MAY 1. 65

# FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA


These Are the Australasian Markets

# FOREIGN TRADE

MAY 1, 1965 Vol 123 No. 9

*COVER: Among the thousands of products that Canada sells to Australia, lumber probably has pride of place; it has been moving to the Australian market for over one hundred years. Here John A. Stiles, our Commercial Counsellor in Sydney (right), examines a recent shipment in company with C. G. Souter, the Australian representative of a Canadian exporter.*

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**COMING—CANADA'S FISHERIES EXPORTS IN 1964, MAY 15 ISSUE**

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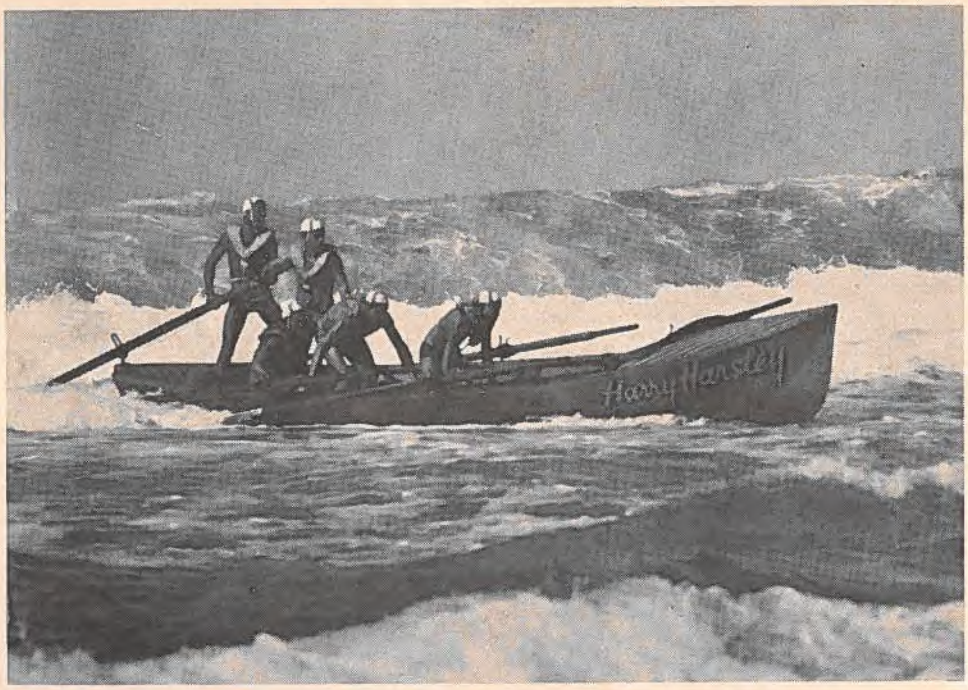
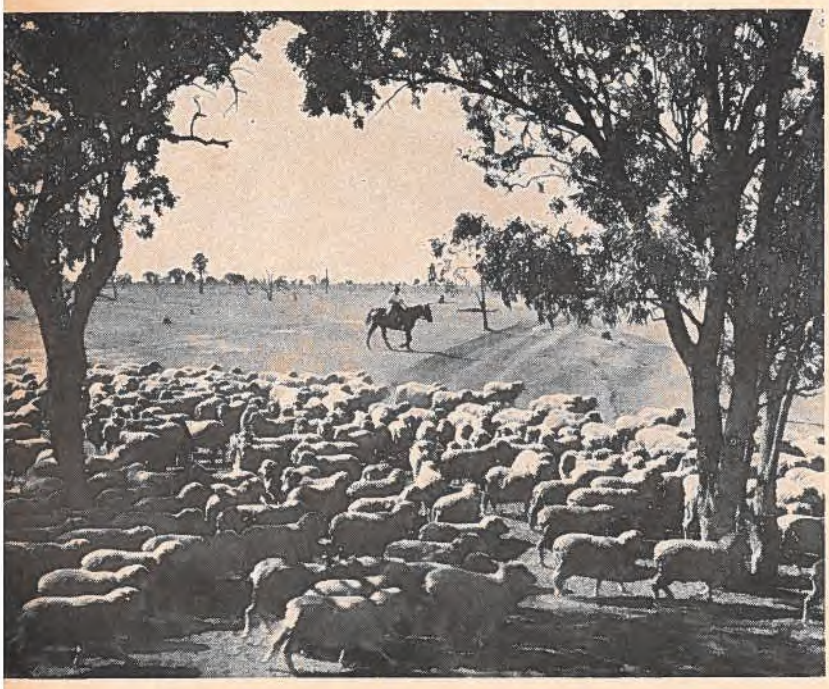
# This Is Australia



**Australia's magnificent beaches have nurtured a nation of swimmers, many of top rank. Surf boats like this one patrol the beach areas to aid swimmers in distress. The photograph was taken during the 1964 Australian surf championships held at Cullaroy, near Sydney, in N.S.W.**

## These are its leading exports -



**There are fifteen sheep for every person in Australia. The picture shows a sheep mustering in the northwest of the State of Victoria.**

**Cutting a sugar cane crop near Proserpine in Queensland. T northeastern area has a subtropical to tropical climate.**

tralia shelters a number of animals and birds that are ique in the world. One is the delightful koala bear ch feeds on the leaves of the eucalyptus tree.

This is the Federal Parliament House at Canberra, the federal capital, which is situated in the Capital Territory, 180 miles southwest of Sydney.

# ool, sugar, meat, wheat

Typical of Australia's beautiful scenery, this is Belltrees station on the Hunter River in the State of New South Wales. Aberdeen Angus cattle are being rounded up.

A wheat farmer fingers the new grain from his 1,200-acre wheat farm at Quandialla, N.S.W.



91867—1½

# This Is the Australian Marke

- It buys the products of some 900 Canadian companie
- It prefers North American style merchandise, which Canada can supply.
- It has a large resources development program that provides opportunities for selling Canadian machinery and knowhow.
- It offers Canadian suppliers the benefit of Commonwealth preferential tariff rates.


**When the Department of Trade and Commerce organized a special Canadian Exhibit at the Sydney, Australia, Trade Fair in July 1963, this was the symbol that was used. Many more Australians have since discovered the wide range of products that Canadian manufacturers can supply—and they are sending orders our way.**

- **It's a big one, worth $145 million to Canadian exporters last year.**
- **It has grown rapidly - - from $54 million to $145 million in six years.**

J. A. STILES,
*Commercial Counsellor, Sydney.*

AUSTRALIA made notable economic progress in the fiscal year ended June 30, 1964, and the generally rising trend of the previous three years continued. Full employment prevailed and production, foreign trade and investment recorded high rates of growth.

Increased external demand and higher prices for a number of the country's main exports—particularly wool, wheat, meat and sugar—brought overseas sales for 1963-64 to a record £1,381 million, some £312 million above the previous year. Imports, at £1,184 million, were £105 million higher. The resulting export surplus, plus greater foreign investment, swelled the international reserves to £854 million, the largest amount ever at the end of a financial year.

The economic outlook for 1965 appears to be for continued growth and expansion but at a rate slower than that achieved in 1964. In addition, the economy is facing a greater threat from inflationary pressures. In mid-1964 the basic wage was increased by £1 per week and this created a general upward trend in all wage levels. At the end of November the minimum weekly wage had risen by 5 per cent over a year earlier. At the same time, the consumer price index had risen by five points after remaining almost stable in the previous three years.

### Restraint May Be Needed

During the second half of 1964 and the first quarter of 1965, average prices for Australian exports declined by almost 10 per cent while the volume and value of imports moved strongly upwards. At the end of February 1965, imports for the first eight months of the fiscal year exceeded exports by £72.4 million. This was in sharp contrast to an export surplus of £147.6 million for the same period last year.

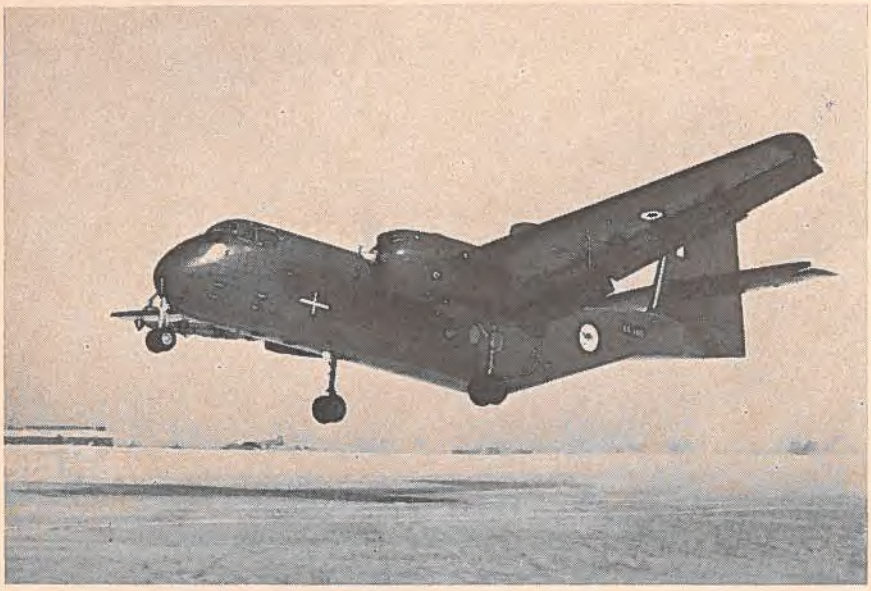
By early March 1965 Australia's international reserves had declined to £738.9 million, more than £100 million below the same period a year ago. The current level of reserves is still considered quite healthy but the downward trend of the past few months has caused concern. Much will depend on the investment intentions of Britain and the United States, the main sources of overseas capital for Australia.

The Australian Budget for the current fiscal year included increased defence expenditures and forecast a small over-all deficit for 1964-65. On balance, plans for both government and private expenditure indicate a strong market in Australia for most of 1965, with some possibility that policies could be required later in the year to restrain demand and conserve foreign exchange reserves. It appears probable that any measures adopted would be temporary because the

**TABLE I**

**AUSTRALIAN IMPORTS BY CLASSES**

| | 1962-63 | | 1963-64 | |
|---|---|---|---|---|
| | **£'000** | **per cent** | **£'000** | **per cent** |
| **Producers' materials for use in:** | | | | |
| Building and construction | 33,689 | 3.1 | 38,505 | 3.3 |
| Rural industries | 12,480 | 1.2 | 16,262 | 1.4 |
| **Manufacturing:** | | | | |
| Motor vehicle assembly | 95,934 | 8.9 | 104,271 | 8.8 |
| Other | 411,210 | 38.1 | 450,508 | 38.1 |
| TOTAL | 553,313 | 51.3 | 609,546 | 51.5 |
| **Capital equipment:** | | | | |
| Producers' equipment | 206,929 | 19.2 | 235,705 | 19.9 |
| Transport equipment, complete road vehicles and assembled chassis | 23,172 | 2.1 | 28,246 | 2.4 |
| Railway equipment, vessels and civil aircraft | 18,702 | 1.7 | 19,618 | 1.6 |
| TOTAL | 248,803 | 23.0 | 283,569 | 23.9 |
| **Finished Consumer Goods:** | | | | |
| Food, beverages and tobacco | 40,998 | 3.8 | 45,889 | 3.9 |
| Clothing and accessories | 7,269 | .7 | 8,367 | .7 |
| All other | 156,328 | 14.5 | 157,740 | 13.3 |
| TOTAL | 204,595 | 19.0 | 211,996 | 17.9 |
| Fuels and lubricants | 30,384 | 2.8 | 28,798 | 2.4 |
| Auxiliary aids to production | 34,529 | 3.2 | 36,156 | 3.1 |
| Munitions and war stores | 7,153 | .7 | 13,872 | 1.2 |
| **Grand total** | **1,078,777** | **100.0** | **1,183,937** | **100.0** |



**This is one of the 25 DHC-4 "Caribou" aircraft that the Australian armed forces bought from de Havilland Aircraft of Canada. Delivery will be completed in June.**

longer-term rapid growth of the Australian economy is evident.

### Customers and Suppliers

The composition of Australia's record exports in 1963-64 was much the same as in previous years. Exports consisted mainly of products of the pastoral and agricultural industries; in fact, some 87 per cent of them were primary products either in natural or processed form. The principal items were wool, grains, meat, minerals and metals, sugar, dairy products, hides and skins, and fruit. Exports of manufactured products have been making progress following increased sales efforts and last year represented approximately 12 per cent of total Australian exports.

Britain remained Australia's leading market in 1963-64, taking 18.4 per cent of total exports. Japan, which is becoming an increasingly important customer, last year bought 17.5 per cent of exports and was followed by the United States with 10.1 per cent, Communist China 6 per cent, and New Zealand 6 per cent. Canada last year purchased 1.8 per cent of Australian exports and was its twelfth best customer.

In 1938-39, eleven per cent of Australia's exports went to Asia, including Japan and China. By 1963-64 this percentage had almost trebled, indicating the growing importance of Asia as a market. Local exporters are devoting special attention to this area which they feel offers additional possibilities for the sale of manufactured goods and raw materials.

Britain and the United States continue to be Australia's most important suppliers and in 1963-64 provided 27.8 and 22.9 per cent respectively of its imports. They were followed by Japan with 6.8 per cent and West Germany with 5.6 per cent. Canada was Australia's fifth supplier, providing 4 per cent of its overseas purchases in 1963-64.

### What Australia Buys

Australia's imports last year rose by 10 per cent over the previous year and for the first eight months of 1964-65 were running at a level of 22 per cent above 1963-64. This reflects the rapid industrial expansion that is taking place and the consequent need for additional capital equipment and production materials not available locally. It also reflects the general prosperity that has enabled Australians to buy substantial quantities of fully finished consumer goods from abroad.

**TABLE II**

**WHAT CANADA SELLS TO AUSTRALIA**

| | 1963 | 1964 |
|---|---|---|
| | (Can.$) | |
| Motor vehicles, parts, etc. | 18,035,031 | 22,469,910 |
| Newsprint paper | 12,440,202 | 20,540,143 |
| Aircraft complete with engines | 151,675 | 14,729,479 |
| Lumber (West Coast) | 10,036,613 | 9,950,880 |
| Plastic and synthetic rubber, not shaped n.e.s. | 3,349,652 | 8,068,620 |
| Asbestos milled fibres gr. 4, 5 | 3,520,511 | 4,462,697 |
| Sheet and strip steel, n.e.s. | 1,829,582 | 3,952,802 |
| Sulphur crude and refined | 730,978 | 2,488,843 |
| Wood pulp bleached sulphate | 1,753,582 | 2,028,487 |
| Plastic film and sheet | 2,200,845 | 1,820,854 |
| Nickel anodes, cathodes, ingots | 1,486,058 | 1,669,716 |
| Nickel in oxide | 784,616 | 1,737,059 |
| Kitchen utensils, cooking and parts, n.e.s. | 689,656 | 1,413,184 |
| Synthetic fibres and wastes, n.e.s. | 445,719 | 1,360,865 |
| Measuring testing instruments and parts, n.e.s. | 947,486 | 1,339,329 |
| Salmon pink canned | 1,164,201 | 1,286,780 |
| Engines marine and parts | 697,338 | 1,157,443 |
| Rock drilling related machinery and parts | 277,811 | 1,097,456 |
| Chain saws and parts | 963,368 | 1,097,001 |
| Sub total | 61,504,924 | 98,671,548 |
| Other | 39,267,974 | 47,140,940 |
| **Total** | **100,772,898** | **145,812,488** |

Table I shows the variety of Australia's import trade in the past two years with the heavy concentration in production materials and capital equipment, as well as the growing defence purchases from overseas sources.

### Canadian-Australian Trade

Canada has been sharing in Australia's prosperity and in the calendar year 1964 increased its exports to this country by 45 per cent, to reach a total of approximately $145.8 million, compared with $54 million only five years ago. Table II indicates Canada's leading exports in 1963 and 1964, headed by motor vehicles and parts, newsprint, aircraft, special steel products and lumber. The items accounting for half the 1964 increase over 1963 were aircraft (*Caribou* and *Beaver*), newsprint, steel products and sulphur, with the remainder spread over a wide range of goods, including stainless steel cookware and other finished consumer goods.

The principal Canadian purchases from Australia are sugar, frozen meats, dried fruits, wool, canned beef, wine and canned fruits. In recent years these have totalled approximately $50 million and the trade balance has been consistently in Canada's favour.

### Sales Opportunities

Canadian trade officials in Australia are in regular contact with local buyers and import agents and receive from them inquiries for Canadian goods. The following are some of the recent inquiries for Canadian products that could be of direct interest to exporters:

Frozen and smoked fish
Canned salmon and sardines
Towels and household linens
Fancy hosiery
Children's wear
Upholstery materials
Floor coverings
Fibreboard for suitcase manufacture
Lumber (West Coast)
Sulphate wood pulp
Wallpaper
Wrapping paper
Paper novelties
Children's books
Special steel products
Oil casings and oil field equipment
Materials handling equipment
Power transmission equipment
Packaging machinery
Pulp and papermaking machinery
Laundry and drycleaning machinery
Power chain saws
Machine tools
Office appliances and machines
Stainless steel cutlery
Builders' and furniture hardware
Marine accessories
Electronic equipment
Wall tiles
Glassware
Industrial chemicals
Fertilizers
Veterinary lines
Ski equipment
Toys and games
Insulating building materials

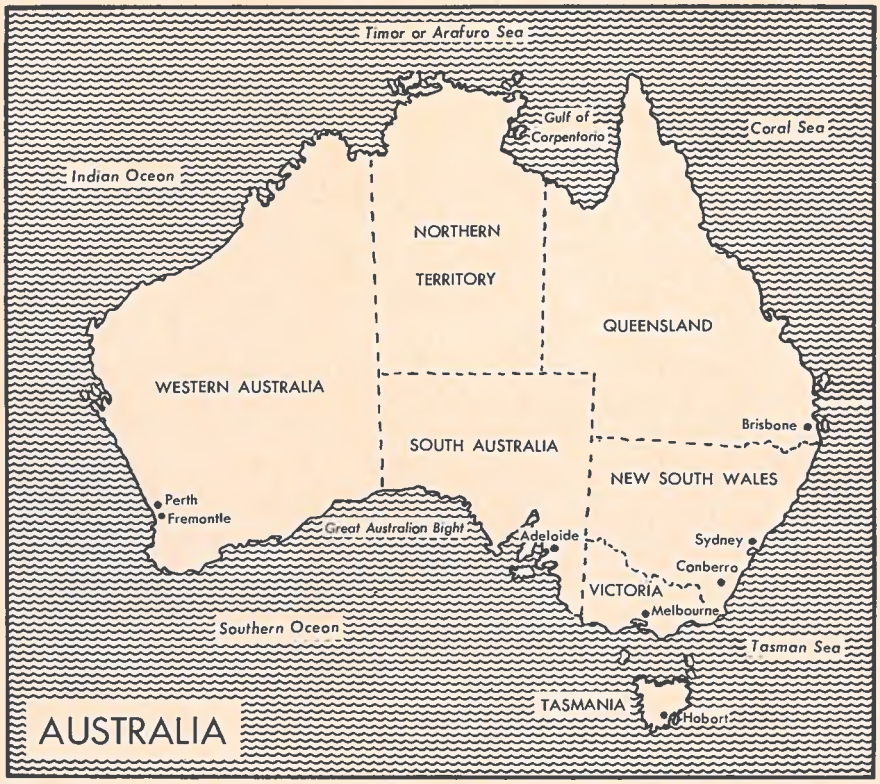

**Canadian-made 40 h.p. tractors prove their value in helping to fight dreaded bushfires in Victoria. This one carries a three-man crew, two hoses, and a power pump.**

### An Open Market

In February 1960 Australia abolished almost all the remaining import controls and at present virtually all imports are free of licensing control. The market is therefore open to Canadian products and selling here is primarily a question of being able to compete with other sources of supply. Canada and Australia under the terms of the 1960 Trade Agreement exchange tariff preferences. This means that Canadian products frequently enter Australia at a more favourable rate than those from many other competing sources.

Canadian exporters who have not yet tried selling in Australia are urged to examine fully the possibilities in this rapidly expanding market. An easy way to make a start is to airmail descriptive literature and prices to our Canadian Trade Offices in Sydney and Melbourne. ●

# These Are the State Markets




## New South Wales

**Over £30 million worth of Canadian goods last year entered via Sydney, largest commercial centre, and N.S.W.'s capital.**

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

NEW SOUTH WALES, with 40 per cent of Australia's 11.4 million people within its borders, provides a major portion of the market for Canadian exports on this continent. Sydney, with 2½ million people and Australia's major international airport, is certain to be either the Canadian businessman's point of arrival or departure from Australia. To do business with or in Australia, it is useful to know something about this state.

New South Wales now covers 300,000 square miles, with a 900-mile coastline. As defined in 1788, it included all of Australasia until 1825, when New Zealand and Tasmania were constituted as separate colonies. As other states were established and when the Australian Capital Territory was set up in 1915, New South Wales took its present form.

The state is ideally located and has an average of only 23 days a year without sunshine and an annual mean temperature of 64 degrees. The coastline provides a continuous chain of sandy beaches, with excellent harbours at Newcastle, Port Kembla and Sydney. The world-famous Sydney Harbour provides scenic beauty, a yachtsman's paradise, and a commercial port par excellence.

Over 80 per cent of the state's four-million-plus population lives along the coast. Even on this narrow strip, they are concentrated in three commercial centres: Sydney, Newcastle and Wollongong, which includes Port Kembla. In from the coast lie large tracts of fertile agricultural land but as one moves towards the interior of the continent, the lack of rainfall and waterways results in more sparsely populated areas. Aside from the mountain range in the south-central area, the remaining western and northwestern

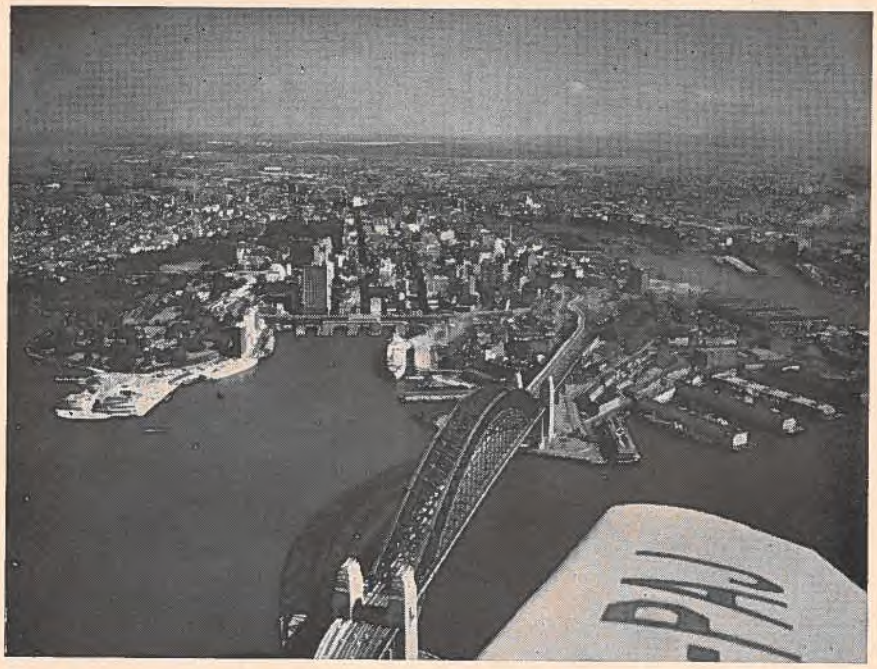
table lands and plains provide grazing land for sheep and beef cattle.

