OCTOBER 12. 68

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

IN THIS ISSUE

VOL. 130 NO. 8

Sheep were once the backbone of both the Australian and the New Zealand economies. We chose them as a cover subject for this special issue on the two countries because they still provide much of the foreign exchange to pay for the goods we sell.

Australia is one of our best markets for consumer goods and we should be able to sell even more in years to come, despite the rapid growth of local industry. The first twelve pages of this issue give a general idea of the country and business conditions. Following articles discuss some segments of the economy which are important to Canadians.

We have three trade offices in Australia. The Canberra office handles only those trade inquiries that require liaison with Australian federal government departments and agencies. The Sydney office is responsible for New South Wales, Queensland, Capital Territory, Northern Territory, and the Dependencies. The Victoria office is responsible for Victoria, South Australia, Western Australia and Tasmania.

Bylaws aren't just rules at the club. It pays to have a good understanding of certain Australian bylaw procedures because you may be able to take advantage of them in pushing sales. See page 22 for details.

If you have never been to New Zealand, the pictures on pages 27 to 30 will tempt you. Our Commercial Counsellor in Wellington tells you where to stay and how to make your business trip a success—and it could be included in a Pacific itinerary.

Manchester businessmen have plenty of get-up-and-go but they haven't moved their city to the seaside, as the map on page 3 of the August 31, 1968, issue of *Foreign Trade* seems to suggest. Sorry about that!

The next issue of 'Foreign Trade" will feature South Africa and also carry a survey of Canada's trade in the first half of 1968.

FOREIGN TRADE

Established in 1904. Published fortnightly by the Deportment of Trade ond Commerce.
The Hon. JEAN-LUC PEPIN, Minister; J. H. WARREN, Deputy Minister

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OCTOBER 12, 1968

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SUBSCRIPTIONS

$5.00 a year in Canada, $7.00 abroad. Single copies 25 cents each. Please forward all orders, with cheque or money order made out to the Receiver General of Canada, to the Queen's Printer, Ottawa, Canada.

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Australia Today

agriculture recovering

mining booming

factories busy

Australia's second largest city, Melbourne, is the capital of the state of Victoria and a busy port and manufacturing center.

HARRY J. HORNE
Commercial Counsellor, Sydney

—a receptive market for many Canadian products

■ Although farm income has suffered again through drought in the past year, the Australian economy maintained a growth rate of 6 per cent and the GNP topped A$24 billion. Forecasts point to as good or better performance in the current fiscal year; and with crop and pastoral conditions good, production and income records are expected to be broken in nearly all areas. Consumer spending is buoyant; investment expenditure is on the rise; the volume of new housing and construction is expected to go on growing, and mining exploration and production are booming. The only small clouds are caused by wage pressure and some uncertainty about the continued high inflow of capital from overseas. Canadian exports to Australia are expected to continue their substantial all-round growth of the past two years.

Getting off the Sheep's Back

Industrial production continued to rise in 1967-68 but farm income suffered as the result of drought and lower prices, falling by over a third to hit the lowest point in a decade. Wages and salaries climbed 8 per cent and company income rose 10 per cent. Retail sales were 6.28 per cent up, much of the increase coming in the last months, which reflects directly the quickening economic tempo.

A more detailed report on agriculture appears on page 13. About 10 per cent of the GNP is derived from agriculture but 70 per cent of exports are of rural origin—wool, wheat and flour, meat, dairy products, sugar, fruits, hides and skins. Now the drought is broken, forecasts for the coming season are optimistic.

Australia has shown in the past year that it is far less dependent on the "sheep's back" than seemed possible even a few years ago. The credit is largely due to increased mineral exploration and discovery and more diversified commercial and industrial activity. Even so, exports of wool and sheepskins with wool on amounted to A$759 million out of A$2,935 million total exports in 1967-68.

In 1967-68, Australian exports of edible fish products increased 37 per cent and were valued at A$33.9 million (1966-67 A$24.8 million), the principal buyer being the United States with A$23 million, mainly crayfish tails from Western Australia. France and Japan were other major customers.

In 1966-67, Australia imported edible fish products valued at A$28.6 million. The principal suppliers were Japan (A$7.3 million) and Britain (A$6.2 million). Canada came third with A$2.7 million, most of it canned but some frozen. Preliminary figures for 1967-68 puts total imports at A$27.5 million.

Bright Prospects

Mining is booming. Government and other responsible agencies forecast mineral exports of a billion dollars a year before 1973 (see article on page 16). Local oil wells should provide 60 per cent of the expected 480 thousand barrels daily consumption by 1971 with complete petroleum self-sufficiency in the next decade.

Oil and gas development and discoveries continued at a record pace in the past year. However, the time lag between discovery and full-scale production means there will be significant imports for many years to come. The drop in petroleum imports from A$246 to A$240 million did little to offset the increase in total imports from A$3,045 million in 1966-67 to A$3,268 in 1967-68.

Building starts in 1966-67 were 115,116 new houses (70 per cent) and flats (30 per cent) valued at A$943.6 million and other new buildings valued at A$837 million making a record total of A$1,781 million. In the first nine months of 1967-68, the value of new houses, flats and other new buildings totalled A$2,077 million and has already assured a new record. Despite the 130,000 housing starts (including 40,000 apartments) estimated for 1967-68, accommodation is still tight, demand is high and costs, by many standards, are excessive.

The work force numbers just under four million. Registered unemployed declined over 5 per cent between June 1967 and June 1968; this, coupled with a slight increase in vacancies, caused an over-all tightening. At the same time, continuing wage awards encourage increased automation.

Capital Is Available

There was a gradual increase over the past year in bank deposits of 7 per cent, seasonally adjusted, matched by a similar trend in trading bank advances.

Australia is politically and financially stable. Its high rating with international investors should ensure the continued inflow of capital essential to the country's development and necessary to ensure balance of payments stability.

Private overseas investment in companies in Australia has averaged A$421 million for the past ten years. The United States and Britain are the main sources with the former moving into the predominant position in recent years, especially since the British investment restrictions. The total inflow of overseas investment in 1966-67 was A$478 million, down from 1965-

66 A$643 million. The decline was principally due to British restrictions. The outflow of direct private investment, which is controlled, amounted to A$19 million in 1966-67.

Trading Partners

Australian exports totalled A$3,045 million in 1967-68 (A$3,023 million in 1966-67). Japan overtook Britain in 1966-67 as Australia's best customer and shot ahead in 1967-68 taking A$642 million—half as much again as Britain (A$420 million) or the United States (A$403 million). Chief items exported to Japan were wool (A$246 million), iron ore (A$88 million), cereals, grains and food products (A$87 million), coal (A$85 million), copper, lead, zinc and other ores and metals (A$55 million). Canada, Australia's 14th largest customer, bought goods worth A$53.5 million, principally food products and wine.

Australian imports in 1967-68 amounted to A$3,268 million creating an unfavorable trade balance of A$222 million (the 1966-67 deficit was A$21 million). Principal suppliers were the United States (A$840 million), Britain (A$732 million), Japan (A$343 million), Germany (A$190 million), and Canada (A$141 million). Imports were producers' materials A$1,511 million, fuels and lubricants A$27 million, auxiliary aids to production A$83 million, producers' equipment A$704 million, transport equipment A$189 million, finished consumer goods A$578 million and defence items A$125 million. Classified by degree of manufacture, imports were crude materials A$445 million, simply transformed A$344 million, and elaborately transformed A$2,429 million.

What Canada Sells

Canadian exports to Australia at A$140.6 million exceeded imports of A$53.5 million by A$87.1 million. Some 45 per cent of our exports were fabricated materials, a further 40 per cent end products, and the remainder crude materials and food and feeds. The leading items were pulp, paper and forest products, automobiles and parts, machinery, minerals, metals and manufactured goods. Canadian exports in the current year are expected to increase again by some 25 to 35 per cent.

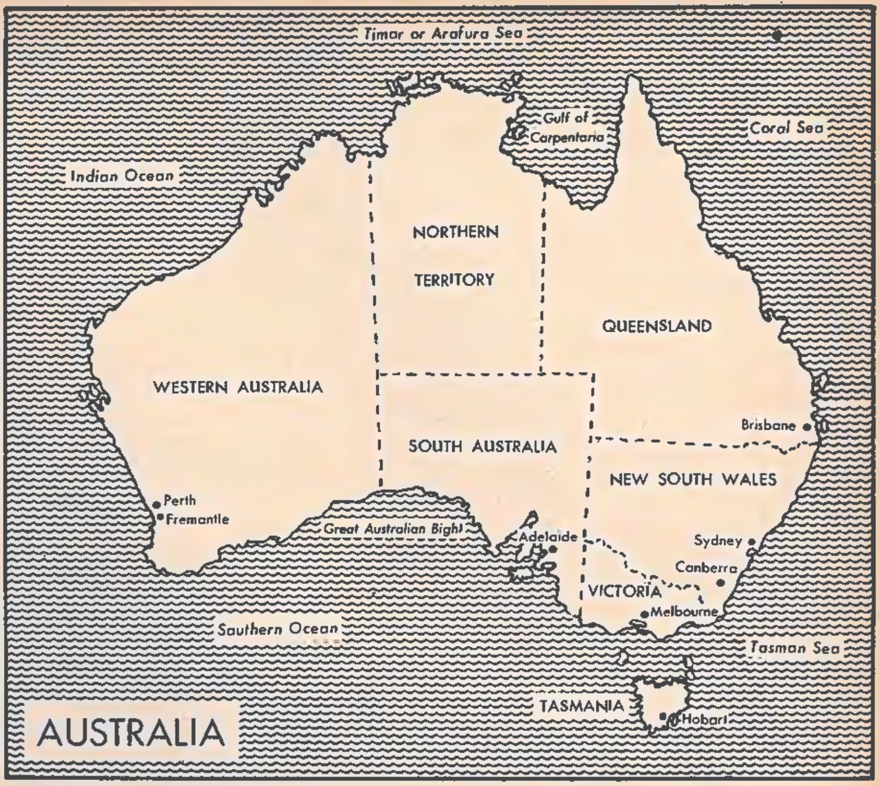
The solidly-based and continued expansion has meant a high living standard for 12 million Australians—a sophisticated and worthwhile market. Although domestic manufacture is encouraged by distance and a protective tariff policy, industry simply cannot cater to all their requirements, nor in cases of limited demand and short runs is it economically feasible. Canadian manufacturers and exporters enjoy a preferential rate of duty for most goods and are fully competitive. Where there is no domestic production, duty-free bylaw entry may possibly be obtained (see article on page 22). There is strong competition but Canadian products are well received in both the consumer and the industrial field. There are good prospects for sales of nearly any product that is competitively priced and suited to the market.

Canadian exporters of consumer goods, particularly newly designed or unique items, household fixtures and hardwares, carpets, textiles, gourmet and frozen foods, industrial supplies, chemicals, specialty machinery and logging equipment should explore the market. Begin by contacting the Department of Trade and Commerce at its Regional Office or in Ottawa, or if you prefer by writing airmail to the Trade Commissioners in Sydney and Melbourne. If they believe the market would be receptive, a visit may be advisable. As proof of the value of personal contact, a recent jewellery mission to Sydney and Melbourne wrote up in one week five times as much business as total Canadian jewellery exports in the previous year!

In August, a group of fourteen Canadian jewellery and silverware manufacturers visited Australia to examine the market and display some of their products. Here an Australian admires an attractive silver service made in Canada as the producer makes some points about it.

Markets in Brief

AUSTRALIA



Area: 2,971,081 square miles.

Population: 12,000,000 (estimate 1968).

Climate: varies widely from tropical to temperate.

Language: English.

Currency: Australian dollar; A$1.00 equals Cdn. $1.193 (September 1968).

Foreign exchange and import controls: import licence not necessary except for a few products; exchange permit not required.

Weights and measures: imperial standard.

Capital: Canberra, altitude 1,906 feet.

Chief ports: Sydney, Melbourne, Brisbane, Newcastle, Port Kembla, Hobart, Adelaide and Fremantle.

Marketing centers and populations: Sydney (population) 2,700,000, Melbourne 2,300,000, Brisbane 780,000, Adelaide 770,000, Perth 560,000, Hobart 142,000.

Economy: mainly based on primary production, with a rapidly growing secondary industry. The economy relies less and less on agricultural production. Wool, metals and minerals, wheat, meat and fruits are the main products.

Total Australian imports: 1967-68—Cdn.$3.9 billion; 1966-67—Cdn.$3.65 billion.

Chief imports: (Cdn.$ million) 1967-68—machinery and transport equipment 1,375, manufactured goods 693, chemicals 346, mineral fuels, lubricants and related materials 295.

Chief suppliers: (per cent) 1967-68—United States 25.7, Britain 22.1, Japan 10.5, West Germany 5.8, Canada 4.3.

Value of imports from Canada: 1967—Cdn.$156.3 million; 1966—Cdn.$117.4 million.

Chief imports from Canada: (Cdn.$ million) 1967—newsprint paper 21.8, parts and accessories for motor vehicles 19.1, sulphur 9.1, Douglas fir lumber 8.3, wood pulp (all types) 7, sheet and strip steel 5.8, asbestos milled fibers 5.8, motor vehicle engines and parts 4.8.

Total Australian exports: 1967-68—Cdn.$3.65 billion; 1966-67—Cdn.$3.64 billion.

Chief exports: (Cdn.$ million) 1967-68—wool 859; wheat and flour 504; meats 334; ores 289; copper, lead, zinc 182.

Chief markets: (per cent) 1967-68—Japan 21.1, Britain 13.8, United States 13.2, New Zealand 5.1, Mainland China 4.1.

Value of Canadian purchases: 1967—Cdn.$64.5 million; 1966—Cdn.$59.6 million.

Chief Canadian purchases: (Cdn.$ million) 1967—mutton and lamb 10.9, raw sugar 7.3, wool (all types) 7.2, dried currants 5.2, beef (fresh and frozen) 4.9.

Prices: quote in Canadian or U.S. dollars, either c.i.f. or f.o.b.

Usual terms of payment: from sight to 90 days in most cases but terms in excess are encountered.

Samples: no commercial value, free entry. Commercial value, deposit to amount of duty which is refunded on re-export.

Visas: not required. **Inoculations:** smallpox.

Trade agreements: Canada-Australia Trade Agreement ratified June 30, 1960, provides for exchange of British preferential treatment with some exceptions. Canada and Australia are contracting parties to GATT.

Import controls, documentation, customs tariffs, marketing and labelling: import controls are maintained on only a few products. For further information contact the Office of Trade Relations, Department of Trade and Commerce, Ottawa or the Commercial Counsellor for Canada, Office of the High Commissioner for Canada, Commowealth Avenue, Canberra, Australia.

For detailed information on this market write to:

Commonwealth Division
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor for Canada
Box 3952, G.P.O.
Sydney, Australia

or

Commercial Counsellor for Canada
2 City Road
South Melbourne, Australia

or

Commercial Counsellor for Canada
Office of the High Commissioner for Canada
Commonwealth Avenue
Canberra, Australia

(for liaison with government departments and agencies)

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Australia's Six States

—*resources, industries, imports*

Victoria

■ Victoria, the smallest state apart from Tasmania, has mountains that are snow-capped in winter, magnificent forests and golden beaches. In its 88,000 square miles live 3.3 million people, 28 per cent of the population of Australia. It produces about one-third of the whole country's wealth.

The state has 38 million acres of agricultural land, 27 million in pasture and 11 million devoted to various crops. It is the country's leading producer of mutton and lamb and also produces 20 per cent of its wool and wheat, 50 per cent of its dairy products and 69 per cent of its dried fruit. Two Canadians, William and George Chaffey, pioneered irrigation in Victoria and founded the Mildura settlement on the River Murray which is a very thriving enterprise today. A total of 1.3 million acres is irrigated in the state.

The natural gas and oil discovered in the Bass Strait will make a big impact on Victoria's already well-developed industrial sector. By the end of 1970, the oilfield should be producing 240,000 barrels a day of oil (just under half of Australia's requirement of crude). Natural gas will reach Melbourne's industry and homes by 1969; reserves are estimated to be at least 45 billion cubic feet.

Almost 40 per cent of those employed in manufacturing in the state work in the metal and engineering industries. There are also large clothing and footwear industries, oil refineries and factories making food products, beverages, textiles, paper, vehicles and auto accessories. There are aluminum refineries and fabricating plants. Victoria's factories in 1967 employed 445,000 and the value of annual factory output was A$2,236 million. The Government encourages new industries to locate away from the Melbourne metropolitan area.

Victoria's rapid industrialization is reflected in the doubling of imports through the state's ports in a decade to reach A$1 billion in 1966/67. The mix of commodities is changing and, although the total will probably go on increasing, there may be a decline in certain finished and semi-finished manufactured goods as local production grows. The table shows what is now being imported from overseas.

Ports in Victoria unloaded A$39.1 million worth of Canadian goods in 1966/67, A$5 million more than in the previous year (this figure does not take account of shipments which arrived by road and rail from ports in other states). Among the main items from Canada were newsprint paper—A$6.6 million, motor vehicles and parts —A$4.1 million, internal combustion piston engines (other than for aircraft) and parts—A$3.0 million, sawn timber—A$2.8 million, sulphur—A$2.1 million, soda and sulphate bleached wood pulp—A$1.4 million, regenerated cellulose —A$1.2 million, asbestos—A$1.2 million, and stainless steel plates and sheets—A$1.2 million.

