Established in 1904

foreign trade

OTTAWA, NOVEMBER 8, 1958 Vol. 110, No. 10

cover Market day in El Salvador brings out plenty of eager sellers and buyers. Last year, Canadians exported $41.2 million worth of goods to the six Central American countries; $36.7 million worth to Cuba, Haiti, the Dominican Republic, and Puerto Rico, and $31 million worth to the West Indies. Business conditions in all these countries are surveyed in this issue, pages 2 to 26.

CANADA

Published fortnightly by the Department of Trade and Commerce.
The Hon. GORDON CHURCHILL, Minister, JOHN H. ENGLISH, Deputy Minister.

Please forward all orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $5.00 abroad. Single copies: 20 cents each.

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production development opportunities in Central America and the Caribbean countries

Costa Rica

Foreign exchange reserves are rising again but export outlook, especially for coffee, is less promising. Canadian sales are increasing, with flour far in the lead.

R. M. DAWSON,
Assistant Trade Commissioner, Guatemala City.

COSTA RICA, with high standards of education, is still a relatively poor country, though its average income of $300 per capita is the highest in Central America. The population, mostly European in origin, does not present striking contrasts of wealth and poverty. Land resources appear to be ample for the present, but the population increase of 3.5 per cent a year is one of the world's greatest. Endowed with good agricultural land and an active people, Costa Rica should be able to weather the current depressed market for its exports and resume the recent rate of development.

The financial position of the Costa Rican Government has improved noticeably this year. The 1956 crop failures depleted the foreign exchange reserves but the drain has been checked. At the end of the first half of 1958, reserves had risen to $23 million, approximately US$3 million greater than in 1957. An expected fall in export earnings for the full year, however, may again affect them.

New Government Takes Over

In May a new President, Mario Echandi, was elected for a term of four years. The new government has inherited certain problems centering around coffee and these are bound to become more difficult. Fortunately, in 1958 a larger crop almost offset the fall in prices but the problem now is the ability to finance withheld stocks, without permitting the increased money for this purpose to add to inflationary pressures.

Power Supply Expands

For many years a shortage of electric power has held back progress. In 1954, a 10,000-kilowatt steam plant was constructed and in 1956, a 12,000-kilowatt diesel plant installed. The 30,000-kilowatt plant at La Garita, built by the Costa Rican Electrical Institute, began operating one of its 15,000-kw. units last May. The second unit will soon be functioning and this will improve the situation for the time being.

Work has started on the Rio Macho hydro-electric project. It will produce 30,000 kilowatts, is expected to be completed in four years, and should help in the expansion of commerce and light industry. A loan is being sought from the International Bank for Reconstruction and Development to help finance it. (The World Bank is also being approached for money to spend on roadbuilding, on the extension of the railway network, and on imports of capital goods.)

In September of this year the President made a surprise announcement that the Government had informed National Power & Light (a subsidiary of American & Foreign Power) that its Costa Rican operations would be purchased. The request for a rate increase initiated demands by Congress and the public that the company be nationalized. However, to raise the $17.5 million necessary to pay for the company is the problem because Costa Rica's total budget is slightly less than $60 million a year.

Building activity has slumped in the past year and many commercial buildings have unoccupied space. The establishment of a cement plant appears unlikely at the present time.

Petroleum exploration, under way for three years, has proved inconclusive. A number of drilling operations have been abandoned without success but the search for oil is continuing.

Canada's Sales Rising

The down-trend in Canada's sales to Costa Rica—$2.8 million in 1956 but only $2.36 million in 1957—appears to have been arrested. For the first six months

—United Fruit Co.

Almost one-third of the bananas that appear on Canadian tables come from Costa Rica. These have been through a "washing station" and are on their way to the railhead.

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of this year, our exports reached $1.45 million, compared with $1.2 million for the first half of 1957. In manufactured goods, we appear to be losing out to low-priced European suppliers, but the rise in flour shipments has helped to counteract this trend. Canada's best opportunities appear to lie in selling products like newsprint, upper leather, milk powder and flour, where we have a price and quality advantage over competition.