Industry is concentrated in the three cities; no other centre has a population of even 30,000. It would be impossible to itemise even the major industries, but the fact that 44 per cent of Australia's manufacturing production originates in New South Wales shows its industrial importance.

Australia's sole steel producer, Broken Hill Proprietary Limited, situated in New South Wales, provides almost all of the country's steel ingot production of some five million tons a year. Over three-quarters of Australia's coal is also mined in New South Wales near Newcastle and Wollongong, the steel centres.

This state contributes a major portion of Australia's agricultural output, including almost half of the wool and over one-third of the wheat. The mammoth Snowy Mountains Scheme, which will cost an estimated £400 million, is well advanced and when completed in 1975 will provide hydroelectric power and irrigation within the states of New South Wales and Victoria.

Sydney, the well chosen location in 1895 for Canada's first Trade Commissioner, has continued to grow in commercial importance and as a market for Canadian products. Today one in every five Australian lives in Sydney and one in every five Sydney-siders was born outside Australia. The increasingly cosmopolitan nature of the community has affected purchasing and marketing habits but even more noticeably, has provided excellent cuisine and night entertainment for the visitor.



**One in every five Australians lives in Sydney, capital of the state and a busy commercial port. Above, the Sydney Harbour Bridge and also the Circular Quay.**

As a visitor to Australia, you are almost certain to spend a weekend in Sydney. The famous harbour, coupled with a sport-loving city with more golf courses, bowling greens and beaches than almost any other city in the world, is sure to make your stay pleasant. Multi-storey office buildings under construction mark the city's skyline but the Sydney opera house, which has been in the building for over five years and has cost an estimated Can.$50 million, will be an outstanding attraction here.

Overseas imports into New South Wales exceed £500 million in value and over £30 million worth of Canadian goods entered Sydney Harbour last year. Adequate representation for your firm in the Australian market requires an agent with either a head office or branch office here in Sydney. ●

**They Serve You in Sydney . . . . and Canberra**

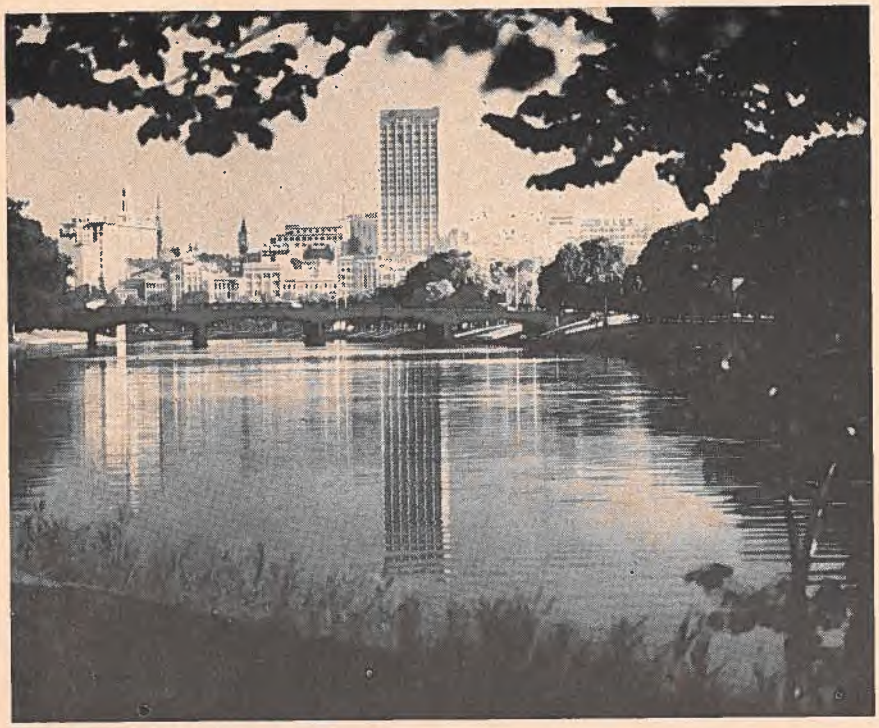
**J. A. Stiles**
**Commercial Counsellor**

**R. L. Richardson**
**Commercial Secretary**

**A. D. Schulman**
**Assistant**
**Commercial Secretary**

**J. B. O'Neill**
**Commercial Secretary**

**D. I. Campbell**
**Assistant**
**Commercial Secretary**



**Here is Melbourne, Australia's financial centre and also the centre of the automotive industry. The large building contains the headquarters of Conzinc Rio Tinto.**

# Victoria

**The small area, dense population, rapidly expanding industry, and the development of waterpower resources of this state provide many opportunities for Canadian sales of capital and consumer goods.**

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

VICTORIA, which in area is only 3 per cent of Australia, is the most densely peopled of the states and its rapidly growing population increased 42 per cent between 1949 and 1964. Latest estimates show that there are 3.15 million people—28.14 per cent of Australia's total—who call Victoria their home. This works out to about 34 people a square mile, although distribution is very uneven because 65 per cent of the population (or over two million) lives in the metropolitan area of Melbourne, the state capital.

Although agriculture is of great importance to the economy, Victoria is the most industrialized state in the Commonwealth in terms of net value of per capita factory production. In 1962/63 this was calculated to be £266 compared with a national average of £222.

Victoria, the leading dairy state in Australia, is also the principal producer of mutton and lamb, dried vine fruits, pears, peaches, onions and oats. Its output of other primary products is significant in Australia's total production. In the year 1962/63 (ends June 30) 41 per cent of the tobacco, 38 per cent of the potatoes, 32 per cent of the linseed, 22 per cent each of wheat and apples, 21 per cent of the pigs, 19 per cent of the wool, 18 per cent of the sheep and cattle, 16 per cent of the grass seed, and 14 per cent of the barley produced in Australia came from Victoria.

## Industry and Resources

The principal industries of Victoria include aluminum refining, motor vehicles and parts, construction and earth-moving equipment, industrial and electrical machinery, agricultural machinery and implements, textiles, clothing and footwear, rubber goods, oil refining, chemicals (including petrochemicals and fertilizers), plastic products, paper, processed foodstuffs, cement and asbestos cement. The value of Victoria's factory production in 1962/63 reached £801 million, 33.4 per cent of the Australian total.

By means of a state-wide grid, all but 3 per cent of Victorians are now served by electricity (220 to 240 volts, 50 cycle), which, except for a very small proportion, is produced from the huge deposits of brown coal in the Latrobe Valley, less than 100 miles from Melbourne. Generating capacity has expanded from 400,000 kilowatts in 1947 to 1.85 million in 1962. The rate of increase per year has been 8 to 9 per cent on a cumulative basis and capacity doubles every eight to nine years.

Unlike other Australian states, Victoria is, generally speaking, well supplied with water. This is not by chance because the State Rivers and Water Supply Commission has spent over £70 million to date on irrigation. Victoria proudly claims that the quality of water delivered through its reticulated water system is the best and purest in the world.

## Foreign Trade

Because of the rapid industrialization of the state, the demand for capital goods is increasing and Victoria has for the past seven years had an adverse balance of trade. (See Table I.)

Imports of raw and semi-manufactured materials are also in great

demand in this state. For example, Victoria leads all other states in imports of cars and components. This is not surprising because the principal factories of General Motors-Holden and Ford are situated either in or near metropolitan Melbourne.

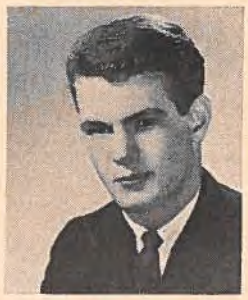
Table II lists the principal imports into Victoria from all sources by value for the fiscal year 1963/64.

In 1963-64 a total of 818 items were recorded as entering Victoria by direct shipment from Canada. Table III gives some indication of the extent of the market. However, it is important in analyzing Victoria as a market for Canadian goods to note particularly that the published statistics only include those products that are imported directly through Victorian ports. They do not include those imported through other ports in Australia and carried into Victoria by rail or road, or even by coastal vessels.

**They Serve You in Melbourne**

**H. A. Gilbert**
**Commercial Counsellor**

**R. D. Lucas**
**Assistant**
**Commercial Secretary**



**J. D. Tennant**
**Assistant**
**Commercial Secretary**

TABLE I

VICTORIA—VALUE OF OVERSEAS TRADE

| Period | Imports | Exports | Deficit |
|---|---|---|---|
| | (thousands of A£, f.o.b.) | | |
| 1957-58 | 282,713 | 218,373 | — 64,340 |
| 1958-59 | 291,297 | 219,551 | — 71,746 |
| 1959-60 | 339,349 | 244,070 | — 95,279 |
| 1960-61 | 399,972 | 246,971 | —153,001 |
| 1961-62 | 305,292 | 286,800 | — 18,492 |
| 1962-63 | 390,063 | 298,528 | — 91,535 |
| 1963-64 | 417,493 | 374,088 | — 43,405 |

## Melbourne

Melbourne, which up to 1927 was Australia's capital, is the financial centre of the country. Its early history of wealth was tied up with the roistering of the gold miners coming to town from their diggings in places such as Bendigo and Ballarat. But primary production gradually took over from gold as the more important source of wealth and now industry is becoming the leading moneymaker.

Melbourne, in addition to being the state capital, is Victoria's major port and business centre. Almost all of the trading done in Victoria is carried out by companies with head offices in Melbourne. A portion of Collins Street, which runs through the heart of the city, is aptly called the "Golden Mile." Here are the head offices of most of Australia's banks, of several insurance com-

TABLE II

VICTORIA—PRINCIPAL OVERSEAS IMPORTS, 1963/64

| Item | Value (£'000) |
|---|---|
| Aircraft and parts | 7,485 |
| Apparel | 4,707 |
| Coffee | 2,102 |
| Crockery | 1,160 |
| Drugs, fertilizers, chemicals | 23,232 |
| Fibres: | |
| Cotton | 2,152 |
| Sisal | 1,797 |
| Synthetic | 3,935 |
| Fish | 3,281 |
| Floor coverings | 2,611 |
| Glass (plate and sheet) | 1,510 |
| Hand tools | 1,307 |
| Iron and steel: | |
| Plate and sheet | 4,333 |
| Other | 6,247 |
| Jewellery, watches, etc. | 2,770 |
| Machinery: | |
| Metalworking | 8,364 |
| Motive power | 8,458 |
| Office | 4,257 |
| Textile | 5,123 |
| Other | 28,844 |
| Motor vehicles and parts | 49,174 |
| Outside packages | 7,051 |
| Paper (newsprint and other) | 14,635 |
| Paper manufactures and stationery | 8,280 |
| Petroleum oils: | |
| Crude | 30,606 |
| Refined | 6,416 |
| Piecegoods: | |
| Cotton and linen | 13,925 |
| Synthetic fibre | 3,455 |
| Pigments, paints and varnishes | 2,784 |
| Pulp for paper making | 3,015 |
| Radio and TV equipment | 3,734 |
| Rubber: | |
| Crude | 4,373 |
| Synthetic | 2,298 |
| Synthetic resins | 9,006 |
| Tea | 4,487 |
| Timber, dressed and undressed | 2,950 |
| Tobacco, unmanufactured | 6,067 |
| Tractors and parts | 13,560 |
| Transparent cellulose | 2,067 |
| Wool | 1,892 |
| Yarns: | |
| Cotton | 1,742 |
| Synthetic fibre | 6,721 |
| Other (n.e.s.) | 96,740 |
| **Total** | **417,493** |

TABLE III

LEADING IMPORTS FROM CANADA INTO VICTORIA

| Item | Value £A | Percentage of Australian Total |
|---|---|---|
| Newsprint in rolls | 1,871,768 | 31 |
| Synthetic resins n.e.s. | 1,524,143 | 99 |
| Automotive components | 1,268,024 | 34 |
| Douglas fir | 809,594 | 18 |
| Motor cars | 550,970 | 49 |
| Safety razor blades | 537,591 | 98 |
| Steel, high speed | 483,668 | 94 |
| Asbestos, chrysotile | 441,022 | 27 |
| Circuit breakers | 316,968 | 100 |
| Chemical wood pulp | 303,960 | 20 |
| Cellulose acetate | 284,194 | 32 |
| Polyethylene resin | 206,854 | 33 |



91867—2½

panies, and of many leading business houses. In the last four years this part of Melbourne, as well as other areas of the metropolis, has completely changed in appearance. New modern office buildings border Collins Street and tower 15 to 20 stories over the city. A Melburnian who had been away from his home city for the past four years would not recognize it.

Melbourne has several department stores, but Myer's Emporium, with its various branches in Victoria, is the biggest in the British Commonwealth. The customers that daily file past the counters displaying goods from all over the world would make up the population of many a country town. It is through these department stores that most of the consumer goods brought into Victoria are sold to the public. Melburnians pride themselves on being discerning and price-conscious buyers, but are always willing to pay for good quality and styling. This latter is particularly applicable to the women's clothing seen in the high fashion shops, which reflects the latest Paris and New York styles.

Metropolitan Melbourne is not only concerned with buying and selling but also with manufacturing. It might rightfully be called the automotive centre of Australia because the two biggest manufacturers, G.M.H. and Ford, have factories in Melbourne suburbs and Massey-Ferguson and International Harvester Co. of Australia are also partly situated in the metropolis. It is not feasible to list all the manufacturers but one indication of the size and extent of Melbourne's business is the 1964 Pink Pages Telephone Directory, with 800 pages and an average of over 140 business addresses on each.

It frequently happens that when an exporter is looking for representation in Australia, he finds that the head office of an interested Australian importer who trades extensively in Victoria is situated in Sydney and vice versa. It is therefore advisable for Canadians seeking the assistance of their Trade Commissioners to write the Canadian offices both in Sydney and Melbourne, the two major business centres of Australia, and leave it to them to decide upon the most advantageous arrangement for the exporter. ●

# Queensland

**Major developments in agriculture, mining and secondary industry make this a distinctive market, calling for special marketing procedures and perhaps an agent in Brisbane to handle direct imports.**

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

QUEENSLAND, larger in area than any Canadian province, occupies the northeast corner of Australia in the subtropical to tropical belt. Although it is rich in resources, it is both under-developed and under-populated, with just over one and a half million people. Its coastline runs from Surfers' Paradise to the Great Barrier Reef, a tourist's dream. The interior contains both good agricultural land and important mineral resources, but has presented barriers to full-scale development that are only now being overcome. Though it contains only one-eighth of Australia's population, it already provides one-fifth of the country's export earnings.

Over 90 per cent of Australia's sugar comes from Queensland and almost 50 per cent of its beef—and sugar and beef are two of its staple exports. The sugar industry, which has benefited from higher world prices in the last few years, is in the midst of a major expansion program designed to double output. The season just ended brought a 1.8-million-ton crop, and the goal for next year is 2.2 million and for 1970, 2.5 million. The expansion program will bring into operation 1,000 new cane farms and an estimated $140 million will be spent on machinery and equipment, transport facilities, bulk storage and harbour works. Fertilizer requirements will rise from 55,000 to an estimated 100,000 tons a year by 1970. Although recent sugar prices are lower, a relatively new customer, Japan, has been allocated 500,000 tons from next year's crop and France has placed an initial order. This indicates that there will be no problem in disposing of the increased tonnage on world markets.

The beef industry, winning larger markets overseas, is also extending and improving production and marketing facilities. On the production side, the clearing of the Brigalow belt, an area of 23 million acres, is under way. This fertile belt covered with brigalow trees of no commercial value presents a difficult assignment; however, the first five year program now in hand will provide over four million acres of fertile pasture land for cattle, in units ranging from 6,000 to 10,000 acres each. A major program of building main roads for the transport of cattle by truck to market centres is continuing and the renovation and extension of abattoirs in all centres are proceeding.

Australia's mineral and oil resources are covered elsewhere in

this issue, so only the highlights of the Queensland industry are mentioned here to complete the picture of the state. Copper, mined in the interior at Mt. Isa, is a major export earner and the $100 million expansion program at Mt. Isa mines is continuing, though labour problems have temporarily set back the industry for the current year. The importance of coal mining has increased with worthwhile contracts for the Japanese market. A U.S.-Australian-Japanese consortium is mining coal to supply two million tons a year for export to Japan. (Reserves are estimated at 2,000 million tons.) Discovery of the world's largest bauxite reserves in Weipa in Northern Queensland has resulted in the building of what will be the world's largest alumina refinery at Gladstone on the eastern coast.

Last but not least in potential is the development of an Australian oil and gas industry arising out of successful drilling of the Moonie oil fields. A 190-mile pipeline carries the oil to Brisbane where two refineries are under construction; the first to be completed in 1965 and the next in 1966. Over 100 wells were drilled in 1964 and over fifty companies are involved in exploration.

### The Market

This outline of developments suggests that Queensland is on the move. Secondary industry too is expanding and opening up a growing market for Canadian products. Total direct overseas imports into Queensland last year were worth $160 million, and imports either from other Australian states or indirectly from overseas through Melbourne and Sydney amounted to over $6½ billion.

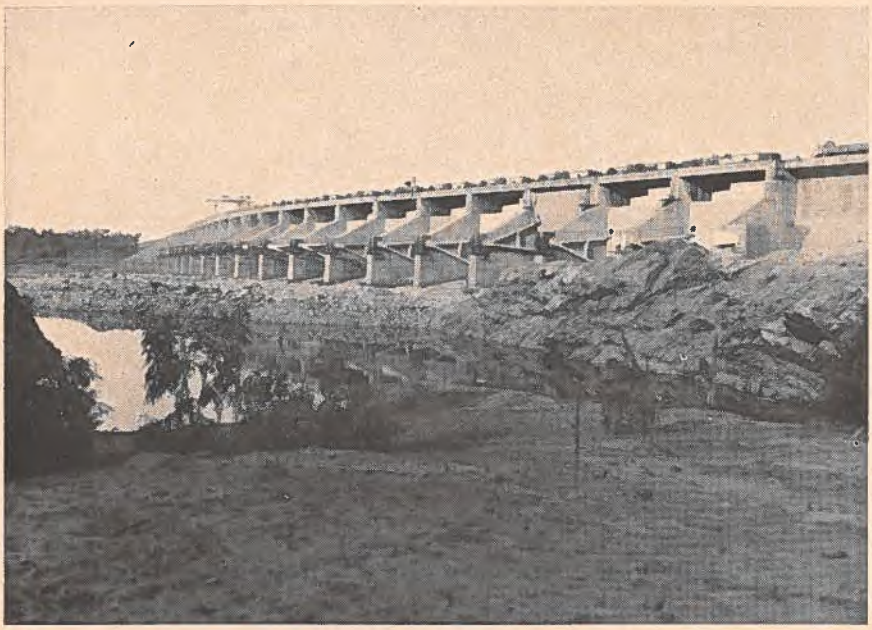
The question arises: what is the significance of the Queensland market for Canadian exporters in relation to the total Australian market? The first point is that there are a number of specialized needs in Queensland, as this summary of developments implies. To meet the requirements of expanding industry, about $500 million will be spent over the next decade on the supply and distribution of electric power. Equipment for meat packing and processing and for the sugar industry involves huge outlays on imports in addition to Australian supplies. The Gladstone refinery alone will provide a large market for industrial equipment. Canadian participation in oil exploration is significant and there are increasing demands for drilling equipment and supplies and oil-well casings.

### Selling There

Brisbane and other ports on the Queensland coast are nearer to Canada than either Sydney or Melbourne. However, the pattern of trade in the main has been for agents and importers in the two major trading centres to import from overseas and tranship by rail or sea to Brisbane. This pattern is now changing slowly and this change will accelerate to the point where either agents with head offices in Brisbane or branch offices of Sydney and Melbourne firms will import directly into Brisbane from overseas.

Because the Queensland market is largely supplied by Australian goods produced in Melbourne and Sydney, there are significant freight charges involved. It follows that where Canadian products are competing with Australian goods, then the competitive position of the Canadian manufacturer may be better in Queensland than in Victoria and New South Wales. For instance, on some bulk items, chartered freight Vancouver to Brisbane has been lower than South Australia to Brisbane. In these instances, a Brisbane agent is a logical choice—where, for example, specialized equipment for the oil industry is involved. Canadian export trade with Australia may be enhanced by considering a separate agent in Queensland on the advice of the Trade Commissioner rather than assuming that one agent for all of Australia is the answer. ●

**Queensland produces over 90 per cent of Australia's sugar from cane fields like this one, where a Massey-Ferguson harvester is at work. Last season brought a 1.8 million ton crop; expansion program aims at 2.2 million tons, in 1966, 2.5 in 1970.**



**In parts of Western Australia irrigation makes raising some crops possible. Here is a completed diversion dam, part of a big irrigation project on the Ord River in the tropical northeast, where cotton, oilseeds and rice will be grown.**

# Western Australia

**This isolated state, stretching over one million square miles, has rich mineral resources; offers a market for oil drilling and mining equipment, aircraft, farm machinery, fertilizers and fishing gear.**

J. D. TENNANT, *Assistant Commercial Secretary, Melbourne.*

WESTERN AUSTRALIA — the "western third"—is set apart from other Australian states. Its remoteness and its lack of population have isolated this giant from sister states in the East, despite its size and its diversity.

It is now a market of considerable though special importance—first, because of the extensive resource development under way and second, because of the upsurge that this will inevitably bring to all business. Distances from the main business centres of Sydney and Melbourne suggest that separate agency arrangements for imported products may be necessary to achieve effective Australia-wide distribution.

## Perth Is Population Centre

Western Australia stretches from temperate to tropical zones over nearly one million square miles—or a third of the Australian continent. The total population is 800,000—less than one person per square mile.

Perth, the capital city, has 500,000 people and around it is located the majority of the industry. Perth lies along the lazily flowing Swan River and basks in an Indian Ocean climate which brings it an average of eight hours' sunshine a day. Fremantle, the major port, is within a few miles at the mouth of the Swan.

The concentration of population in the Perth area makes it the most isolated city of its size in the world—a fact that the residents admit. Within a radius of 1,200 miles there is not a town with more than 25,000 people. Most of the remaining population is scattered south and west of Perth in the main agricultural area.

The rest of the state, north and west, can only be described in words that even the West Australian cannot avoid: rugged, barren, desolate, uninhabited. The northern half—500,000 square miles, larger than all of Ontario—has less than 25,000 inhabitants or one per twenty square miles.

The north itself has a diversity of land types—a predominantly rocky coastline, changing to scrubby tough mountains inland and then into near-desert—land covered almost insultingly with spinelike spinifex. But the North has one characteristic in common—it is desolate.

Monsoons bring life to some of this hot dry country—but only temporarily. Irrigation has made small encroachments but for the moment at least, it is the prospector and the miner who have found more lasting wealth, particularly in rich iron ore deposits.

The task of development which has faced Western Australia has obviously not been easy. However, modern ideas and spirit are changing this great twentieth century frontier and a current of excitement and optimism is evident.