There are good opportunities in Victoria for capltal goods, raw materials and semi-manufactures for industry, and for consumer goods too. Competition is keen and products which are not being made in Australia or which are new or different in design stand the best chance. These

VICTORIA'S MAIN IMPORTS FROM OVERSEAS IN 1966/67

	(A$'000)		*(A$'000)*		*(A$'000)*
Aircraft and parts	62,068	Office machinery	12,556	Pigments, paints and varnishes	9,014
Apparel	8,906	Textile machinery	15,132	Radio and T.V. equipment	11,203
Crockery	2,490	Other machinery	48,437	Crude rubber	7,893
Drugs, fertilizers and chemicals	58,985	Motor vehicles and parts	71,148	Synthetic rubber	5,525
Synthetic fibers	11,232	Newsprint paper	13,092	Synthetic resins	21,359
Fish	8,376	Outside packages	18,599	Taps and valves for gases and liquids	3,729
Floor coverings	8,107	Paper manufactures, including paper board	14,361	Timber, dressed and undressed	5,321
Glass (plate and sheet)	3,977	Paper pulp	7,772	Tobacco, unmanufactured	12,453
Hand tools	5,057	Paper articles and stationery, etc.	3,174	Tractors and parts	25,438
Steel plate and sheet	10,371	Printed matter, books and magazines	15,045	Transparent cellulose	6,394
Other iron and steel	16,843	Crude and refined petroleum	80,661	Wool	2,875
Jewellery, watches, etc.	7,995	Cotton and linen piece goods	25,224	Synthetic fiber yarn	13,909
Metal working machinery	16,144	Synthetic fiber piece goods	8,806	Other	320,930
Motive power machinery	60,606			**Total, including others**	**1,072,514**

are some of the things which local buyers and import agents suggest would find a ready market: builders' and furniture hardware, lighting fixtures for further assembly, giftware and fancy goods, medical and scientific equipment, audio-visual training aids, paper novelties, children's books, industrial chemicals, peripheral equipment for data processing, ski equipment and clothing, marine accessories, and toys and games. Canadian exporters looking for markets and those who are selling here already but want more information should write to the Commercial Counsellor for Canada in Melbourne.

—KEVIN F. OSMOND
Commercial Counsellor, Melbourne

New South Wales

■ New South Wales is the southeast corner of the Australian continent and has an area of 309,433 square miles. It includes the country's largest industrial centers, 36 per cent of Australia's 12 million people, and one of the most magnificent harbors in the world. Its main agricultural products are wool, wheat, meat, sugar and bananas. Diamonds, opals, gold, silver, copper, lead, zinc and coal are its mineral wealth. The heart of the state is Sydney with 2.7 million inhabitants. The relatively small area bounded by Newcastle (105 miles north along the coast) and Wollongong (50 miles to the south) contains 27 per cent of Australia's total population.

Last year, agricultural production, which is the source of 70 per cent of the state's export income, exceeded A$1,067 million (A$242 million more than the previous year when there was a severe drought). This figure was made up of major crops—A$413 million, pastoral products—A$350 million, dairying—A$119 million, and minor crops such as sugar, bananas, cotton, tobacco and grapes. Irrigation is being used to bring marginal agricultural land into full production. In 1966/67, there were 1.3 million acres under irrigation.

New South Wales produces almost 44 per cent of the country's minerals; its output in 1967 was worth nearly A$277 million. It led in coal production with A$129 million and in mineral sands with A$22.4 million. Natural gas has been discovered in the Bass Straits off the coast of Victoria and Australian Gas Light and Esso are now investigating the cost of mains to bring it to various parts of Sydney. Meanwhile, the State Government has commissioned a review of all implications of the new gas supply; a Canadian company will act as consultants. Exploratory work is also being carried out to find if there is natural gas in commercial quantities in New South Wales itself. The Minister for Mines has received ten applications for permits to prospect for oil and natural gas off the coast.

Industry is heavily concentrated in the Sydney area which has 1.2 million of the state's work force of 1.8 million. Manufacturing enterprises produce goods worth over A$2.5 billion each year. The State Government is trying to encourage factories to locate outside metropolitan areas and is having some success. There is plenty of electric power for industry—New South Wales generated 16,733 million kwh. in 1966/67.

From a distribution point of view, there are three areas to be considered—Sydney, Newcastle and Wollongong, each of them served by its own port. Manufacturers' representatives, however, are concentrated in Sydney and from

MAIN NEW SOUTH WALES IMPORTS

	1966	*1967*
	(A$ thousand)	
Fish and fish preparations	13,350	13,728
Crude rubber	11,210	11,258
Timber	17,643	17,815
Petroleum oils	82,466	73,190
Chemical elements and compounds	49,506	56,731
Pharmaceutical products	23,854	23,355
Plastic materials (including regenerated cellulose and artificial resins)	25,956	25,664
Rubber manufactures	11,549	12,269
Paper and paperboard	35,933	38,790
Woven cotton fabrics	34,913	36,127
Other fabrics	21,750	22,490
Machinery, other than electrical	141,637	157,398
Electrical machinery and equipment	46,460	50,543
Road motor vehicles	87,673	73,713
Aircraft (including parts)	31,296	58,671
Scientific, medical and optical instruments	27,722	31,747
Printed matter	21,749	24,524

Australia has long been among the world's major wheat producers, though drought cut the crop in the past season.

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there are able with little difficulty to service the other districts. This also holds true for agents, both those handling consumer goods and industrial products.

The income of the average Australian family has been increasing in the past few years and New South Wales leads the trend. There has been a rise in the demand for luxury items which very often come from overseas. Industry has, however, shown itself to be very responsive and, within a few years of a foreign product achieving a high degree of success, there is a local product on the market. Local manufacturers find that duty protection is readily available. Despite this, Canadian companies usually discover that they can continue to sell if they sell on quality.

Retail sales in New South Wales in 1967 amounted to A$3.5 billion. This was made up of foodstuffs—A$1,002 million (A$217 million for meat), beverages—A$262 million, clothing and drapery—A$455 million, footwear—A$77 million, hardware, china and glassware—A$62 million, electrical goods—A$148 million, furniture and floor coverings—A$121 million, chemists' goods—A$161 million, newspapers, books and stationery—A$94 million, motor vehicles, gasoline, etc.—A$909 million, and unspecified other goods—A$247 million.

The exporter can get an idea of the market for imports from the table on page 7. Another pointer to where opportunities lie is the increase in retail sales in the past year. Retail sales of fancy goods in New South Wales increased by 7.8 per cent in 1967, electrical goods by 6.7 per cent, sports and travel goods by 6.7 per cent, television sets by 7.6 per cent, floor coverings by 6.9 per cent, and women's fashion wear by 5 per cent.

Canada sold A$51.3 million worth of goods in 1966/67 out of total imports into New South Wales of A$1,323 million. Because the economy is becoming less dependent on agriculture, it will not be affected so much by crop fluctuation and Canadian companies making unique consumer products or industrial supplies and equipment should be able to find a market.

—DUANE D. VAN BESELAERE
Assistant Commercial Secretary, Sydney

Queensland

■ Queensland's area of 667,000 square miles exceeds that of Ontario and Manitoba combined. It has a remarkable variety of natural resources. The Darling Downs include some of the most productive land in Australia. Its coastal regions are suitable for sugarcane and other tropical crops, and the western districts for sheep and cattle raising. There are rich deposits of gold, silver, uranium, copper, coal, bauxite and other metals. In recent years, investment in such fields as oil, coal and aluminum has vastly increased.

The coastal region presents a wide area of forested ranges. In the north, much of the tropical rainforest has been cleared for sugarcane, Queensland's major crop. The eucalyptus forests between the river valleys have often been cleared away for cattle grazing. Timber is of growing importance in the tropical region.

Sugar ranks among Canada's main imports from Australia ($7.3 million last year); much of it comes from Queensland.

In the central district, dairy farming is being combined with cotton growing. In the south, the Darling Downs is provided with ideal soil conditions for wheat and rich grasses. West of the great dividing mountain ranges are the Mitchellgrass Downs carrying most of Queensland's 23 million sheep.

Total values for agricultural production during the period 1966/67 were: crops A$318.7 million, pastoral products A$276.4 million, dairying A$54.99 million, pig raising A$20.4 million, poultry A$19.1 million and beekeeping A$.369 million. Some of Australia's best prawn fisheries are in the northern part of Queensland and fisheries production in 1966/67 was valued at over A$6 million. Forest products in the same year were worth approximately A$13 million and mineral production totalled A$155 million.

In 1967/68 Queensland undertook large scale transportation improvements, spending A$33.3 million on permanent roads, A$25 million on railway construction and rolling stock and a large amount on pipelines to tap natural gas discoveries.

Every section of secondary industry has undergone considerable expansion, benefitting from a high level of fixed capital expenditure. Factory production now exceeds rural production and was valued at more than $590 million in 1966/67. Over 113,000 people were employed in factories.

Distribution in Queensland differs considerably from New South Wales. The cities are spread along the eastern seaboard and each is serviced by its own port. Brisbane is the largest and most important outlet for the south and the main port for overseas imports into Queensland. Another characteristic of distribution in the state is that purchases tend to be made from overseas manufacturers' Victorian and New South Wales representatives. This is especially true when these agents hold stocks in the other states.

Retail sales in Queensland increased by 6.3 per cent from July 1967 to June 1968. The main growth items with their percentage increases were: apparel accessories 8.7, electrical and heavy hardware for household use 6.9, sporting and travel goods, photographic equipment, etc. 5.1.

Queensland's emphasis is on primary production and it is an important market for manufactured goods, especially consumer and industrial products. A Canadian firm interested in exporting to Queensland should write to the Trade Commissioner in Sydney for more information and assistance.

—DUANE D. VAN BESELAERE
Assistant Commercial Secretary, Sydney

South Australia

■ The state covers an area of 380,000 square miles. A third of this is desert and over half is only suitable for extensive grazing. Other parts are very intensively cultivated, particularly the wine-producing areas. The capital is Adelaide, the Detroit of Australia, which has a population of 728,000.

South Australia's growth rate has been somewhat slower than in the rest of the country over the past two or three years but it is improving now. The slight recession of 1965-66 was felt more acutely due to the preponderance of the food and automobile manufacturing industries. General Motors Holden Pty. and Chrysler Australia Ltd. both have factories in Adelaide and the former has a plant in Elizabeth also.

SOUTH AUSTRALIA'S MAJOR INDUSTRIES

Industrial class	**Added value***	
	1965/66	*1966/67*
	(A$'000)	
Treatment of non-metal mine products	17,807	17,747
Bricks, pottery, glass, etc.	11,115	10,848
Chemicals, dyes, paints, etc.	35,263	39,852
Metals, machines, and conveyances	294,482	306,402
Precious metals, jewellery	1,807	1,930
Textiles etc. (not dress)	9,796	11,461
Skins and leather	3,954	3,615
Clothing (except knitted)	12,965	14,840
Food, drink, and tobacco	55,691	65,126
Sawmills, joinery, etc.	23,012	23,229
Furniture of wood, bedding, etc.	7,696	8,010
Paper, stationery, etc.	25,939	28,048
Rubber	6,996	8,950
Musical instruments	79	85
Miscellaneous products	7,189	9,671
Heat, light and power	13,687	14,161
Total	**527,477**	**563,975**

*Value added in process of manufacture (i.e. value of output less value of materials and fuel used)

The most important mineral resources in South Australia are iron ore, which is mined by the Broken Hill Proprietary Co. Ltd. in the upper Eyre Peninsular, and gypsum. South Australia has most of the country's gypsum reserves. Talc is also important and there are deposits of limestone, dolomite, opal, and a variety of clays including ball clay at Woocalla, china clay at Mount Crowford, and fireclay at Birdwood.

The discovery of natural gas at Gidgealpa and Moomba has at last provided the state with a good source of fuel. When the gas reaches Adelaide in early 1969, the new power station will start using it and cheaper electricity will stimulate a wide range of industry.

At one time, most of the wine produced in Australia was exported to Britain. Local consumption is now growing rapidly and the per capita figure has risen to 1.33 gallons a year (Australians drink nearly 20 gallons of beer per capita as well). South Australia's 60,000 acres of vineyards produce between 26 and 30 million gallons of wine a year, about half of which is used for making brandy and other spirits. Canada is Australia's largest customer for sherry and port and second largest for table wines.

In 1966/67, Canadian goods to the value of A$9 million entered through Adelaide and it is probable that substantial quantities came into South Australia via other ports. The main items which entered South Australia direct from Canada in 1966/67 were wood—A$2.4 million,

Grapes grown in the Barossa Valley of South Australia provide 80 per cent of Australian wines; the state has 60,000 acres of vineyards, producing 26 to 30 million gallons of wine a year.

Lights sparkle along the Narrows Bridge in Perth, which spans the Swan River. Capital of Western Australia, Perth today has a population of 586,000 people; it has grown with the expansion of mineral production in the state.

transport equipment—A$1.6 million, paper, paperboard and manufactures—A$1.3 million, machinery other than electric—A$906,000, iron and steel—A$781,000, crude fertilizers and crude materials—A$392,000, manufactures of metal—A$359,000, electric machinery and appliances—A$356,000, and non-ferrous metals—A$348,000. The table showing the value added by individual industries in the state will help to indicate where export opportunities are likely to be found.

—J. L. NORMAND VILLENEUVE
Assistant Commercial Secretary, Melbourne

Western Australia

■ Ten years ago, Western Australia's economy was primarily pastoral and agricultural. Today, industrialization and the discovery of great mineral wealth have made it the glamor state. In an area of 975,900 square miles it has only 864,000 people, nearly all of them concentrated in the well-watered, temperate southwest corner. Metropolitan Perth's population is 586,000.

The Great Plateau (average height 1,000 to 1,500 feet) takes up 90 per cent of the state's area. Nearly half Western Australia gets less than ten inches of rain a year and consists of sandhills or stony desert. (Marble Bar is Australia's hottest place and has 145 days a year with temperatures of 100°F. or more.) Perth boasts the wettest winter, the driest summer and the windiest weather of all the state capitals. It is also one of the most isolated cities—there is no city of over 30,000 inhabitants closer than 1,200 miles and Djakarta is nearer than Sydney.

In the 1960's an average of a million acres extra was brought under cultivation each year; the total now stands at 32 million. Wheat acreage doubled in a decade to reach 6.7 million acres which produced 106 million bushels in 1967/68. The sheep population has risen from 10 million in 1945 to 27 million today. There are over a million head of beef cattle. Net agricultural production in 1966/67 was valued at A$156 million and pastoral production at A$130 million, approximately 40 per cent of the state's total production. The use of fertilizers is the main reason for the rapid growth of agricultural output.

The forests produce jarrah and karri hardwoods and pine plantations are just beginning. Railway ties are the main export item. The feasibility of producing wood chips (mainly for export to Japan) is being studied. Fisheries are important and are growing. Crayfish exports, which earned A$14 million in 1966/67, went mostly to the United States. Prawn fishing is expanding and the possibility of a tuna industry is being investigated. There are also pearl fisheries and whaling.

The start of iron ore shipments to Japan heralded an era of rapid expansion in the mining industry. The immense deposits at Pilbara will be exploited at a cost of A$700 million. Railways, harbors and new towns have already been built and by 1985 over 110,000 people will be living where there were only 13,000 in 1961. Contracts have been made to export 260 million tons of ore and pellets. Bauxite and alumina are the state's second most important mineral resource with sales of A$24 million last year. Gold mined was worth A$18 million. Barrow Island produces oil and the state's nickel production is growing with prospectors busily searching for more deposits. A salt project is expected to be able to satisfy the whole of Australia's present potash needs.

Perth is where nearly all secondary industry is located. Average male earnings there are approximately Cdn. $70 a week. Another industrial center is growing up at Kwinana, 20 miles to the south. Cement, steel pipe and industrial gases are made and there is an oil refinery, rolling mill and an alumina plant. A new 600,000-ton blast furnace has just been commissioned, a nitrogenous fertilizer complex is being built, and work is to start on a nickel refinery using a leaching process developed by Sherritt Gordon Mines Ltd. of Canada.

Transportation and distribution are major problems in Western Australia. In the Kimberleys, beef cattle slaughtered at Glenroy Station used to be flown 150 miles to factories at Wyndham. A massive program to provide "beef roads" at a cost of A$31 million will be completed by 1974. (In this part of the world, beef ranches can cover over a million acres but irrigation schemes may one day change this pattern.) The completion of the standard gauge railway through from Port Pirie in South Australia will further improve communications. Manufacturers in the eastern states often use agents in Perth rather than set up their own organization. Melbourne and Sydney distributors use sub-agents or make limited calls in the area. Canadian exporters would do well to consider having a separate agent for this territory.

Canada's largest export category to Western Australia is crude minerals (mainly sulphur to make sulphuric acid for the manufacture of phosphate fertilizers)—A$2.9 million. Among the other large items are paper—A$755,000, transport equipment—A$643,000, non-electric machinery—A$609,000, chemical elements and compounds—A$181,000, other metal manufactures—A$167,000, pulp paper and waste—A$138,000, fish and fish preparations—A$136,000, and textile products—A$127,000.

—W. A. McKENZIE
Assistant Commercial Secretary, Melbourne

Tasmania

■ Tasmania, with less than one per cent of Australia's total area and only three per cent of its population, has a record of industrial achievement far greater than what would normally be expected for such a small state. Tourism has always been a major income-earner and by the mid-1970's, the number of tourists will equal the present population of 370,000.

The island has a plentiful water supply and produces Australia's cheapest electric power. This has attracted many industries. In the southwest, with its annual rainfall of 120 inches, thick forests and high mountains, is the Tasmanian Hydro Electric Commission's A$350 million Gordon River project. The area will eventually have five hydro schemes with a combined average capacity of 550 mw., equal to a yearly output of 4,800 million kwh. or 90 per cent of the power generated by Australia's Snowy Mountains scheme.

The first station of the Mersey-Forth power scheme (near Devonport on the northwest coast) went on stream in June 1968. The scheme involves a total capital expenditure of $125 million and, when completed in 1972, its

Tasmania boasts of Australia's only newsprint mill at Boyer on the Derwent River. It uses 80 per cent eucalypt and 20 per cent imported long-fibred pulp as its raw material.

seven stations will boost the Commission's output to 5,761 million kwh. annually.