Because export earnings in Costa Rica may drop this year, Canadian firms should be cautious about granting credit to Costa Rican buyers. They should also be careful about instructing the Costa Rican banks to release documents, because Costa Rica does not have an automatic draft-protest procedure and lack of forethought in protecting payment of shipments may result in unpaid drafts. •

El Salvador

The future of this tiny republic continues to be promising in spite of the uncertain world coffee market. Adequate power supplies and government encouragement of industry and agriculture make for stability and growth.

R. M. DAWSON,
Assistant Trade Commissioner, Guatemala City.

THE sharp slump in El Salvador's income from coffee, which accounts for 85 per cent of her exports, has caused much concern in business circles, but the economy continues to flourish nevertheless, carried along on the business boom of the past eight years.

Anticipating a check in economic growth as a result of the coffee situation, the Government promptly restricted bank credit to hold foreign transactions in balance. Imports have been curtailed somewhat and cheque clearings have tumbled slightly, but internal trade has not yet shown a clear tendency to slacken.

Food Is Imported

El Salvador is unique in many respects. Although it is the smallest country in Latin America, with an area of only 8,000 square miles, it supports 2.3 million people—280 per square mile over-all and more than 1,000 in cultivated areas. As a result of the imbalance between land resources and labour, there is a need for more agricultural products than the country can possibly produce. Only one-fourth of the land is arable and practically all of it is used to grow coffee, cotton, and corn and other basic food crops. The rapid increase in population and the inability to step up agricultural output to meet the demand has forced El Salvador to import large quantities of food; in 1956, for example, it bought $5 million worth of corn from other countries. The Government is now undertaking to expand farm credit facilities and to offer free technological advice to small farmers in the hope that the pressing food problem can be solved.

The 1957-58 coffee crop of 1.1 million bags, though it was down considerably from the record high of the previous year, was a good crop compared with the ten-year average. Lower prices were the main cause of a 30 per cent fall in coffee receipts to the lowest level in six years.

The output of soluble coffee increased substantially in 1957. El Salvador was the principal supplier to the United States, with total exports of 2.2 million pounds valued at about US$640 thousand.

Some 40,000 tons of cotton were produced in 1957, 5,000 tons more than the previous year, and receipts are expected to be slightly higher. Marginal cotton-growing areas have been taken out of production but higher yields and better quality have offset this. Although prices are fair, the crop is moving very slowly.

Industrial Outlook Good

El Salvador is the most industrialized country in Central America. However, industrial development is marking time this year, partly because of credit contraction and concern about the future for coffee. A government corporation has allotted funds for building up the food, textile, construction, paper, chemical and cattle industries, but all the amounts are small.

The development of light industry has been stimulated partly by the Government's provision of tax exemptions and adequate credit facilities, and partly by the availability of power and cheap labour. In encouraging local industry, the Government is also looking to the future when, through the possible establishment of a regional common market, El Salvador will be able to sell to other Central American countries a wide range of goods she can produce efficiently. Of particular interest is a proposed ammonium fertilizer plant, which will depend on export markets to dispose of its output.

El Salvador is the only country in Central America with enough electric power. However, assuming the current rate of increase in power consumption, existing supplies will be absorbed by 1960. Adequate power (400 thousand kilowatts) can be produced from Lake Guija and the Río Lempa, but the Lake Guija project is being held up by Guatemala's delay in ratifying a treaty for co-operative use of this lake.

At the end of June, El Salvador opened the most modern hotel in Central America—the Hotel El Salvador Continental. It was built at a cost of over $3¼ million and offers comforts and conveniences up to top North American standards. The country still lacks first-class tourist accommodation, though some facilities are planned for the opening of the Pan American Highway in 1959 or 1960.