## Agriculture Still Basic

Despite recent mineral developments, agriculture remains basic in Western Australia; it produces 26 per cent of the country's wheat and 11 per cent of the wool clip. In the southwest, a million acres of agricultural land are being brought into

production each year with considerable skill and capital in extensive operations. Present estimates indicate that this expansion will continue for at least 25 more years.

Agricultural activity extends throughout a surprising area of the state—even to the near-desert sections of the famous "outback". Sheep and cattle often face difficult conditions but a sizable industry is growing up in these northern areas, known for their 800-square-mile "stations" (ranches). Government programs will invest $7 million this year in roads for the North, much of it part of the "beef road" scheme to assist the development of inland cattle areas blocked from ports by rugged mountain country. These improved roads, with the upgrading of packing plants at the ports, have been a major factor in the tenfold increase in Western Australian beef exports since 1952. In the fiscal year 1963/64, these exports were valued at $13.8 million.

Current agricultural interest centres on the Ord River scheme, located in the tropical northeast corner of the state. Initially, the Ord, a seasonal and alluvial river, was dammed at a cost of $20 million to irrigate 30,000 formerly unproductive acres. A proposal for the expansion of this area to 200,000 acres carries a $75 million price tag. Cotton, harvested here for the first time in 1964, would be the main crop, although oilseeds and rice are also being considered.

### Fisheries and Timber

Western Australia has rich fisheries resources along its 4,350-mile coastline. Crayfish are now by far the leading catch and command high prices on the export market, particularly in Canada and the United States; exports in 1963/64 were worth $12 million. However, there are signs of depletion, a situation which has imposed limits on the crayfish industry.

Australian salmon, which is canned in the state, ranks as an important catch and a prawning industry has grown up near Broome in the north in the past four years. Pearling has seen severe fluctuations but culture beds may lead to a revival.

A sizable timber industry based on the hardwood eucalypt forests of jarrah and karri supplies 14 per cent of the country's total output. Jarrah is a particularly suitable timber and it is shipped to other states and nearby countries. Stands of pine have been planted for softwood production.

### Minerals Drew Settlers

It was gold, discovered in various areas between 1885 and 1893, that originally drew many settlers to Western Australia. Today the state produces 80 per cent of Australia's gold, or $32 million worth a year. Without a subsidy, however, many operations are uneconomic. Silver is also recovered.

The current source of excitement in the West today is iron ore—large and rich deposits which should soon make Western Australia a leading world producer. The development of these rich reserves, the sales contracts made with Japanese steelmakers, and the impact of these events is explained in detail in another article in this issue. (See page 29.)

Bauxite deposits are now being developed for an alumina refinery opened in 1963 and blue asbestos, valued at $4 million per year, is mined at remote Wittenoom Gorge.

Oil has returned to the limelight after 12 years of extensive but generally unsuccessful exploration. An early strike in 1952 raised hopes but it could not be developed commercially. However, in 1964 two areas have shown promise and are still being evaluated.

### Secondary Industry

Although the immediate emphasis rests with these rural and mineral developments, an important secondary industrial complex is growing. This is based primarily on steel, petroleum refining (Australia's largest refinery), fertilizers, and timber industries.

The serious exploitation of iron ore deposits in coming years should give considerable additional impetus to industry. Indeed, several iron ore agreements provide for the eventual establishment of complete steelmaking facilities in Western Australia.

### Distribution Problems

In terms of access, Western Australia is obviously a distinct market. Nevertheless, the 800,000 population can be a limiting factor if separate distribution outlets are sought to overcome the isolation from major centres. Perth has a large number of firms serving as manufacturers' representatives, importers, agents, distributors and stockists.

The bread-and-butter lines for these firms are usually Australian goods produced in the eastern states. A number are associated with Sydney or Melbourne importers and act as exclusive sub-agents for Western Australia or simply as exclusive wholesalers. Others may import directly and hold exclusive Western Australian franchises. In addition to the firms operating solely in Western Australia, many of the large trading houses and eastern manufacturers have branch offices which serve the same purpose.

Canadian firms considering the Australian market should take into account the distribution offered by Sydney and Melbourne firms and if necessary make special arrangements for the Western Australian market.

Obviously, a reasonable potential volume is necessary, so that more than minimum shipments can be ordered and some return for the importer be assured.

A separate agency pays a particularly large dividend where a product needs to be actively promoted. Eastern agents frequently limit their coverage of the market to two or three quick trips per year, often insufficient for adequate coverage. For selling oil drilling and mining equipment, aircraft, farm machinery, fer-

tilizers, commercial fishing gear and similar products of particular interest, direct representation is essential.

Regular direct shipping service to Fremantle is available from the Canadian West Coast. Ships sailing from Canada's Eastern ports do not call at Fremantle and, unless there is cargo inducement, transhipment from another Australian port is necessary. ●

# South Australia

**Imports from Canada into this state now total $11.7 million and the expanding economy should provide opportunities for even greater sales of industrial materials and machinery, automotive components, softwood timber and newsprint and sophisticated consumer goods.**

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

ADELAIDE, capital of South Australia, was incorporated in 1840 as Australia's first municipality and today has 600,000 people, more than 50 per cent of the state's population. Industry is growing fast but Adelaide still retains its leisured charm. Suburban and manufacturing areas are separated from the commercial centre and the city, with its broad streets and colourful garden squares, is contained within four wide terraces and surrounded by a green belt of parklands.

Metropolitan Adelaide covers less than 170 of South Australia's 380,070 square miles but has 62 per cent of its manufacturing plants. General Motors-Holden is the largest single investing company and just under half of this firm's work force lives in or near Adelaide. Investment to date has totalled $60 million, with current expansion amounting to an additional $40 million. Chrysler recently began making cars in Adelaide in a $43.2 million plant. These are two examples of the developments in secondary industry taking place today in this city.

## Industrial Development

In the past ten years or so industrial development has progressed at a spectacular rate. In the 1930's primary production was the main source of income but now the emphasis has switched to secondary manufacturing. Table I shows how these increases have affected the economy.

There have also been advances in this field elsewhere in the state; the following paragraphs cover the main areas.

**Elizabeth**—A satellite town some 20 miles from Adelaide, Elizabeth was established in 1955 and already more than 30 overseas and Australian firms are located there. Homes are being built at the rate of 1,000 a year and the population has now reached 35,000. Within the next three years, it is estimated that Elizabeth will have more than 50,000 people.

**Whyalla**—The industrial and shipbuilding town of Whyalla lies across the Spencer Gulf, 250 land miles from Adelaide. Australia's iron and steel industry was founded here, thanks to large deposits of high-grade iron ore mined by the open-cut method at Iron Knob, Iron Monarch and Iron Baron. To date these seams have yielded 86 million tons of ore, most of which is shipped from Whyalla to smelters at Newcastle and Port Kembla, New South Wales, to Australia's sole steel producer, Broken Hill Pty. Company Ltd.

More than $120 million is being invested in a new steelworks at Whyalla which when completed will produce one million tons of steel a year.

The largest shipyards in Australia are those of the B.H.P. Company Ltd., located at Whyalla. General cargo vessels and tankers up to 50,000 tons can be built in these yards.

**Port Pirie**—Port Pirie claims to be the site of the world's largest lead smelter, where 11 per cent of the world's lead requirements is produced. The lead concentrates are shipped by rail from Broken Hill, New South Wales, more than 200 miles away. Sixty per cent of Australia's silver is recovered during the lead smelting process.

TABLE I

CHANGES IN MANUFACTURING

| | 1954 | 1964 | Per cent Increase |
|---|---|---|---|
| Number of factories | 3,577 | 5,766 | 61 |
| Employment in factories | 85,500 | 105,000 | 23 |
| Total factory wage bill | £ 63 million | £110 million | 75 |
| Value of production | £100 million | £190 million | 90 |

**Mount Gambier**—Mount Gambier, situated 300 miles southeast of Adelaide on the Victorian border, is the centre of the state's softwood forests, mainly *Pinus radiata*. From plantings started 85 years ago, the forests now cover 200,000 acres and are valued commercially at $70 million. The reserves are capable of producing 500 million board feet of timber a year in perpetuity and provide most of South Australia's timber requirements.

Already three of Australia's largest sawmills and numerous smaller companies are located in this area and producing paper boards, paper, tissue paper, hardboard and insulating board.

### Water Resources

South Australia has a long dry summer and, except for the coastal fringes, a low rainfall; consequently large reservoirs and extensive irrigation systems have of necessity been developed. Foremost among these is the 223-mile pipeline which brings water to Whyalla and surrounding districts from Morgan on the Murray River. Branches of this line supply the iron ore area at Iron Knob and the rocket research establishment at Woomera.

Adelaide gets water from seven reservoirs and a 50-mile pipeline from the Murray River, which in itself is capable of supplying up to 20 billion gallons a year, or two-thirds of the city's needs.

Future needs are being met as follows.

- Duplication of the Morgan-Whyalla line.
- New reservoir on the Torrens River to meet the capital's water requirements.
- Participation jointly with the Federal Government and the State Governments of Victoria and New South Wales in the $34 million Chowilla Dam project on the Murray. This will regulate the river flow and ensure adequate pipeline supplies from 1970 onwards.

### Trade with Canada

The state is Australia's largest producer of table wine and brandy and this is reflected to some extent in its export trade with Canada. Between the fiscal years 1959-60 and 1963-64 direct shipments from this market to Canada rose from £1.2 million to £2.02 million, slightly less than a 70 per cent increase. Dried fruits (such as sultanas, raisins and currants) account for 32 per cent and wines for 10 per cent of the trade. Wool accounted for nearly 20 per cent of direct exports during the period under review.

The balance of trade, however, is in Canada's favour. Total imports into the state from Canada have risen from £3.43 million to £4.86 million over the past five fiscal years. The biggest single commodity being landed at South Australian ports is softwood timber, imports of which have increased 70 per cent to reach £1.56 million over the same period.

**From these grapes raised in South Australia, table wine and brandy will be made and some of it will move to Canada. So will sultanas, raisins and currants, dried in the warm sun.**

Although Table II does not purport to be a true picture of Canadian goods entering the South Australian market because there are interstate shipments of merchandise from Melbourne or Sydney, it does emphasize one fact—that there is a broad range of products going into South Australia and classified under the basket heading of "All other items". This category shows a marked increase over the years.

What can Canadian exporters sell in this market? The following facts may help to answer this question.

- A higher standard of living in the state is leading to a demand for more sophisticated consumer goods.

**TABLE II**

**DIRECT IMPORTS FROM CANADA INTO SOUTH AUSTRALIA 1959/60—1963/64**

| Commodity | 1959-60 | 1960-61 | 1961-62 | 1962-63 | 1963-64 |
|---|---|---|---|---|---|
| | | | (A£'000) | | |
| Asbestos, crude and fibre | 100 | 93 | 105 | 163 | 165 |
| Iron and steel, hoop and strip | 409 | 641 | 305 | 539 | 630 |
| Aluminum and aluminum-base alloys | 79 | 125 | 59 | 98 | 47 |
| Nickel and nickel-base alloys | 7 | 108 | 69 | 124 | 113 |
| Original components for assembly of motor vehicles | 993 | 1,234 | 412 | 1,276 | 922 |
| Machines and machinery | 102 | 186 | 155 | 202 | 138 |
| Rubber substitutes (not compounded) | 61 | 48 | 23 | 40 | 43 |
| Timber, softwood | 923 | 1,229 | 1,103 | 1,228 | 1,562 |
| Newsprint, not glazed or coated | 461 | 593 | 305 | 305 | 366 |
| All other items | 303 | 313 | 503 | 756 | 872 |
| **Total imports** | **3,438** | **4,570** | **3,039** | **4,731** | **4,858** |

Note: For conversion purposes A£1=$2.42 Canadian.

• South Australia produces nearly all of the country's barley crop. Canadian firms might offer ideas for this industry.

• Tuna fishing, which started seven years ago and now has a yearly catch of 6,000 tons, is the fastest growing fishing operation.

• A gas strike 500 miles north of Adelaide confirms a belief that the state has strata favourable to oil and gas.

If this report suggests to any Canadian manufacturer the possibility that his equipment or products could sell in the South Australian market, he may wish to contact the Canadian Government Offices in Melbourne to obtain details. •

# Tasmania

**A plentiful supply of cheap electric power has attracted a variety of industries. Some are now expanding, offering to Canadians good opportunities to sell industrial equipment and machinery.**

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

THE heart-shaped island of Tasmania lies some 200 miles across the Bass Strait from Melbourne. The smallest in both size and population of the six federated states, Tasmania is regarded by many mainlanders as an offshoot rather than a main limb of the Commonwealth of Australia.

Tasmanians are conscious of this and are quick to point out in rebuttal that their island was settled after New South Wales and that the first settlers of Victoria migrated across the Strait from Tasmania. However, it is generally recognized that Tasmania, with a population of slightly under 365,000, suffers many drawbacks in being physically separated from the remainder of Australia. Many people on the mainland regard Tasmania as an outsize apple orchard blessed with good trout-fishing streams.

Actually some of the developments in Tasmania compare more than favourably with the rest of Australia and in certain instances have even outpaced the other states. One example is the work done and projected by the Hydro Electric Commission. The Commission is one of the few power authorities in the world that carries out all the work involved in electricity supply —from the investigation of resources through design, construction and operation to the delivery of power to consumers.

### Power Resources Are Plentiful

Total potential of Tasmania's power resources has been conservatively estimated at two million horsepower, including the stations already in use. In 1964 the Commission passed the one million h.p. mark when the first machine of the $65 million underground project at Poatina was switched on. Now emphasis has been transferred to the Mersey-Forth Power Development which is the HEC's biggest and most ambitious project to date. The scheme, which will cost about $125 million and will not be completed until 1974, will exploit the waters of three rivers and a lake in the northwest. Seven dams and power stations will be built and Tasmania's electricity supply system will be boosted more than 30 per cent to 1.7 million horsepower or 1,220 megawatts.

The Commission has already spent over $300 million on capital works, not including the latest scheme, and is thus a mainstay of Tasmania's economy. It is continuing its expansion programs and is constantly carrying out surveys to determine the waterpower resources that it can develop economically. It is now making one survey on the Gordon River, near the mining areas of the west coast. The Commonwealth Government has voted $6 million to the State for construction of a road to this area and work is well in hand. It is estimated that about 1,500 megawatts can be developed on an economic basis in Tasmania and therefore sufficient resources are available for future projects. However, experts are concerned to some extent because the island's consumption of electricity is doubling every ten years or so.

### Electricity Widely Used

With only 3 per cent of the Commonwealth's population, Tasmania generates more than 12 per cent of its electricity. What happens to this electricity? Industrial use accounts for over 74 per cent, compared with the mainland's 45 to 50 per cent. Tasmania's cheap electricity and adequate raw materials have attracted several large industries, such as aluminum refining, newsprint, zinc refining, fine paper, ferro manganese and carbide. Some of these plants are large even by Australian standards and a few are the only ones of their kind in the Commonwealth.

Domestic use of electricity is further advanced than on the mainland and nearly 99 per cent of the population enjoy its benefits. Of the homes 75 per cent have electric ranges, 72 per cent hot water heaters, and 67 per cent both. Prac-

tically all new homes being built today are supplied with electricity, even in the more remote rural areas.

### Industry Is Expanding

Since the war Tasmania's manufacturing industries have expanded rapidly and employ one-quarter of the available work force of 134,000. Apart from the low cost of hydro-electric power, other factors influencing this development have been the supply of essential raw materials, a temperate climate, deep-water access ports, and factory sites in areas free from industrial congestion. During the fiscal year 1962-63, factory production reached an all-time record of $170 million, 11 per cent above the previous year's $154 million.

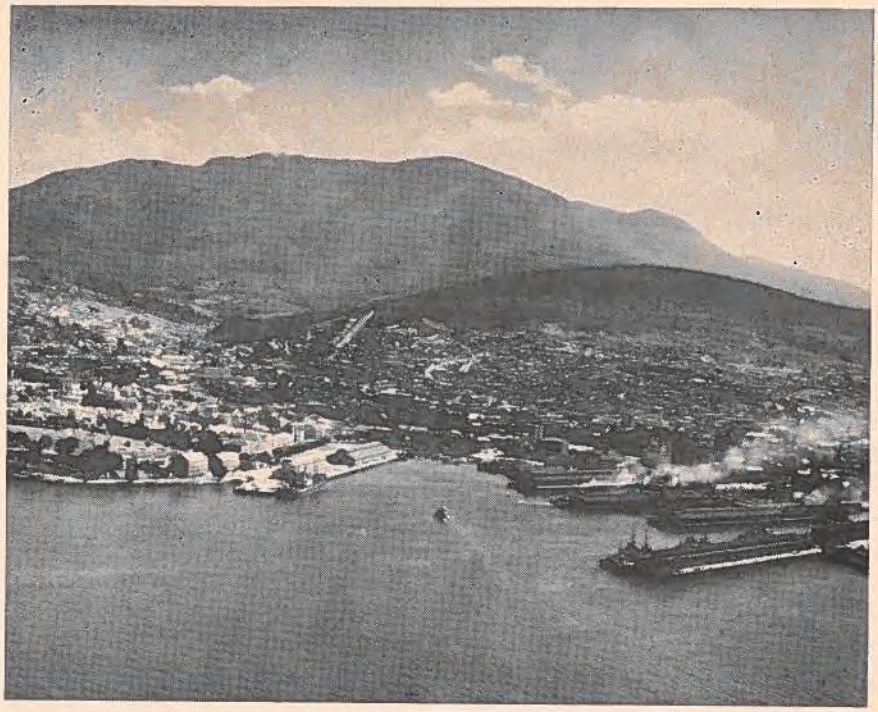
Many of the largest industries—forest products, carbide and zinc—are situated in non-urban areas, close to their raw materials. The principal centres of general industrial activity, however, are Hobart, the state capital with a population of 121,000, Launceston, and Burnie and Devonport, both situated on the northwest coast.

### Iron Ore Deposits Promising

Significantly, all of Tasmania's major industries are located on or near a deep-water port or navigable river. This is true of the iron ore development under way in the Savage River area, in almost inaccessible country southwest of Burnie. Here, U.S. and Japanese interests are investigating the potential of the area, estimated at 400 million tons of low-grade ore. The U.S. company surveying the area is expected to spend over $1 million on development works in the next nine months or so. If the project is fully developed, more than $70 million will be spent on the following:

- Concentration plant near Waratah.
- Enlarging the port of Strahan for large vessels.
- Pelletising plant at Strahan.
- Pipeline to pump iron ore concentrate from the mine to the plant at Strahan.
- Housing at both Savage River and Strahan.

The ore will be exported to Japan at the rate of two million tons per year for the next 20 years.



**Here is Hobart, capital of the island state of Tasmania. Blessed with abundant water-power, it is developing these electric power resources and expanding its manufacturing industries. These include companies producing wood pulp, newsprint, fine papers.**

### Trade with Canada

It is difficult to obtain complete statistics on Canadian trade with Tasmania because of the transhipment of imported goods by road, rail and sea. Table I lists known direct shipments to Tasmania from Canada for the fiscal year 1962-63

**TABLE I**

**DIRECT IMPORTS FROM CANADA TO TASMANIA**
**1962-63**

| Commodity | Quantity | Value (£A)* |
|---|---|---|
| Canned salmon | 50,290 lbs. | 11,856 |
| Fibre yarns, man-made | 45,740 lbs. | 18,269 |
| Felt and textiles | 3,444 sq. yds. | 13,356 |
| Unwrought aluminum, pigs, blocks, ingots, etc. | 2,886 cwt. | 30,092 |
| Nickel, unwrought, blocks, ingots, etc. | 800 cwt. | 31,166 |
| Woven wire for paper making machinery | 101,840 sq. ft. | 51,797 |
| Carbon, furnace electrodes | ..... | 16,294 |
| Mining and metallurgical machinery | ..... | 28,556 |
| Earthenware, chinaware, etc. | ..... | 10,559 |
| Pulp for paper manufacture, including chemical pulp | 12,555 tons | 685,541 |
| Newsprint, not glazed or coated | 1,437 tons | 88,974 |
| **Total imports from Canada** | | **£1,022,870** |

*Note: For conversion purposes £A1=$2.42 Canadian.



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and highlights the fact that wood pulp alone accounts for nearly 70 per cent of the trade between the two.

Can this trade be increased? The answer is not a simple one because many other Canadian products, either for industrial or consumer use, are known to Tasmanians. These are supplied by mainland agents and distributors who visit the island several times each year or by some of the larger Melbourne or Sydney firms which have opened branch offices in Tasmania.

Probably the area in which Canadian companies could best increase their exports to Tasmania is specialized industrial equipment. The various projects being planned or undertaken by the Hydro Electric Commission provide many opportunities to submit quotations on generating, transmitting, distributing or associated equipment.

The three paper companies—Associated Pulp & Paper Mills Ltd. at Burnie, Australian Newsprint Mills Ltd. at Boyer, and Australian Paper Manufacturers Ltd. at Huon—are all acquainted with Canadian-made machinery and equipment and with planned expansion could well welcome new ideas for their plants. For example, APPM Ltd., with a yearly plant capacity of 100,000 tons of fine papers, is currently duplicating its complete Burnie plant some twenty miles away near Devonport. It is estimated that the new works will be producing 25,000 tons of paper by 1973, and 50,000 tons ten years later.

Since production began in 1941, annual output at the Boyer newsprint mill (Australia's sole newsprint manufacturer) has risen from 27,000 to 92,000 tons. The Port Huon mill of Australian Paper Manufactures, which went on stream in 1963, has a plant capacity of 32,000 tons of pelletted pulp and has planned an increase to 70,000 tons.

These are a few of the fields in which Canadian firms could expand their exports, either through direct shipments or through their present agents. The Canadian Government Office in Melbourne will be pleased to provide additional and more detailed information on request. ●

# What's Going On in Australia?

IN 1964, new car registrations in Australia totalled 250,062, an increase of 7.3 per cent over the previous year. Demand for new vehicles has tapered off in the last three years; (13.5 per cent in 1963 and 41.8 per cent in 1962).

AUSTRALIAN exports to Canada for January of this year totalled £1.5 million (Can. $3.63 million). Sugar accounted for just under $1 million of the total.

PLANS for a second satellite town outside Adelaide, South Australia, have been announced. To be named Ingle Farm, the town would cost more than $36 million, have 3,200 homes and a population of 13,000, and take five years to build.

SUGAR production in Australia in 1964 totalled over 1.9 million tons actual sugar. Because of lower world prices, however, the value was down to £90.8 million.

TASMANIA produces 75 per cent of Australia's total production of 1,700 tons of hops each year.

MORE than one-third of Australia's annual apple crop of about 18 million bushels is grown in Tasmania.

A MILITARY academy for the Royal Australian Air Force will soon be built at Point Cook, Victoria. Cost is estimated at $2¼ million.

A $10 million air traffic control and communications centre is to be built at Sydney airport. The Minister for Civil Aviation said recently that the project should be completed by 1969.

FOUR companies have been granted temporary reserves totalling 20,300 square miles for phosphate exploration in Western Australia. The reserves have been let for twelve months.

JAPANESE car makers claimed 6.7 per cent of the Australian market in January 1965; for the same month last year, the figure was 3.7 per cent.