The Bell Bay area near Launceston on the north coast is the site of the Comalco aluminum smelter and the Temco ferro-manganese plant which together consume more power in a year than the whole of Western Australia. In 1967 the Temco (Tasmania-Electro Metallurgical Co.) plant doubled its production of ferro-manganese to 80,000 tons at a cost of $4 million. A Comalco expansion program, just completed, raised primary aluminum capacity from 54,000 to 72,000 tons; plans for a further $12 million expansion have been announced. A subsidiary has been formed to produce Australia's entire aluminum powder and paste requirements at a new 700-ton plant costing A$750,000. As an insurance against drought and to provide more power in the interim, the Commission is building a A$25 million oil-fired station at Bell Bay.

Mount Lyell Mining Co. Ltd. mines copper at Queenstown by the open-cut method. Within four years the entire operation will be expanded and converted to deep mining at a cost of A$36 million, raising the output from 14,000 to 25,000 tons. Ore reserves of more than 30 million tons, assaying between 1.46 per cent and 1.96 per cent copper, have been established so far.

The Savage River scheme in northwest Tasmania is managed by the Pickands-Mather group and will produce 45 million tons of iron ore pellets for Japanese mills over the next 20 years. It is a A$70 million project. Construction in the last two years includes a 235-home township; a concentrating plant upgrading 38 per cent crude ore to 67 per cent powder; a 53-mile 9-inch pipeline to convey slurry to a pellet plant at Port Latta, and equipment capable of loading pellets into ships at the rate of 3,000 tons an hour. The first shipment of pellets sailed for Japan last April; soon shipments of 90,000 tons will leave Port Latta every ten days.

A new A$17 million sulphuric acid plant will be built at Burnie in the next two years by Mount Lyell Co. and EZ Industries Ltd. (a leading producer of electrolytic zinc). It will produce 420,000 tons of sulphuric acid from pyrite. EZ's plant at Risdon produces 200,000 tons of sulphuric acid, 200,000 tons of zinc, 150,000 tons of superphosphate and 65,000 tons of sulphate of ammonia a year. The company plans to spend $7 million to increase roasting capacity and provide new melting and casting plant.

Tasmania is self-sufficient in cement and will soon begin shipping it in bulk to Sydney and Melbourne. Goliath Portland Co. Ltd. at Railton has spent more than $6 million on the installation of a new dry process plant to raise production to 500,000 tons a year.

Australia's only newsprint mill at Boyer, near Hobart, at present supplies just under 30 per cent of the country's requirements. A third newsprint machine in 1969 will increase output from 97,000 to 165,000 tons, bringing it to over 40 per cent, at a cost of A$35 million. This may affect Canada's exports in the short term but the increased production will eventually be absorbed by the growth in consumption.

Associated Pulp and Paper Mills Ltd. has spent A$6 million on its wood chip plant to produce 500,000 tons a year for export to Japan. In addition, it is spending A$48 million on a pulp, paper and hardboard complex at Wesley Vale near Devonport. The first stage is a A$15 million integrated pulp and paper plant which will initially add 30,000 tons of fine paper to the 95,000 tons now being produced at its Burnie mill. Eventually the Wesley Vale plant will produce 70,000 tons, most of it for export.

Tasmania's four major ports—Hobart, Burnie, Devonport and Launceston—are preparing to handle containers. Burnie plans to spend over A$10 million on remodelling its harbor facilities.

Can Canadian companies enjoy a share of this boom? Yes, why not? There may be an opening for your product in Tasmania. Write to the Commercial Counsellor in Melbourne with full particulars and he will be pleased to follow up and prepare a detailed market report for you.

—LEON B. STRYKER
Commercial Assistant, Melbourne

Northern Territory—a Market for Tomorrow?

■ Although the Northern Territory has an area of 524,000 square miles, its population is less than 40,000 and half of the people live in the capital city of Darwin.

The productive area has traditionally been devoted to grazing. Efforts are being made to irrigate arid and semi-arid land to grow cotton and other crops but this is still largely experimental. Minerals, oil and natural gas have been found but so far they have only been developed in a limited way.

In the future, this part of Australia may provide a worthwhile market. At present, however, the scope for Canadian products is small and practically the only opportunities are for irrigation, mining and exploring equipment. The Sydney office will endeavor to keep Canadian companies informed of developments which might interest them.

—DUANE D. VAN BESELAERE, *Assistant Commercial Secretary, Sydney*

A Difficult Year for Australian Farmers

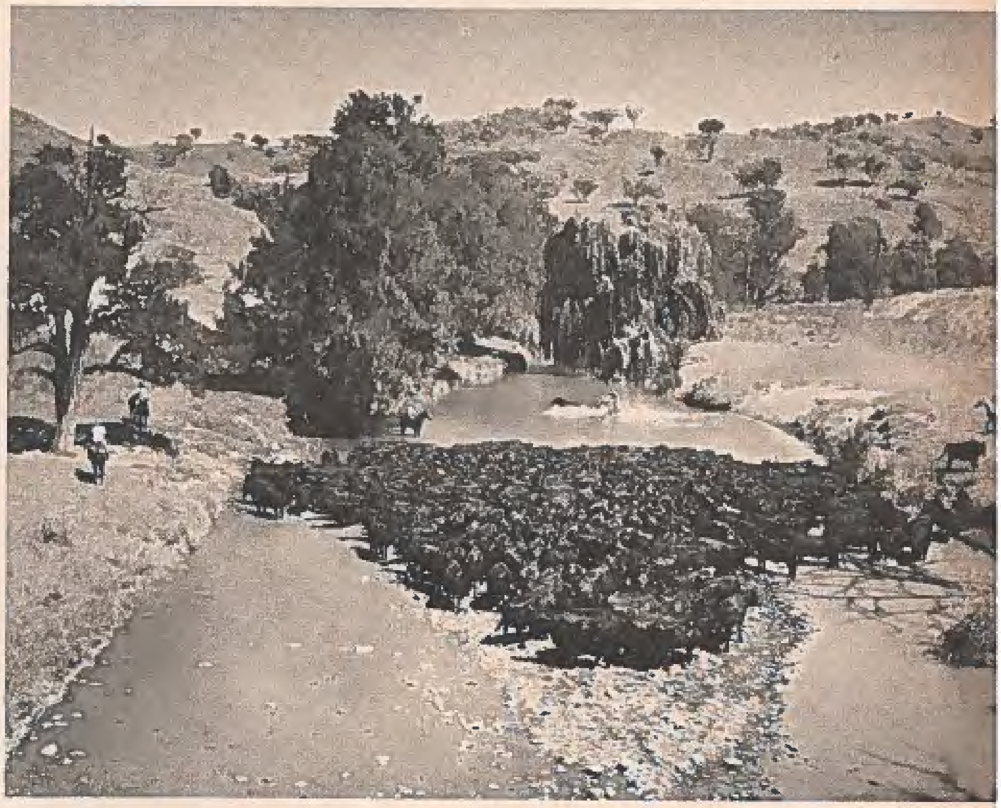
Agricultural output in Australia fell by 12 per cent in value last year because of drought at home and difficult conditions in overseas markets. Timely rains have raised hopes of record crops this year.

W. BOYCHUK, *Assistant Commercial Secretary, Canberra*

■ The farm sector plays an important role in the Australian economy, producing 10 per cent of the gross national product and about two-thirds of export earnings.

There were a number of developments during the fiscal year 1967/68 (July 1 to June 30) which strongly influenced the rural economy. These included a severe midsummer drought in the southeast of the continent; the devaluation of sterling; a generally unfavorable world market for Australia's traditional rural exports; an apparent reassessment by the Government of long-established farm stabilization policies, and a move by farmer organizations towards unity for a stronger political voice.

The drought, the second since 1965/66, which hit southern New South Wales, Victoria and South Australia, was a major reason for the A$450 million (12 per cent) decline in the gross value of rural production. Most affected were cereals, butter and dried vine fruit. The recovery of livestock from the 1965/66 drought was retarded.



These Aberdeen Angus steers symbolize the growing importance of the beef industry.

Devaluation Upsets Markets

The devaluation of sterling in November 1967 had an unfavorable influence on the important British market for Australian farm products; the full impact is still not known. The Government has so far paid out A$20.8 million to statutory marketing authorities which suffered immediate devaluation losses. On August 8, 1968, it announced further compensation totalling A$16.5 million for rural industries suffering "demonstrable and unavoidable losses" as a result of devaluation, namely the producers of apples and pears, dairy products, canned fruit, eggs and honey.

Rural exports probably fell by 2 to 3 per cent in volume from the previous year but by some 9 per cent in value, falling to an estimated A$1,840 million. This was mainly due to lower world prices for wool, dairy products and cereals, and the continued depressed world price for sugar. Earnings from wool fell by A$94 million in spite of a marginal increase in the volume shipped. Cereals, dairy products and hides and skins shared the remaining A$78 million fall in export earnings.

There has been a marked intensification during the past year in government action aimed at economic viability in the rural sector and an attempt to limit increases in subsidies. The Government has proposed revision of the cost-of-production formula used to determine the support price of wheat and adoption of a guaranteed export price in line with the minimum limit under the International Grains Arrangement. Some compromise between the old stabilization scheme and the new government proposals will likely emerge. A Dairy Reconstruction Scheme has been announced by the Government; this A$25 million scheme will encourage the merger of dairy farms, some 7,000 of which are now considered too small to be economically viable. There have been hints at rationalization of the Queensland sugar industry but no new measures are likely to be announced until the negotiations for a new International Sugar Agreement end. Changes are expected in financial assistance to the rapidly expanding cotton industry as it moves into the highly competitive international market.

Falling farm income—in 1967/68 total net farm income at A$900 million was 30 per cent below the previous year and A$150 million less than in 1965/66—the steady rise in farm costs, and moves to rationalize the farm sector have all added strength to the farmer unity movement in the past year. The historic amalgamation of the Victorian branch of the Australian Primary Producers Union (APPU) with the Victorian Wheat and Woolgrowers Association has overshadowed merger trends in other states. Although Australian farmers are still some way from having a single national voice, the trend is definitely in that direction.

Disappointing Cereal Crops

In spite of the record crop in Western Australia, drought depressed the average wheat yield for all growing areas to only 12.2 bushels an acre, compared with 22.4 bushels the year before. Although a record 22.3 million acres were planted to wheat, the 1968 harvest came to a disappointing 277 million bushels. The 80 million bushel carryover from the previous season helped to offset the shortfall but total shipments of wheat and wheat flour in the first seven months of the new crop year (December 1, 1967—June 1, 1968) were down by over 35 per cent. Australia's biggest buyers (in order of volume) were Mainland China, Japan, Britain, India, Singapore and Malaysia. Nearly all wheat available at present is tied up and indications point to a small carryover.

The harvest of oats and barley was less than half the previous season's record because the drought drastically reduced yields. Exports were much reduced both in value and volume.

Little change is expected in maize production this year. Sorghum is likely to decline by about 18 per cent to 9.9 million bushels as a result of decreased acreage in Queensland which is the main producing state.

AUSTRALIA'S AGRICULTURE

PRODUCTION	Volume (in millions) 1966/67	Volume (in millions) 1967/68	Value (A$ million) 1966/67	Value (A$ million) 1967/68
Wheat, bushels	466.6	277.3	689.9	438.0
Barley, bushels	61.6	35.5	73.7	41.4
Oats, bushels	107.1	39.3	83.4	35.9
Maize, bushels	7.5	7.8	10.4	11.2
Sorghum, bushels	11.7	9.9	12.5	13.4
Rice, tons	0.2	0.2	12.4	14.5
Sugar, tons	2.3	2.3	140.2	137.0
Tobacco, dried leaf, pounds	27.1	23.3	28.9	26.6
Cotton, pounds	120.4	225.8	13.6	19.6
Apples, bushels	19.4	19.1	53.4	44.0
Pears, fresh, bushels	6.6	6.8	13.9	13.4
Citrus, bushels	12.8	9.4	20.3	19.0
Dried vine fruits, tons	0.1	0.08	30.9	27.6
Wine and table grapes, tons	0.7	0.6	19.3	14.0
Wool, pounds	1,763.0	1,770.0	812.2	717.0
Beef and veal, tons	0.9	0.9	524.8	574.6
Mutton and lamb, tons	0.6	0.7	186.7	181.7
Pig meats, tons	0.1	0.1	84.0	95.4
Canned meats, tons	0.05	0.05		
Whole milk, all purposes, gallons	1,602.0	1,510.0		
Butter, tons	0.2	0.2		
Cheese, tons	0.07	0.07		
Preserved milk products, tons	0.2	0.2		

EXPORTS	Volume (in millions) 1966/67	Volume (in millions) 1967/68	Value (A$ million) 1966/67	Value (A$ million) 1967/68
Wheat, bushels	255.5	253.0	384.3	362.0
Barley, bushels	18.7	5.6	21.6	6.4
Oats, bushels	22.1	9.5	17.5	8.0
Rice, tons	0.09	0.1	13.8	11.5
Sugar, tons	1.6	1.6	99.5	102.0
Apples, bushels	6.8	6.9	18.3	18.0
Pears				
fresh, bushels	1.4	1.5	4.8	5.0
canned, tons	0.04	0.05	12.4	12.0
Citrus, bushels	1.2	1.2	3.8	3.7
Dried vine fruits, tons	0.07	0.08	21.1	22.0
Wool, pounds	1,662.0	1,200.8	869.5	775.2
Beef and veal, tons	0.2	0.3	198.2	204.0
Mutton and lamb, tons	0.1	0.1	43.3	47.4
Pig meats, tons	0.001	0.001	1.2	0.9
Canned meats, tons	0.02	0.02	13.1	12.4
Butter, tons	0.1	0.08	64.8	47.3
Cheese, tons	0.03	0.02	15.3	18.9
Preserved milk products, tons	0.1	0.09	42.0	31.8

In contrast, rice-growing in the Murray Valley irrigation districts of Northern Victoria continues to expand slowly but profitably. Exports of the 1967 crop to Okinawa, Taiwan, and other parts of Asia were valued at nearly A$14 million. The whole of the 1968 rice harvest of 210,000 tons has already been sold or committed for sale. Australian paddy rice brings in about A$60 a ton.

Less Money from Wool

Because production rose only slightly (on account of the drought) and average prices for greasy wool were down 12 per cent from the previous marketing season, the national wool cheque dropped by A$70 million. The past marketing season was also characterized by an unprecedented accent on quality; average prices of fine quality merino wool were about 12 per cent higher, and those of coarse wool about 12 per cent lower, than the respective opening prices in July.

This was the fourth straight year that Australia's wool returns declined from the record A$894.5 million in 1963/64. In this period there have been two serious droughts and world wool prices have been soft.

Switch to Beef

The 7 per cent increase in meat output expected in 1967/68 reflects the record mutton production; dry weather pushed up slaughtering. An 8,000-ton increase in pigmeat production is expected as a result of expansion in Queensland. More significant in the long run is the steady expansion of beef and veal production in the main cattle states of Queensland, Victoria and New South Wales. The beef cattle industry is growing in relative importance, particularly in the irrigated areas of northern Australia. Strong demand for beef at home and abroad and declining wool income are making many farmers turn to beef production.

Exports of meat products in 1967/68 to all markets were little changed. Shipments to the United States and Britain were substantial but Japan promises to be the market with the greatest opportunity for expansion. Japan took 10,931 tons of beef and 45,311 tons of mutton in the nine months ended March 1968. The Australian Meat Board has planned a A$195,000 meat promotion program in Japan and elsewhere in Asia for 1968/69 and is now working on the Japanese retail trade.

Drought Hits Dairy Output

Australian production of whole milk and dairy products has been rising steadily in recent years, keeping pace with the average world production rate. However, output of milk for all purposes in the year ending June 1968 was 6 per cent lower at 1,510 million gallons as a result of the drought. Factory butter production fell 11 per cent over this period because milk output declined. Milk used for liquid consumption increased 5.1 million gallons, for cheesemaking increased 2.7 million gallons, and for processed milk products increased 1.4 million gallons. Butter shipments to Britain (which are assured by a quota system) fell in the first 10 months of 1967/68 by 23 per cent to 53,000 tons due to decreased supplies, and returns were hit by devaluation of the pound. In contrast, exports of cheese (mostly cheddar) to Britain jumped from 2,900 tons to 12,900 tons in the same period. With the decline in shipments to Japan, this amounted to almost half Australia's total cheese exports. Exports of condensed milk, dried milk products and casein were all down by approximately 30 per cent.

Commercial output of eggs for 1967/68 may reach about 164 million dozen, a 10 per cent increase over 1966/67. Exports of shell eggs to Britain and egg pulp to Japan took most of the increase. In the past two years Japan has become a major market for Australian egg products.

Fruit, Tobacco and Other Crops

The 1967/68 apple crop of 19.1 million bushels and pear crop of 6.8 million bushels show little change from last year. Apple and pear shipments to Britain and the Continent normally account for 90 per cent of exports. This year they are expected to be 7.5 million bushels, nearly 250,000 bushels below last year.

The 1968 canned fruit pack of 11 million basic cartons is up by 700,000 cartons from last year, with about equal increases in canned pears and mixed fruit. Booming sales in Britain took over five million cartons and shipments to Europe and Canada also increased.

Estimates put the 1968 dried vine fruit pack at 81,000 tons, 20 per cent less than in 1967. Sultanas are the major product (67,000 tons). Wine production will be down by 12 per cent as a result of the drought. Canada is Australia's second export market for dried fruit after Britain. By June 1968, 1967 season sultanas, currants and raisins shipped to Canada totalled over 24,000 tons.