Canadian Sales Rise

Reflecting the bumper coffee crop of the 1956/57 season, Salvadoran trade in 1957 chalked up some record figures. Exports rose to approximately US$138 million and imports to $115 million, giving a favourable trade balance of some $23 million. Although data for the first part of 1958 are not available, it is expected that both imports and exports will decline.

Canadian exports to El Salvador in the first six months of 1958 approximated figures for the same period in 1957. However, sales of wheat and wheat flour have increased from Can.$222 thousand to $280 thousand, newsprint from $187 thousand to $202 thousand, upper leather from $69,711 to $79,994, and machinery and parts from $102 thousand to $184 thousand. Low-priced European products offer intense competition in this price-conscious, open dollar market, and it remains to be seen whether Canadian goods can compete successfully. ●

Guatemala

This is still an attractive market for Canadians, despite new import controls imposed by the Government, a drop in foreign exchange reserves, and smaller export earnings.

RENÉ O. VELEZ,
Office of the Trade Commissioner, Guatemala City.

THE economy of Guatemala has always been based on the production and export of agricultural products. There is some light industry and some mining but a drop in international prices for lead and zinc—the most important minerals—has about put an end to mining for the time being. Guatemala has been practically free of exchange and import controls for some years but now certain import quotas have been imposed.

Agricultural production in 1957/58 was slightly below previous years. Coffee and cotton will come close to last year's records; Guatemala has recently become established as a raw cotton exporter. Banana exports are expected to be smaller because of heavy storm losses during the middle of this year. Shipments of raw gum (chicle) and essential oils are expected to hold to their 1956/57 levels.

Guatemala, with its traditionally low consumption, is nearly self-sufficient in basic foods. Corn and beans are the major staples, followed by wheat, rice, sugar, potatoes, fruits and vegetables. Wheat production continues to decrease.

During 1957 Guatemala imported $4.8 million worth of cereals (wheat, flour, rolled oats, rice, etc.); $1.7 million of fats (lard, margarine); $1.5 million of powdered milk and milk products; $828,184 of fresh eggs; $397,317 of fresh vegetables; $294,688 of meats, and more than $260 thousand of fresh fruits (apples, grapes, etc.). In general, domestic production accounts for only 26 per cent of the milk and milk products needed, 34 per cent of eggs, 50 per cent of meat, 29 per cent of lard and vegetable oils, and 12 per cent of potatoes.

Coffee Is Leading Export

Coffee makes up 75 per cent of Guatemala's exports and about 10 per cent of the Government's revenue is derived from the coffee export tax and from the sale of coffee produced in government-owned plantations. Coffee prices early in 1958 fluctuated between $43.00 and $41.00 per 100 lb., about $20.00 less than average prices during the same period of 1957.

Guatemala was a signatory to the agreement (arrived at in Mexico in October 1957) by which the American coffee-producing countries agreed to hold their coffee exports to 20 per cent below the 1956/57 figures for a period of five months after harvest. Most of the coffee held back this season has been bought and stockpiled by a government agency; this has required special financing.

It also signed the new coffee agreement of September 1958 entered into by 15 Latin American countries. Under this, Guatemala and the other producing countries (except Brazil and Colombia) will hold back 5 per cent of production up to and including the first 300 thousand bags and then 10 per cent. Brazil and Colombia are withholding larger percentages.

A soluble coffee plant has just gone into full production. Its annual output has been announced as 1.8 million pounds of soluble coffee for sale at home and abroad.

Oil Exploration Continues

Recent political uncertainty appears to have made little difference in the exploration activities of the foreign oil companies here. At least five major companies

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Guatemala's beautiful Lake Atitlán, about 5,000 feet above sea level, is ringed by volcanoes. It lies about 100 miles from the capital and is said to be one of the loveliest lakes in the world. A number of Indian villages are scattered along its shores.

have drilling equipment ready and full-scale drilling operations are expected by May or June 1959 in the isolated areas of the tropical provinces of Peten and Izabel. At the beginning of 1958 the Government had granted exploration rights to a total of 4,149,999 hectares. The exploring oil companies spent $3 million during 1956, over $5 million in 1957, and this year, it is estimated, will put out a total of more than $10 million.