THE value of retail sales in Australia during February was £226.6 million, an increase of 3.1 per cent over the same period of last year.

WORK on the 41st vessel since the first one was built in 1941 was recently begun at the Whyalla, South Australia, shipyards. This is the 21,450-ton bulk carrier *Gerringong*, the largest vessel to be built in Australia.

COMALCO, one of Australia's two major aluminum producers, recently raised the price of primary aluminum to £260 per ton, a rise of £9.

AUSTRALIA should have two new carbon black plants by mid-1966 to bring to three the number of local plants. Imperial Chemical Industries, with Phillips Petroleum, is building a combined synthetic rubber-carbon black plant at Kurnell, New South Wales. Continental Carbon had previously announced plans to build a plant with a 30-million pound a year capacity.

UNDER the Petroleum Search Subsidy Act which became law in December 1957, oil drilling and exploration companies have received direct subsidies totalling £20.3 million to date. Up to 30 per cent of the cost of geophysical surveys and drilling operations is paid for under certain conditions.

STARTING January 1, 1966, the percentage of Australian leaf to be used in locally manufactured tobacco products will rise to 50 per cent. If the figure is not met, manufacturers will not qualify for duty concessions on imported leaf.

# These Are Commodities Markets

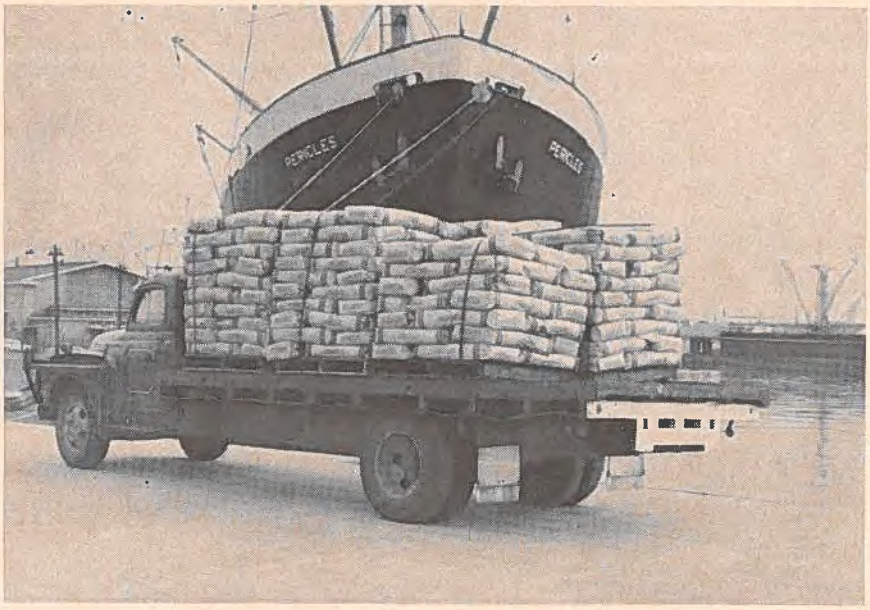
## Chemicals

**Imports of chemicals into Australia have risen from $150 million to $200 million in the past two years but Canadian manufacturers are supplying only 3 per cent of the market. Greater attention to it might increase sales of chemicals that are being produced in Canada.**

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

THE Australian chemical industry began with the production of explosives in 1874 and its growth, particularly in the post-war era, has been dramatic. Although it is one of Australia's fastest growing industries, it is not without problems. In the main, the Australian chemicals manufacturer is faced with high unit costs because of the relatively small domestic market and is involved either with a less than economic production run or serious over-production. High transportation costs between plant site and market centres add to the problem.

In Australia the rapid growth of the chemical industry stems in large part from government encouragement through bounties and protection. Currently the Tariff Board is carrying out a complete review of the industry to establish government policy for tariffs and protection. This review is also designed to iron out anomalies that may have arisen from piecemeal tariff reviews of various segments of the industry over a period of years.




**A shipment of lignosulphonates from a Canadian plant arrives on a Melbourne dock. Some 30 Canadian chemicals manufacturers are selling to Australia.**

### Current Status

Over 1,300 chemicals are produced in Australia in over 500 factories that together employ over 25,000 persons. The industry is diverse. Fourteen factories account for almost 50 per cent of the employment and output and over 250 of the smallest firms account for only 5 per cent. Because many of the small and medium-sized firms are only processors, the true chemical producers number about 60.

To indicate the market potential, Table I gives some details of imports. It is well to bear in mind, however, that the major domestic manufacturers are affiliates of large international firms and the pattern

**TABLE I**

**CHEMICAL IMPORTS**

| | 1961/62 | 1962/63 | 1963/64 |
|---|---|---|---|
| | | (in A£'000) | |
| **Total** | **59,544** | **71,231** | **81,687** |
| United States | 13,474 | 20,617 | 25,113 |
| Britain | 21,003 | 21,599 | 22,834 |
| West Germany | 6,455 | 7,292 | 8,013 |
| Japan | 1,547 | 2,171 | 4,855 |
| Switzerland | 3,432 | 3,638 | 4,012 |
| Canada | 821 | 2,156 | 2,446 |

of trade must be examined with inter-firm dealings in mind. Imperial Chemical Industries of Australia and New Zealand (ICIANZ) is far the largest manufacturer. The other major companies are Monsanto, Union Carbide, Altona Petra Chemicals (Esso and Mobil), Shell and CSR Dow.

The United States has moved to first place as a supplier, increasing its share of the market from 23 to 30 per cent. Britain has slipped to second place and its portion has dropped from 30 to 27 per cent. The other leading suppliers are West Germany, Japan, Switzerland and Canada, in that order.

There are some 30 Canadian manufacturers represented in the Australian market and they share in sales of 38 of the specified import items. The large miscellaneous groupings defy a detailed analysis but Table II lists those specified chemical imports the value of which exceeded A£250,000 in 1963/64. Also shown is the value of Canadian exports of those items.

TABLE II

MAJOR CHEMICAL IMPORTS 1963/64

| | Total | From Canada |
|---|---|---|
| | (in A£'000) | |
| Aluminium oxide | 2,193 | 0.5 |
| Tetraethyl lead | 1,357 | .... |
| Insecticides (weed killers) | 965 | 22. |
| Calcium carbide | 759 | 90. |
| 2-ethylhexyl alcohol | 659 | .... |
| Toluene di-isocyanates | 649 | .... |
| Rutile titanium oxides | 505 | 4. |
| Nickel oxides | 393 | 325. |
| Pentaerythritol | 380 | 308. |
| Carbon black | 356 | 2. |
| Carbon tetrachloride | 283 | .... |
| Sodium cyanide | 277 | 93. |

Regardless of the outcome of current tariff hearings and changes in classification, it is evident that Australia's chemical requirements from overseas will continue to increase. Canadian manufacturers who are interested in the Australian chemicals market may write to the Chemicals Division of the Department at Ottawa or to the Trade Commissioner Offices in Australia for further information. ●

*The Chemicals Division of the Department of Trade and Commerce has analyzed the statistics of imports into Australia of organic chemicals and synthetic resins for the fiscal year 1962-63 and has tabulated the data on those chemicals of interest to Canada. Any interested reader may write to the Division for a copy—Editor.*

# Electrical Equipment

**Steam power from coal is used in many parts of Australia, but hydro developments are also going forward. Some Canadian firms have secured part of the lucrative business that these provide and others might exploit the opportunities that these projects offer.**

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

AUSTRALIA is the driest and flattest of the continental land masses—and this fact has influenced the form of electric power generation there. Only 13 per cent of the land area receives over 30 inches of rain a year, and 40 per cent receives under 10 inches. The southern and eastern areas, which have an adequate rainfall, are the most populated and productive. Heavy rains fall in tropical northern Queensland (up to 160 inches) and parts of western Australia (up to 140 inches). Most of the rivers being harnessed for hydro power rise in the mountains of the Eastern Highlands, also called the Great Dividing Range. Some of these rivers flow quickly eastward to the sea and others flow westward to die in the desert. Some join the Darling-Murray-Murrumbidgee system and eventually flow into the Southern Ocean near Adelaide and these, together with those of mountainous Tasmania, are the ones used to generate hydro power.

## Over-All Features

The electrical industry in Australia is a big one. It employs nearly 60,000 persons, a quarter of whom are directly engaged in the construction of new works. Original capital cost of works currently in service is £1.4 billion, or nearly $3.4 billion Canadian, a 50 per cent increase since 1960. In 1960, there were just over three million ultimate consumers; in mid-1964 there were nearly three and a half million.

Coal is the most important prime source of energy. There are huge deposits of black coal (bituminous) in New South Wales and Victoria's power network is based on brown coal (lignite). In 1963-64, steam plants generated 77 per cent of all power and hydro plants just over 22 per cent. Less than 1 per cent came from internal combustion.

At June 30, 1964, all types of installed generating plant totalled 7.69 million kilowatts. During the fiscal year 1963-64 the output of electric power reached 30,425 million kilowatt hours. The annual increase during the past decade has been about 8 per cent on a compounded basis.

Table I gives details state by state of the generating plant installed in each of the past five years.

## New South Wales

In New South Wales, most of the electricity is generated by steam

power stations burning coal, mined from extensive deposits of black coal. During the past decade the trend has been towards stations near the coal-beds rather than next to the load centres, because it is more economic to undertake bulk transmission of power than to haul fuel to the plant site. In the past ten years, coalfield generation of electricity has risen from practically zero to almost 70 per cent of total system energy requirements.

The Snowy Mountains hydro-electric scheme, discussed in more detail later, already makes a significant contribution to meeting peak-load requirements in New South Wales. An agreement between the Commonwealth, Victorian and New South Wales Governments entitles New South Wales to two-thirds of the output of the Snowy Authority, after Commonwealth requirements for the national capital, Canberra, and defence needs are met. Victoria receives the remaining one-third. In 1963, the Snowy Authority provided about 14 per cent of the electricity used in New South Wales.

The major generating authority in the state is the Electricity Commission of New South Wales. It generates electricity in a number of interconnected power stations and transmits it for bulk sale to various distribution authorities. A different organization, the Electricity Authority of New South Wales, is responsible for the co-ordination and development of public supply. It also administers a rural electricity subsidy scheme, which since 1946 has approved subsidies totalling £13.5 million, or nearly $33 million Canadian.

### Victoria

The terms of reference for the State Electricity Commission of Victoria are somewhat broader than for its opposite number in New South Wales because it is a constructing, generating, distributing, supervisory and regulatory body. In addition, its charter allows it to own, develop and operate brown coal open cuts and briquetting works for the supply of solid fuel.

The State Electricity Commission provides the electricity used by nearly 99 per cent of Victorian consumers. During 1964 the millionth consumer was connected to the State system. Power generation and supply are completely inter-linked by means of a widespread transmission system throughout the metropolitan and rural areas. The system is also linked by a 330,000-volt line to the Snowy development in New South Wales.

Victoria's power supply is based largely on vast beds of low-rank brown coal in the Latrobe Valley, about 100 miles from Melbourne. Reserves there exceed 17,500 million tons; last year 18 million tons were mined and the output is increasing by over one million tons a year. Three-quarters of Victoria's electricity is produced from this Latrobe Valley brown coal or briquettes. About 12 per cent comes

**TABLE I**

**GENERATING PLANT INSTALLED**

**(kilowatts)**

| Type of Plant | Year ended 30th June | New South Wales | Victoria | Queensland | South Australia | Western Australia | Tasmania | Snowy Mountains Hydro-Electric Scheme | Total* |
|---|---|---|---|---|---|---|---|---|---|
| Hydro | 1960 | 141,130 | 258,900 | 75,960 | Nil | 2,000 | 541,150 | 380,000 | 1,402,340 |
| | 1961 | 146,980 | 351,900 | 75,800 | Nil | 2,000 | 569,050 | 380,000 | 1,531,630 |
| | 1962 | 146,980 | 351,900 | 75,800 | Nil | 2,000 | 593,050 | 660,000 | 1,835,630 |
| | 1963 | 146,980 | 351,900 | 75,805 | Nil | 2,000 | 617,050 | 660,000 | 1,859,635 |
| | 1964 | 139,980 | 351,900 | 135,805 | Nil | 2,000 | 756,550 | 660,000 | 2,052,135 |
| Steam | 1960 | 1,766,700 | 1,040,500 | 563,574 | 420,800 | 274,045 | Nil | Nil | 4,065,619 |
| | 1961 | 2,088,200 | 1,169,500 | 572,074 | 480,800 | 304,045 | Nil | Nil | 4,614,619 |
| | 1962 | 2,148,200 | 1,289,900 | 659,074 | 548,300 | 304,045 | Nil | Nil | 4,964,519 |
| | 1963 | 2,357,200 | 1,330,100 | 658,750 | 548,300 | 304,000 | Nil | Nil | 5,213,350 |
| | 1964 | 2,529,575 | 1,311,200 | 747,250 | 604,300 | 287,500 | Nil | Nil | 5,494,825 |
| Internal Combustion | 1960 | 45,463 | 39,000 | 38,921 | 12,417 | 24,089 | 390 | Nil | 176,928 |
| | 1961 | 36,191 | 36,600 | 37,538 | 12,132 | 25,070 | 390 | Nil | 167,636 |
| | 1962 | 33,707 | 34,400 | 32,186 | 11,066 | 25,211 | 390 | Nil | 158,675 |
| | 1963 | 31,964 | 32,600 | 32,331 | 10,907 | 24,691 | 390 | Nil | 153,832 |
| | 1964 | 34,202 | 19,700 | 32,531 | 9,657 | 20,940 | 390 | Nil | 138,857 |
| Totals | 1960 | 1,953,293 | 1,338,400 | 678,455 | 433,217 | 300,134 | 541,540 | 380,000 | 5,644,887 |
| | 1961 | 2,271,371 | 1,558,000 | 685,412 | 492,932 | 331,115 | 569,440 | 380,000 | 6,313,885 |
| | 1962 | 2,328,887 | 1,676,200 | 767,060 | 559,366 | 331,256 | 593,440 | 660,000 | 6,958,824 |
| | 1963 | 2,536,144 | 1,714,600 | 766,886 | 559,207 | 330,691 | 617,440 | 660,000 | 7,226,817 |
| | 1964 | 2,703,757 | 1,682,800 | 915,586 | 613,957 | 310,440 | 756,940 | 660,000 | 7,685,817 |

Source: Electricity Supply Association of Australia.

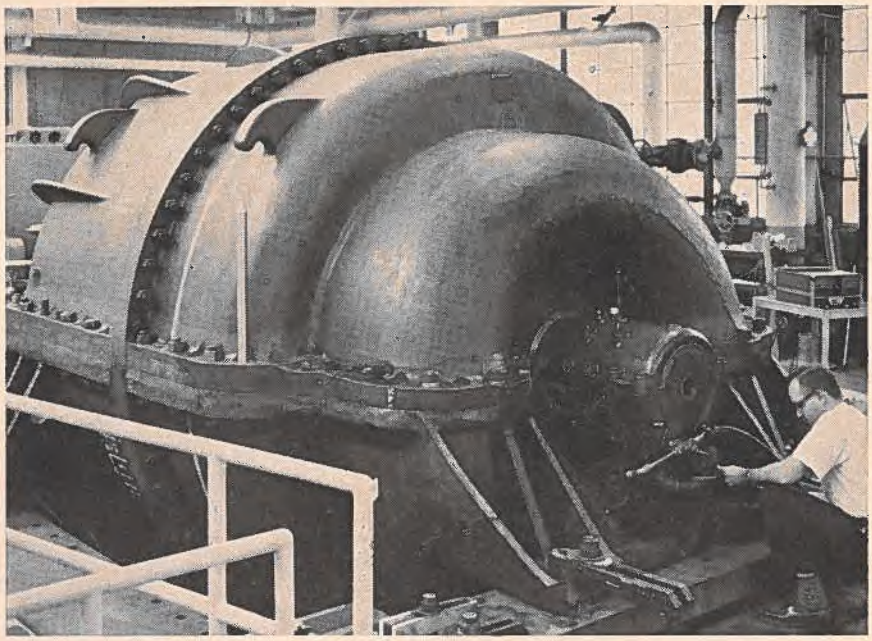
*Note—Northern Territory and Papua-New Guinea also included in the total (42 megawatts in 1964).

from hydro sources, the remainder from black coal and fuel oil.

Installed generating capacity at June 30, 1964 (including the Victorian entitlement of the Snowy scheme) was 1,887 megawatts. In September 1964, the first of six phases of the giant Hazelwood installation was commissioned, adding another 200 megawatts.

A further 200 megawatts should be ready in mid-1965, enabling certain obsolete plants to be retired. The Commission is basing its future development of the system on the following estimates of plant capacity (in megawatts):

| | |
|---|---|
| 1965 | 2003 |
| 1966 | 2310 |
| 1967 | 2614 |
| 1968 | 2866 |
| 1969 | 3233 |



**The AMPOL oil refinery in Brisbane, Australia, purchased four centrifugal air compressors from a Canadian company last year. This one operates at 3,300 rpm, and produces 93,400 cfm at 14.3 to 45 ps.i. It is driven by a 10,000 eshp turbine.**

### Queensland

Some 83.4 per cent of the electricity supply in Queensland is based primarily on black coal. As in New South Wales, plants are now being built right beside coal sources. Hydro stations, mainly in northern Queensland, provide 15 per cent and the remainder, 1.6 per cent, comes from small internal combustion plants.

Sales of electricity have increased by 9.2 per cent on the average during the past ten years. Because of the possibility of an electro-metallurgical industry in the future based on aluminum, there could be big demands for power in the next few years. At the present time, £50 million, or $120 million Canadian, is being invested in an alumina refinery at Gladstone, about 300 miles north of Brisbane.

Queensland is particularly well endowed with natural fuel resources. Besides the coal deposits the state possesses some petroleum, natural gas, and a large uranium mine at Mary Kathleen (currently operating on a standby basis only). Gas was recently found at Roma, further west of Moonie, and is being used to power a small electrical plant. Although Queensland itself does not appear ready to think in terms of a nuclear plant, installation in any one of the other states would probably draw its basic uranium from Mary Kathleen, assuming that fabrication facilities were available and the plant was based on natural fuel.

Capital expenditure in Queensland during the next five years is estimated at £90 million ($220 million) compared with about £190 million ($461 million) to date. Most of this will probably be spent on plants based on coal.

### South Australia

South Australia, in contrast to Queensland, is not well endowed with primary fuel. Despite this handicap, the Electricity Trust of South Australia has built up a strong power-supply system. About 99 per cent of the output is generated by steam power stations burning black coal shipped in from New South Wales, local brown coal from Leigh Creek, furnace oil and wood. Since 1953 the dependence on imported New South Wales coal has diminished greatly. There is no possibility of using water for power generation anywhere within the State.

The Electricity Trust of South Australia (ETSA) was formed in 1946 and it now supplies about 95 per cent of the state's requirements. Installed generating capacity of the Trust's power stations was 606 megawatts at June 30, 1964. Demand has been doubling every eight to nine years. The main system is supplied from power stations at Osborne, Port Augusta and Mount Gambier, where wood-waste is burned. Work is now progressing on the first phase of a 2,000-megawatt development at Torrens Island and by 1967 the first two 120-megawatt turbo-alternators will be ready. Although these will be oil-fired, the discovery of natural gas at Gidgealpa in the north could mean a reassessment of the type of fuel to be used. South Australia has displayed greater interest in nuclear systems than any other state.

### Western Australia

Sub-bituminous black coal with an energy content of about 8,600 BTU's per pound is the main fuel source for power generation in vast Western Australia. The only oil-fired Commission unit is a 25-mega-

watt machine located at the South Fremantle station. Coal fuels three other units of the same size at that location. The sole hydro installation in the state is a two megawatt unit at Wellington Dam, operating only nine months of the year.

The installed capacity of the Commission's plants is 287 megawatts. A large station is now being built at Muja, however, which will add 60 megawatts each year until 1969. By 1970 more capacity will be required because of the extremely high rate of industrial growth. Despite geographical factors, the costs of state electricity are comparable with those of other Australian states. The area supplied by the Commission, however, represents only a fraction of the total area of the state. Outside the Commission's system, diesel stations are operated by either local authority or by concessionaires approved by the Commission.

Development of iron ore deposits in the northwest of Western Australia has now begun. It is anticipated that diesel generation will be used to supply the several new towns to be built as a result of these new mineral-based projects.

### Tasmania

The hydro-electric potential of the island state of Tasmania is estimated at 1,430 megawatts and installed generator capacity, located in eleven different hydro stations, was 756 megawatts at June 30, 1964. Sales in the previous year reached 2,996 million kilowatt-hours. The only non-hydro generating plant in Tasmania is a small diesel-powered one on King Island, situated between mainland Australia and Tasmania. With one exception, the power stations in Tasmania are in the centre of the island, away from the load centres. Transmission lines carry the electricity at 220,000 volts from the generation sites to the end-users located on the coast. The Hydro-Electric Commission is entrusted with the generation, distribution and sale of all electricity in Tasmania.

**TABLE II**

**AUSTRALIAN IMPORTS OF HEAVY ELECTRICAL EQUIPMENT**
**(In Australian pounds)**

| | Year Ended June 30th | | |
|---|---|---|---|
| | 1964 | 1963 | 1962 |
| **Transformers (above 15,000 KVA)** | | | |
| Canada | 440,835 | 643,119 | ..... |
| Britain | 596,367 | 1,147,057 | 319,165 |
| France | 128,878 | 393,093 | 48,145 |
| Sweden | 1,128,428 | 109,519 | 290,644 |
| Benelux | 148,246 | 59,254 | ..... |
| Germany | ..... | 108,404 | ..... |
| Austria | 37,850 | ..... | ..... |
| Switzerland | 6,825 | ..... | ..... |
| Japan | 41,933 | 249,298 | 627,825 |
| **Power Boilers, Drums & Parts** | | | |
| Canada | ..... | 18,236 | 70,997 |
| Britain | 1,422,665 | 1,682,604 | 1,387,544 |
| Benelux | ..... | ..... | 5,237 |
| United States | 23,652 | 7,070 | ..... |
| Japan | 804 | ..... | ..... |
| **Steam Turbines** | | | |
| Canada | 6,197 | 75,437 | 35,846 |
| Britain | 267,749 | 25,664 | 207,811 |
| Sweden | 13,708 | 12,702 | 49,995 |
| Benelux | ..... | 2,848 | ..... |
| Germany | 809 | ..... | 22,169 |
| Switzerland | 43,605 | ..... | 33,343 |
| United States | 200,767 | 185,011 | 45,937 |
| **Switchgear (above 1,000 V)** | | | |
| Canada | 316,968 | ..... | ..... |
| Britain | 1,436,878 | 2,089,434 | 1,264,661 |
| France | 314,187 | 144,722 | 52,372 |
| Sweden | 260,447 | 248,237 | 321,702 |
| Germany | 236 | 4,575 | 106,915 |
| Switzerland | 71,627 | 154,003 | 119,842 |
| Italy | 101,665 | 98,628 | 76,143 |
| Japan | ..... | 8,336 | ..... |
| Korea | ..... | 10,905 | ..... |
| United States | 35,861 | 43,810 | 17,485 |
| **Relays** | | | |
| Canada | ..... | ..... | ..... |
| Britain | 528,634 | 666,827 | 454,692 |
| France | 14,212 | 5,870 | ..... |
| Sweden | 47,196 | 27,653 | 8,611 |
| Germany | 112,584 | 74,199 | 89,860 |
| Switzerland | 34,896 | 65,829 | 97,962 |
| Japan | 18,479 | 6,581 | ..... |
| United States | 80,832 | 67,315 | 53,423 |
| **AC Generators (above 125 h.p.)** | | | |
| Canada | ..... | ..... | ..... |
| Britain | 211,630 | 193,760 | 138,459 |
| Sweden | 327,015 | 210,723 | 197,674 |
| Germany | 490,674 | 137,890 | 9,784 |
| Switzerland | 17,714 | 439 | 5,386 |
| Denmark | 5,593 | ..... | ..... |
| United States | 56,407 | 28,258 | 6,430 |

Source: Commonwealth Statistician.