Sugar production at 5.3 million tons is up slightly from last year. Unless a new International Sugar Agreement is negotiated, 1.7 million tons of this crop will have to be exported at depressed prices. There is a target for government loans to bring the average return to producers up to A$86 a ton. At current prices, the value of sugar exports is expected to reach A$105 million.

The estimated 1968 production of cotton is 143,200 bales and will make Australia self-sufficient for the first time. Grower organizations are at present attempting to formulate a policy on cotton exports. Much will depend on the policy of the Government after the current Raw Cotton Bounty Act expires.

The tobacco crop of 23.3 million pounds was affected by the dry season in Victoria. Under the renewed Tobacco Stabilization Plan, the Australian marketing quota for 1969 will be increased to 28.5 million pounds from the current quota of 26 million.

Prospects for 1968/69

Drought-breaking rains in early winter have encouraged optimistic forecasts for next season. An estimated 25 million acres have been sown to wheat and there is talk of a record 500 million bushel harvest. Restocking drought-affected areas is continuing under favorable pastoral conditions. Increases in wool production are expected but at best only a small rise in world prices can be foreseen for 1968/69. Further expansion of beef output is expected to accompany lower mutton supplies due to restocking. Dairy, dried fruit and wine production should recover from last year's set-back and sugar growing districts are predicting records.

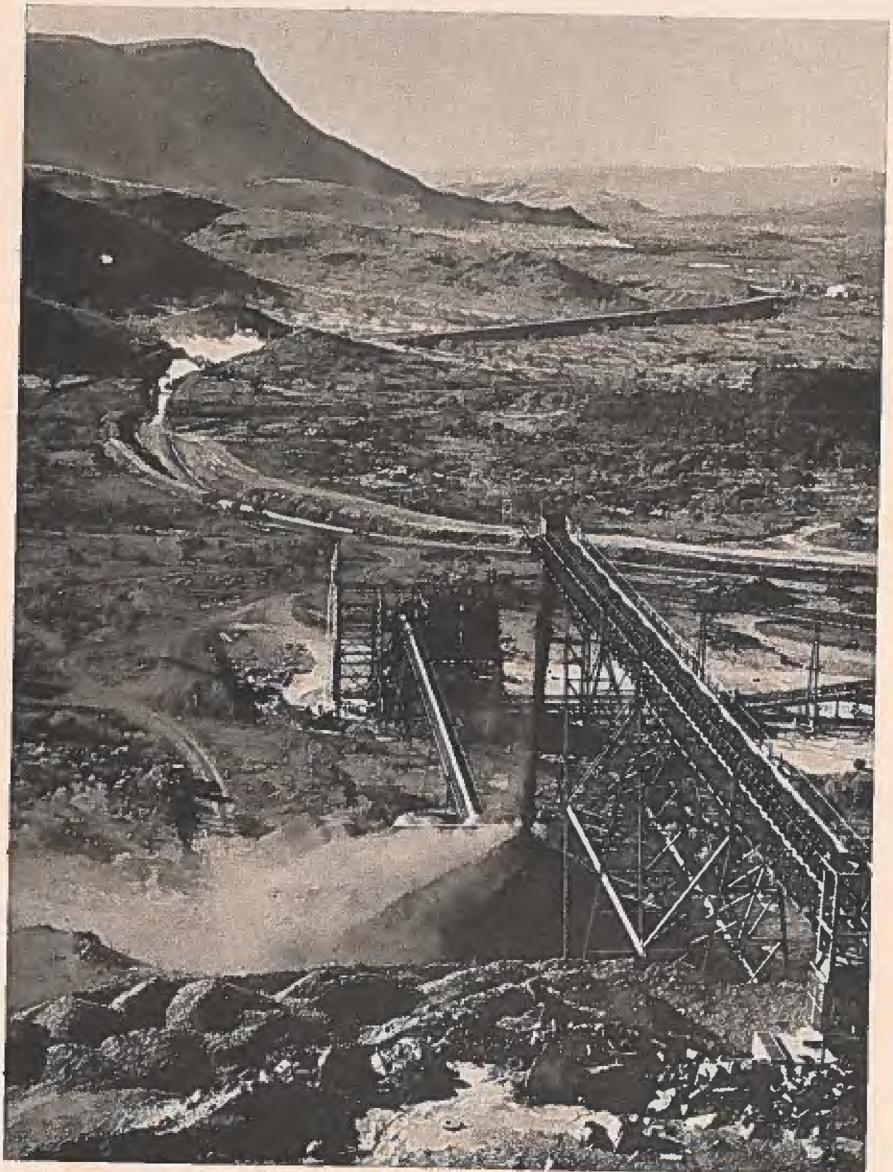
Exporting?

If your firm cannot fill an order that it receives from a foreign customer, don't let the inquiry go by default. Answer it promptly, explaining your position and telling your client whether and when you will be able to supply in the future. Or pass the order on to some other company that can ship to him. You will be helping to preserve Canada's reputation as a trader and keeping the customer's goodwill against the day when you may want and need his business. Don't let the letter go unacknowledged. Silence may be golden sometimes, but not when you are cultivating foreign markets.

Mining Output Up Down Under

The Australian mining industry is expanding fast—exports will reach a billion dollars within five years. Canadian companies, engineers and equipment are playing an important part.

HARRY J. HORNE, *Commercial Counsellor, Sydney*



Rapid exploration of mineral wealth has marked Australia's progress in recent years. Here top-grade iron ore is being stockpiled at Mount Tom Price, one of the largest deposits; it will eventually go to the steel mills in Japan.

■ Australian mining continued to boom in 1967/68, setting new records for production and for exports. Sales overseas climbed to A$418 million from A$331 million and practically offset the drop in agricultural exports which was due to drought and the devaluation of sterling. Iron ore exports rose sharply to A$75 million from A$17 million in 1966, coal rose to A$76 million from A$65 million and mineral sands reached A$34 million. Japan was the major customer followed by the United States and Britain.

Iron ore production rose from 11.4 million tons to 18.5 million in 1967/68, a mighty increase of 7 million tons. Mine production of bauxite increased to 4.1 million tons in 1967/68 from 1.7 million tons in 1966/67 and alumina production almost trebled to 841,000 tons. Manganese ore output doubled from 270,000 tons in 1966/67 to 548,000 in 1967/68. Zinc and lead also increased but cop-

AUSTRALIAN MINING PRODUCTION AND EXPORTS 1967-68

	Production	*Exports*
	(tons)	
Copper	87,668	11,877
Lead	372,221	90,962
Zinc	398,020	160,952
Tin	5,379	1,661
Bauxite	4,169,000	1,700,000
Iron ore	18,456,000	5,815,160
Tungsten concentrate	1,646	*1,995
Mineral sands concentrates	1,110,116	883,290
Black coal	33,659,000	10,193,000
	Fine Ounces	*Fine Ounces*
Gold	800,000	44,736
Silver	20,125,000	2,809,045

Figures are for metal content although most exports are in the form of concentrates.
*Tungstic oxide.

per dropped slightly as a result of industrial trouble at the largest mine.

Exploration continues at a rapid pace. Many Canadian mining companies are directly involved; others are supplying machinery and equipment. There are also Canadian consultants working in every mineral area of Australia. The number of mines has risen slower than the value of output which has more than doubled in the past five years from A$160 million to A$418 million. The bulk of the increase is from metal mining.

Forecasts for 1968/69 are for a further increase in the production of all minerals. Nickel mineralization finds, particularly in Western Australia, continue to make news and are responsible for a very active mining shares' market.

Australia in 1967/68 still had to import substantial quantities of minerals besides petroleum—sulphur 514,000 tons, potash 119,000 tons, asbestos 53,000 tons, ferro-alloys 23,000 tons, and nickel 1,500 tons—and a large part came from Canada.

A recent government long-range projection of mineral exports shows that these will double in the next five years to reach almost A$1 billion. Leaders in the expansion will be iron ore; aluminum in bauxite, alumina and ingot form; coal; copper in various forms, and mineral sands.

Despite increased competition from oil and natural gas for gas-making and general industrial purposes, coal output continues to increase steadily. Production in 1967/68 was 33 million tons of black coal and 21 million tons of brown coal, both records. According to a recent government survey, in the future the main outlets for coal will be power generation in areas where atomic energy, oil and natural gas do not have an economic advantage, iron and steel and other metallurgical industries, and export. Australia is already selling high quality coking coal to Japan where it holds 40 per cent of the coking market in competition with Canadian and United States suppliers.

Although petroleum production more than doubled in 1967/68 to reach 265 million gallons, imports amounted to 5,036 million gallons. By 1971 Australian wells should provide 60 per cent of the expected 480 thousand barrels daily consumption; complete self-sufficiency is forecast in the next decade.

Readers who want to keep up to date on the mining industry in Australia should subscribe to the *Australian Mineral Industry Review*, published quarterly and obtainable from the Commonwealth of Australia Bureau of Mineral Resources, Canberra, Australia.

Food Retailing in Australia

Chains and groups together hold 85 per cent of the grocery business and operate the self-service stores and supermarkets. Apart from a few items, exporters need an agent to reach them.

J. L. NORMAND VILLENEUVE, *Assistant Commercial Secretary, Melbourne*

■ The pattern of food distribution in Australia has undergone a big change in recent years with the advent of supermarkets and chain stores. Food used to be retailed from a large number of specialized stores which were mainly family owned and operated. In those days, shopping was a wearisome task for the housewife as she had to go to four or five different stores to get the things she needed. Usually she bought in small quantities too and shopped more frequently.

Australia's rapid economic growth and the booming market for food and drink (A$3.4 million in 1966-67) provoked a rethinking of the food retail distribution system. The obvious move was to bring small stores together into big units such as group stores and chain stores. In these the members share buying connections, pool warehousing facilities, and participate in the same advertising campaigns. They generally sell at the same retail prices and all members of the group operate under the same name.

The chain stores are very similar to our chain stores. Although smaller, they have much the same range of products as their Canadian counterparts. Some chains operate supermarkets but there are by no means as many nor are they as large as ours.

There are more than 5,675 independent grocers in Australian groups or voluntary chains, compared with just over 2,000 chain store branches. The groups and chains together account for nearly 85 per cent of the nation's billion-dollar-a-year grocery business. The isolated independents, who number more than 14,000, have only 15 per cent of the market between them.

Today's changing social and economic standards coupled with increased car ownership have made the shopping center an important feature of suburban development. They provide the housewife with convenient comparison shopping as well as free and unrestricted parking. Every-other-day shopping at scattered specialized stores is on the way out. Australia comes third after the United States and Canada in the development of shopping centers. Thirty-two of these are termed community centers and include a variety supermarket or junior department store; fifteen are called regional centers and have a major department store selling furniture, clothing and home furnishings. The individual shopkeeper operating "in the strip" is tenaciously holding on to his business but more and more shopping centers will inevitably be built, if only to meet the shopping needs of the many residential areas.

Australia has 625 supermarkets which retail a complete range of foodstuffs, including a wide selection of frozen foods and meats. As an indication of the trend, 95 new ones were built in 1966-67 alone, most of them in the urban areas. Besides the supermarkets, there are 5,050 self-service stores, which are smaller in size and carry a more limited range. They operate within a group or as part of a chain.

Whether a supermarket is part of a chain or a group, the buying policy is similar. Each organization has its own purchasing department which buys direct from the local food producers. Food is imported direct only in the case of large quantity items, for example, canned salmon. Most imported food and other consumer goods are bought through specialized importers who usually have exclusive distribution rights for the whole or part of Australia. The Canadian specialty food manufacturer would probably find it best to appoint an exclusive agent in order to obtain an adequate volume. The Melbourne office would be pleased to assist in locating the right one.

Australia is a traditional market for our canned salmon and other fish. There is now a good market for Canadian specialty foods, frozen vegetables, canned hams, pickles and various delicatessen foods. Canadian products enjoy a tariff advantage over most countries of the world, provided they have at least 75 per cent Canadian content. If you are not exporting to Australia already, we suggest that you consider the possibility of selling your product there.

The Market for Mechanical Equipment

Although Australian industry produces much of the mechanical equipment it needs, there is still a A$270 million gap for imports to fill. The writer summarizes developments in this competitive field.

LEON B. STRYKER, *Commercial Assistant, Melbourne*

■ Boom conditions in mining, port modernization, and in the construction of airports, roads and new industrial complexes have put the whole of Australia's mechanical equipment industry into top gear. Overseas suppliers are doing very well too. In fact, mechanical equipment worth A$269 million was imported from abroad in the 1966-67 fiscal year. Australian exports by comparison were only A$29 million.

Due to the complicated nature of this industry, precise details of local production are not available. It is apparent, however, that in some sectors, such as earthmoving machinery and materials handling equipment, a large percentage of Australian manufacturers are subsidiaries of overseas firms or manufacture under licence. International Harvester, Euclid, Caterpillar, Clark, Hyster and Le Tourneau-Westinghouse have plants here to manufacture or assemble from c.k.d. components.

The earthmoving machinery and materials handling equipment industry started in Australia after World War I. By 1939 it was fairly well established. The real expansion took place during World War II and immediately afterwards when a number of overseas companies, particularly U.S. companies, entered the field. Today, according to the Tariff Board report, there are approximately 100 firms but many of these are small and are primarily subcontractors. The annual value of machinery and equipment produced is in the vicinity of A$75 million.

The United States is the main source of mechanical equipment and supplies about half the total. Britain comes second with 20 per cent, West Germany third with 10 per cent and Japan supplies 5 per cent. Canada's share is small. A high proportion of the imports from the U.S. consists of shipments from parent firms to subsidiaries.

A report by the Australian Tariff Board early this year dealing with earthmoving, excavating and materials handling machinery and equipment shows that only in very few instances do local manufacturers have close to the total market (see Table I). Some classes of cranes are entirely supplied from within the country.

As a result of the Tariff Board hearing, duty rates on earthmoving equipment such as loaders, back hoes, road rollers, and dredging machinery were almost completely revised. Canadian equipment of this type pays duty at between 20 per cent and 35 per cent ad valorem. It should be noted that in this broad category there are many instances where Canadian equipment does not enjoy a preferential tariff but is charged the same rate as similar equipment from the United States. It is, therefore, important to get an expert opinion on your product and the Commonwealth Division, Office of Trade Relations, Department of Trade and Commerce, will help you.

The position of fork lift trucks is slightly different. Canadian trucks are placed in a special category. For battery-operated trucks, the preferential tariff rate is 15 per cent but goods of Canadian origin attract a duty of 17½ per cent. Where the trucks are not battery-operated, the Australian Customs Department charges A$1,000 per unit less 5 per cent if the net duty is higher than the respective 15 or 17½ per cent ad valorem.

TABLE I

WHAT EQUIPMENT AUSTRALIA PRODUCES

Type of equipment	*Demand 1965-66* *(units)*	*Local Production* *(per cent)*
Two-wheel drive loader attachments	1,700	45
Four-wheel drive and crawler attachments	800	70-80
Back hoes	800	45
Crawler excavators	100-120	40-50
Graders	450	90-95
Scrapers	120	n.a.
Rippers and scarifiers	900-1,000	80-90
Dozers	1,600	80
Drawn road rollers	250	90
Tractor-mounted cranes	350	100
Truck-mounted cranes	150	80
Overhead travelling cranes	*	90-100
Tower and climbing cranes	18	90-100
Dumpers	80	30
Crane carriers	20	100

Source: Australian Tariff Board Report.
*Value A$3 million.
A high proportion of job and derrick cranes were produced locally.

There are at present nine fork lift manufacturers in Australia but the firms listed in Table II account for the bulk of production. The extent of U.S. and British participation in this industry is evident.

A wide range of engine-propelled and electric (battery-operated) fork lift trucks is produced in Australia. The main product is engine-propelled trucks, mostly in the 4,000-pound to 6,000-pound lifting capacity range but up to 8,000-pound units are also produced. Australian-made battery-operated fork lift trucks are generally below 4,000 pounds lifting capacity. All producers supplement local production with imported models from their overseas parent company or licensor. It is estimated that capacity of the Australian industry is approximately 2,300 trucks a year.

The apparent local content of Australian fork lift trucks varies from 40 to 95 per cent. Producers import components for some models at concessional duty rates under a bylaw arrangement with the Department of Customs.

List prices of locally-produced trucks range from $A7,580 to A$8,500 for units of 4,000 pounds capacity and from A$10,800 to A$12,270 for units of 8,000 pounds capacity. Distributors of fork lift trucks in Australia are granted discounts of 15 to 20 per cent off list prices. For comparison, the list price for Japanese trucks ranges from A$7,490 for a model of 4,400 pounds lifting capacity to A$9,960 for 8,000 pounds lifting capacity trucks.

It is not easy to pinpoint the opportunities for Canadian manufacturers. Considerable interest has been shown in logging equipment, particularly tracked vehicles for use in remote, off-the-highway regions. Several Canadian firms are already marketing these vehicles successfully in Australia.

The field, however, is too broad for any meaningful generalization on the prospects. Each item offered for export by Canadian suppliers requires a special market report. Our offices in Sydney and Melbourne would be happy to investigate the potential for any piece of equipment on behalf of Canadian firms.

TABLE II

AUSTRALIAN FORK LIFT TRUCK MANUFACTURERS

Parent or affiliate is shown in italics

Hyster
Milperra, New South Wales

Hyster Company
Oregon, U.S.

20 models ranging in lifting capacity from 4,000 to 40,000 pounds. All are engine-driven non-pedestrian controlled.

Clark
Asquith, New South Wales

Clark Equipment Company
Michigan, U.S.

20 basic lifting capacity units consisting of 40 models with variations in the power unit. Lifting capacities range from 2,000 to 40.000 pounds.

Towmotor
Elizabeth, South Australia

Towmotor Corporation
Cleveland, U.S.

7 models ranging in capacity from 4,000 to 8,000 pounds. All are engine-driven; alternative power for all models. LP gas and, for four models, diesel power.