The request made by a United States company to set up a refinery in the new Atlantic port of Santo Tomas was approved recently. The refinery will use Venezuelan crude initially and expects to process 2,000 barrels a day for domestic consumption.

New Trade Regulations

Because of the constant drop in coffee prices the Government has taken steps to reduce the drain on foreign exchange reserves and, at the same time, to encourage local production of commodities being restricted by special licences. On October 1 the Government decreed that a number of food items, clothing and automobiles shall be subject to special import licences to be granted by the Ministry of Economy; meanwhile the Congress of the Republic is studying the new customs tariff based on the Central American Uniform Tariff.

The new licences are to be granted quarterly to importers on a fixed percentage based on the 1957 import figures for the same commodity. Canadian exporters can obtain full details on the commodities affected from the International Trade Relations Branch of the Department of Trade and Commerce.

Although Guatemala's foreign exchange reserves are still satisfactory, they have been depleted during 1958. Gold and foreign exchange reserves of the Banco de Guatemala at the end of July 1958 totalled US$66.7 million, compared with the July 1957 figure of US$76.4 million. Constantly rising imports, mainly capital goods, and a decline in the value of exports are responsible for the mounting foreign trade deficit and the drain on reserves. In addition to these reserves, Guatemala has a balance of US$22.5 million of unexpended United States aid that will be available for future projects. In the light of this serious situation, the banking authorities have invited a mission of the International Monetary Fund to advise them on their monetary, credit and exchange policies.

Guatemalans do not pay income tax, but it is reliably reported that the administration has submitted an income tax project to Congress. If Congress approves, the Government can expect to gain an additional $20 million in revenue.

Trade with Canada

In spite of the difficulties mentioned above, Canadian trade prospects in this growing market continue to be attractive, particularly in flour, wheat, upper leather, milk powder, copper products, agricultural machinery, asbestos and certain manufactured goods. Last year our sales to Guatemala were worth a total of Can.-$3,206,858 and in the first six months of this year reached Can.$2,265,080. The table shows some of the major commodities in this trade.

Only about one-sixth of Guatemala's three million population can be considered buyers of imported goods. However, many goods and services required to meet the people's needs are still imported because local production, except for staple foods, supplies only a small percentage.

GUATEMALA'S IMPORTS FROM CANADA

(in Canadian dollars)

	1957	1958 6 months
Machinery and parts, n.o.p.	658,010	370,406
Upper leather	323,283	204,402
Whole milk powder	267,558	62,169
Newsprint paper	206,018	102,888
Flour of wheat	189,655	516,348
Wheat, n.o.p.	168,700	190,500
Bookprinting and litho paper	122,922	58,793
Drugs and chemicals	109,622	46,671
Asbestos milled fibres	61,118	37,116
Agricultural machinery and parts	29,403	64,211
Copper tubing and insulated wiring	27,486	7,964

Canadian imports from Guatemala last year totalled $3,469,614. The largest items were (in Canadian dollars): green coffee $2,163,937, bananas $768,157, crude chicle or suppato gum $357,871, manila fibre $136,666, and inedible cottonseed oil $136,666. ●

Honduras

Hampered by inadequate roads and power supplies and dependence on bananas, Honduras fights for economic improvement, assisted by substantial loans from the United States. Canada's exports to this market climbed to $1.06 million in 1957, almost twice our sales in 1955.

R. M. DAWSON,
Assistant Trade Commissioner, Guatemala City.

INCREASING economic and financial problems are being faced by the new Government of Honduras which has been in power less than a year.

Prospects for development in the next few years are clouded by the expected decline in the banana crop and a fall in coffee prices. The spread of Panama disease is forcing the banana companies to close down a number of plantations and it is expected that the elimination of diseased and marginal-producing banana areas will continue until 1960. This trend, however, could be reversed if some economical way to combat the disease is found.