The increase in load in Tasmania has averaged 10 per cent a year over the last decade—7.2 per cent for the retail sector and 12.5 per cent for the industrial sector. To meet this growth in demand, the Hydro-Electric Commission has embarked on a vigorous expansion program. A further 621 megawatts of hydro plant is now either under

construction or approved. The projects include:

**1.** The Great Lake Power Development at Poatina, which will have five machines of 50 megawatts each and provision for a sixth.

**2.** The Lower Derwent Power Development, comprising three separate stations totalling 85 megawatts.

**3.** The Mersey Forth power development, which consists of six stations generating 286 megawatts.

### Snowy Mountains Scheme

The huge Snowy Mountains project, combining irrigation and power generation, will, by stages, result in diversion of the Snowy River, which by nature flows east, into the Murray and Murrumbidgee river systems, which flow west. The run-off waters from the winter snowfields of the mountains will thus be put to optimum use for irrigation and will also generate a vast amount of peak-load electrical power for use in New South Wales and Victoria.

The Snowy Mountains Hydro-Electric Authority was formed in 1949 by an act of the Australian Parliament. The construction phase of its activities will probably be completed by 1975. Capital cost of the scheme is approximately a billion dollars, which will be recouped over seventy years. Total planned capacity is nearly 3,500 megawatts, or about half of the 1964 total for all of Australia.

### Selling Electrical Equipment

The Canadian businessman will want to know whether his firm can secure some of the lucrative business that hydro power developments in Australia provide. Table II summarizes imports of power generating equipment over the past three years and shows the international competition in this market. A good deal of equipment in the larger categories is of a "class or kind not made in Australia", and enters under the terms of a standing bylaw. In certain instances, therefore, Canada's advantage in being eligible for the British preferential tariff is eliminated. The smaller categories of equipment are usually made domestically. To break into the market is thus not easy, but some Canadian manufacturers have succeeded in doing this. Recently it was announced that a major Canadian electrical company was the successful bidder for a $975,000 order for transformers for the Snowy Mountains Authority. Successful selling like this depends on many things: design, performance, reliability, delivery dates, credit terms, and performance guarantees—in addition to price.

Nearly all equipment of this type is purchased by public tender. The first step is thus to make arrangements to have your company's name placed on the mailing list for tender documents. This is easily done by writing to the Secretary of each public utility. In some instances the documents are free, for others, there is a nominal charge. The names and addresses of the public utilities referred to in the preceding paragraphs are listed below.

The Electricity Authority of New South Wales
AMP Building
50 Miller Street
North Sydney, New South Wales.
Australia.

The State Electricity Commission of Victoria
22 William Street
Melbourne, Victoria.

The State Electricity Commission of Queensland
Gregory Terrace & Warry Street
Fortitude Valley, Queensland.

The Electricity Trust of South Australia
234 North Terrace
Adelaide, South Australia.

State Electricity Commission of Western Australia
132 Murray Street
Perth
Western Australia.

The Hydro-Electric Commission of Tasmania
Box 631B, G.P.O.
Hobart, Tasmania.

The Snowy Mountains Hydro-Electric Authority
P.O. Box 332
Cooma, New South Wales.

The Electricity Supply Association of Australia
V.C.A. Building
1 Exhibition Street
Melbourne, Victoria.
(For general information and statistical data.)

A strong and aggressive local associate is helpful in securing business. The large international firms have an obvious advantage but this should not necessarily preclude a solely Canadian firm from making sales. Your local representative should have his ear "tuned in" for word of new developments and be able to achieve close liaison with the local utilities.

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### Information for Exporters

The Office of Trade Relations of the Department of Trade and Commerce publishes bulletins covering shipping documents and customs regulations for some 83 countries. In addition, this information is summarized by area for the Far East, the Middle East, Latin America, Europe and the Commonwealth. A pamphlet entitled *Customs Information for Canadian Exporters to the United States* is also available.

Another publication—*Markets for Canadian Exporters*—gives the businessman basic information for each country on its trade, the economy and other practical details relating to business and selling in that market.

Also available are bulletins on:

Tariff Arrangements in Force between Canada and other Countries

Where to Obtain Foreign Customs Documents in Canada

Canadian Export Permit Regulations

Tariff Preference for Canadian Goods Abroad.

Export Assistance from Canadian Trade Commissioners.

In addition, the Office attends to general inquiries from exporters about foreign import duties and trade regulations for particular products, and other related aspects affecting Canadian exports.

For copies of any of the documents described, readers should get in touch with the Office of Trade Relations directly.

# Consumer Goods

**Full employment and fewer import restrictions mean that Australians can now spend more on imported goods. Canadian products are both accepted and popular. Why not join the more than 400 firms that are already selling "down under"?**

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

EIGHT out of ten Australians live in the cities. The major metropolitan centres of Sydney (2.4 million) and Melbourne (2.1 million) together contain 40 per cent of Australian consumers and provide at least half of their purchasing power.

Within these two trade and distribution centres—and in the cities of Brisbane (650,000), Adelaide (600,000) and Perth (450,000)—the population drift is to the suburbs. As in North America, this trend has been fostered by high car ownership (20 per 100 persons compared with 23 per 100 persons in Canada), the high cost of land, and the availability of easier credit to finance the building and purchase of homes. About 80 per cent of Australian homes (made largely of brick with tiled roofs) are owner-occupied, one of the highest percentages in the world.

The 40-hour work week, coupled with an annual paid vacation of three to four weeks, enables the Australian consumer to take increasing advantage of the temperate climate along the coastline. Life and leisure are oriented toward the out-of-doors; public beaches and recreational facilities are close to all major population centres for year-round enjoyment at little or no cost. Metropolitan Sydney and Melbourne, for example, contain about 70 golf courses each—the envy of many a visiting Canadian.

Fostered by the dynamic expansion of its exports in the 1960's (which represent an average 16 per cent of GNP), the Australian economy has undergone a period of unprecedented expansion and prosperity. Full employment, plus (since 1960) relaxed import restrictions have meant that Australians now buy more of a wider range of products. The consumer still spends more on essentials such as food, clothing and utilities than does his Canadian counterpart, but an increasing amount of his weekly pay packet is available to squander or save as he chooses.

The current Australian wage averages about £20.0.0 ($48.00) per week, rising to about £25.0.0. ($60.00) per week in Sydney and Melbourne. Keeping in mind the Canadian average weekly wage of $90.00, the Australian consumer (whose cost of living is comparable to that of his Canadian counterpart) has to pay close attention to cost in his day-to-day buying.

### Retail Revolution Under Way

The increased prosperity has brought a revolution in Australian retailing. The well-established, British-patterned and rather specialized corner shops are rapidly losing ground to self-service general grocery outlets, regional shopping centres, chain stores, and suburban branches of leading department stores. Door-to-door selling, never as widespread or popular a way of merchandising as in Canada, is also enjoying a current wave of success, based largely on the sale of imported Canadian consumer goods.

Another important change has been the shift in Australian consumer tastes away from the traditionally conservative to the newer, more stylized type of North American product and presentation. Just as in Canada some years ago, U.S. investment, trade and knowhow are expected in time to rival the British stake in this country and to add impetus to the Americanization of consumer tastes.


**Sporting goods from Canada are selling in Australia, aided by a substantially lower preferential tariff. This Ski-Doo in a Sydney exhibition attracted much interest.**

### Tour of Canada

**E. E. Price, author of this report, has returned to Canada for leave and a tour, after which he will be posted to Athens as Assistant Commercial Secretary. Mr. Price's itinerary is:**

| | |
|---|---|
| **Vancouver—June 7-10** | **Toronto—June 16-22** |
| **Edmonton—June 11** | **Montreal—June 23-29** |
| **Regina—June 14** | **Quebec—June 30** |
| **Winnipeg—June 15** | **Ottawa—July 1 for two weeks** |

## Canadian Sales Rise Rapidly

Canada is in a unique position to cater to the growing demand for new and different products. Our ability to provide American-style merchandise imported under the British preferential tariff is unmatched by any of Australia's major overseas suppliers of consumer goods, such as Britain, Japan, the United States, France, Germany and Italy. Our growing share of the consumer-goods market is detailed in Table I.

These figures clearly indicate that imports of Canadian consumer goods for local retail sale have doubled in value over the past three years. Some products such as hosiery and sporting goods have benefitted principally from the tariff advantage they enjoy in competition with traditional overseas suppliers. Canadian nylons are subject to an Australian duty of 8/- per dozen pair, substantially less than Swiss and Japanese hose on which the duty is 28/- per dozen pair. Sporting goods such as ski equipment are assessed an ad valorem preferential duty of 17½ per cent; European, Japanese and U.S. suppliers face a corresponding duty of 60 per cent.

TABLE I

CANADIAN CONSUMER GOODS* EXPORTS TO AUSTRALIA, 1962/64

| | 1964 | 1963 | 1962 |
|---|---|---|---|
| | | (Can.$'000) | |
| Canned fish | 2,311 | 1,977 | 1,245 |
| Household furnishings | 1,763 | 1,249 | 248 |
| Cookware and cutlery | 1,665 | 956 | 295 |
| Marine engines and accessories | 1,224 | 721 | 606 |
| Toiletries and cosmetics | 733 | 514 | 44 |
| Nylon hosiery | 506 | 423 | 594 |
| Reading materials and office supplies | 471 | 281 | 123 |
| Sporting goods, including firearms and ammunition | 466 | 353 | 119 |
| Dolls, games and toys | 432 | 494 | 434 |
| Power, hand and garden tools | 325 | 158 | 16 |
| Instant coffee | 286 | 465 | 403 |
| Typewriters and parts | 279 | 136 | 259 |
| Wearing apparel | 242 | 150 | 115 |
| Jewellery, holloware and timepieces | 227 | 110 | 55 |
| Frozen vegetables | 114 | 19 | 2 |
| Jams, pickles and sauces | 105 | 132 | 18 |
| Furniture and fixtures | 104 | 112 | 6 |
| Miscellaneous | 473 | 442 | 816 |
| **Total** | **11,726** | **8,692** | **5,398** |

*Goods sold over the retail counter in their orignal form.

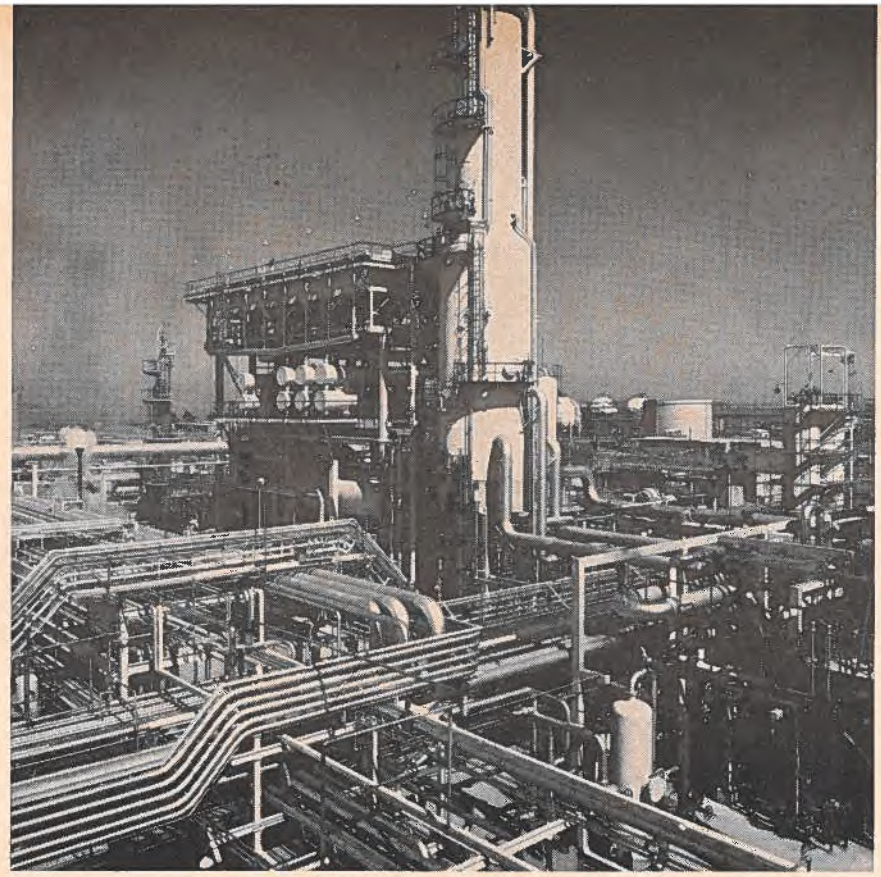
Other consumer goods such as canned salmon, sardines and dolls have been traditional sellers in this market almost since the first Canadian trade office was established in Sydney in 1895.

It is important to remember that Canadian consumer goods must contain at least 75 per cent Canadian (and/or Australian—*not* British) content in their "factory or works cost" in order to qualify for the preferential tariff on entry. Unlike the practice in many Commonwealth countries, imported British raw materials may not be included in calculating the Canadian content. The factory or works cost is, by Australian Customs definition, that part of the f.o.b. works cost made up of Canadian labour, materials and factory overhead and the retail container costs.

Today over 400 Canadian consumer-goods manufacturers do regular business in Australia. The increasing variety of Canadian products now seen on retailers' shelves has brought a growing awareness both here and in Canada of the excellent opportunities for sales throughout this country. This awareness has persuaded more and more Australian buyers every year to visit Canada, where their frank and friendly attitude assures a ready rapport with Canadian businessmen. Australian agents and department-store buyers look for something new and different in an imported product —styling, presentation, quality or price—not readily duplicated by Australian manufacturers.

## Act Now

If you are active in or contemplating exporting to any foreign market (particularly the United States or Britain because this will enhance your reputation in the eyes of Australian buyers), we urge you to consider this market without delay. Why not airmail a current catalogue, plus an itemized export price list f.o.b. Canadian overseas port of exit, to the trade offices in Sydney and Melbourne? You can expect a prompt response. ●



**Part of the big petrochemical plant at Altona, in Victoria. So far only one commercial oilfield has been discovered in Australia, and most of the crude oil for refining has to be imported, chiefly from the Middle East and Indonesia.**

# Australia's Mining Industry

**Coal, lead, zinc and copper together account for over 65 per cent of Australian mineral exports or $143 million, but crude oil alone accounts for 98 per cent of mineral imports or $218 million.**

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

THE Australian mineral-based industries, although essential to the economy, are relatively less important than in Canada. Value of mine output in 1963 was about £200 million, ($500 million) or 3 per cent of the gross national product; Canadian mine output in that year was nearly $3 billion, or 7 per cent of the gross national product. Minerals and metals accounted for 7½ per cent ($215 million) of total Australian exports; for Canada the figure was 32 per cent ($2.2 billion).

The lead-zinc-silver group of metals has accounted for as high as 70 per cent of mineral exports, although the figure in 1964 was 45 per cent. A shift in the composition of mineral exports is now taking place with an increase in large-scale shipments of iron ore, coal, bauxite and aluminum to markets in the Far East.

### Iron and Steel

The primary iron and steel industry is dominated by Broken Hill Proprietary Company and its subsidiary, Australian Iron and Steel Pty. Ltd. Ingot production at present totals about five million tons a year. Since 1953, the yearly rate of growth of steel production has been 8.9 per cent.

Smelters are located at Newcastle, New South Wales, (three blast furnaces producing one million tons a year), Port Kembla, New South Wales (four furnaces, four million tons) and Whyalla, South Australia (one furnace, 220,000 tons). Broken Hill Proprietary is building another blast furnace of 550,000 tons capacity at Kwinana in Western Australia which should be ready by late 1967.

Iron ore is mined in the Middleback Range near Whyalla (4.3 million long tons a year) and Yampi Sound, Western Australia (1.5 million long tons a year). In 1965, the two areas should produce 4.6 million and 3.6 million tons. Japanese consumers will soon begin buying ore from the Hamersley area, Mount Goldsworthy, Mount Newman, Koolanooka and Savage River, in Tasmania. Known reserves have increased from 368 million tons in 1959 to a conservative 15 billion in 1964—a 40-fold increase. The partial lifting in 1960 of an export embargo on iron ore did much to stimulate development.

### Coal

Australia possesses vast reserves of two distinct types of coal—black and brown. The value of annual production greatly exceeds that of any other single metal or mineral, and accounted for 32 per cent of the industry's total in 1963. In that year 24.7 million tons of black coal were mined, mainly from open-cut mines in New South Wales and Queensland, and 3.2 million tons

were exported. Japan was the biggest customer. The amount in 1965 will probably be four to five million tons, at a reported f.o.b. price of below Can.$8.50 a ton.

All brown coal is mined in the State of Victoria, where 18.4 million tons were produced in 1963. It is used mainly for electricity production and the manufacture of briquettes. None is exported.

The coal industry in Australia faces increasing difficulties in maintaining its share of the primary energy market. Recent finds of oil and natural gas have had a disturbing effect on coal-mine operators. With increasing competition in overseas markets, particularly Japan, the industry will be forced to adopt new and more efficient mining techniques to remain competitive.

### Aluminum

In the mid-1950's, massive deposits of bauxite were found at Gove in the Northern Territory, Weipa in northern Queensland, and in the Darling Range near Perth in Western Australia. The two last-named are under development and the Commonwealth Government has not yet named the successful bidder for allocation of the Gove area, although a decision is expected very soon. The Aluminum Company of America has built at Kwinana, 12 miles from Perth, an alumina plant which has a capacity of 210,000 tons a year. A smelter with a reported capacity of 40,000 tons a year has been put up to process West Australian alumina at Geelong in Victoria.

Comalco, a joint venture of Rio Tinto and Kaiser, is developing the Weipa deposit. It also operates a 52,000-ton capacity smelter at Bell Bay, Tasmania. Together with the Aluminum Company of Canada and Pechiney of France, this group is building at Gladstone, Queensland, an alumina plant with a capacity of 600,000 tons a year.

Australia is now self-sufficient in aluminum and should soon be a large exporter. By 1970, about four million tons of bauxite a year will be mined, half of which will go to Japan and other markets.

### Copper

Production of copper in 1963 totalled nearly 113,000 tons and 68 per cent came from one mine—Mount Isa in Queensland. Most of the remainder was from Mount Lyell and Mount Morgan, each of which has a smelter. An industrial dispute which began in August 1964 has led to a prolonged shutdown of the Mount Isa mine and will greatly affect the production figures for 1964 and 1965. Assuming that the strike there is soon settled, Australian mine production by 1968 should reach about 160,000 tons. It is expected that exports will then amount to about 50,000 tons a year.

### Lead and Zinc

Australia is the world's largest producer of lead and, excluding the U.S.S.R., the third largest producer of zinc. Production of lead concentrate is about 400,000 tons a year, 80 per cent of which comes from mines in the Broken Hill area. Zinc production totals about 325,000 tons a year, and "the Hill" accounts for 75 per cent of it. The main lead smelter, with a capacity of 200,000 tons, is at Port Pirie, South Australia and a zinc refinery at Risdon, Tasmania, has a capacity of 150,000 tons. About three quarters of the lead production and half the zinc production is exported. Exploration is continuing for lead and zinc ore bodies, and reports indicate that a major find has been made at McArthur River, Northern Territory.

### Gold

Although production of gold in Australia has remained at about one million ounces a year for the past ten years, the world-wide problem of rising costs in the face of a fixed price has placed this industry in a difficult position. The Commonwealth Government subsidizes producing mines to a maximum of £3.5.0. per ounce.

Mines at or near Kalgoorlie, in Western Australia, supply 80 per cent of Australia's gold. The Commonwealth occupies fifth place in world production and accounts for about 2½ per cent of the world output.

### Rutile—Zircon—Ilmenite

Australia supplies 90 per cent of the world's rutile, 60 per cent of the zircon, and 7 per cent of the ilmenite. Exports of these minerals in 1963 earned for Australia over £8 million. Production of each last year totalled about 200,000 tons.

These minerals are all contained in beach sands which occur in two widely separated areas. A 500-mile stretch of ocean beach in New South Wales and Queensland supplies most of the rutile and zircon and the Bunbury area of Western Australia supplies most of the ilmenite.

### Other Minerals

Australia possesses a wide range of metals and minerals in addition to those mentioned already. For example, numerous deposits of tin, both lode and alluvial, are attracting great attention at the present time. Production has averaged nearly 2,800 tons annually over the past three years and this should rise sharply in the near future. With the traditional tin-producing countries continuing to encounter difficulties in reaching adequate levels of production, Australia could emerge as one of the major world suppliers of this scarce metal.

The Mary Kathleen uranium mine in Queensland is currently shut down, but the revival of world demand would again put it and others, such as those at Rum Jungle, into full-scale operation.

Blue asbestos (crocidolite) valued at over £1 million a year is mined in Western Australia. Only scant amounts of white asbestos are produced.

Large deposits of manganese are now being prepared for mining at Grotte Eylant in the Gulf of Carpentaria.

TABLE I

AUSTRALIAN MINERALS AND METALS

| Mine Production | | 1963 |
|---|---|---|
| Asbestos (blue) | sh. tons | 13,356 |
| Bauxite | tons | 329,585 |
| Coal, black | tons | 24,857,345 |
| Coal, brown | tons | 18,458,027 |
| Copper | tons | 113,272 |
| Gold | oz. | 1,021,564 |
| Ilmenite concentrates | tons | 203,368 |
| Iron ore | tons | 5,514,562 |
| Lead | tons | 409,844 |
| Limestone (inc. shell and coral) | tons | 6,740,000 |
| Rutile concentrates | tons | 183,683 |
| Silver | oz. | 19,556,532 |
| Tin | tons | 2,847 |
| Tungsten (65 per cent $WO_3$) | tons | 1,465 |
| Uranium oxide | tons | 1,084 |
| Zinc in mine products | tons | 352,076 |
| Zircon concentrates | tons | 183,903 |
| **Smelter and Refinery Production** | | **1963** |
| Aluminum (refined) | tons | 41,263 |
| Copper (blister) | tons | 88,492 |
| Copper (refined) | tons | 86,115 |
| Gold (refined) | oz. | 958,000 |
| Lead | tons | 305,266 |
| Pig iron | tons | 3,624,000 |
| Steel ingots | tons | 4,577,000 |
| Silver (refined) | oz. | 8,871,000 |
| Tin (refined) | tons | 2,626 |
| Zinc (refined slab) | tons | 179,777 |

Other minerals with a production value of over £100,000 in 1963 were: opals, clays, diatomite, gypsum, magnesite, sulphur (from pyrites), salt, silica, talc and tungsten.