Conveyancer
Kingsgrove, New South Wales

Electro-Hydraulics Ltd.
Lancashire, England

Electric trucks 2,000 to 7,000 pounds. Engine trucks 4,000 to 8,000 pounds. Electric reach trucks 2,000 to 4,000 pounds.

APAC

Finsbury, South Australia

Yale and Towne International Inc.
U.S.

11 models with lifting capacity between 2,000 and 5,000 pounds.

Lansing Bagnall

Components manufactured and assembled in New South Wales and Victoria by Conquip Pty. Ltd. and Queen's Bridge Motor and Engineering Co. Pty. Ltd.

Lansing Bagnall Limited
England

3 models, electric reach and electric rider, capacities between 2,500 and 3,000 pounds.

Source: Australian Tariff Board Report

The endearing little koala bear is found only in Australia.

Australia Buys Electrical Power Equipment

The opportunities for overseas suppliers are summarized here. Canadian manufacturers can sell and are selling in this market.

W. A. McKENZIE, *Assistant Commercial Secretary, Melbourne.*

■ Australian manufacture of equipment for the electricity supply industry has been on an upward swing (with strong tariff protection) to keep in step with the rapid growth in power generated. The local industry's capacity is not always ready to meet the State Electricity Commissions' demands for new large equipment and imports are necessary. The following paragraphs point out the areas where overseas firms have the most chance of success by examining the recent import figures and by a general look at the capabilities of the Australian industry and the scale of future requirements. The table details the imports of heavy electrical equipment into Australia during the years ended June 30, 1966, and June 30, 1967.

Power boilers, drums, steam turbines and parts—Imports totalled some Cdn.$28 million for the year 1966/-67, with Britain as the dominant supplier. Combustion-Superheater Engineering Co. Ltd., Sherbrooke, Quebec, won the contract for the supply of the steam plant for the new thermal station being erected at Liddell, New South Wales.

Non-automotive alternators—A total of 1,676 were produced in 1965/66 by the four Australian manufacturers located in Brisbane, Sydney, Melbourne and Perth. The larger alternators are imported and again Britain is the leading supplier.

Transformers—Production of large power transformers is dominated by several local and foreign-controlled companies, such as English Electric Co. of Australia Pty. Ltd., Rocklea,

AUSTRALIAN IMPORTS OF HEAVY ELECTRICAL EQUIPMENT

	Year Ended June 30th 1966	1967
	*A$'000**	
Canada	—	329
Britain	1,938	6,174
Japan	2	—
United States	43	39
Other	13	11
Total	**1,996**	**6,553**
Steam turbines (complete)		
Canada	—	—
Britain	366	1,301
United States	629	576
Germany, Federal Republic	—	63
Sweden	—	41
Total	**995**	**1,981**
Steam turbines (parts)		
Canada	—	—
Germany, Federal Republic	131	58
Sweden	13	762
Switzerland	2.587	2,195
Britain	6.825	12,201
United States	1,081	156
Other	4	5
Total	**10,641**	**15,377**

*A$1.00 = Cdn.$1.21

	Year Ended June 30th 1966	1967
	*A$'000**	
Alternators (exceeding 120 kva.)		
Canada	—	—
Germany, Federal Republic	598	342
Sweden	10	169
Britain	960	1,363
United States	522	280
Other	—	5
Total	**2,090**	**2,159**
Transformers (above 15 mva.) system voltage 66 kv. or higher		
Canada	321	671
Sweden	1,352	1.919
Japan	478	1,415
Germany, Federal Republic	37	439
Switzerland	182	58
Britain	41	243
Austria	—	34
France	—	836
Italy	—	90
Other	8	9
Total	**2,419**	**5,714**

	Year Ended June 30th 1966	1967
	*A$'000**	
Relays		
Canada	—	—
Sweden	40	67
Britain	1,707	1,817
United States	331	458
Switzerland	258	224
Germany, Federal Republic	360	356
Japan	96	76
France	46	61
Austria	43	—
South Africa	21	—
Others	47	111
Total	**2,949**	**3,170**
Circuit breakers		
Canada	—	209
Sweden	966	1,438
Switzerland	908	1.476
Britain	2.504	3,492
United States	116	212
France	514	552
Italy	79	74
Austria	189	58
Japan	81	168
Belgium-Luxembourg	47	—
Germany	45	—
Netherlands	63	—
Other	15	71
Total	**5,527**	**7,750**

This striking picture, which was taken during the construction of the Snowy Mountains Project, shows a concrete dam being built across the Tumut River.

Queensland; Tyree Electrical Co. Pty. Ltd., Sydney; Wilson Electric Transformer Co. Pty. Ltd., Melbourne, and A. E. I. Engineering Pty. Ltd., Sydney and Perth. Now that the facilities of General Electric Co. (Aust.) Pty. Ltd., and A. E. I. Engineering have been purchased by Tyree Electrical Co. some rationalization in the industry is expected. A.S.E.A. Electric (Aust.) Pty. Ltd., undertakes partial manufacture from imported components. Many international companies have affiliates or agents in Australia.

Australian manufacturers produce transformers up to 75 mva. at 132 kv. and to 50 mva. at 220 kv. Existing factories could manufacture transformers up to 120 mva. at 100 kv. and 100 mva. at 220 kv. Recently the Southern Electricity Authority of Queensland let tender for two of the largest transformers yet to be made in Australia—200 mva. at 275 kv.; they will be manufactured in Queensland after an initial two are built in England. In 1966/67, the Australian industry built 123 transformers of over 10 mva. with a combined mva. of 2,650. For the 10 months ended April 1968, total mva. of 97 power transformers produced reached 2,900.

With increasing requirements for units of larger ratings and with demand for transformers doubling every eight years, the opportunities for overseas suppliers will continue. The table shows a total of A$6 million imported during 1966/67. The main suppliers were Sweden and Japan; Canada obtained A$671,000 of the market. Local production will meet the demand for transformers under 66 kv. rating, those of 330 kv. rating will be imported it is expected, and orders in the 132 kv. range will be placed with both local and overseas companies. Requirements up to 1975 for large transformers, not yet let to tender, are:

No. of Units	Highest Voltage kv.	Power Rating mva.
18	132	120
30	220	135-200
8	275	160-250
15	330	150-585

The largest transformer currently on order is rated at 750 mva.

Circuit breakers—There are six manufacturers of circuit breakers in Australia. The following types are produced: outdoor—both low oil-filled and bulk oil-filled up to 1,500 mva. at 33 kv.; indoor—both air-break type and bulk oil-filled up to 350 mva. at 11 kv., although user requirements range up to 1,500 mva. The Australian industry eventually will manufacture 66 kv. circuit breakers, but it considers 132 kv. and 330 kv. units too complex for economic local manufacture. This suggests that a market for imported circuit breakers will continue; imports for 1966/67 totalled Cdn.$9.4 million and Britain was the leading supplier.

Considering the large value of orders placed with overseas manufacturers, a Canadian company might well ask how it can enter or increase its share of this market. It will face strong competition from international companies who have affiliates in Australia, and strong tariff protection for local manufacturers. For example, on power transformers the general tariff is 37½ per cent and the preferential tariff 25 per cent or 25½ per cent, depending on size. Nevertheless, for equipment not available from the Australian industry, the matter of By-

Law Entry (explained on this page) comes into play.

A local agent can be very helpful. He will submit tenders on behalf of his principal and keep him informed of developments in the industry. Or the Canadian company can register with the State Electricity Commissions to receive tenders for its type of equipment. Apart from this, the Canadian Government trade offices in Melbourne and Sydney receive notices of tenders likely to go to overseas companies and pass these on to the Department in Ottawa. Our offices will be pleased to assist any Canadian firm contemplating export: just drop us a line with the pertinent information.

Australian Bylaws Can Help You Sell

A knowledge of preferential tariffs and bylaws opens the door to new markets.

F. P. WEISER
Commercial Counsellor, Canberra

■ Since the Customs Tariff is used almost exclusively as the instrument for regulating imports into Australia, rates of duty in many instances are quite high. However, there are opportunities in the Australian tariff system for Canadian exporters to obtain lower tariff rates than many of their major competitors and for them to overcome the problem of high tariff rates. These consist of the preferential tariff and bylaw arrangements. Such provisions enable Canadian exporters to make sales which they might otherwise not get.

This article discusses, in broad terms, how Canadian exporters can benefit from these provisions. The Commonwealth Division, Office of Trade Relations, Department of Trade and Commerce or the Commercial Counsellor at the Office of the High Commissioner for Canada in Canberra will be pleased to advise exporters on the various aspects of this matter pertaining to their particular exports.

Preferential Tariff

Australia follows the Brussels Tariff Nomenclature in its tariff structure. The tariff is a "two column tariff" in that goods of Canadian, British and New Zealand origin and, in some instances, other Commonwealth countries receive a lower rate of duty on many items than all other countries. (Canada has a three column tariff: General, MFN for GATT members and British Preferential.) There are certain exceptions to this rule resulting from the Australian-New Zealand Free Trade Agreement and from the Australian system of preferences for developing countries.

Canada receives preferential treatment in Australia on most items for which Britain receives preferential treatment in Australia. By virtue of the Canada-Australia Trade Agreement of 1960, Canada is assured a minimum margin of preferential on a list of selected items. Generally the margin of preference is at least 7½ per cent; however, on many items the margin is much higher.

The content requirements to qualify for preferential tariff treatment vary from 25 to 75 per cent Canadian or Australian. Normally, if an item is not dutiable under the preferential tariff, Canadian or Australian content (percentage of Canadian or Australian labor, materials and overhead in factory cost) need only be 25 per cent. Where the preferential column provides a tariff, in most cases Canadian or Australian content must be 75 per cent. In all instances the last process of manufacture before export must be done in Canada and the shipment must be consigned direct from Canada to Australia.

Bylaws

As well as the regular tariff Australia has a system of bylaws whereby certain goods for which a suitable equivalent substitute is not available from Australian sources may enter at concessional rates of duty. The types of goods which may qualify for bylaws are: goods for use in the development of Australian industry or of natural resources; goods for use in the manufacture or repair of goods in Australia; goods for use in a public hospital or educational institution; goods for use by a public utility corporation; goods for use for other essential purposes and for exclusive use in the practice of religion.

Canadian goods imported under bylaw qualify for free entry if at least 25 per cent of their factory cost is represented by Canadian and/or Australian labor, materials and overhead. In cases where the product is reasonably available from British production, or where the margin of preference is bound to Canada in the Trade Agreement, the rate under the General Tariff is 7½ per cent; in other cases goods entering under the General Tariff are also free of duty.

Standing and Supplementary Bylaws

There are three kinds of bylaws, those applicable to goods on the standing bylaw list, those pertaining to goods on the supplementary bylaw list, and those granted on an ad hoc basis. Standing and supplementary bylaws are published by the Australian Department of Customs and Excise. These bylaws are in force for an indefinite or a longstanding period although supplementary bylaws are considered less permanent and are subject to more frequent changes. Both standing and supplementary bylaws are applied in a manner similar to the Customs Tariff, i.e. their benefit is accorded to imports automatically and there is no need to qualify through a separate application, although for supplementary bylaws agents and importers are required to indicate in the import entry the chapter and page number of the reference in the Supplementary Bylaw Advice List and should be prepared to supply descriptive material in doubtful cases. In these latter instances they would be well advised to seek advice of the Department of Customs and Excise before the shipment arrives.

Ad Hoc Bylaws

A large proportion of imports under bylaw is provided through ad hoc bylaws. This is the area in which action by businessmen is required and where sales opportunities may be gained by taking such action.

To obtain duty-free entry for goods which conform to the criteria for bylaw admission but are not on either the standing or supplementary bylaw lists, an Australian importer must make an individual application on a form provided for this purpose. The Canadian exporter can help by supplying literature and other information which would document that there are no "suitably equivalent" goods available from Australian production.

The requirement that "suitably equivalent" goods are not made in Australia is interpreted to exclude goods serving the same purpose as those made in Australia. The fact that the imported goods may be cheaper, more durable or more efficient has no relevance. However, if they perform an additional or a different function than goods made in Australia, or if they have other distinguishing characteristics which affect their application or use, bylaw entry may be granted. In certain cases the Department of Customs and Excise may investigate with the local industry whether "suitably equivalent" goods are made in Australia. It is therefore useful to obtain from Australian manufacturers a statement that their products differ from the imports in question. The Australian agent or importer is best placed to obtain such statements. Australian customs officials are very helpful in indicating the domestic manufacturers who should be contacted.

In many cases the exporter must take the initiative to obtain bylaw entry for his goods. He should consult the importer as to whether it would be possible to make a case for such entry. In particularly complicated cases it might be in his interest to ask Australia to review the matter, making use of his detailed knowledge of his products. However, he should bear in mind that the investigation may require some time and that a decision may not be made until after his return to Canada.

A Market for Textiles and Consumer Goods in Italy

■ Italy can be considered the Japan of Europe when you look at its production of textiles and consumer goods which ranges from automobiles and pharmaceuticals to gift items and clothing. How can a Canadian exporter sell similar goods in this market? It is possible but only under certain conditions.

Let us take a look at the consumer goods field. If you are a pharmaceutical manufacturer and would like to register a new drug with the Italian Health Ministry, it may take up to two years before your application is processed and approved. In addition, the Italian patent laws for all consumer goods are loose. For example, a local boat-building firm spent a fair amount of money on the design of a craft only to discover that a smaller firm was using its design with only the slightest changes shortly after the design owners began production. However, if you have a unique design for your product, your patent will protect you.

The key to large sales in this market is uniqueness of design and/or price. A Canadian businessman was able to underprice the Italian market in the textile field. This is indeed a coup, as local agents testified, and you may find that you also have this brand uniqueness.

On the other hand, uniqueness of design can negate price considerations. The medical equipment field is particularly good for foreign companies now because local production cannot fill its needs. At present, the U.S., Britain, Germany and Sweden are doing very well in sales to Italy. A recent trade mission of Canadian firms selling medical equipment sponsored by the Department of Trade and Commerce achieved a good deal of success because of the unique design of their equipment. Many of their products were admired for simplicity of design and operating techniques. This was their unique feature.

There are a few occasions when even originality is not enough. For example, a cooking pot customarily used in Canada may never reach an Italian store simply because Italian housewives prefer another form. A sports item for golf may be sold successfully in Canada and not in the Italian market because the sport is unknown. But regional customs and tastes are minor considerations in the sophisticated Italian market where uniqueness is important.

The use of advertising can, however, compensate for the lack of uniqueness. Take as an example lingerie. The trade readily admits that inferior products command high prices because they are made by name-houses or by firms that spend heavily on advertising costs. For example, one minute of television time costs Cdn. $1,000 to $1,500, a full page color ad in a leading woman's magazine costs about Cdn. $5,000, and a half page ad in Milan's most widely read newspaper costs Cdn. $4,000. For most companies, foreign and local, these costs are too high. So we revert again to uniqueness. This, however, is not quite enough. For many products it is necessary to maintain a stock in Italy or in one of the Common Market countries as many customers are unwilling to wait two or three weeks for delivery when they can reach the local market immediately.

Let us now look at another approach. Sometimes a Canadian manufacturer, in order to compete in Europe, should have some form of licensing agreement. Whether this would be in Italy or another EEC country depends upon a number of factors such as labor costs, available raw materials, technical capabilities and transportation costs. Beside the obvious advantages of licensing it is worth noting that any local firm eager to borrow your design will hardly find it financially advantageous. Before licensing you might test your sales potential through an agent or representative. Once you decide to license it is a question of your sales organization.

If you are now selling to Canada and the United States, you will serve an almost equal population in the Common Market. Remember that, if you license in Italy, uniqueness of design, price or whatever is a requisite in achieving success in this sophisticated market.

—B. M. WHITE
Vice-Consul and Assistant Trade Commissioner, Milan

New Zealand Today

balance of payments improving
import restrictions eased
Canadian sales still growing

The judges weigh their decision at a fat lamb contest. Meat and dairy products are still New Zealand's big export earners, and Britain its principal market. But new trading partners have been found and non-agricultural exports are growing rapidly.

R. H. GAYNER, *Commercial Counsellor, Wellington*

A regular year-round rainfall and a well educated, industrially oriented working force are New Zealand's major assets to date. An average three to five inches of rain each month and mild temperatures make New Zealand an ideal grass, wool, meat and dairy products factory. Sheep raising for wool was the country's first major export industry. When the first freezer lockers for deepsea vessels were developed, New Zealand quickly established itself as a principal purveyor of lamb to Britain. Since then wool, lamb, butter, and cheese sales to the "Old Country" have been the mainstays of New Zealand's export trade and agriculture the major industry.

Lately New Zealand has sought new trading partners. In 1955 about three quarters of its imports came from Britain and three quarters of its exports went to Britain. But in recent years this figure has dropped to about 60 per cent. Japan and the United States have become significant buyers of New Zealand dairy products, mutton, lamb and beef and Australia is taking more and more forest products and manufactured goods.

A great effort is being made to diversify exports but the scarcity of natural resources and the small population (2.7 million) make it difficult to establish a broad manufacturing base. New Zealanders realize the need for diversification because of the potential loss in sales should Britain enter the EEC, their dissatisfaction with the treatment of agricultural products in the Kennedy Round negotiations at GATT, and the serious ill effects of a drop in world wool prices in the 1966-67 season. Therefore the development of trade with Australia, Japan and the United States is significant for New Zealand, as is the rapid growth of non-agricultural exports, mainly forest products and manufactured goods. (In the 1967-68 trading year manufactured exports, valued at N.Z.$64.1 million, were 59 per cent greater than the year before.)