Preliminary estimates indicated that approximately 13 million stems of bananas would be exported in 1958. This estimate will, in all probability, turn out to be over-optimistic because deliveries so far have reached only 80 per cent of last year's. Storm damage could cut down production further, as it often does, and it is possible that government reserves may be reduced several million dollars by the end of the year.

Basic Development Needed

Honduras is a frontier country and before she can achieve satisfactory economic stability, she must reduce her dependence on bananas. Poor transportation and power facilities have been mainly responsible for retarding progress but development programs are now being launched; these should lay the foundations for later expansion.

It was announced in May that the World Bank and the new United States Development Loan Fund had granted a loan of $10.5 million to finance road construction over the next two-and-a-half years. From Puerto Cortes, Honduras' most important port on the Caribbean, paved highways will give better access to the San Pedro Sula region, the most important commercial and agricultural area. An all-weather highway through the rich western agricultural sector to the El Salvador border (development here has been delayed by lack of reliable overland connections with principal markets) will also be built. In addition, the highway from the capital (Tegucigalpa) and surrounding regions to the Pacific Coast will be improved.

To help curb imports, simplify tax collections, raise revenues and remove tax barriers to internal commerce, sweeping tax and tariff reforms were introduced this year. The most important of these was a new 12 per cent surcharge levied on all import duties, except on imports of certain goods from Canada and the United States included in the Honduras-U.S. Trade Agreement. Among the products exempt from this surcharge, wheat flour and tires for motor vehicles are important Canadian exports.

Investment Encouraged

For some time Honduras has made it difficult for foreign firms to invest in the country, but steps were taken recently to alter this policy because of the need for investment capital. An industrial development law was passed granting new industries exemption from income taxes and import duties for up to ten years, depending on the nature of the industry. However, the law states that the Government may insist on partial Honduran ownership. It also requires that industries using non-renewable natural resources re-invest 25 per cent of their net profits in other local industries or forfeit that sum to the Government.

For several years Honduras has been promoting the establishment of a pulp and paper industry; technical experts have declared that there are ample forest reserves. It is understood that such a complex, to operate profitably, must have access to all the Central American markets and to sizable export markets elsewhere. Efforts have been made in the United States and Canada to obtain financial backing, but so far the capital has not been found.

Although industrial development generally is continuing at a slow pace, some industries are expanding. Honduras' biggest textile factory has installed up-to-date machinery, and a new flour mill, opened in February, will mill nearly all the flour she needs. In addition, a cement plant is expected to go into full production shortly.

Trade Prospects

The economic and financial problems that confront the Government will probably hamper a large expansion in trade in the next few years. No up-to-date Honduran statistics are available but 1958 imports will probably be lower than last year.

Canada has almost doubled her sales to Honduras since the 1956 trade agreement was signed: exports in 1955 were valued at $587,680 and in 1957 at $1,061,291. In the first half of 1958, our sales reached $588,629, roughly equal to the first six months of last year, but the range of products that Canadians are supplying in any quantity is limited. There are opportunities, however, to sell leather, wheat flour, machinery and parts, and drugs and chemicals. These commodities together made up over one-half of our exports to Honduras in 1957. ●

Nicaragua

Industrial and hydro-electric development continues, but shrinking cotton sales and low coffee prices may mean slower growth. Purchases from Canada have increased this year.

R. M. DAWSON,
Assistant Trade Commissioner, Guatemala City.

THE credit restrictions imposed by the Nicaraguan Government during the past year tended to increase bank deposits and stabilize dollar reserves. On June 30, 1958, these reserves totalled $25.8 million, up $5 million from the same date last year. The gradual rise in reserves during late 1957 and so far in 1958 resulted chiefly from expanding exports, accompanied by a contraction in imports. From 1950 to 1956 the country quadrupled its revenues, largely because of export earnings, but its expenditures also increased.

