIALIST REPUBLICS
Ottawa—Commercial Counsellor, Embassy of the U.S.S.R., 24 Blackburn Avenue.

UNITED ARAB REPUBLIC
Ottawa—Commercial Secretary, Commercial Office, Apt. 402, 85 Range Road.

UNITED STATES
Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul General of the United States, 805 8th Avenue S.W.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1558 McGregor Avenue.
Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.
Saint John—Consul of the United States, 206 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, Burrard Bldg., 1030 W. Georgia Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 6 Donald Street.

URUGUAY
Uruguay—Chargé d'Affaires a.i., Apt. 59, Roxborough Apts.

VENEZUELA
Montreal—Consul General of Venezuela, Room 270, 1980 Sherbrooke Street West.
Vancouver—Consul of Venezuela, 525 Seymour Street.

YUGOSLAVIA
Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Montreal—Trade Representative for Yugoslavia, Interprogress Company Ltd., 445 Jean Talon Street West.
Toronto—Consul General of the FPR of Yugoslavia, 377 Spadina Road.

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 Office of Trade Relations and Trade Policy, 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 .92619.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 24	Units per Canadian dollar	Notes (see below)
Argentina	Peso	Free	.008204	121.89	
Australia	Pound		2.4141	.4142	
Austria	Schilling		.04178	23.93	
Bahamas	Pound		3.0176	.3314	
Belgium and Luxemburg	Franc		.02166	46.17	
Bermuda	Pound		3.0176	.3314	
Bolivia	Peso		.09111	10.97	
Brazil	Cruzeiro	Official Free			
		Special Category	‡	‡	
Britain	Pound		3.0176	.3314	
British Guiana	Dollar		.6287	1.59	
British Honduras	Dollar		.7544	1.32	
Burma	Kyat		.2267	4.41	
Ceylon	Rupee		.2263	4.42	
Chile	Escudo	Bank rate	.4697	2.13	
		Free	.3358	2.98	
Colombia	Peso	Certificate	.1200	8.33	
Congo, Republic of	Franc		.007198	138.93	(4)
Costa Rica	Colon		.1630	6.13	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1499	6.67	
Denmark	Krone		.1560	6.41	
Dominican Republic	Peso		1.07969	.92619	
Ecuador	Sucre	Official	.05998	16.67	
		Free	.05830	17.15	
El Salvador	Colon		.4319	2.32	
Fiji	Pound		2.7186	.3678	
Finland	Markka		.3374	2.96	
France, Monaco, etc.	Franc		.2203	4.54	(1)
Franco-African Republics, etc.	Franc		.004406	226.96	(2)
French Pacific	Franc		.01212	82.51	(3)
Germany	D Mark		.2718	3.68	
Ghana	Pound		3.0176	.3314	
Greece	Drachma		.03599	27.78	
Guatemala	Quetzal		1.07969	.92619	
Haiti	Gourde		.2159	4.63	
Honduras	Lempira		.5398	1.85	
Hong Kong	Dollar	Free	.1883	5.31	*Feb. 12
		Official	.1886	5.30	

‡No quotation available.
‡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. 24	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02511	39.82	(4)
India	Rupee		.2263	4.42	
Indonesia	Rupiah		.003427	291.75	(4)
Iran	Rial		.01425	70.16	
Iraq	Dinar		3.0231	.3308	
Ireland	Pound		3.0176	.3314	
Israel	Pound		.3599	2.78	
Italy	Lira		.001735	576.37	
Japan	Yen		.002999	333.44	
Lebanon	Pound	Free	.3468	2.88	
Malaysia	Straits dollar		.3527	2.84	
Mexico	Peso		.08638	11.58	
Morocco	Dirham		.2159	4.63	
Netherlands	Florin		.2996	3.34	
Netherlands Antilles	Florin		.5725	1.75	
New Zealand	Pound		2.9970	.3337	
Nicaragua	Cordoba		.1542	6.49	
Nigeria	Pound		3.0176	.3314	
Norway	Krone		.1507	6.64	
Pakistan	Rupee		.2263	4.42	
Panama	Balboa		1.07969	.92619	
Paraguay	Guarani	Free	.009717	102.91	
Peru	Sol	Free	.04025	24.84	
Philippines	Peso	Free	.2770	3.61	
Portugal & Colonies	Escudo		.03755	26.63	(5)
South Africa	Rand		1.5088	.6628	
Spain and Dependencies	Peseta		.01799	55.59	
Sweden	Krona		.2084	4.80	
Switzerland	Franc		.2493	4.01	
Syria	Pound	Free	.2825	3.54	
Thailand	Baht	Free	.05191	19.26	(4)
Tunisia	Dinar		2.6128	.3827	
Turkey	Lira		.1200	8.333	(4)
United Arab Republic	Pound	Official	2.4833	.4027	
United States	Dollar		1.07969	.92619	
Uruguay	Peso	Free	.05565	17.96	
Venezuela	Bolivar	Official Free	.2404	4.16	
West Indies	Dollar		.6287	1.59	(6)
	Pound		3.0176	.3314	(7)
Yugoslavia	Dinar	Official	.001440	694.44	