Recovery from Recession

At present, in order to overcome chronic balance of payments difficulties resulting from the country's dependence on agricultural exports, New Zealand maintains a comprehensive licensing system to control the level of imports. The Government is undertaking a long-term industrial development policy aimed at providing jobs, reducing dependence on agriculture and, in the long run, reducing imports. Despite the difficulties, the policy goals are being achieved. More New Zealanders are now employed in industry than in agriculture and exports tend to exceed imports except in years of very low commodity prices.

The drop in wool prices in the fall of 1966 had a dual effect on the New Zealand economy: it lowered export earnings and produced inflationary tendencies. When prices dropped below a certain point at local auctions a grower-owned board stepped in and bought the offerings. The grower was paid from the board's reserves and the wool was stored to await improved prices. This meant that the stored wool earned no overseas funds while farmers' earnings were maintained at an artificially high level.

Recognizing the danger of lower export earnings (wool constituted 27 per cent of export earnings in 1967) and of increasing inflationary tendencies, the Government took these steps:

1. Increased indirect taxes, restricted credit, dropped several consumer subsidies and restricted building activity to deflate the economy.

2. Reduced import licences by 20 per cent to cut down on imports.

Devaluation of the currency in late 1967 assisted government policy because it further reduced demand for imports and placed New Zealand manufacturers in a more competitive position overseas. Expected rises in prices have not yet been severe, in part because of reduced consumer demand, fairly heavy pre-devaluation stockpiles, and the fact that wages have only recently begun to go up.

Import Restrictions Eased

In March of this year the Government took advantage of the downturn in economic activity to delicense approximately 20 per cent by value of all imports. This brought delicensed imports to 50 per cent of the total and it is stated that another 30 per cent or so will be delicensed early in 1969.

NEW ZEALAND'S OVERSEAS EXCHANGE TRANSACTIONS

	1966	*1967*	*1968*
		(N.Z.$'000)	
Export receipts			
Dairy products	200	230	218
Meat and byproducts	275	268	329
Wool	240	192	165
Other	72	78	120
Total exports	**787**	**768**	**833**
Import payments			
Government	75	72	56
Private	676	645	577
Total imports	**751**	**717**	**633**
Balance on trade transactions	+ 36	+ 51	+199
Net deficit on invisible items	−154	−179	−172
Current account balance	−118	−128	+ 27
Net private capital transactions	− 2	+ 1	+ 25
Net official capital transactions	+ 75	+114	+ 26
Over-all balance	− 46	− 13	+ 78
Errors and omissions and exchange valuation differences	+ 7	− 10	+ 24 †
Change in net overseas assets	− 39	− 23	+102

* N.Z.$1=Cdn.$1.20

† Includes approximately $14 million adjustment to net overseas assets following devaluation.

The plan is to protect local manufacture, both present and planned, by tariff policy. This, together with a well-developed range of locally manufactured domestic goods and a still generally low level of demand, means there will not likely be any significant rise in imports over the next twelve months.

The effect of these measures has been to stabilize the economy and to improve the balance of payments. Unemployment is still negligible, the export of manufactured goods has tended to compensate for reduced domestic demand, wool prices have improved and show signs of becoming even better, lamb prices are holding firm, and world beef prices are high. It is still early, however, to forecast how sharply prices and wages will move up and tend to negate the advantages obtained from devaluation. In addition, the continuing policy of many countries of protecting and subsidizing their domestic dairy industries creates problems for the development of New Zealand dairy markets.

Industrial Progress Continues

Against this general economic background New Zealand has maintained a good rate of industrial development. New forest products plants have been built; log, lumber, pulp and paper sales have increased; further expansion of chip sales and newsprint sales are forecast. New hydro and thermal power plants have been commissioned, a coal-fired thermal plant will be built to generate 600 mw. and a nuclear power plant is contemplated. In spite of a severe downturn in consumption, new fertilizer plants have been built and additional capacity is planned. A 400,000-ton steel mill to smelt iron-bearing New Zealand sands is under construction, and a 100,000-ton aluminum smelter has been approved. It will use low-cost New Zealand hydro power to smelt Australian alumina for the Japanese and New Zealand markets. A natural gas industry is under development, using gas from a field in the North Island. At least $20 million will be spent on improving existing railway and inter-island transport facilities.

Trading with Canada

New Zealand will continue to be a challenging market in which to sell. The import licensing policy restricts the quantity of goods which may be imported and favors locally-manufactured products, where available. Competition is keen from the British, from the Japanese who are logical complementary trading partners, from the Americans who have good shipping and marketing facilities, from the Australians who are constantly increasing the range of goods they offer, and from the Communist Bloc and developing countries which are making attractive bilateral trade offers to help New Zealand sell off its wool stockpile and its dairy products.

WHAT CANADA SELLS TO NEW ZEALAND

	1967 (Cdn.$'000)
Canned salmon	710.7
Asbestos	788.3
Sulphur	2,385.5
Lumber	790.5
Fabrics	691.3
Potash	1,655.1
Synthetic rubber	1,275.0
Plastics	1,061.0
Iron and steel products	2,195.9
Aluminum	5,958.3
Copper & copper products	3,791.7
Boilers	1,831.6
Chain saws & parts	546.8
Pulp & paper machinery	777.2
Diesel locomotives	6,056.5
Cars, trucks & parts	928.6
Others	9,297.8
Total	**40,741.8**

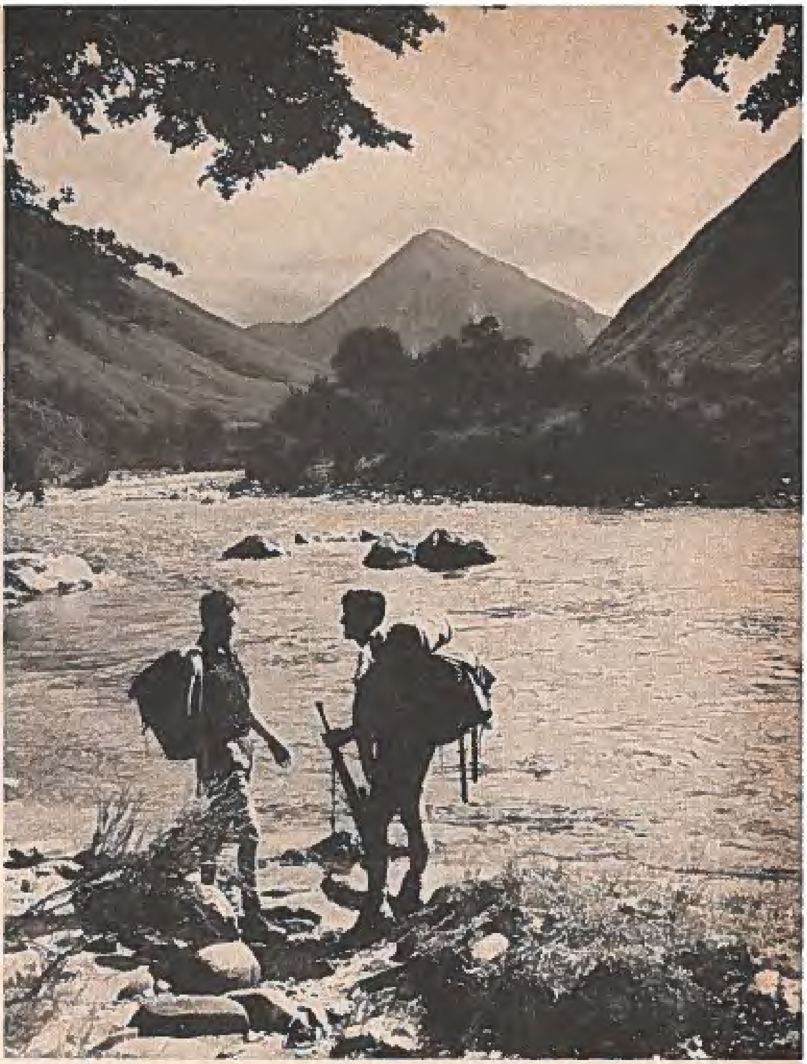
On the other hand, Canada enjoys a tariff advantage on most goods over non-Commonwealth suppliers and New Zealanders continue to increase their purchases from Canada. The range of products we sell here is impressive. Aside from the less sophisticated ones such as canned salmon, sulphur, potash, asbestos, lumber, aluminum, copper, steel and textiles—the mainstays of our exports to New Zealand—there are a host of other products sold. Among these are chemicals and petroleum products such as synthetic rubber, herbicides and germicides; timber haulers, sawmill machinery, pulp and paper machinery and other equipment for New Zealand's developing forest industry; agricultural machinery, automotive parts and accessories including dies for use in New Zealand production, sophisticated scientific instruments, metering devices and equipment; heavy electrical equipment and parts, and electronic equipment to suit a wide variety of needs. Any product within the above range could find a market in New Zealand and it is a simple matter for the Trade Commissioner to determine whether or not an exporter's product has the necessary potential.

The only unusual documentation needed on shipments to New Zealand is a certificate required on any wooden item or wood crating to the effect that the wood is disease- and insect-free and has been treated to ensure that this is so. Details can be obtained from the Department of Trade and Commerce in Ottawa.

New Zealand covers a small area and a product is traditionally handled by one good agent. We can find you an agent provided the product is right for the market. Once the initial contact has been made, you will find exporting to New Zealand a relatively straightforward business.

The model Maori village at Whakarewarewa, Rotorua, with its traditional carvings is a unique tourist attraction.

Your Business Visit to NEW ZEALAND



Deer hunters pause beside the Wangapeka River, South Island.

The number of Canadian business visitors to Australia is approximately three times greater than the number going to New Zealand. To the Canadian Trade Commissioner's office in Wellington this means only one thing: too many business opportunities in New Zealand are being lost to Canada. You should be taking a close look at this relatively affluent market of two-and-a-half million people if you are a supplier of raw materials, machinery or equipment to secondary industry, or if you are one of the many Canadian producers of highly sophisticated or manufactured items who battle daily to find those extra sales that can mean the difference between covering costs and making a profit. The New Zealand market also provides a continuing demand and the promise of expanded sales for Canadian manufacturers of carpets, drapes and sheets, radio components, car parts, hand tools—in short, an extremely wide range of manufactured goods.

The New Zealand market is an ideal size to add a comfortable increase to your production schedule. It is an English-language market accustomed to overseas products and no great packaging or labelling changes have to be made to sell there. It is, by and large, a British-oriented market but more and more it looks to North America for style and design leads in consumer goods and for technological innovation in machinery and equipment. Canadians should capitalize on two advantages they enjoy in New Zealand over American manufacturers. One is that the size of our market is closer to New Zealand's and the other is the Commonwealth preferential tariff under which most Canadian goods enter the country.

R. H. GAYNER, *Commercial Counsellor, Wellington*

When to Come

There is only one time of the year when a Canadian should not come to New Zealand on business, unless firm appointments have been made in advance—from about the middle of December to early February. New Zealanders are great outdoors people and when summer comes the exodus to seashore cottage, family farm and abroad is general. It has been estimated that as many as 65 to 80 per cent of the decision makers in commerce, industry and government are away from their desks for part of the time between December 15 and late January. Late March and early April (early autumn in New Zealand) is a useful time to be here because the new import licensing program is usually announced and people are able to start planning new programs and annual estimates.

How to Come

Air services between North America and New Zealand are good and over the next few years will probably get better. Canadian Pacific Airlines flies every other Friday evening from Vancouver direct to New Zealand. Losing a day at the International Date Line (don't worry, you will get it back on your return), you arrive in Auckland early Sunday, spend a leisurely day there, and are ready to go to work Monday morning. On alternate Fridays CPA does not go to New Zealand but drops New Zealand-bound passengers at Fiji, to be picked up by Air New Zealand or BOAC, also arriving at Auckland early Sunday. There are flights by Air New Zealand, Air France, Pan American and Qantas every day from San Francisco or Los Angeles to New Zealand.

What to Bring

Geographically New Zealand fits into the latitudes between North Carolina's Cape Hatteras and Quebec City. In climate it is comparable to Portland, Oregon, and Victoria, B.C., although the extreme south is usually considerably colder and wetter than Victoria. By and large, one looks for summer temperature ranges of 60 to 85 degrees F and winter ones from 45 to 60 degrees F in the north and equivalent seasonal ranges of 55 to 70 and 30 to 50 degrees in the extreme south.

There are the usual four seasons and it is cooler and wetter in the winter (especially in August) but these seasons offer essentially variations on a maritime theme rather than bold contrasts. No matter what time of the year you come, you should be dressed for a Canadian mid-October climate, including a raincoat and hat and a couple of sweaters. Canadians do not need visas in Fiji or New Zealand.

If you carry samples, have them clearly marked "no commercial value" and you will have no difficulty with Customs. New Zealand, because it is so dependent on agriculture, is careful about disease prevention and you will be questioned on arrival about fruits, meat preparations, etc., and whether you have recently visited a farm overseas. Hoof and mouth disease would be a tragedy here and New Zealand authorities are most serious about taking precautions. Most power is 220 to 230 volts but most hotels have 110-volt outlets for shavers.

Left: a view of the Kinleith paper mill; right: pinus radiata logs from the State Forests on their way to the mill. Canada sells New Zealand equipment for both these industries, as well as agricultural machinery, automotive parts and accessories, scientific instruments, heavy electrical equipment and parts, and electronic equipment.

Where to Go

New Zealand's population has tended to concentrate in the north half of the North Island. This is partly because of climate and partly because farm land was more easily obtained there in the early days. Auckland in the north of the North Island became the major commercial and industrial center, now followed by greater Wellington at the southern tip of the North Island, and Christchurch, halfway down the east coast of the South Island. Auckland is the head office for a major part of New Zealand manufacturing firms and Wellington, in addition to being the capital of the country, is the financial center. There are many manufacturing operations in the Wellington area; most of the auto assembly plants in New Zealand are in its vicinity. Christchurch is the major industrial, commercial and distribution center of the South Island. It has several paint, tire and plastics producers, and several textile and garment firms. Where you go during your visit will therefore depend on what you have to sell.

Air services are good between the major centers but schedules are changed fairly often and it is difficult for Canadian travel agencies to be kept up-to-date with the changes. Our office can book for you when you arrive.

Given a few weeks' warning and time for a couple of exchanges of correspondence, the Trade Commissioner in Wellington can determine where your major contacts are located. If a clearly definable business opportunity can be outlined, you probably won't need more than about three days to accomplish your goals. More often, time is needed to survey the market and to get the feel of how things are done here. A minimum of one week and usually a day or two more are needed to visit the various centers within New Zealand.

Counting the Cost

The economy return air fare by Canadian Pacific Airlines from Canada to Auckland, New Zealand, is approximately \$1,230 and there is a 28-day excursion rate of \$989 return. If your travel plans include Australia, however, for the economy return fare to Sydney, Australia, of \$1,310 (excursion rate \$1,049) you can land first in Auckland and then go on to Sydney for no additional fare. This is another good argument for not neglecting a visit to New Zealand.

Hotel rates in New Zealand are on a par with or slightly lower than in the major Canadian cities. Meals run about Cdn.\$2.00 for a full breakfast, Cdn.\$3.00 to \$7.00 for lunch, and Cdn.\$5.00 to \$10.00 for dinner.

The Wellington office has found it useful to handle hotel reservations for many visiting Canadian businessmen. The hotel situation has improved tremendously in the last few years but many of the better ones are not well known to Canadian travel agents. So if you plan to travel within New Zealand we will be happy to make suggestions to assist your travel agent in making your bookings.

Making Contacts

Most New Zealand businessmen importing goods from abroad are extremely conscious of their own and the country's reputation. They will not enter lightly into a business obligation or arrangement. They will bend over backwards to try to make your visit worthwhile. In selling in New Zealand, you should remember that they are a long way from you by sea and their costs of doing business are high. Anything you can do to keep those costs down will be much appreciated, including payment arrangements which don't call for honoring a draft until the goods have been landed in New Zealand. Payment on landing of goods is a common mode of business here, and provided he has the normal good relations with his bank, the New Zealand businessman's word is his bond.

The ties between Canada and New Zealand are many and you will find a readiness to do business with Canada on the part of most Kiwis. You will also find them only too happy to help you enjoy your stay in New Zealand.

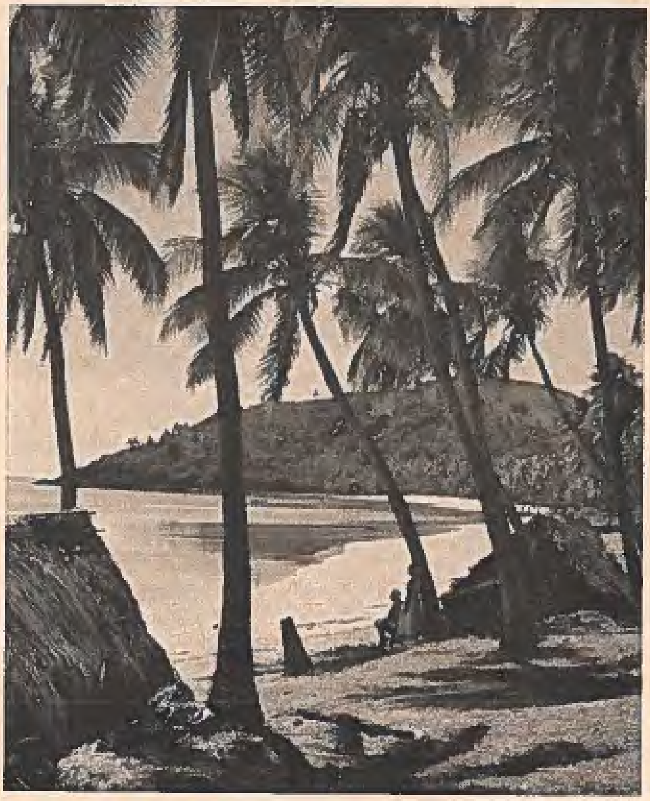
Tips for the Traveller

Here are one or two facts that may help you during your stay.