Industrial Development Continues

Several new industries have gone into operation recently or are in the planning stage. A plywood factory was started at the beginning of 1958 and a factory to make bricks, intended to replace cement blocks in the building industry, is expected to be in production before the year is out. Another plant, making insecticides in both powder and liquid form, is just getting under way and a company to make soluble coffee, financed mainly by local interests, is currently being formed. However, the large amount of frozen loans committed to cotton crops may for a time impede the granting of credit for industrial development.

Power development is also being stressed; the first of two new 15,000-kilowatt generators was started in June and it is expected that a second will be installed shortly. A group of Italian consulting engineers has been studying the Rio Luma hydro-electric project; the first two stages of it (expected to produce 64,000 kilowatts) are to be undertaken shortly and should be completed by 1962.

Several foreign fishing companies have been granted concessions to explore the fishing in Nicaragua's territorial waters, on both the Atlantic and Pacific coasts. No conclusive results have been obtained so far.

Much work remains to be done before an adequate road system spans the country. An Atlantic-to-Pacific highway may be completed by the end of 1961 but at the current rate of construction, it is doubtful whether this objective can be reached. Coffee and cotton together account for 70 per cent of Nicaragua's export revenues. The 1957-58 cotton crop totalled 210 thousand bales but by the end of June, one-third of this crop remained unsold. The Government has set up a pool to advance funds to growers and is supporting the price at a figure slightly higher than that of current sales. Coffee, in the face of falling world prices, has brought returns of $25 million, only $3 million less than the value of last year's crop. The short-term outlook for both cotton and coffee is not too promising and the country will be fortunate if 1958 returns on these two commodities approach last year's. In general, foreign trade is expected to keep on growing, but more slowly than in recent years.

Exchange Regulations Altered

For most imports, the importer must make a prior deposit in cordobas of 100 per cent of the value of his order. In February 1958 an amendment was made, authorizing deferred payments on imports for those importers who have credits in foreign countries. These special concessions apply only to imported goods that will promote local production and must remain at a level that will not endanger the balance of payments.

Trade with Canada

Canadian exports to Nicaragua have not varied much during the past few years. They totalled $1,769,000 in 1955, decreased in 1956 to $1,402,000, and in 1957 went up slightly to $1,542,000. During the first seven months of 1958 Nicaragua has bought Canadian goods to the value of $1,146,000.

Altogether, we sell about 155 commodities to Nicaragua in a normal year. In 1957, the most important included: wheat flour ($397,000), drugs and chemicals ($142,500), upper leather ($112,000), newsprint paper ($101,000), machinery and parts ($77,000), calcium compounds ($64,000), tires excluding tractor ($74,000), malt ($54,000), mining machinery ($52,000), iron and steel bars ($49,000), transformers ($37,000), electrical apparatus ($37,000) and medicinal preparations ($31,000).

During the first half of 1958, wheat flour sales, which in 1957 fell from a 1956 value of $540,000 to $397,000, picked up considerably to a total of $348,000. Exports to Nicaragua of many of the other items mentioned above also rose in 1957 and show every indication of continuing this trend in 1958. ●

Panama

Work on capital projects surges ahead and business activity continues to grow, with the aid of Export-Import Bank loans, direct U.S. financing, and revenues from a rapidly-expanding air and sea transit business.

R. M. DAWSON,
Assistant Trade Commissioner, Guatemala City.

PANAMA'S trade and local business activity remained buoyant during the past year. Imports and exports increased over 1956 and administration revenue in the first six months of 1958 rose to $29 million, almost 10 per cent higher than in the corresponding period last year. The economy has been stimulated by a number of public works projects, some still in the planning stage and some already under way.

The first stages in supplying Panama City with a new water-main system have progressed satisfactorily, assisted by an Export-Import Bank loan of $2 million and an equal contribution from Panama. With the completion of current phases of the program, it is likely that more U.S. funds will be made available to complete a water-main system for the entire city.