TABLE II

AUSTRALIAN METAL AND MINERAL EXPORTS, 1963

| Material | Quantity | Value A£ | Per cent of value |
|---|---|---|---|
| Aluminum in all forms† | n.a. | 1,468,000 | 1.6 |
| Coal (black) | 3,174,773 tons | 13,337,000 | 14.8 |
| Copper in base materials‡ | 37,040 tons | 9,867,000 | 11.0 |
| Gold in all forms‡ | n.a. | 7,389,000 | 8.2 |
| Iron and steel | n.a. | 3,674,000 | 4.1 |
| Lead in base materials‡ | 343,827 tons | 26,651,000 | 29.6 |
| Opal | n.a. | 2,679,000 | 3.0 |
| Rutile concentrates | 154,508 tons | 5,316,000 | 5.9 |
| Silver in all forms‡ | 9,561,307 oz. | 841,000 | 0.9 |
| Zinc in base materials‡ | 241,657 tons | 12,923,000 | 14.3 |
| Zircon concentrates | 179,697 tons | 2,177,000 | 2.4 |
| Others | | 3,760,000 | 4.2 |
| **Total** | | **90,100,000** | **100.0** |

† Aluminum and bauxite or alumina.
‡ Includes metal in bullion, concentrates, ores, and drosses (where applicable).
n.a.—not available.

TABLE III

AUSTRALIAN METAL AND MINERAL IMPORTS, 1963

| Material | Quantity | Value A£ | Per cent of value |
|---|---|---|---|
| Aluminum ingot | 12,115 tons | 2,763,607 | 2.4 |
| Alumina | 54,486 tons | 1,825,485 | 1.6 |
| Asbestos | 36,628 sh. tons | 2,105,346 | 1.8 |
| Crude oil | 3,858,851,000 gals. | 88,232,721 | 76.6 |
| Gold in all forms | n.a. | 2,528,214 | 2.2 |
| Nickel (metal) | 1,576 tons | 1,356,935 | 1.2 |
| Phosphate rock | 1,762,462 tons | 5,354,062 | 4.6 |
| Sulphur (elemental) | 222,527 tons | 2,151,954 | 1.9 |
| Tin | 1,751 tons | 1,861,583 | 1.6 |
| Others* | | 7,070,643 | 6.1 |
| **Total** | | **115,250,550** | **100.0** |

*Other relatively important imports, include chrysotile asbestos, bentonite, industrial diamonds, magnesite, manganese dioxide.
n.a.—not available.

## Petroleum and Natural Gas

Although nature has blessed Australia with a wide range of other mineral resources, the country produces very little petroleum. The search for oil and gas goes on, however, and over 400 exploratory holes have been drilled during the past ten years.

The only commercial oil field—a small but significant one producing 5,000 barrels a day—was developed at Moonie in Queensland in 1962-63. It supplies only 2 per cent of Australian requirements and the remainder is imported, chiefly from the Middle East and Indonesia. In 1963 crude oil was the single largest Australian import, costing £88 million.

Oil-bearing sediments have recently been located at Yardarino and Barrow Island in Western Australia. Several natural gas discoveries have also been made in various locations in the past two years. So far, nearly £150 million has been spent in attempts to locate oil.

Chief mineral deficiencies, in addition to petroleum, are phosphate, potash, sulphur, nickel and white asbestos.

## Trade in Mineral Products

In the desire for self-sufficiency, many of Australia's mining firms are now actively searching for these and other minerals. Most of these exploratory ventures are partially financed with overseas capital, some of which is Canadian. The economics of many new deposits will be calculated with a view to procuring offshore markets and possibly some Canadian producers will face increased competition from Australia in the future.

Tables I, II and III give details of production and trade in the most important mineral categories. In 1963 exports totalled £90 million and imports £115 million. It is worth noting that mineral exports, although important, represent less than one quarter of the value of wool exports. About 75 per cent of mineral and metal exports go to markets in Japan, Britain and the U.S. South East Asian countries account for most of the remainder. ●

**One of New Guinea's leading exports is high-quality coffee. In a factory at Goroka, an electronic machine is grading the coffee beans by size and culling imperfects.**

# Papua - - New Guinea

**As this territory moves out of the stone age into the twentieth century and towards eventual self-government, trading opportunities will improve. Canadian exporters, using a territorial agent, should be able to obtain a greater share of a market dependent on imports.**

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

THE 183,000 square mile Territory (including the famous World War II island landmarks of Manus, New Ireland, New Britain and Bougainville) is administered by Australia under a 1921 League of Nations mandate which has since been assumed by the United Nations. Bringing the indigenous population of two million to eventual self-government has proved a challenging task in an area with a diverse topography. Moving inland from the administration centre of Port Moresby which contains one-third of the Territory's 26,000 Europeans, the humid coastal river belts give way to jagged mountain peaks towering up to 15,000 feet, with cool and fertile valleys lying between them.

The two million natives, evenly distributed between coastal settlement and highland plateaux, live in small scattered groups, based on the tribe. Between 500 and 600 different languages are spoken and in some of the more remote highland districts, tribes have still to meet a white man.

The largely nomadic existence of most of the indigenous population is changing noticeably, as Australian development funds and know-how pour into the Territory. The recent release of a comprehensive World Bank Report on Territorial development would require Australia to invest up to £50 million a year (double its current grant) in the development and extension of new Territorial industries, such as cattle, timber, tea, bananas and pyrethrum. The broadening of Papua/New Guinea's industrial base, it is hoped, will in time give the Territory a viable economy.

### Three "C"s Bolster Economy

In addition to its annual grant from Australia, Papua/New Guinea draws income from the export of copra, cocoa and coffee. These three cash crops, grown principally on European-owned plantations, yielded two-thirds of the Territory's export income of $50 million in 1963/64 (up from $45 million in 1962/63). The export of plywood and logs, natural rubber, gold bullion, and crocodile skins made up the remainder.

Despite the World Bank blueprint for industrial diversification, Papua/New Guinea is expected to rely on the growing and exporting of coffee, cocoa and copra for many years to come.

Australia, because of its proximity, frequent direct shipping services and the extension of special import concessions, absorbed 50 per cent of the Territory's total exports in 1964. Britain bought 30 per cent followed by the U.S. 5 per cent, the European Common Market and Japan. Canada is an increasingly important buyer of Territorial coconut oil, a small user of New Guinea cocoa, and a recent purchaser of territorial coffee, all of which it obtained through London.

**TABLE I**

**Leading Papua—New Guinea Imports 1963/64**

| | (A£'000) |
|---|---|
| Canned meat | 1,144 |
| Commercial vehicles & parts | 1,005 |
| Automobiles & parts | 893 |
| Outerwear—not knitted | 857 |
| Canned fish | 837 |
| Aircraft, engines & parts | 723 |
| Tractors & parts | 723 |
| Pharmaceuticals | 644 |
| Cotton woven fabrics | 437 |
| Galvanized iron sheet | 436 |
| Men's shirts & underwear—non-knit | 375 |
| Hand tools & implements | 357 |
| Radio apparatus for telegraph, telephone & radar | 353 |
| Soap & detergents | 350 |
| Tobacco—unmanufactured | 325 |
| Earth moving equipment & parts | 300 |
| Total of above | 9,759 |
| Others | 25,609 |
| **Total imports** | **35,368** |

## Imports Increasing

In sharp contrast, territorial imports have risen from $68 million in 1962/63 to $85 million in 1963/64. Apart from locally grown fruits and pulse, which form the basis of the native diet, almost everything must be imported. Some of the leading commodity imports, which could be supplied by Canada, in greater volume are listed in Table I. Imports of rice, sugar, flour, building materials and construction machinery are also increasing.

The single-column territorial import tariff allows duty-free entry of all foodstuffs and most machinery and assesses only nominal rates on other commodities. Australia, because of direct shipping services and substantial investment in Territorial industry, traditionally provides about 60 per cent of imports. However, Japan (8 per cent), the United States (7 per cent), Britain (6 per cent) and Hong Kong (5 per cent), are making substantial inroads, because of competitive freight rates on direct shipping services (except the U.S.) and aggressive promotion.

Imports from Canada in 1963/64 were valued at $140,000, compared with $151,000 in 1962/63 and $175,000 in 1961/62. Products imported from Canada included lamps and lanterns, canned ham, canned fish, firearms, outboard engines, office machines, automotive parts and films.

## Canada Could Sell

As Papua/New Guinea moves into the 20th century, increasing opportunities will present themselves to Canadian exporters. Improved health standards and attendant longevity, lifting of the basic wage in urban areas from $1.25 to $8.50 a week, are all signs of progress. The build-up of Australian defences along the West Irian border has also given a boost to the economy.

There will be a growing demand for those commodities listed in Table I, as well as for powdered milk, tires and tubes, blankets, household utensils, woodworking and mining machinery, air-conditioners, refrigerators, whisky, control instrumentation, phonographs and records, sporting goods and toys, films and textiles.

Because the import trade within Papua/New Guinea is controlled by a limited number of Australian-owned trading houses with head offices in Sydney, manufacturers of these products should direct literature and prices to the Canadian Trade Commissioner in that city. An exporter who now has an Australian agent will in most instances find it necessary to appoint a separate representative in the Territory. The Sydney office will be pleased to help you in this or any other matter. ●

## Education for International Business

CANADIAN companies active in the international business field or planning to embark upon international operations will be interested in a new venture in education for managerial executives undertaken by the University of Western Ontario. Western's School of Business Administration, in co-operation with the University's Department of Economics, is organizing a two-week course in international business management, to run from June 20 to July 2. It will be limited to 50 students who have successfully held administrative posts in the middle and upper ranks of management and who are recommended by their firms. There are no academic requirements for admission.

The course will concentrate upon increasing the students' knowledge of international economics, giving them a greater understanding of the international business environment, and teaching the skills needed in international business management. Lectures will be supplemented by discussions using the case method. In addition, the students will be assigned readings on selected topics. During the second week, voluntary evening sessions will be organized to discuss special aspects of doing business abroad, such as trade-marks and patents, export documentation, transportation, etc., with the exact content determined by the participants. In the first week, evening meetings will be devoted to the regular work of the course.

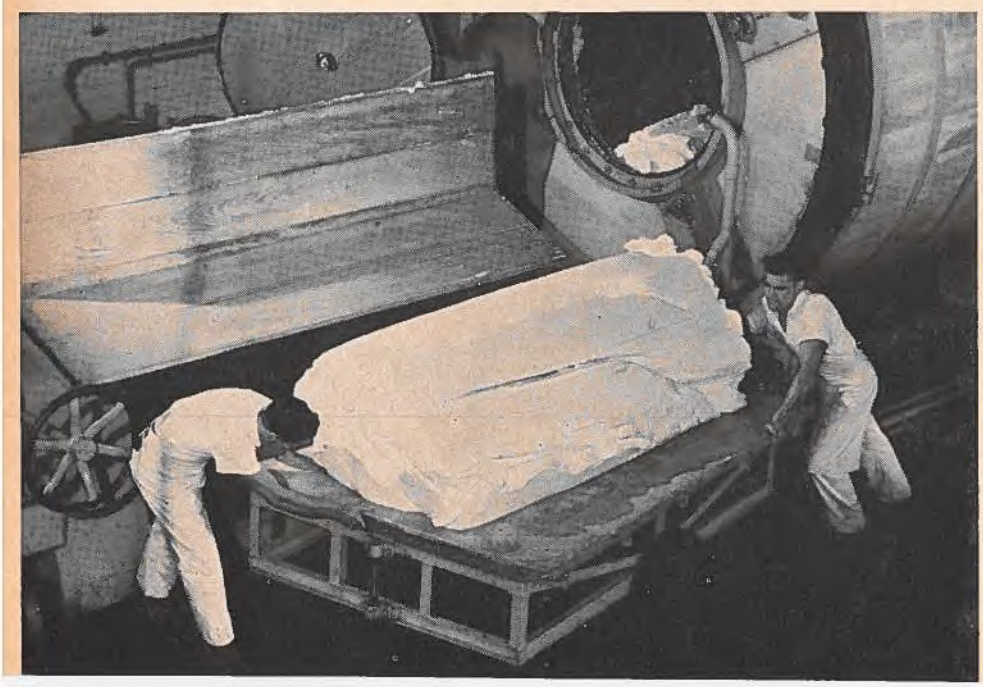
To ensure that the students will represent a broad range of experience to enrich the discussions, the Admissions Committee will see that they are drawn from a cross section of business and industry, come from both large and small companies and from all sections of Canada or from foreign countries, and have differing functional backgrounds. Students will live on campus for the two weeks and the $500.00 fee includes lodging and meals.

Executives interested in taking the course should apply before May 22, 1965, to the Course Administrator, International Management Program, School of Business Administration, University of Western Ontario, London, Ontario. Applicants will learn whether or not they have been accepted by the end of May.

Lake Manapouri, the deepest lake in the country, is the locale of a big power project now under way, with a U.S. firm acting as consultants.

# This Is New Zealand

These sheep, grazing in lush green pastures, provide the wool that earned nearly £136 million for New Zealanders last year. Next to it comes meat which brought in £103.9 million.



Fresh from the churn comes butter; these men are moving it to the packing section of the plant. Much of it will go to foreign markets.

# New Zealand in Brief

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

**Population:** 2,627,483.

**Climate:** Temperate and generally equable. The seasons are opposite to the Northern Hemisphere and seasonal differences are not great in most parts.

**Economy:** Agriculture, forestry.

**Currency:** N.Z. pound; one N.Z.£ equals about $3.00 Canadian.

**Weights and measures:** Imperial standard: 1 cwt.=112 lb. 1 ton=2,240 lb.

**Electrical appliances:** 230 volts 50 cycle.

**Marketing centres:** Auckland (population) 499,000; Wellington 266,000; Christchurch 237,000; Dunedin 108,000.

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

**Total N.Z. imports:** 1963—£324 million; 1964—£345 million.

**Chief suppliers:** (N.Z. £ million) Jan.-Sept. 1964—Britain 89.5, Australia 48.6, U.S. 23.3, Japan 11.9, Canada 8.2.

**Value of imports from Canada:** 1963—$30.5 million; 1964—$33.7 million.

**Chief imports from Canada:** (Can.$) 1964—aluminum 4,796,627, copper 3,545,916, locomotives and engines 3,734,100, plastics 2,091,424, generators and electric motors 1,847,994, canned fish 1,123,324, engines, turbines and parts 1,024,878, lumber 776,114.

**Total N.Z. exports:** 1963—£327 million; 1964—£386 million.

**Import licensing year:** July 1 to June 30.

**Credit terms:** Import licence automatically carries foreign exchange remittance. Normally trade is by sight draft, frequently with terms 30 to 90 days, depending on the arrangements between exporter and importer. Letter of credit is seldom used.

**Price:** Quotations should be in New Zealand pounds, Canadian or U.S. dollars, preferably c.i.f. New Zealand port.

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

**Visas:** No visa required.

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


**Trade agreements:** Canada's trade relations with New Zealand are governed by the Canada-New Zealand Trade Agreement of 1932. Each country extends to the other benefits of the British preferential tariff on all but a few items and has undertaken not to increase tariffs on certain products of interest to the other. However, the Agreement provides that when it is considered necessary for protection of industry in one of the countries, that country may increase the rates of duty applicable to the other's imports, without increasing the rate under British preferential tariff, provided that the margin of preference enjoyed by the other country's imports over goods produced and manufactured in foreign countries is maintained.

**Correspondence:** Airmail; 25 cents per half ounce.

**For detailed information write to:**

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

or

Commercial Counsellor,
Office of the High Commissioner
for Canada,
P.O. Box 1660,
Wellington
New Zealand.

# This Is the New Zealand Market

- **Exports reached record in '64 but import licensing still needed.**
- **New licensing schedule effective July 1, 1965, adds 90 new items to exempt list, relaxes other regulations.**
- **Canadian sales reached record of $33.7 million; prospects good.**

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


**Here is the first shipment of Canadian sulphur to arrive in New Zealand—about 12,764 tons. It is being unloaded into waiting trucks for delivery to the local importer.**

THE year 1964 was a prosperous one for New Zealand, with exports and imports at record levels. Business continues to be buoyant in virtually all sectors so far in 1965, but the pace is a little slower. Rising prices, a large volume of imports, and a serious labour shortage are problems that have resulted from the high level of spending in the country.

Export prices for the basic products—wool, meat and dairy products—were maintained at a satisfactory level last year and this meant record foreign exchange earnings. Although wool prices in the last quarter of 1964 and early this year were down, increased production is expected to compensate to a large degree.

### Balance of Payments

In its quarterly *Review* published in February, the Bank of New South Wales commented on the New Zealand balance of payments as follows:

"Despite record export income and a considerable improvement in the terms of trade, a negligible rise in oversea assets occurred in 1964. While export receipts were £36.6 million higher than the previous year, a substantial increase of £16.7 million in private import payments and a rise of £6.3 million in net government capital payments were the major factors preventing any significant

accretion to oversea reserves. Net oversea assets of the banking system rose by only £3.5 million to £63.9 million over the period."

Some concern over inflationary pressures in New Zealand was expressed in the eighth report of the Monetary and Economic Council as summarized in the press. This report made the following points:

- Rising prices, heavy demand for labour, and the overextended building industry are indications of these pressures.
- There are signs that the rate of growth in national expenditure is beginning to moderate and this trend seems likely to continue.
- Export receipts are no longer rising.
- Large tax payments in March and an increasing balance-of-payments deficit will probably result in less monetary liquidity.
- Building costs and land prices have increased sharply and more increases seem likely unless the Government takes some action.

The press report goes on:

"The Council therefore recommended the Government should in the first place reduce its own housing expenditures and secondly, reduce the finance for housing it made available, possibly by requiring borrowers to find a larger deposit before a loan from the State Advances was approved. Furthermore, the Government should request private lending institutions similarly to restrain their lending. These measures may require to be implemented only over a period of months, but while in operation should make a worthwhile contribution to easing the pressures on the building industry. Similar measures for other sections of the industry were not recommended because they would be too slow in taking effect.

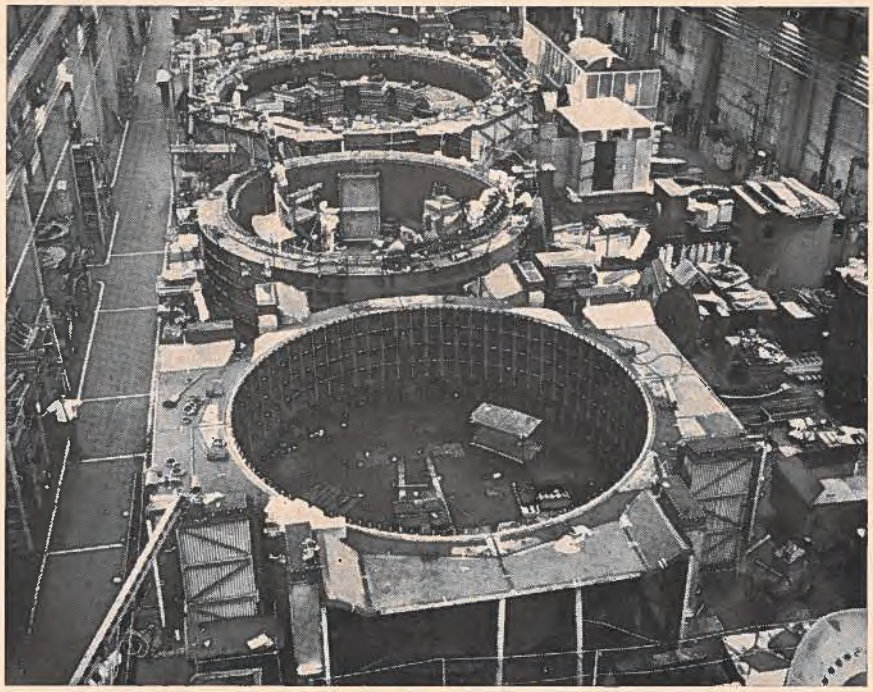
"The Government should now be giving preliminary consideration to ways and means of containing Government expenditure in the 1965-66 fiscal year."

**TABLE I**

**OVERSEAS EXCHANGE TRANSACTIONS**

**Year ended December**

| | 1962 | 1963 | 1964 |
|---|---|---|---|
| | (£ million) | | |
| Exports | 308.8 | 356.4 | 393.0 |
| Imports | −251.2 | −304.6 | −326.5 |
| Trade surplus | 57.6 | 51.8 | 66.5 |
| Other current payments (net) | − 55.1 | − 62.0 | − 65.6 |
| Current account balance | 2.5 | − 10.2 | 0.9 |
| Government capital (net) | 4.2 | 3.3 | − 3.0 |
| Private capital (net) | 5.7 | 2.4 | 5.1 |
| Balance of payments | + 12.4 | − 4.5 | + 3.0 |
| Change in net overseas assets | + 12.5 | − 1.2 | + 3.5 |



**The two hydroelectric generators shown under construction in a Peterborough, Ontario, plant were shipped to the Benmore hydro project on the South Island. Six of these 112,500 kw. generators were sold altogether; three are already in service.**

## Large Projects Planned

There are, however, several large projects 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 the 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.

Early in March the Government approved the establishment of an iron and steel mill by the New Zealand Iron & Steel Company. The site has not been chosen but it is understood that there are three possibilities in the South Auckland area, where raw materials (such as iron sands), power and water are readily available. In the initial stage the mill will produce galvanized sheet from imported cold-rolled coil, probably about 1967. The

**They Serve You in Wellington**

**W. B. McCullough**
**Commercial Counsellor**

**C. A. Carruthers**
**Assistant**
**Commercial Secretary**

Minister of Industries and Commerce, in making the announcement, stated that the Government will give financial assistance to the New Zealand Iron & Steel Company. He also expressed the hope that the share capital will be predominantly New Zealand-owned and that special efforts will be made to achieve this goal.

## Main Exports Agricultural

Agricultural products account for over 80 per cent of New Zealand foreign exchange earnings and these major exports all rose in 1964. Wool earnings went up by £10.2 million to £135.1 million, meat returned £9.1 million more at £103.9 million, butter yielded an additional £1.8 million, and cheese earnings rose by £2.9 million to £23.0 million. Yields from the smaller exports increased by £12.8 million to £74.7 million; major contributors were sheepskins and pelts (up £3.0 million), milk products (£4.6 million more), fruit, honey, and pulp and paper products.

Britain continues to be New Zealand's best customer and largest supplier. (See Table II.)

## Canada—New Zealand Trade

Exports from Canada to New Zealand set a new record of $33.7 million in 1964 compared with $30.5 million in 1963 and the previous record of $31.1 million in 1961. Canada ranked fifth as a supplier and tenth as a market for New Zealand products. Details of the leading exports from Canada to New Zealand are given in Table III.

The principal Canadian imports from New Zealand are frozen lamb, beef and veal, sausage casings and wool.