- Tipping is not a general practice but at most of the good hotels and restaurants it is becoming accepted at the 10 per cent or lower level.
- Liquor by the bottle is expensive but liquor by the drink is reasonable. The shots here are ¾ ounce. But don't rush, Kiwis like to return the honor on the spot. A "round" is called a "shout", and seldom does one end a social encounter without three or four reciprocal "shouts".
- If you drink wine, don't hesitate to try New Zealand wines and order them for your guests.

Time Off

If you are an outdoorsman and are contemplating a trip to this country, you must plan a few extra days for recreation. New Zealanders are justly proud of their beautiful country and it is very easy to arrange fresh water or salt water game fishing, skiing on Mount Ruapehu in the North Island or at Queenstown in the South, deer and wild pig hunting, or golf on some of the beautiful links.



Languorous palms fringe one of Tahiti's magnificent beaches.

Along the Way

As the saying goes, "getting there can be half the fun". A trip to New Zealand can be made even more pleasant and useful by stopovers at Hawaii, Fiji or Tahiti. If you care to spend a few days prospecting for business in either Fiji or Tahiti, Honorary Commercial Agents for Canada will be happy to be of assistance to you in Suva, Fiji, or Papeete, Tahiti. Both of these markets are small but affluent and a few days of combined business and pleasure can be worthwhile. These islands are both tropical but are quite different in character.

The International Airport at Fiji is a half-hour flight from Suva, the capital and commercial center of Fiji. To get to Suva for a day, think in terms of spending two nights and a day. Indian, Australian and British businessmen in Fiji are always happy to see Canadian exporters and a little preparation will often mean a rewarding visit to this British Colony, where again Canadian goods benefit from the Commonwealth preferential tariff.

Tahiti is the quintessence of South Sea beauty but its capital, Papeete, is not its best feature. It has become quite a bustling city as a center for French scientific and nuclear studies and as a landing point for an increasing flow of tourists. As a Department of Metropolitan France, French Polynesia, of which Tahiti is a part, imports goods under the EEC common external tariff and many Canadian manufacturers find it difficult to compete. Nevertheless, interesting exports from Canada come into Tahiti, ranging from fruit to air conditioners.

Get in Touch

Why not plan an itinerary now that will take you to Fiji, Tahiti, New Zealand and Australia? It could be both interesting and profitable. Get in touch with us . . .

Commercial Counsellor
Office of the High Commissioner for Canada
P.O. Box 12-049 Wellington North
ICI Building, 3rd Floor
Molesworth Street
Wellington, New Zealand

Markets in Brief

NEW ZEALAND

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

Population: 2,755,092.

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

Language: English.

Currency: New Zealand dollar; N.Z.$100 equals Cdn.$1.197 (September 1968).

Foreign exchange and import controls: the New Zealand dollar is not freely convertible. Most imports require a licence which automatically carries with it an allocation of foreign exchange. There are no restrictions on the import of currency. A visitor leaving the country may take out a maximum of N.Z.$30 currency.

Weights and measures: imperial standard.

Capital: Wellington (population) 282,485.

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

Marketing centers: Auckland (population) 548,293, Wellington 282,485, Christchurch 247,248, Dunedin 108,734.

Economy: agriculture, forestry.

Total New Zealand Imports: 1967—N.Z.$814.2 million; 1966—N.Z.$792.8 million.

Chief Imports: (N.Z.$ million) 1966—machinery and equipment 171, transport and equipment 106, textiles 80, iron and steel 67, petroleum and petroleum products 52.

Chief suppliers: (N.Z.$ million) 1967—Britain 287, Australia 143, United States 106, Japan 49, Canada 32.

Value of Imports from Canada: 1967—Cdn.$40.7 million; 1966—Cdn.$41.8 million.

Chief Imports from Canada: (Cdn.$ million) 1967—locomotives and tenders and engines 6.0, aluminum pigs and ingots 3.4, aluminum bars and rods 2.4, sulphur 2.4, potassium chloride 1.7, power boilers equipment 1.8.

Total New Zealand exports: 1967—N.Z.$717.6 million; 1966—N.Z.$756.8 million.

Chief exports: (N.Z.$ million) 1966—wool 231, meat frozen and chilled 192, butter 109, cheese 41, sheep skins and pelts 31.

Chief markets: (N.Z.$ million) 1967—Britain 314, United States 114, Japan 64, Australia 33.

Value of Canadian purchases: 1967—Cdn.$15.3 million; 1966—Cdn.$14.97 million.

Chief Canadian purchases: (Cdn.$ million) 1967—sausage casings 4.2, beef frozen or chilled 2.4, lamb 2.2, wool in the grease 1.9, wool scoured 1.4.

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

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

Samples: as a rule, samples are subject to customs duty and temporary licences but a refund is obtainable on satisfactory proof of re-export within 12 months. Trade samples, not re-exported, and not worth more than $40 in value, may be imported without a licence. Trade samples worth more than $40 may be imported only with a licence.

Visas: no visa required. **Inoculations:** none.

Trade agreements: Canada's trade relations with New Zealand are governed by the Canada-New Zealand Trade Agreement of 1932 which provides for the exchange of preferential tariff treatment and the binding of certain rates of duty.

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

Correspondence: airmail, 25 cents per half ounce.

For detailed information on this market 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 12-049 Wellington North
Wellington, New Zealand

C. D. CALDWELL
Assistant Commercial Secretary, Wellington

What New Zealand Power Boards Buy

■ The New Zealand Electricity Department generates the electric power in New Zealand but distribution is the responsibility of the 74 local Power Boards. They purchase the electricity from the Department and sell it to the consumer. Each Power Board uses a wide range of equipment for transforming, measuring, and distributing electricity. If you manufacture any of the items in the list on this page, the Power Boards could be your customers.

There is a tendency in New Zealand to follow British specifications but don't let this deter you from making inquiries. These things change and different Boards may prefer different equipment. Not all the Boards can be classed as large buyers. Auckland is by far the biggest. They decrease in size in proportion to their population, down to very small communities with only a few hundred customers.

The first step is to get in touch with the Trade Commissioner in Wellington and provide him with descriptive brochures and the c.i.f. prices of the products you want to sell. He will soon find out whether your products are acceptable to the local market. If the answer is yes, he will provide you with the names of prospective agents. It is essential to have a local agent because each of the 74 Power Boards is completely independent and does all its own buying. Only an agent on the spot can effectively call on all of these Boards. You can appoint your man by correspondence but you should visit the country if it is at all possible.

One word of caution! If your product doesn't appear in the list, it probably won't sell, particularly if it is relatively simple to manufacture. New Zealand manufacturers make a large amount of equipment for the Power Boards; if a product is made in New Zealand it can't be imported because import licences are not issued for equipment that is made locally. New Zealand manufacturers have been quick to capitalize on this. The Power Boards spend N.Z.$25 million a year but N.Z.$13 million of it still goes on imports.

For further tariff and trade information, you should write to the Commonwealth Division, Office of Trade Relations, Department of Trade and Commerce, Ottawa.

They Want . . .

Underground cable, 33 kv.
Transformers, 1.5 mva. and up
Switch units, 11 and 33 kv.
Oil circuit-breakers
HV air circuit-breakers
Supervisory control equipment
Maximum demand indicators
Earth voltage indicators
All kinds of meters for electricity measurement
Insulators
HRC fuses and holders, Lucy type
Armour tape, bimetal strips, preformed line guards
Preformed armour rods
Mercury vapour lamps or components
Sodium vapour lamps or components
Insulating tapes
Rubber gloves
Insulators for 22 kv. and above
Lightning arrestors
Hardwood poles or suitable alternatives
HV switches above 11 kv.
Pin type insulators

Copper roofing from Canada was used when new buildings were constructed at the Dilworth School at Epsom, Auckland. This unusual institution, founded and endowed by James Dilworth who died in 1894, provides completely free education for boys who could not otherwise afford it. Canada sold Cdn.$3.8 million worth of copper and copper products to New Zealand last year.

Try Selling Livestock

■ The New Zealand Department of Agriculture has begun construction of a maximum quarantine station at Somes Island in Wellington harbor, an ideal location to receive animals from abroad. There are only two similar stations in the world, one at Spike Island in Ireland, the other at Grosse Isle, north of Quebec City on the St. Lawrence.

A maximum quarantine station provides facilities which permit foreign animals to enter a country under the strictest of disease protection conditions. The Somes Island station will allow imports of animals from other countries which will add valuable blood stock to New Zealand's existing breeds. Until now, this blood stock was prohibited entry because of New Zealand's strict animal health regulations and the incidence of contagious animal diseases, luckily not found in New Zealand. For example, the Grosse Isle station, in Canada, allowed the entry of purebred Charolais which had previously been prohibited because of the fear of introducing foot and mouth disease.

To be completed by the end of 1969, the station will have a capacity of 30 to 36 calves or the equivalent number of sheep or swine. Unlike Canada, New Zealand imports will be made initially by the Department of Agriculture. Individual buyers will not be able to use the station and import what they choose although this may be possible in the future.

New Zealand breeders will no doubt be interested in Canadian Holstein Friesian and Jersey dairy breeds, Hereford, Charolais and other beef breeds, various sheep breeds and perhaps some swine breeds. With some selling effort supported by ROP details, Canadian swine breeds, particularly the Lacombe, might be successfully exported to New Zealand. Canadian breeders of top quality livestock may find it useful, even at this early stage, to ask the Department of Trade and Commerce, Ottawa, to put them in touch with New Zealand breeders who might be interested in importing purebreds in the future.

Fruit and Vegetables Exported

■ New Zealand places so much emphasis on exports of meat, wool and dairy products that fruit and vegetables rarely receive even honorable mention. This is probably because they constitute only 1.6 per cent of its total dollar exports. Yet fruit and vegetables from New Zealand constitute a relatively large proportion of the total entering world markets. The country produces about 6.5 million bushels of apples and pears each year. Some 52,000 acres are in vegetables and 1,260 in berries.

Apples and pears are the only fruit in the pip and stone category of significance in export markets, with the majority of them going to Britain and Europe. Apples are the largest export; almost two million bushels were shipped in 1967. Exports of pears that year were 200,000 bushels.

The New Zealand market absorbs 2.5 million bushels of apples and 700,000 bushels of pears; the surplus is exported. Exports of fresh apples and pears to all markets are expected to rise to 4.2 million bushels by 1972.

The apple and pear processing industry is not large. The factory owned by the Apple and Pear Board handles most of it. The Board is a semi-government body which controls all local and export marketing of apples and pears. It believes processing takes some pressure off the local market by using up the lower quality apples. Consequently, the Board is prepared to operate the processing side of its business at or below cost. The general feeling in New Zealand is that apple processing is not lucrative and therefore is unlikely to expand much. Some increase will, however, be necessary because apple production is expanding quite rapidly.

About a million bushels of apples are processed annually at present of which 200,000 bushels find their way into overseas markets. Most are shipped in the form of solid pack canned apples to Britain. In 1966 solid pack sales to Britain reached about 2.5 million pounds and in 1967 about 3 million. The amount of processed fruit entering export markets could increase substantially by 1972 if domestic demand remains about the same.

Unlike most primary production in New Zealand, which is closely regulated by quasi-government organizations, vegetable processing is left entirely to private firms who contract direct with growers. The major vegetables entering export markets are onions, asparagus, peas, beans and corn. Here are the quantities exported in 1967:

	(thousand pounds)
Onions	9,624
Asparagus	760
Peas frozen	5,362
canned	506
Beans frozen	1,010
canned	14
Corn frozen	440
canned	1,802

Asparagus is the only major vegetable that is exported fresh and air shipments from New Zealand have been moving in increasing quantities to high-income markets; Australia and Britain are the main buyers. Most vegetables exported, however, are either frozen or canned. Britain is the major export market for New Zealand's frozen peas, beans and corn, Malaysia the major market for canned peas and corn, and Hong Kong for canned beans. Onions are in rather a different category because they can be stored; they constitute the largest single vegetable export. Onions are mainly exported to Australia and the Pacific Islands but sales are also made to points farther away, particularly to Japan.

More vegetables could be grown but ready markets are limited. Even so, production is expanding with the emphasis on onions, asparagus and sweet corn.

New Zealand exporters of fruit and vegetables should be in a much stronger position as a result of devaluation, particularly in Britain vis-a-vis other Commonwealth countries such as Canada. New Zealand devalued its dollar by 20 per cent and it should be expected that consumption will switch to New Zealand produce where supply and quality are comparable.

trade lines

Australia will open second nickel mine

Australia's second nickel mine will be at Scotia, Western Australia, according to Great Boulder Gold Mines N.L. and North Kalgoorlie Limited. They have indicated reserves of nickel sulphide ore estimated at 1.25 million tons and containing some 3.1 per cent nickel. Shafts will be sunk to carry out exploration underground. Initial production of 10,000 tons of ore a month is planned—Melbourne.

Grundig steps up production in Portugal

Grundig, a German firm, plans to increase the production capacity of its factory in Braga in the north of Portugal to 1,000 transistorized radio receivers and 150 television sets a day. In 1967, the first year of the factory's operation, 250,000 radio receivers and television sets were produced. At present, 10 per cent goes to the Portuguese market; the remainder is exported to 26 countries. Most of the increased production will be for export—Lisbon.

Foreign companies investing in Indonesia

The Indonesian Government has given approval to another 13 foreign companies to invest U.S.$143 million in Indonesia either in joint enterprises or direct investments. The industries which will benefit are logging, mining, dredging, rubber, coffee, pharmaceuticals and electronics—Singapore.

Brazil aims for self-sufficiency in seeds

This year, Brazil will produce 200,000 tons of seeds. By 1972, annual production will reach half a million tons and the country will be self-sufficient in seed wheat, rice, corn, potatoes, cotton, soya beans and peanuts. The National Seed Plan (PLANASE) calls for the purchase of seeds, machinery and laboratory equipment to get the program under way and this is to be undertaken by private enterprise—Rio de Janeiro.

Refinery starts up in East Pakistan

Eastern Refinery Limited's Cdn.$31 million refinery in East Pakistan is about to go on stream. It has an annual capacity of 1.5 million tons and will use imported crude. Burma Oil put up 30 per cent of the capital—Islamabad.

Rolls-Royce computerizes parts store

Computer control of all stores' movements will be a feature of the new warehouse extension at the Rolls-Royce aero-engine factory at East Kilbride, Scotland. The $5 million addition will handle spare parts now valued at $51 million a year and expected to increase—Glasgow.

Scots build desalination plant

An £800,000 contract to build a seawater distillation plant in Jersey, Channel Islands, has been won by Weir, Westgarth Limited of Glasgow. It will be the first seawater plant in Britain to provide regular domestic water supply—Glasgow.

Argentine motor vehicle production decreases

Motor vehicle production in Argentina during the first six months of 1968 was 81,721 units, a decrease of 8.1 per cent from 1967. This figure included 23,621 commercial vehicles, an increase of 12.2 per cent over 1967, but passenger cars were down by 14.4 per cent to 58,100—Buenos Aires.

Brazil reports record coffee exports

Brazilian exports of raw and processed coffee reached 19 million bags in the July 1967/June 1968 year, the largest volume of coffee exported since 1900. This realized approximately U.S.$782 million in foreign exchange. In the month of June 1968, 1.5 million bags were exported—Rio de Janeiro.

Argentina produces synthetic fertilizers

An Argentine plant is manufacturing synthetic nitrogenous fertilizers through the processing of natural gas. Annual production capacity is 55,000 tons of urea and 50,000 tons of ammonium sulphate—Buenos Aires.

Cupronickel replaces silver in Swiss coins

Because of the rising price of silver, Swiss silver 50-centime, 1-franc and 2-franc pieces now in circulation are being replaced by new cupronickel alloy coins. The coin blanks are made in Switzerland. Canada has traditionally been an important supplier of both copper and nickel from which the alloy is made—Berne.

New convention center for Los Angeles

Construction of the $38.5 million Los Angeles convention center began in September. It will have 250,000 square feet of exhibition space, be able to seat 6,000 at meetings, and will provide parking for 4,000 cars and 100 trucks. No completion date has been given but bookings are being taken for the spring of 1971—Los Angeles.

Integrated circuit package for a dollar?

By 1972, the average sales price of an integrated circuit package will be a dollar, according to Motorola's Semiconductor Division. This part of the company is expanding fast. There is to be a 175,000 square feet extension at Mesa, Arizona; two buildings have been leased at Tempe, Arizona; a 40,000 square foot facility for the production of semiconductors will be built in Guadalajara, Mexico, and the plant at Nogales in Mexico will be extended—Los Angeles.

Alumina plant planned for Sardinia

Euroallumina SpA will begin construction this year of a $91 million alumina plant in Sardinia. Completion of the whole project will take 15 years but production will start as early as 1970—Rome.

Japanese build seaweed plant in Portugal

A Portuguese-Japanese joint venture, UNIALGAS, has set up a most modern $5 million plant south of Lisbon to process seaweed—Lisbon.

Swiss wood pulp industry faces stiff competition

Competition from EFTA partners, which produce about 25 per cent cheaper than the Swiss, has adversely affected Swiss production of wood pulp. Canada's share of the Swiss cellulose market has also fallen. Wood pulp enters Switzerland duty-free from EFTA members—Berne.

Portugal's airline is busy

Passengers carried by TAP increased by 23 per cent in 1967 and passed the half million mark. The Portuguese airline is buying two more jets, a Boeing 707 and a Boeing 727—Lisbon.

Brazil makes combines under licence

Cia. Industrial Sta. Matilde S/A of Rio de Janeiro will manufacture Case model 960 self-propelled combines under licence from J. I. Case Company of Racine, Wisconsin—Rio de Janeiro.