A project to fill in Panama Bay and build a harbour for fishing vessels and coastal craft may be undertaken shortly. The Government is anxious that this development proceed simultaneously with construction of a new bridge over the Panama Canal at Balboa. In June of this year, the United States Congress appropriated $20 million to build this bridge; construction is expected to begin shortly and take about three-and-a-half years to complete.

Work is going ahead on the Pan American Highway and it is hoped the north Panama section to the Costa Rican border will be open by the end of 1959. By the end of next year the highway should be open from Panama to Mexico, enabling Canadians to travel by car to the Panama Canal. The mammoth task of building the highway through 400 miles of jungle in southern Panama to Colombia remains. The route is now being planned and it is estimated that construction costs may run to $5 million.

Mining and Industry

Recent surveys have revealed extensive bauxite deposits in the Republic and several months ago, contracts were signed with two large U.S. corporations authorizing exploitation of the ore. Small amounts of manganese are now being shipped from an open-cast mine in the province of Colon.

Several large oil companies are looking for petroleum in commercial quantities. Meanwhile, preliminary construction is now under way at Portobelo, the site of the Panama Refinery and Petrochemical Company's $40 million, 50,000-barrel oil refinery. Major work on this project will proceed during the coming dry season.

A small steel mill using scrap steel and a continuous rolling process is expected to begin operations shortly. It will make the reinforcing rods used in concrete construction. The plant can turn out 20,000 tons a year but an initial production of only 6,000 tons is planned.

The American Foreign Power & Light Company recently announced that a study of the availability of water for hydro-electric power would be made by a U.S. consulting engineering firm. From these findings, the company will decide whether hydro-electric power is more economical than thermal power for Panama.

Air and Sea Traffic Increases

A record 9,187 ocean-going merchant ships passed through the Canal during the U.S. fiscal year ended

June 30, 1958. Normal transit was resumed at the end of June after a six months' overhaul of the Pacific locks. Early next year, a report will be submitted to Washington on long-range requirements for the Canal. Expansion of lock facilities at a cost of approximately $2 billion may be recommended.

Rapidly increasing air transport to and from the Free Zone has made Colon the tenth busiest city in the world in the movement of air express cargo. Expanding trade between Canada and Latin America makes the Free Zone an attractive place to break down and reassemble shipments for individual countries. Freight costs can be reduced by using the services of the Zone and deliveries to customers made more promptly.

Local Business Expanding

Drought struck the corn and rice crops in 1957 and will make imports necessary this year. But banana crops fared better, and exports in 1957 reached a record 7.4 million bunches. The continuing high sales of bananas and shrimps and the indirect benefits from the Canal have made the Republic's economy less vulnerable to external business fluctuations. There has been virtually no recession this past year.

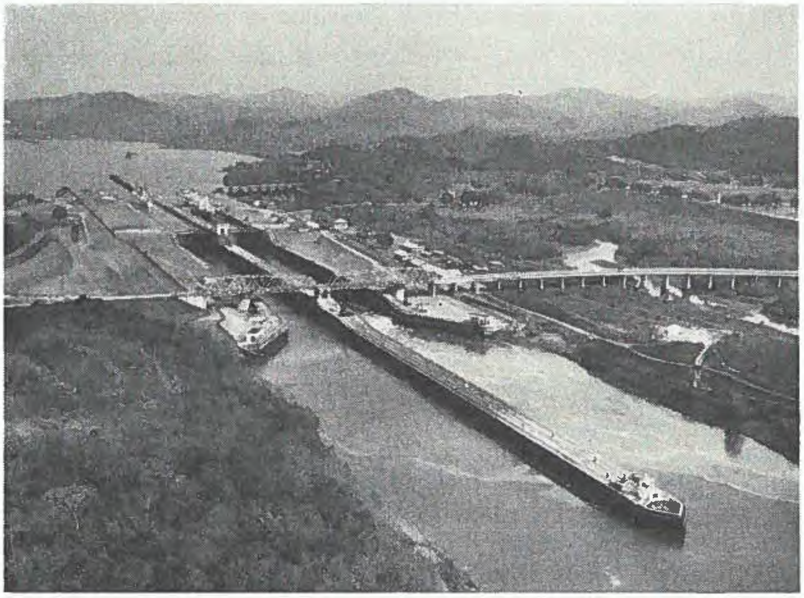
An over-production of milk has plagued Panama for some time. To ease the situation somewhat, the National Economic Council has recommended that excess milk be used for making butter and skim milk. (Over two million pounds of butter are imported every year.) Although future local production will not be sufficient to meet the demand, it is anticipated that producers of these products will receive some protection.