## Import Licensing

Exporters to New Zealand are aware that virtually all imports require an import licence. Some commodities are exempt, however; these include certain medicinal and pharmaceutical products, a wide range of textile piecegoods, agricultural tractors, sausage casings, asbestos fibre, combine harvesters, and hay balers, fertilizers, sulphur, butter and cheddar cheese, tea in packages of five pounds net or over, fresh or chilled or frozen meat (except poultry), and dried salted or smoked meat. Ninety items, including some

**TABLE II**

**DIRECTION OF NEW ZEALAND'S TRADE**

| | 1962 | | 1963 | | 1964 | Jan.-Sept. 1964 |
|---|---|---|---|---|---|---|
| | Exports to | Imports from | Exports to | Imports from | Exports to | Imports from |
| | (£NZ million) | | | | | |
| Britain | 139.9 | 102.6 | 148.7 | 118.5 | 188.1 | 89.5 |
| United States | 46.1 | 21.8 | 55.0 | 27.7 | 50.0 | 23.3 |
| France and Monaco | 17.7 | 2.5 | 20.1 | 2.5 | 22.9 | 2.0 |
| Australia | 10.9 | 49.6 | 17.1 | 60.9 | 17.4 | 48.7 |
| Japan | 9.4 | 8.5 | 15.9 | 14.9 | 17.0 | 11.9 |
| West Germany | 9.1 | 7.3 | 11.9 | 8.8 | 12.2 | 6.4 |
| Italy and San Marino | 9.4 | 2.7 | 10.1 | 2.6 | 11.5 | 2.5 |
| Belgium and Luxembourg | 8.9 | 1.8 | 8.1 | 2.0 | 12.4 | 2.0 |
| Netherlands | 4.2 | 2.8 | 5.0 | 3.7 | 7.0 | 2.9 |
| Canada | 3.9 | 8.3 | 4.5 | 10.5 | 4.8 | 8.3 |
| **Total, all countries** | **284.2** | **244.4** | **323.0** | **296.3** | **380.0** | **235.6** |

**TABLE III**

**EXPORTS FROM CANADA TO NEW ZEALAND**

| | 1962 | 1963 | 1964 |
|---|---|---|---|
| | $ | $ | $ |
| Aluminum | 2,940,578 | 3,540,229 | 4,796,627 |
| Copper | 1,793,800 | 2,451,387 | 3,545,916 |
| Locomotives & engines | 1,806,590 | 1,855,480 | 3,734,100 |
| Generators & electric motors | 914,768 | 1,748,668 | 1,847,994 |
| Plastics | 1,837,073 | 1,712,257 | 2,091,424 |
| Engines, turbines & parts | 721,820 | 1,522,698 | 1,024,878 |
| Passenger autos & chassis | 1,214,325 | 1,202,096 | 566,841 |
| Canned fish | 501,360 | 1,061,634 | 1,123,324 |
| Steel | 1,673,786 | 1,046,116 | 771,506 |
| Newsprint paper | 1,484,447 | 850,213 | 748,089 |
| Writing & reproduction papers | 629,077 | 726,832 | 415,004 |
| Chain saws & parts | 462,080 | 703,200 | 724,307 |
| Textiles | 465,004 | 671,516 | 396,205 |
| Pulp & paper industrial machinery | 969,645 | 597,726 | 296,019 |
| Asbestos | 680,492 | 540,973 | 625,641 |
| Lumber | 789,628 | 518,843 | 776,114 |
| **Total, all exports to New Zealand** | **26,784,149** | **30,549,131** | **33,713,549** |

of those listed above, are exempt from licensing for the first time in the new Import Licensing Schedule for the year beginning on July 1, 1965.

The schedule is expected to provide for private imports approaching £300 million in value and widens the range of materials exempt from quantitative restrictions by £45 million per year. These are worth at present £42 million per licensing year.

Another feature of the schedule for the coming licensing year is extension of the automatic issue procedure under which importers need not apply for basic licences. These at present cover 70 per cent of all items and 80,000 licences.

Licence allocations are being increased for a number of items in the new schedule, including canned fish and some types of lumber. Provision is also being made for new importers to obtain licences.

Although the balance-of-payments position improved in 1964, the demand for imports exceeds foreign exchange earnings and import licensing will continue for some time. However, within this licensing framework there will be continuing opportunities for Canadian exporters to sell a wide range of products. These include raw materials, semi-processed goods, machinery, etc., that can be used in New Zealand industry. ●

# This Is Fiji

**Fijians sell to Canada large quantities of sugar, but bought only $891,330 worth of products from us last year. Good prices and good salesmanship could increase our exports to this market.**

C. A. CARRUTHERS, *Assistant Commercial Secretary, Wellington.*

FIJI consists of a group of 322 islands with a population of 456,000 scattered over an area of 250,000 square miles in the southwest Pacific. It thus represents a substantial market which has been rather neglected by Canadian exporters. This is in marked contrast to the importance Fiji attaches to Canada, which has for several years been either its second or third largest export market.

The capital and largest city, Suva, has a population approaching 45,000 and is situated beside a sheltered deep-water harbour on the east side of the main island of Viti Levu. Suva remains the financial and business centre of the colony but Lautoka, a city on the west coast, is becoming more important and should not be neglected. Lautoka is developing because of its location near the centre of the sugar-growing area. It also has good port facilities used by record numbers of ships and it is only 17 miles north of Nadi (pronounced Nandi), the site of the international jet airport.

Fiji's economy is based on sugar. First planted in the late 1860's, it did not become an important industry until after the Colonial Sugar Refining Company of Australia began operations there in the 1880's. CSR continues to control the sugar industry through its subsidiary, South Pacific Sugar Mills Limited 1962, which operates the four mills. The brisk demand and high world prices for sugar recently have given the colony a boost, because sugar makes up 76 per cent of Fijian exports. Under the Commonwealth Sugar Agreement, Fiji has a guaranteed market in Britain for 170,000 tons and it also has a quota for the United States market of about 42,000 long tons. It has not always been able to fill these quotas; in 1961, for example, only 135,000 tons were exported. CSR has plans for substantial increased production of raw sugar. This $14 million five-year expansion scheme is designed to produce 350,000 long tons of raw sugar by 1966. The program was going well, with 1964 production up to 308,000 tons, but damage from floods associated with the hurricane in February will probably keep 1965 production at the same figure rather than the projected 345,000 tons.

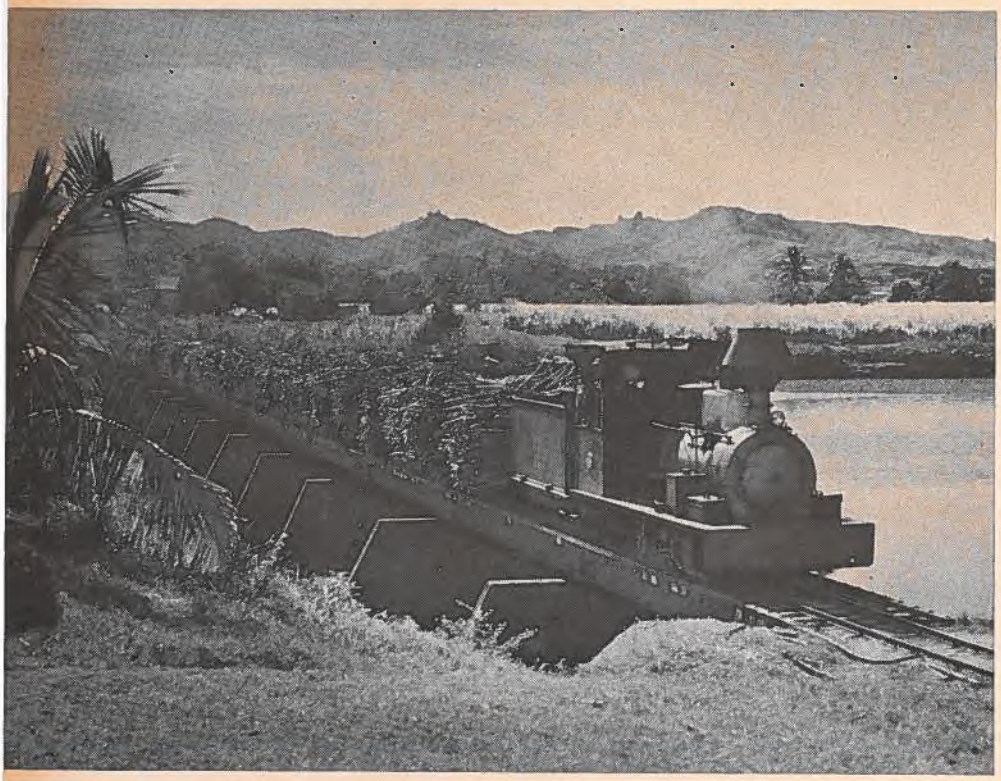
TABLE I

EXPORTS OF RAW SUGAR FROM FIJI

| Year | Raw Sugar (long tons) | $ Canadian |
|---|---|---|
| 1958 | 184,983 | 21,143,275 |
| 1959 | 183,425 | 20,091,425 |
| 1960 | 217,833 | 23,723,850 |
| 1961 | 135,506 | 16,197,400 |
| 1962 | 200,402 | 23,113,450 |
| 1963 | 271,462 | 37,746,700 |
| 1964 | 307,000 | 44,422,000 |

### Development Plans

A Five Year Development Plan covering the years 1964-68 has concentrated on further expansion of existing projects as well as on new agricultural and industrial schemes, and the results to date have surpassed expectations. In fact, progress has been so rapid that the plan already needs revision and is to be incorporated in a new one covering the years 1966-70. Some agricultural projects under this plan involve the tobacco, passion fruit, and



**Fiji's sugar-cane estates provide about 76 per cent of its exports. The cut cane is being hauled to one of the mills. Last year 308,000 tons of raw sugar were produced.**

cocoa industries and production of copra is to be doubled to 800,000 tons. The copra industry and the tobacco crop, however, like sugar, have been affected by the serious flooding and banana shipments have already suffered. But these setbacks are expected to be temporary.

A large number of factories have been set up to cater to the colony's needs as well as to provide export products for adjacent islands. These secondary industries are now turning out soap, butter, lumber, cement, nails, fencing wire, jam, biscuits, vehicle batteries, matches, cigarettes, paint, beer, and so on.

## Tourists Seek It Out

Tourists today are searching for unspoiled countries to visit and for many their search has ended in Fiji. This has resulted in a welcome source of revenue. The number of visitors has increased by 30 per cent in each of the last three years and in 1964 reached 28,311. This has placed an unprecedented strain on hotel facilities, even with the number of new resorts being built and existing resorts being expanded.

It is encouraging to note that Canadian investors are participating in this tourist boom. A group of Canadians recognized the potential in Fiji and about a year and a half ago bought a hotel at Deuba, on the south coast of the main island, Viti Levu, 40 miles from Suva. This group has since acquired further resorts and is actively engaged in renovating and expanding existing facilities and building others.

There are many factors persuading tourists to spend some time in

**TABLE II**

**WHAT CANADA BUYS FROM FIJI**

| | 1962 Value | 1963 Value | 1964 Value |
|---|---|---|---|
| | | (Can.$) | |
| Raw sugar | 3,128,783 | 8,569,796 | 9,000,000 |
| Ginger | 10,809 | 10,255 | 6,752 |
| Coconut oil | ..... | 4,673 | ..... |
| **Total** | **3,143,912** | **8,588,158** | **9,100,000 (est.)** |

**TABLE III**

**WHAT CANADA SELLS TO FIJI**

| | 1962 | 1963 | 1964 |
|---|---|---|---|
| | | (Can.$) | |
| Lumber | 357,429 | 340,562 | 363,389 |
| Sardines, canned | 52,179 | 104,634 | 81,202 |
| Engines, marine and parts | 56,723 | 44,199 | 100,202 |
| Salmon, canned | 43,969 | 38,740 | 38,736 |
| Non-electric lighting fixtures | 25,089 | 38,700 | 50,056 |
| Paper bags | 31,180 | 31,654 | 43,018 |
| Laundry equipment | 17,471 | 28,938 | 29,417 |
| Passenger autos | 14,127 | 20,583 | 13,924 |
| Refrigerators | 5,059 | 8,840 | 6,973 |
| Fresh fruit and vegetables | 13,702 | 8,631 | 15,316 |
| **Total** | **705,123** | **759,087** | **891,330** |

**TABLE IV**

**SIGNIFICANT IMPORTS INTO FIJI**

| | 1961 | 1962 | 1963 | 1964 (11 months) |
|---|---|---|---|---|
| | | (Can.$, c.i.f.) | | |
| Meat | 917,700 | 813,900 | 1,085,200 | 1,316,700 |
| Fish | 715,500 | 672,900 | 864,500 | 1,154,400 |
| Rice | 813,900 | 816,600 | 904,400 | 1,133,100 |
| Flour and mill feeds | 2,476,400 | 2,793,000 | 3,000,500 | 3,088,200 |
| Tea | 508,000 | 590,500 | 627,700 | 598,500 |
| Beer | 353,700 | 273,900 | 247,300 | 313,800 |
| Spirit | 412,300 | 412,300 | 513,300 | 609,100 |
| Lumber | 659,600 | 691,600 | 433,500 | 1,095,900 |
| Petroleum products | 5,484,900 | 5,769,500 | 5,647,100 | 6,804,200 |
| Fertilizers | 593,100 | 774,000 | 1,071,900 | 2,058,800 |
| Fabrics | 3,114,800 | 2,178,500 | 2,910,000 | 3,077,600 |
| Cement | 657,000 | 518,700 | 71,800 | 63,800 |
| Tractors | 234,000 | 595,800 | 438,900 | 752,700 |
| Radios | 553,200 | 718,200 | 1,518,800 | 1,667,800 |
| Clothing | 1,449,700 | 1,226,200 | 1,787,500 | 1,947,100 |
| Road vehicles | 1,707,700 | 1,949,700 | 2,436,500 | 3,481,900 |
| **Total imports** | **45,826,500** | **46,247,100** | **54,832,000** | **52,452,000 (9 months)** |

Fiji and one is the natural friendliness of the Fijian. The Fijian believes that "the man who made time made plenty of it" and it is extremely easy for the visitor to adopt this philosophy.

Another attraction for the tourist in Fiji is the number of duty-free products that he can buy. These include radios, record players, tape recorders, television sets, watches, binoculars, cameras, film projectors and screens, furs, portable typewriters and electric razors. On a special duty list and of interest to Canadian exporters are perfumes and jewellery, which enter free of duty from British preferential sources but carry a 25 per cent duty from other countries.

### Trading with Fiji

Thanks to the sugar boom, imports and exports increased to a record figure of just over $111 million in 1963. This boom continued into 1964, when total trade reached a new record of nearly $140 million. Sugar contributed 76 per cent of export returns, and as in the past, other main contributors were coconut products and gold. These three account for over 95 per cent of total Fijian exports.

Canada has for several years been Fiji's second most important market, ranking after Britain. This is in sharp contrast to our position as a supplier—ninth in 1964, with sales of $891,330. (See Table III.)

Table III lists only the more important items but many products can be sold in Fiji in small quantities and a wide range of Canadian merchandise, including dolls, aluminum cookware, clocks and pens is displayed in the shops.

### Canadian Prospects

The standard of living in Fiji is rising and the luxuries of the past are becoming necessities today. This means a good demand for consumer goods but the fact remains that the Fijian market is extremely competitive and price-conscious. To succeed, a product should not only be competitive in price but stand up to long use with little need for repair or servicing, because service facilities are often lacking.

A good example of the importance of price is imports of canned fish, which in 1964 amounted to approximately $1,250,000. Canada's share of these imports was only $125,829 and over $81,000 of this total was in the lower price range, mainly sardines. The bulk of Fiji's canned fish imports come from sources supplying less expensive varieties of fish, such as mackerel, middle cuts, etc.

The industrial developments mentioned earlier open up new markets for Canadian products but at the same time may reduce some of our traditional exports. One product that might be affected is lumber. In the past the Fiji timber industry has not received much attention but recent moves indicate that the Government has negotiated with an Australian producer of plywoods to promote a local logging and sawmilling industry. This, and the Government's policy of advocating the use of local timber where suitable, may result in smaller Canadian lumber exports to Fiji.

Canada should be able to get a greater share of the Fijian market because of the British preferential tariff and our reputation for quality products, such as lumber, outboard motors, and Coleman lamps and stoves, all of which are now fully associated with the Fijian way of life. ●

## The Pacific Islands

THE widely scattered South Pacific Islands and island groups of Fiji, Western Samoa, American Samoa, Tonga, New Hebrides, New Caledonia and French Polynesia (Tahiti), have a population of less than one million, but taken together constitute an area importing goods worth over $150 million per year.

The islanders for many years have existed on subsistence agriculture and fishing and have derived their export income chiefly from sugar cane, bananas, copra and cocoa. This pattern of life is changing and new developments in secondary industry are bringing increased prosperity and buying power. The tourist trade is also making a significant contribution, particularly in Fiji, Tahiti and New Caledonia.

The largest of these markets is Fiji, which is covered in a separate article on page 39 of this issue.

#### Western Samoa

This independent Polynesian country has an agricultural economy based on cocoa, copra and bananas. However, all three crops have suffered setbacks in recent years either from disease, insects or unattractive world prices. This has resulted in some import restrictions but Western Samoa is working hard to overcome these problems. A major harbour development scheme is progressing well and this, with small new factories (producing, among other things, soap and biscuits), should help the country overcome some of its present difficulties.

#### Tahiti

The most significant development in Tahiti in recent years has been the influx of tourists. The improvement of the port of Papeete plus increased traffic on the island's jet airstrip will contribute to a further rise in income from this source.

#### Tonga

Tonga is endeavouring to diversify its agricultural economy by developing local industry and tourist facilities. The country's first hotel at Nuku'alofa is expected to be completed before the end of this year and the new wharf facilities should attract more visitors.

A small desiccated coconut factory is producing approximately 400 tons a year and experiments have been carried out on making hardboard from local materials. The Tonga Government has a substantial investment in the coconut processing factory in Pago Pago, American Samoa, which is now in operation. This factory is expected to take nine million Tonga coconuts a year.

—C. A. CARRUTHERS, *Assistant Commercial Secretary, Wellington.*

# The Ocean Freight Market

AVERAGE rates in the first quarter of 1965 were generally maintained at or above the levels of the previous quarter. In the coal and grain cargo trades, rates rose quickly early in the quarter and then fluctuated widely as some charterers negotiated consecutive voyage contracts or engaged large bulk carriers and tankers at lower rates. The longshoremen's strike at United States Atlantic and Gulf ports had the effect of increasing the demand for shipping at Pacific coast ports, a result of which was that the average rates for grain from British Columbia to Communist China and from the United States and Canadian North Pacific ports to Japan climbed to their highest peaks since the period of the Suez Canal crisis of 1957. Chartering for grain from St. Lawrence River ports was resumed in March at rates substantially higher than those recorded a year ago. In the scrap iron and steel and in the lumber and general cargo trades usually employing ships of 9,000 to 11,000 tons d.w., rates continued to climb at the end of the quarter.

The tanker rate for black oil from the Caribbean to United States North Atlantic ports fell from the seasonally high December level and except for a brief period at the end of the quarter was lower than the rate prevailing a year ago.

## CHARTER RATES—FIRST QUARTER 1965

The rates shown in column A are in sterling or U.S. dollars with the Canadian dollar equivalent in column B calculated at £=$3.00 and U.S.$=$1.08. For comparison the rates a year ago are shown in column C with the Canadian dollar equivalent in column D calculated at £=$3.02 and U.S.$=$1.08.

## TIME CHARTERS

The classes of ships indicated have been selected as representative for the purpose of illustrating time charter rates. Average rates per deadweight ton per month for the first quarter of the year were as follows:

| | 1965 First Quarter | | 1964 First Quarter | |
|---|---|---|---|---|
| | A £ or U.S.$ | B Can.$ | C £ or U.S.$ | D Can.$ |
| **GENERAL TRADING (approximately 6 months)** | | | | |
| Motorships, 11,000-12,999 dwt., 13-14.9 knots | $3.49 | 3.77 | $3.43 | 3.70 |
| Motorships, 13,000-14,999 dwt., 13-14.9 knots | $3.45 | 3.73 | $3.52 | 3.80 |
| Steamships, 9,000-10,999 dwt., 9-10.9 knots | $2.70 | 2.92 | $2.35 | 2.54 |

## TRIP CHARTERS

Average rates for the first quarter of the year were as follows:

| | 1965 First Quarter | | 1964 First Quarter | |
|---|---|---|---|---|
| | A £ or U.S.$ | B Can.$ | C £ or U.S.$ | D Can.$ |
| **Heavy Grain (per long ton)** | | | | |
| St. Lawrence to Britain | 45s. 0d. | 6.75 | 40s. 0d. | 6.04 |
| St. Lawrence to Belgium/Holland | $4.53 | 4.89 | $3.89 | 4.20 |
| St. Lawrence to France | $5.25 | 5.67 | ..... | ..... |
| St. Lawrence to Italy | $6.78 | 7.32 | ..... | ..... |
| St. Lawrence to Japan | $13.25 | 14.31 | ..... | ..... |
| St. Lawrence to U.S.S.R. Baltic | ..... | ..... | $5.75 | 6.21 |
| St. Lawrence to U.S.S.R. Black Sea | ..... | ..... | $10.00 | 10.80 |
| Churchill to Britain | ..... | ..... | 45s. 0d. | 6.80 |
| Churchill to Belgium/Holland | ..... | ..... | $5.75 | 6.21 |
| Great Lakes to Britain | 72s. 1d. | 10.81 | ..... | ..... |
| Completing St. Lawrence | 41s. 3d. | 6.19 | ..... | ..... |
| Great Lakes to Belgium/Holland | $8.78 | 9.48 | $8.96 | 9.68 |
| Completing St. Lawrence | $4.63 | 5.00 | $3.89 | 4.20 |
| Great Lakes to West Germany | $8.90 | 9.61 | ..... | ..... |
| Completing St. Lawrence | $4.80 | 5.18 | ..... | ..... |
| Great Lakes to Japan | $14.50 | 15.66 | ..... | ..... |
| Completing St. Lawrence | $11.50 | 12.42 | ..... | ..... |
| Great Lakes to Venezuela | $9.25 | 9.99 | ..... | ..... |
| Halifax/Saint John to Britain | 44s. 6d. | 6.68 | 45s. 0d. | 6.80 |

| | | | | |
|---|---|---|---|---|
| Halifax/Saint John to Belgium/Holland | $4.85 | 5.24 | ..... | ..... |
| Halifax/Saint John to West Coast of India | 83s. 2d. | 12.47 | ..... | ..... |
| Halifax/Saint John to U.S.S.R. Baltic | ..... | ..... | $5.70 | 6.16 |
| British Columbia to Britain | $9.50 | 10.26 | $9.00 | 9.72 |
| British Columbia to Belgium/Holland | $7.70 | 8.32 | $7.66 | 8.27 |
| British Columbia/North Pacific to Japan | $8.33 | 9.00 | $7.90 | 8.53 |
| British Columbia to West Coast of India | 80s. 0d. | 12.00 | 72s. 2d. | 10.90 |
| British Columbia to East Coast of India | 87s. 6d. | 13.13 | ..... | ..... |
| British Columbia to The Philippines | $10.07 | 10.88 | ..... | ..... |
| British Columbia to Venezuela | $8.03 | 8.67 | ..... | ..... |
| British Columbia to Communist China | 56s. 2d. | 8.42 | 48s. 2d. | 7.30 |
| **Coal (per long ton)** | | | | |
| Hampton Roads to Belgium/Holland | 27s. 10d. | 4.17 | 24s. 5d. | 3.69 |
| Hampton Roads to Japan | $8.13 | 8.78 | $7.55 | 8.15 |
| British Columbia to Japan | ..... | ..... | $4.90 | 5.29 |
| **Lumber and General Cargo (per long ton)** | | | | |
| British Columbia to Britain | $15.46 | 16.70 | $13.77 | 14.87 |
| British Columbia to Australia | $17.36 | 18.75 | $18.18 | 19.63 |
| British Columbia to Italy | $14.10 | 15.23 | ..... | ..... |
| British Columbia to Japan | ..... | ..... | $7.53 | 8.13 |
| British Columbia to South Africa | ..... | ..... | $15.14 | 16.35 |
| **Oil Seeds (per long ton)** | | | | |
| Vancouver to Italy | $11.96 | 12.92 | ..... | ..... |
| Vancouver to Japan | $9.06 | 9.78 | ..... | ..... |
| **Iron Ore (per long ton)** | | | | |
| British Columbia to Japan | $5.00 | 5.40 | ..... | ..... |
| **Scrap Iron and Steel (per long ton)** | | | | |
| Great Lakes to Japan | ..... | ..... | $15.92 | 17.19 |
| U.S. Atlantic to Japan | $13.30 | 14.36 | $14.26 | 15.40 |
| California to Japan | $9.49 | 10.25 | $9.04 | 9.76 |
| **Sulphur (per long ton)** | | | | |
| British Columbia to Italy | ..... | ..... | $9.25 | 9.99 |
| **Oil Black (per long ton)** | | | | |
| Venezuela to Portland, Maine | $1.57 | 1.70 | $2.19 | 2.37 |
| Persian Gulf to Portland, Maine | $5.02 | 5.42 | ..... | ..... |
| Venezuela to Montreal | $2.09 | 2.26 | ..... | ..... |

## Trade Commissioners on Tour

### In Territory

**Australia**—L. B. Stryker, Commercial Assistant in Melbourne, will visit South Australia May 10-14.

**Barbados**—L. D. R. Dyke, Commercial Secretary in Port-of-Spain, Trinidad, will visit Barbados during the last week of May.