Foreign Tariffs and Trade Regulations

Australia

INCREASE IN GENERAL RATE OF SALES TAX—Effective August 14, 1968, the Australian Government increased the general rate of sales tax from 12½ per cent to 15 per cent.

The increase applies to a wide range of goods, including commercial motor vehicles, caravans (house trailers), motor vehicle parts and tires, office furniture and business equipment, advertising matter, stationery and other paper products, confectionery, potable spirits, toys, sporting equipment including yachts and boats, soaps, detergents, polishes, chemicals, lawn mowers, travelware and musical instruments.

The sales tax of 25 per cent applicable to passenger motor cars and certain luxury goods will not be affected nor will the 2½ per cent sales tax on household furniture and appliances be changed.

Australian sales tax is charged, at the same rate, on both domestically produced and imported goods and therefore should not affect a Canadian product's competitive position in Australia.

United States

NEW CUSTOMS FORM—Effective immediately, a new form, Customs Form 3317, must be filed in duplicate in connection with all entries under Item 807.00 of the U.S. Customs Tariff. This item provides for partial exemption from U.S. duty under certain conditions in the case of articles assembled abroad in whole or in part with components which are the product of the United States.

Form 3317 is a modification of the former declaration required under Section 10.1(g) of the U.S. Customs Regulations. This new U.S. Customs Form properly executed by the assembler abroad, and certified by the owner, importer, consignee or agent, must be filed in duplicate with all entries pertaining to Item 807.00. In a bulletin issued August 14, the New York Customs Region states that failure to file Form 3317 at the time of entry will result in a charge against the entry bond, and failure to file Form 3317 within six months will entail liquidation of the entry without allowance for a reduced value for duty under Item 807.00, unless an extension is requested and granted by the collector under authority of Section 25.18, Customs Regulations. The authority to waive the requirements for the production of this form (as specified in Section 10.1(g)(3), CR), is suspended and will not be exercised until further notice.

Trade Commissioners on Tour

In Canada

If you wish to meet the officers wbose itineraries are listed below, get in toucb with—

Ottawa—Department of Trade and Commerce

St. John's, Halifax, Montreal, Winnipeg, Edmonton and Vancouver—Regional Office, Department of Trade and Commerce

Toronto—Canadian Manufacturers Association

Windsor, Ontario—Greater Windsor Industrial Commission

Fredericton, New Brunswick—Department of Industry

All other centers—Board of Trade or Cbamber of Commerce

Brazil—W. G. Huxtable, Consul and Trade Commissioner in Sao Paulo:

Montreal—October 20-25

Italy—C. E. Rufelds, Consul and Assistant Trade Commissioner in Milan:

Montreal—October 15-17
Prescott, Kingston, Port Hope—October 18
Toronto—October 21-23
Kitchener, Galt—October 24
Preston, Hamilton—October 25

C. D. Miller, Assistant Commercial Secretary in Rome:

Montreal—October 14-18
Toronto—October 21-23
Cooksville, Guelph, Brantford, Fort Erie—October 24

Sweden—Norman Parsons, Commercial Officer in Stockholm:

Toronto and Ontario centers—October 30-November 7
Vancouver—November 11-13
Winnipeg—November 15
Montreal—November 18-22
Halifax—November 25-26

West Germany—Walter Schumacber, Commercial Officer in Hamburg:

Winnipeg—October 16-17
Toronto and southwestern Ontario—October 18-28
Brockville—October 29
Cornwall—October 30
Montreal—October 30-November 6
Halifax—November 7-8

Temporary Duty in Ottawa

The following will be on temporary duty in Ottawa and may be contacted through the Trade Commissioner Service, phone 992-9930 (area code 613).

W. G. Huxtable, Consul and Trade Commissioner in Sao Paulo, Brazil, October 16-18.

J. H. Nelson, Trade Commissioner in Liverpool, England, October 15-18.

Norman Parsons, Commercial Officer in Stockholm, October 21-29 and November 27-29.

C. E. Rufelds, Consul and Assistant Trade Commissioner in Milan, Italy, October 28-November 1.

In Territory

Barbados—J. M. C. Lavoie, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Bridgetown November 12-14.

Bulgaria, Hungary, Romania—Trade Commissioners in the Vienna, Austria, office make frequent visits to these countries, but often there is not time to publish their itineraries in advance. Therefore, Canadian businessmen who would like the Trade Commissioners to undertake assignments for them in these East European countries are advised to write to the Vienna office immediately.

Iceland—D. B. Browne, Acting Commercial Secretary in Oslo, Norway, will visit Iceland October 28-November 1.

Indochina—M. C. J. Lemieux, Assistant Trade Commissioner in Hong Kong, will visit Laos, Cambodia and Vietnam November 18-December 8.

Malagasy, Mauritius, Reunion—Wm. Jones, Trade Commissioner in Johannesburg, South Africa, will visit these territories October 24-November 8.

Netherlands Antilles—D. G. Nelson, Assistant Commercial Secretary in Caracas, Venezuela, will visit Curacao and Aruba November 4-8.

Saudi Arabia and Kuwait—D. I. Ditto, Assistant Commercial Secretary in Beirut, Lebanon, will visit Saudi Arabia and Kuwait in mid-October and early November.

South Africa—A. C. W. Davis, Assistant Commercial Secretary in Johannesburg, will visit Durban October 14-19.

Thailand—A Trade Commissioner from Singapore will be making a montbly visit to Thailand througbout 1968. Correspondence sbould normally be addressed to the Singapore office although contact can also be made through the Canadian Embassy in Bangkok, P.O. Box 2090 (telex: 2277; cable: DOMCAN, Bangkok; phone: 32-956).

Businessmen wbo would like the above to undertake assignments for them sbould write to the post as soon as possible.

New York—a challenge for Christmas tree producers

■ Tree growers, are you prepared to meet the challenge? Here is a market right at your doorstep. In the New York area alone, over eight million Christmas trees will be sold this year. Some 10 to 20 per cent will be artificial and at least one-third will come from local production but this leaves a market of approximately four million trees for natural tree exporters.

Natural tree growing is becoming highly specialized. Careful planting, fertilizing and controlling of weeds, insects and diseases, and scientific shearing to ensure symmetry and the proper density are all important. It takes quality trees and standard sizes to command premium prices. Scotch pine, balsam fir, white spruce and Douglas fir account for nearly 95 per cent of trees grown on local plantations.

Long-term planning and increased acreage will help to increase local suppliers' share of the market. The growing demand for reusable artificial trees will limit the market for natural ones. But this need not alarm Canadian producers. Already several growers have adopted new production techniques and can compete effectively with the local growers. They use modern marketing methods, selling through large grocery chains and department stores where exact specifications have to be met.

The traditional outlets are still open. Nurseries, service stations and various other retailers still hold a good portion of the market, but here again, quality is the key. Strict control should be exercised over the cutting and shipping of trees to market. Shearing naturally grown trees and better grading can put even small growers into the premium class. There is still time for Christmas tree producers to contact nurseries, grocery chains, department stores, service stations, 4H clubs, Boy Scout groups and other associations to sell this year.

The New York office can supply more information on standards, growing techniques and marketing opportunities. Write now to the Deputy Consul General (Commercial), Canadian Consulate General, 680 Fifth Avenue, New York City, N.Y. 10019.

—D. J. V. BACHAND
Vice Consul and Assistant Trade Commissioner, New York

Canadians Take Style to New York

■ Now we are setting the pace. Canadian producers of ladies rainwear are showing they can compete in the United States not only in price and quality but, most important, in style as well. While European and New York fashion houses are only just introducing a black velvet look in ladies' rainwear, a Montreal firm has been showing this staple Canadian line in New York since 1964.

Even a small share of the U.S. market for ladies' rainwear is big business and the favorable reception of present exports holds out great promise.

The firm establishment of any apparel line in the U.S. is a long-term process requiring a continuous effort. Special programs are needed to present Canadian ladies' rainwear collections effectively to the U.S. retail trade. Under the auspices of the Department of Trade and Commerce in Ottawa, Canadian manufacturers are preparing to stage a group presentation of their spring 1969 collections in New York.

This event, the first of its kind, will be held in two phases, both at the McAlpin Hotel in New York. From November 19 to 22, there will be a preview showing designed to gain the attention of the New York resident buyers who act as a market liaison for the major retail establishments throughout the country. The second showing is from January 6 to 17, 1969, when the ladies' rainwear buyers gather in New York to see the collections recommended by their associated resident buyers. Local retailers will be invited to view the Canadian lines in both November and January. With some seventeen Canadian firms exhibiting all sizes and price ranges at a conveniently located hotel, U.S. ladies' rainwear buyers should get an in depth look at Canadian styles.

This promotion will give established exporters to the U.S. an opportunity to expand their area distribution, and will introduce newcomers to buyers who are not normally responsive to single collection showings.

—D. L. RUSSELL
Commercial Officer, New York

Black velvet midi-coat designed by Lydia Sperlich for Rainmaster, Montreal.

Foreign Exchange Rates

These nominal quotations may help exporters in checking prices, but they should consult their bar before making any firm commitments. When more than one rate is shown, the one to be used deper on the commodity traded. Information on the rate for any specific commodity may be obtained fro the Office of Trade Relations, Department of Trade and Commerce, Ottawa.

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

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

For conversion of column one to the U.S. dollar equivalent, *multiply* by .93. To convert column two, *divide* by .93.

Country and Currency	Value of Foreign currency unit in Canadian dollars at September 30	Value of Canadian dollar in foreign currency units at September 30
Algeria		
Dinar	.2157	4.63
Argentina		
Peso (free)	.0030	322.58
Australia		
Dollar	1.196	.8340
Austria		
Schilling	.0416	23.98
Bahamas		
Dollar	1.051	.9506
Belgium and Luxembourg		
Franc	.0213	46.25
Bermuda		
Pound	2.567	.39
Bolivia		
Peso	.0901	10.97
Brazil		
Cruzeiro (official free)	.2911	3.43
Britain		
Pound	2.563	.39
British Honduras		
Dollar	.6405	1.55
Burma		
Kyat	.2253	4.43
Ceylon		
Rupee	.1802	5.54
Chile		
Escudo (bank rate)	.1482	6.74
(free)	.1297	7.70
China, Republic of		
New Taiwan Dollar (official)	.027	37.04
Colombia		
Peso (fixed)	.065	14.95
Congo, Republic of[1]		
Franc	2.149	.4653
Costa Rica		
Colon	.1619	6.12
Cuba[2]		
Peso	....	....
Czechoslovakia		
Koruna	.1490	6.70
Denmark		
Krone	.1430	6.98
Dominican Republic		
Peso	1.073	.93
Ecuador		
Sucre (official)	.0596	16.50
(free)	.0534	18.45
El Salvador		
Colon	.4291	2.35
Fiji		
Pound	2.464	.41
Finland		
Markka	.2554	3.91
France, Monaco, etc.[3]		
Franc	.2157	4.63
Franco-African Republics[4]		
Franc	.0043	235
French Pacific[5]		
Franc	.0119	84.24
Germany		
D Mark	.2697	3.70
Ghana		
New Cedi	1.051	.95
Greece		
Drachma	.0358	27.93
Guatemala		
Quetzal	1.073	.93
Guyana		
Dollar	.5367	1.85
Haiti		
Gourde	.2146	4.65
Honduras		
Lempira	.5364	1.86
Hong Kong		
Dollar	.1770	5.64
Hungary		
Forint (official)	.0921	10.86
Iceland		
Krona (official)	.0188	52.91
India		
Rupee	.1421	7.02

Country and Currency	Value of Foreign currency unit in Canadian dollars at September 30	Value of Canadian dollar in foreign currency units at September 30
Indonesia[6]		
Rupiah	....	....
Iran		
Rial	.0142	70.42
Iraq		
Dinar	2.004	.49
Ireland		
Pound	2.564	.39
Israel		
Pound	.3065	3.23
Italy		
Lira	.0017	581.86
Jamaica		
Pound	2.564	.39
Japan		
Yen	.0030	333.33
Kenya		
Shilling	.1526	6.55
Lebanon		
Pound (free)	.3226	3.00
Malaysia		
Dollar	.3505	2.85
Mexico		
Peso	.0858	11.64
Morocco		
Dirham	.2120	4.72
Netherlands		
Florin	.2950	3.35
Netherlands Antilles		
Florin	.5689	1.76
New Zealand		
Dollar	1.199	.83
Nicaragua		
Cordoba	.1533	6.51
Nigeria		
Pound	2.995	.33
Norway		
Krone	.1502	6.64
Pakistan		
Rupee	.2253	4.43
Panama		
Balboa	1.073	.93
Paraguay		
Guarani (free)	.0086	116.28
Peru		
Sol (free)	.0242	41.66
Philippines		
Peso (free)	.2749	3.63
Poland		
Zloty (fixed basic rate)	.2685	3.72
Portugal & Colonies[7]		
Escudo	.0373	26.80
Saudi Arabia		
Riyal	.2066	4.84
Sierra Leone		
Leone	1.502	.66
Singapore		
Dollar	.3505	2.85
Sontb Africa		
Rand	1.502	.66
Spain & Dependencies		
Peseta	.0154	64.25
Sweden		
Krona	.2077	4.81
Switzerland		
Franc	.2492	4.00
Syria		
Pound (free)	.2812	3.55
Thailand		
Baht (free)	.0521	19.19
Trinidad & Tobago[8]		
Dollar	.5392	1.85
Tunisia		
Dinar	2.044	.48
Turkey		
Lira	.1192	8.38
United Arab Republic		
Pound (official)	2.468	.40
United States		
Dollar	1.073	.93
Uruguay		
Peso (free)	.0043	232.55
Venezuela		
Bolivar (official free)	.2390	4.18
Yngoslavia		
Dinar (official)	.0858	11.64

1. Additional rates are in effect.
2. There is no trading in Cuban pesos in U.S. or Canadian banks at present.
3. Franc is also used in Frencb Guiana, Guadeloupe and Martinique.
4. Chad, Central African Republic, Congo, Dabomey. Gabon. Ivory Coast, Islamic Republic of Mauritania. Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands. St. Pierre and Miquelon.
5. New Caledonia, New Hebrides, French Polynesia.
6. Because of the complexity of the Indonesian excbange rate system. it is impractical to quote a single representative rate for the rupiah.
7. Approximately same rate for Portuguese territories in Africa.
8. Also used in Barbados, Leeward and Windward Islands.

businessman's bookshelf

Report on Containerization

Canadian Shippers Council *270 pages*

Both the export manager and the student will find a great deal of practical information here on day-to-day containerization problems. The Report begins by defining the terms it employs, a very necessary step because laymen use them rather carelessly and the precise meaning has sometimes become blurred. The second chapter discusses specifications and standards.

Selecting, receiving and filling the container properly can make the difference between success and disaster. The shipper has first to decide what sort of a container he needs—has the cargo to be refrigerated or just insulated, for example. Then, when he orders the container from a carrier, he should make it plain that he won't accept one that shows signs of damage. Before filling it, he should see that there are no small holes, rough spots or deep indentations, that it is clean and dry, and that previous shipping marks have been removed. The doors must close tight and the sealing device be intact in case the container is carried on the ship's deck. The way goods are stowed inside the container is important too and shippers are warned against using master packs which will not stand up to normal redistribution methods in the overseas market.

The Report goes on to tabulate the rules made by Conference Lines for container tariffs and lists the services available from Canadian ports. It gives the measurements and types of container that the various shipping companies operating out of East and West Coast ports can handle. (Similar information is given for U.S. ports.) There is also a description of the IATA program with dimensions, minimum chargeable weights and rebates for containers shipped by air.

The second part of the Report was prepared for the Canadian Shippers Council by the Transportation and Trade Services Branch of the Department of Trade and Commerce. It is primarily intended for the shipping specialist and the economist and seeks to discover the economic feasibility of containerization of different cargo through various ports. Other readers may not wish to go beyond the summary of conclusions. The finding that six million tons of export cargo could be containerized but only two and a half million tons of imports will surprise some readers.

Available on loan from: The Canadian Shippers Council, Suite 1020, 1080 Beaver Hall Hill, Montreal 1, P.Q.

Inter-American Development Bank

Annual Report 1967 *157 pages* *Free*

The Inter-American Development Bank is the oldest of the regional development banks and its members are all the countries in the Organization of American States. The Bank's capital comes from members and from the sale of bonds. Canada is not a member but has provided a Development Loan Fund (originally Cdn.$10 million, now Cdn.$40 million), which the Bank administers. The Canadian fund is for the provision of Canadian goods and services to Latin America. In addition, ECIC has made up to Cdn.$15 million available for long-term financing of capital goods and related engineering services required for projects sponsored by the Bank. Canadian engineers and exporters have also obtained a share of the business which the Bank has put out to international tender.

The Annual Report shows that the Bank's lending rose U.S.$100 million in 1967 to a record U.S. $496 million. This brought the net cumulative loans to almost U.S.$2.4 billion, which has helped to finance projects with a total value of nearly U.S.$6.4 billion. The impact of the Bank's operations on development in Latin America is therefore very considerable.

During the year, member countries approved an increase of U.S.$1.2 billion in the Fund for Special Operations. This will be called up in three stages, the first in March 1968. The Fund for Special Operations is now providing two-thirds of the Bank's lending and it is important to note that projects under it are not generally open to international procurement.

Canadian readers will find the brief details of projects under way give a good idea of development work in Latin America and the kind of opportunities that it provides. The projects financed from Canadian resources are listed on page 148 and range from mining in Brazil to the extension of the port at Acajutla, El Salvador, and highway feasibility studies in Paraguay. Readers will find it useful to refer to the March 2 issue of *Foreign Trade* while reading the Annual Report.

Order from: Inter-American Development Bank, 808-17th Street N.W., Washington D.C. 20577.

If undelivered return to:
The Queen's Printer, Ottawa, Canada

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