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

MALAYSIA

Area: 127,000 square miles.

Population: 10.5 million.

Climate: tropical and humid (Singapore is 75 miles north of the equator); no distinct seasons, copious rainfall.

Language: Malay (official), Chinese, Indian and English (most common business language).

Currency: Malayan dollar, pegged to sterling; M$1.00=Can. $0.3527.

Weights and measures: imperial standard.

Electric supply: Singapore—50 cycles; single and three phase, voltage 230/400, stable. Malaya—50 cycles; single and three phase, voltage 230/400 (240/415 in three centres), stable, neutral wire of the secondary distribution system is grounded. Both Singapore and Malaya require a grounding conductor in the electrical cord attached to appliances.

Capital: Kuala Lumpur.

Chief ports: Singapore, Port Swettenham, Penang.

Political status: independent country, member of Commonwealth; Malaya, Singapore, Sarawak and Sabah (formerly North Borneo) federated to form Malaysia in September 1963.

Economy: based mainly on rubber, tin, timber and, for the state of Singapore, entrepôt trade.

Total Malaysian imports: (Malayan statistics) 1962—Can. $1,570 million c.i.f.

Chief imports: (Can.$ million, c.i.f.) 1962—food 386, petroleum and products 284, crude rubber 208, machinery 170, transport equipment 103, metallic ores and scrap 62, textiles 35.

Chief suppliers: (Can.$ million c.i.f.) 1962—Indonesia 369, Britain 292, Japan 179, Thailand 125, United States 107, Australia 78.

Value of imports from Canada: (Malayan figures) 1962—Can. $7.9 million, c.i.f.

Chief imports from Canada: (Can.$ million, c.i.f.) 1962—wheat, wheat flour and cereals 2.2; machinery 1.7; motor vehicles 1.4: plastic materials 0.4.

Total Malaysian exports: 1962—Can.$1,730 million f.o.b.

Chief exports: (Can.$ million) 1962—rubber 709.4, tin 217.8, petroleum products 125.8, timber and lumber 69.6, iron ore 58.6.

Value of Canadian purchases: 1963 (6 months)—Can.$12,760,-821; 1962—Can.$27,739,841.

Chief Canadian purchases: (Can.$ million, f.o.b.) 1962—rubber 17.3, tin 5.0, vegetable oil 4.5, canned pineapple 1.2.

Import and exchange regulations: most Canadian goods may be imported freely.

Prices: buyers prefer quotations c.i.f. Port Swettenham or Singapore, in U.S. dollars, pounds sterling or Canadian dollars.

Usual terms of payment: to be on the safe side, confirmed irrevocable letter of credit, but check with Trade Commissioner's office.

Samples: samples of no commercial value may be imported into Singapore free of duty, except liquor, tobacco, paints, petroleum products and soap. Mainland Malaya has separate custom laws; all luxury and semi-luxury goods are subject to normal duties but these are refundable at port of exit; trade samples enter free of duty.

Trade agreements: Canada and Malaysia grant each other Commonwealth preferential rates of duty.

Banks: Hongkong and Shanghai Banking Corporation, The Chartered Bank, First National City Bank of New York.
Correspondence: airmail only; letters 25 cents per half ounce.

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

For detailed information on this market write to:

Commonwealth Division
Office of Trade Relations and Trade Policy
Department of Trade and Commerce
Ottawa

or

Canadian Government Trade Commissioner
P.O. Box 845
Singapore

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