**British Guiana**—J. A. Ahow, Commercial Officer in Port-of-Spain, Trinidad, will visit British Guiana during the second week of June.

**El Salvador**—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit San Salvador May 7-14.

**Italy**—J. J. R. Gagnon, Assistant Commercial Secretary in Rome, will visit Sicily May 17-22.

**Libya**—W. J. Jenkins, Commercial Secretary in Rome, Italy, will visit Tripoli May 24-30.

**Malta**—J. H. Stone, Commercial Counsellor in Rome, Italy, will visit Malta May 9-16.

**Venezuela**—J. R. Caux, Assistant Commercial Secretary in Caracas, will visit Maracaibo May 10-12.

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

### In Canada

The following officers are undertaking tours of business centres throughout Canada as detailed below. Businessmen who wish to see them should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions: Toronto, Canadian Manufacturers Association; Windsor (Ontario), Greater Windsor Industrial Commission; St. John's, Halifax, Montreal, Ottawa, Winnipeg, Edmonton and Vancouver, Department of Trade and Commerce; Fredericton, Department of Industry.

**United States**—N. L. Currie, Consul and Trade Commissioner in Cleveland:

Montreal—June 14-18 Toronto—June 21-25

# TRANSPORTATION NOTES

### Britain

AIRPORT EXPANSION—Government approval has been granted for Liverpool Airport's 7,000-foot runway; completion date is tentatively the spring of 1966. The scheme drawn up by the Liverpool Corporation, which owns and administers the airport, is to extend the runway in due course to 10,000 feet and later to 12,000 feet. This should hasten the time when Liverpool airport can become one of the world's great international flight terminals—Liverpool.

DEEP-WATER DOCK—The growing size of ships and the increasing demands being made on existing facilities have led the Harbour Board to investigate the construction of a new deep-water dock to expand the present system. A firm of consulting engineers has accepted the Board's invitation to prepare a feasibility report. The first step in the over-all plan would be to enclose the whole water area on the seaward side, so that berths could be built when required—Liverpool.

### Canada

NEW SHIPPING SERVICE—The Canada-West Indies Reefer Line will begin a new shipping service between Toronto, Montreal and Kingston, Jamaica, and Nassau, The Bahamas, when the St. Lawrence Seaway navigation season opens. The service will be offered year-round, with winter sailings from Quebec City, Halifax and Saint John. Initial plans call for a monthly service with the Swedish *MV FRIGON*. This modern fully refrigerated ship has a capacity of 70,000 cubic feet and is able to carry cargo at 23 degrees Fahrenheit. It is ideally suited for two-way trade, much of which consists of refrigerated food products, between Canada and the West Indies. The Canada-West Indies Reefer Line, which also carries dry cargo, is represented in Toronto by Protos Shipping Ltd., and in Montreal by Transocean Shipping and Coal Co. Inc.—Ottawa.

### Guatemala

NEW AIR ROUTE—The Guatemala airline, AVIATECA, has established a new air route from Guatemala City to Acapulco, Mexico, via San Salvador. At the present time there are two return flights a week—Guatemala City.

NEW FREIGHT SERVICE—Co-ordinated Caribbean Transport Inc. which already operates a shipping service between Miami, Florida, and Guatemala City has announced a new service from Tampa, Florida, to Guatemala City. The company ships merchandise in semi-trailers which cross the Caribbean by ferry and then go by road from Puerto Matias de Galvez, Guatemala, to the Central Customs house in Guatemala City. Road connections to other Central American cities are available from Guatemala City—Guatemala City.

### Honduras

NEW ROAD PLANNED—A road linking Tegucigalpa, the capital, with San Pedro Sula, the largest commercial centre, will be built with the aid of a U.S. $9.5 million loan and credits from the World Bank and the IDA. The Inter-American Development Bank is considering a loan of an additional U.S. $9.5 million to help Honduras meet the estimated total cost of U.S. $23.6 million.

The road will pass through the most productive agricultural and manufacturing areas in Honduras and will link the northern Caribbean coast with the southern Pacific coast. The roads joining Tegucigalpa to the Pacific and San Pedro Sula to the Caribbean coast were built with a previous World Bank loan.

The new 125-mile two-lane paved highway will replace a narrow and winding gravel road with difficult curves and gradients. The project will involve a large bridge over the Ulua River and the provision of associated engineering services. Execution of the project will be the responsibility of the Ministry of Communications and Public Works of Honduras. Consultants will be retained to complete plans, to assist in awarding contracts, and to supervise construction. All contracts will be awarded on the basis of international competitive bidding.

### Scotland

DIRECT ROAD TRANSPORT SERVICE—Lep Transport Ltd. plans a direct road transport service between Scotland and the continent, using 33-foot trailers. At present, the continental services from Scotland are operated through depots in London or the Midlands. Lep will move from Townhead, Glasgow, to its new depot at East Kilbride in July.—Glasgow.

HOVERCRAFT SERVICE—Highland Engineering hopes to start the first Hovercraft service on the Clyde about the middle of June, using a craft which will carry 40 passengers at a speed of about 70 knots. The fares will likely be less than double the present steamer charges. The Hovercraft will probably operate between Tarbet on Loch Fyne and towns on the Clyde, where passengers could continue their journeys by train.

The Hovercraft, being built in England by the Westland Aircraft Co., will also be able to operate on land and will need no piers or landing stages. With the

high speed of the craft, the seven-mile journey between Wemyss Bay and Rothesay would take less than ten minutes—Glasgow.

### Sweden

SHIPBUILDING—In 1963 Swedish yards launched 73 vessels aggregating 878,000 gross tons. In 1964 there were fewer vessels launched—67—but the gross tonnage exceeded one million tons. In addition to the merchant ships built, one Swedish yard—Gotaverken—supplied two floating docks of 27,000 tons each to the Soviet Union.

Just over 50 per cent of the tonnage delivered in 1964 represented Norwegian orders; Swedish lines accounted for about 25 per cent. The U.S.S.R. took delivery of seven ships totalling 75,000 tons and Britain of five ships totalling 63,000 tons. The value of export deliveries in 1964 was about $200 million, and Sweden at present accounts for just over 10 per cent of world production—Stockholm.

### United States

CANAL IMPROVEMENT—A $100 million project is under way for the deepening and widening of the vital Chesapeake and Delaware Canal connecting the Philadelphia/Delaware Valley and the Baltimore/Chesapeake Bay industrial complexes. The 14-mile long canal, a toll-free, sea-level waterway, places the Port of Baltimore in the unique position of being the only major world seaport with two outlets to the sea. Approximately 40 per cent of the ships calling at Baltimore each year transit this canal which handles 10 million tons of cargo a year.

The target date for completion of the 14-mile long waterway is 1968, and work is already moving rapidly ahead. The waterway will be deepened from 27 to 35 feet and widened from its present narrowest point of 250 feet to a uniform 450 feet, involving the removal of some 100 million cubic yards of material—Philadelphia.

### U.S.S.R.

VOLGA-BALTIC WATERWAY—In the first five months of operation, it was reported that 3,500 vessels and 3.5 million tons of cargo passed through the new Volga-Baltic waterway. The average transit time between Leningrad and Cherepovets on the new canal is 2½ days compared with 18 days on the old one. Using this canal and in conjunction with existing canal systems, ships may now travel from the Arctic Ocean to the Black Sea—Moscow.

FLOATING AGGREGATE—It is reported that at Baku, in Azerbaijan, a floating aggregate is being constructed for the purpose of erecting high-voltage lines over the sea. The hoisting capacity of the equipment, the first of its kind in the U.S.S.R., is 175 tons and its displacement is 600 tons. The aggregate is equipped with a hoisting rotary crane which will drop piles into the sea through an opening in the bow. The vessel will also be provided with gigantic steel telescopic "feet" each weighing about 16 tons—Moscow.

## Foreign Tariffs and Trade Regulations

### Japan

IMPORT DEPOSITS LOWERED—The Canadian Minister (Commercial), Tokyo, has reported that, effective April 1, 1965, the Japanese Government has reduced the rates of deposit payable on imports from 5 per cent to 1 per cent, and from 35 per cent to 5 per cent respectively. Deposits are payable in cash except that notes will be accepted for the lower rate. These reductions bring the rates of import deposit down to the levels applicable before March 18, 1964.

The 1 per cent rate of deposit applies to raw materials, certain specified machinery and other essential goods, and the 5 per cent rate to all other items.

At the same time the Bank of Japan reduced the discount rate for commercial bills to 5.87 per cent. This reduces the rate down to the lowest level in the postwar period.

For previous notices on the Japanese import deposit see *Foreign Trade* of May 30 (page 43) and October 17 (page 28), 1964.

### New Zealand

IMPORT CONTROL POLICY 1965-66—New Zealand has announced that its import control policy for the licensing period July 1, 1965, to June 30, 1966, will increase the number of products exempted from import licensing, increase the quotas on many other items, provide greater flexibility for importers in the use of their licences, and allow new importers to obtain licences for commodities in the "A" licensing category.

Among the ninety additional items exempted from import control are sausage casings, asbestos fibre, keys and key blanks, agricultural combines and agricultural tractors. Approximately one third of New Zealand's total import trade will now be exempt from import licensing.

Increased quotas will be available for such items as canned fish, western red cedar and Douglas fir lumber, papermakers' felts and electric motors and generators.

*Further details on the application of import control to specific products may be obtained from the Commonwealth Division, Office of Trade Relations, or the Canadian Government Trade Commissioner in Wellington, New Zealand.*

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, 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 .9275.

# Foreign Exchange Rates

| Country | Unit | Type of Exchange | Can. dollar equivalent April 15 | Units per Canadian dollar | Notes (see below) |
|---|---|---|---|---|---|
| Algeria | Dinar | | .2200 | 4.55 | |
| Argentina | Peso | Free | .007154 | 139.78 | |
| Australia | Pound | | 2.4126 | .4145 | |
| Austria | Schilling | | .04175 | 23.95 | |
| Bahamas | Pound | | 3.0157 | .3316 | |
| Belgium and Luxemburg | Franc | | .02172 | 46.04 | |
| Bermuda | Pound | | 3.0157 | .3316 | |
| Bolivia | Peso | | .09164 | 10.91 | |
| Brazil | Cruzeiro | Official Free | .0005867 | 1,704.44 | |
| Britain | Pound | | 3.0157 | .3316 | |
| British Guiana | Dollar | | .6283 | 1.59 | |
| British Honduras | Dollar | | .7539 | 1.33 | |
| Burma | Kyat | | .2264 | 4.42 | |
| Ceylon | Rupee | | .2262 | 4.42 | |
| Chile | Escudo | Bank rate | .3624 | 2.76 | |
| | | Free | .3050 | 3.28 | |
| Colombia | Peso | Free | .07646 | 13.08 | |
| | | Certificate | .1198 | 8.35 | |
| Congo, Republic of | Franc | | .007188 | 139.12 | (1) |
| Costa Rica | Colon | | .1627 | 6.15 | |
| Cuba | Peso | | ‡ | ‡ | |
| Czechoslovakia | Koruna | | .1497 | 6.68 | |
| Denmark | Krone | | .1561 | 6.41 | |
| Dominican Republic | Peso | | 1.07813 | .9275 | |
| Ecuador | Sucre | Official | .05990 | 16.69 | |
| | | Free | .05768 | 17.34 | |
| El Salvador | Colon | | .4313 | 2.32 | |
| Fiji | Pound | | 2.7168 | .3681 | |
| Finland | Markka | | .3369 | 2.97 | |
| France, Monaco, etc. | Franc | | .2200 | 4.55 | (2) |
| Franco-African Republics, etc. | Franc | | .004400 | 277.27 | (3) |
| French Pacific | Franc | | .01210 | 82.64 | (4) |
| Germany | D Mark | | .2711 | 3.69 | |
| Ghana | Pound | | 3.0157 | .3316 | |
| Greece | Drachma | | .03593 | 27.83 | |
| Guatemala | Quetzal | | 1.07813 | .9275 | |
| Haiti | Gourde | | .2156 | 4.64 | |
| Honduras | Lempira | | .5391 | 1.85 | |
| Hong Kong | Dollar | Free | .1869 | 5.35 | *April 9 |
| | | Official | .1885 | 5.31 | |

*Latest available date.

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

| Country | Unit | Type of Exchange | Can. dollar equivalent April 15 | Units per Canadian dollar | Notes (see below) |
|---|---|---|---|---|---|
| Iceland | Krona | Official | .02507 | 39.89 | (1) |
| India | Rupee | | .2262 | 4.42 | |
| Indonesia | Rupiah | | .004313 | 231.86 | (1) |
| Iran | Rial | | .01423 | 70.27 | |
| Iraq | Dinar | | 3.0188 | .3313 | |
| Ireland | Pound | | 3.0157 | .3316 | |
| Israel | Pound | | .3594 | 2.78 | |
| Italy | Lira | | .001726 | 579.37 | |
| Japan | Yen | | .002995 | 333.89 | |
| Lebanon | Pound | Free | .3533 | 2.83 | |
| Malaysia | Dollar | | .3522 | 2.83 | |
| Mexico | Peso | | .08625 | 11.59 | |
| Morocco | Dirham | | .2156 | 4.64 | |
| Netherlands | Florin | | .2996 | 3.34 | |
| Netherlands Antilles | Florin | | .5717 | 1.75 | |
| New Zealand | Pound | | 3.0050 | .3328 | |
| Nicaragua | Cordoba | | .1540 | 6.49 | |
| Nigeria | Pound | | 3.0157 | .3316 | |
| Norway | Krone | | .1508 | 6.63 | |
| Pakistan | Rupee | | .2262 | 4.42 | |
| Panama | Balboa | | 1.07813 | .9275 | |
| Paraguay | Guarani | Free | .008625 | 115.94 | |
| Peru | Sol | Free | .04018 | 24.89 | |
| Philippines | Peso | Free | .2765 | 3.62 | |
| Portugal & Colonies | Escudo | | .03750 | 26.67 | (5) |
| Sierra Leone | Leones | | 1.5094 | .6625 | |
| South Africa | Rand | | 1.5079 | .6632 | |
| Spain and Dependencies | Peseta | | .01801 | 55.52 | |
| Sweden | Krona | | .2095 | 4.77 | |
| Switzerland | Franc | | .2483 | 4.03 | |
| Syria | Pound | Free | .2822 | 3.54 | |
| Thailand | Baht | Free | .05218 | 19.16 | (1) |
| Tunisia | Dinar | | 2.0646 | .4844 | |
| Turkey | Lira | | .1198 | 8.35 | (1) |
| United Arab Republic | Pound | Official | 2.4797 | .4033 | |
| United States | Dollar | | 1.07813 | .9275 | |
| Uruguay | Peso | Free | .02962 | 33.76 | (6) |
| Venezuela | Bolivar | Official Free | .2400 | 4.17 | |
| West Indies | Dollar | | .6283 | 1.59 | (7) |
| | Pound | | 3.0157 | .3316 | (8) |
| Yugoslavia | Dinar | Official | .001437 | 695.89 | |

# Notes

1. Additional rates are in effect.
2. Franc is also used in French Guiana, Guadeloupe and Martinique.
3. 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.
4. New Caledonia, New Hebrides, French Polynesia.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. New official rates established March 18, 1965, were Pesos 23 and 24 per U.S. dollar. The corresponding free market rates on March 19, 1965, were Pesos 29.90 and 30.70 per U.S. dollar. Rate quoted is the selling rate on the free market on March 19, 1965.
7. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
8. Jamaica.

# *Markets in Brief:*

## Burma

**Area:** 261,789 square miles.

**Population:** 24,000,000, including 500,000 Chinese, Indians and Pakistanis.

**Climate:** tropical monsoon with three seasons.

**Topography:** ringed by mountains extending from Himalayas.

**Language:** Burmese in many variants; English commonly used in government and business.

**Currency:** Kyat (pronounced chat); K4.44=Can.$1.00.

**Foreign exchange:** reserves adequate.

**Weights and measures:** imperial measures used outside Rangoon.

**Capital:** Rangoon (population about 1,000,000).

**Marketing centres:** Rangoon, Mandalay, Moulmein, Maymyo, Kalan, Bassein, Akyab, Pagan.

**Chief ports:** Rangoon, Bassein, Akyab, Moulmein.

**Economy:** rice dominates, provided 63 per cent of exports in 1962. Other important products are tropical timbers, sesame, beans, cotton, peanuts, livestock, precious stones, tin, lead, zinc, petroleum, rubber.

**Total Burmese imports:** 1963—Can.$254 million; 1962—Can. $235 million.*

**Chief imports:** (millions of Can.$ c.i.f.) 1962—machinery and transport equipment 45.1, base metals and manufactures 27.7, cotton fabrics 24.3, cotton yarn and thread 14.4, milk and milk preparations 11.8.*

**Chief suppliers:** (millions of Can.$ c.i.f.) 1962—Japan 40.2, Britain 35.2, Communist China 30.7.*

**Value of imports from Canada:** 1964 (January-September)—Can.$330,625; 1963—Can.$703,029; 1962—Can.$1,303,-947 (DBS figures).

**Chief imports from Canada:** (thousands of Can.$ f.o.b.) 1964 (seven months)—medicinal and pharmaceutical products 61, structural and architectural metal products 37, asbestos fibre 47, cranes, winches and hoists 28, asbestos shorts 23, wheat flour 22 (DBS figures).

**Total Burmese exports:** 1963—Can.$286 million; 1962—Can. $280 million.*

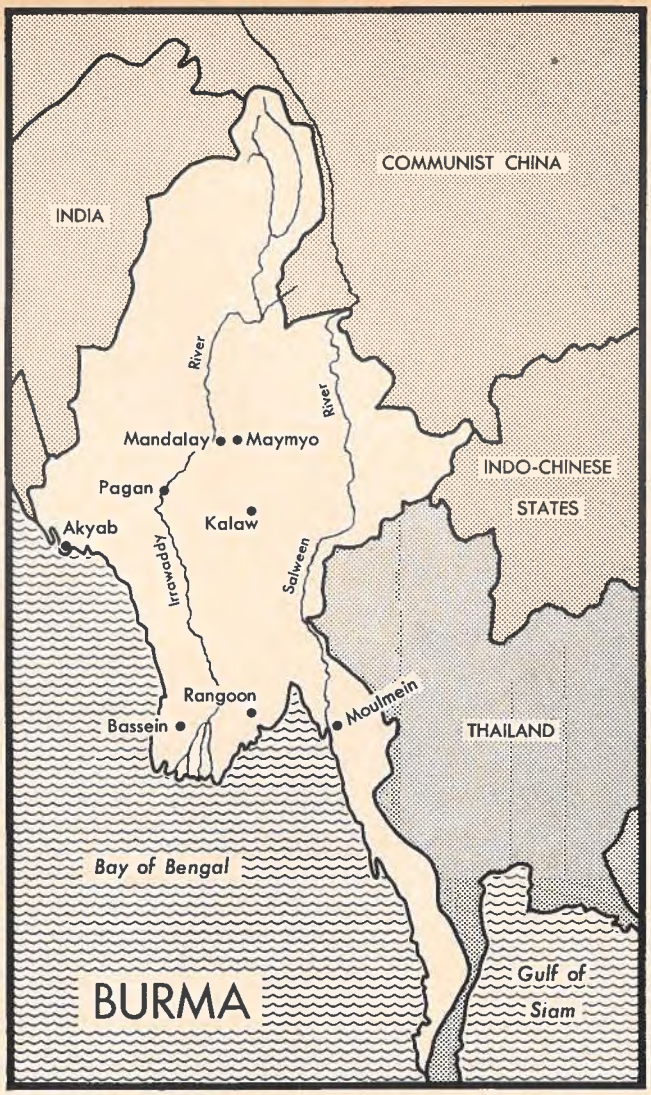
**Chief exports:** (millions of Can.$ f.o.b.) 1962—rice 178, teak 33, oilcake 19, raw cotton 9.7, beans 9.6, base metals and ores 8, raw rubber 6.*

**Chief markets:** (millions of Can.$ f.o.b.) 1962—Indonesia 34, Ceylon 29, Britain 28, Pakistan 22, China 20.*

**Value of Canadian purchases:** 1964 (January-July)—Can.$269,-000, 1963—Can.$101,516, 1962—Can.$49,535 (DBS figures).

**Chief Canadian purchases:** (thousands of Can.$ c.i.f.) 1963—teak and other tropical wood 87, raw cattle hides 10 (DBS figures).

*Statistics from *Burma: Quarterly Bulletin*




**Terms of payment:** usually letter of credit against documents. All purchases by international tender; ½ per cent earnest money required of all tenderers, refundable to unsuccessful bidders within 15 days of adjudication; 5 per cent security deposit required of successful bidder.

**Samples:** admitted duty free if of no commercial value. A deposit, refundable on re-export, required if of commercial value.

**Correspondence:** airmail only; letters 25 cents a half ounce.

**Trade agreements:** GATT, effective July 29, 1948, governs the exchange of most-favoured-nation treatment.

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

**For detailed information on this market write to:**

Asia and Middle East Division
Office of Trade Relations
Department of Trade and Commerce
Ottawa

or

Canadian Government Trade Commissioner
P.O. Box 845
Singapore, Malaysia

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