A treaty signed in 1936 restricted Panamanian commercial activity in the Canal Zone to shipping, communications and business connected with canal operations. Recently, however, the Panama Government has suggested to Canal Zone authorities that there are a number of additional goods and services which Panama businessmen could provide. Among these are beer distribution, milk plants, credit unions, general insurance and an oxyacetylene plant. Some, and possibly all, of these enterprises can be expected to be operated from Panama in the future.

The new customs tariff containing higher rates introduced at the beginning of this year has provoked considerable comment, but the Minister of Finance has opposed a revision at present on the grounds that it is too early to judge results.

Canadian Sales

In 1957, Canada was the third largest supplier of goods to Panama, selling roughly 4 per cent (excluding ships) of the $93 million worth of goods imported. Our exports to Panama last year were valued at $30.6 million, of which $26.8 million represented sales of ships. The first quarter of 1958 shows sales, at $2.3 million, down from the same period last year, but above the average of recent years. Canadian exports of flour, whisky, cod, newsprint and machinery are expanding but most branded merchandise is having difficulty meeting U.S. and European competition. ●



The Miraflores Locks on the Panama Canal, looking north. During the first six months of this year the Pacific locks were overhauled; they are now open for normal traffic. Expansion of all lock facilities may take place in the next few years at a cost of about $2 billion.

Central America Creates a Common Market

After six years of study, five Central American countries have signed a treaty setting up a Common Market, plus an agreement on industrial integration. The main provisions of this treaty are outlined here.

R. M. DAWSON,
Assistant Trade Commissioner, Guatemala City.

IN June of this year, the Ministers of Economy of five Central American countries—Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua—signed the multilateral Treaty on Free Trade and Central American Economic Integration. A separate agreement on a System of Integrated Central American Industries (the Industrial Agreement) was also concluded. The setting-up of the formal structure of the Central American Common Market by these two agreements marks the culmination of several years of study and discussion, following the inception of the Central American Economic Co-operation Committee in 1952.

Before the free trade treaty comes into force, it must be ratified by the Congresses of at least three countries. When the remaining two countries ratify it, they too will become members of the free trade area. El Salvador and Nicaragua are expected to ratify the treaty this year, with Guatemala and Honduras following early next year. There is no indication of when Costa Rica will do so.

The diversified tariff structure of each of the five countries represented an important obstacle in the creation of a Common Market and was responsible for considerable delay in reaching joint agreement. After several years of studies a uniform Central American customs nomenclature was adopted. Next, the form of the treaty itself was decided upon, and finally, agreement was reached on the list of articles that would enjoy free trade status. Although this list is extensive, it is not all-encompassing.*

Among the principal features of the multilateral treaty are the following:

- The establishment of a free trade area in the five countries (Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica) which is limited to a list of goods which shall not be subject to customs duties nor to any other restrictions.
- The operation of the treaty for an initial period of ten years, with no option of withdrawal before the end of the term.
- The establishment of a Central American Trade Commission with responsibility for the study of production and trade development within the five countries.
- The undertaking to refrain from according duty-free entry to imports from outside the area of the products selected for free-trade-area treatment.
- The refusal of subsidies for the export of merchandise included in the free trade agreement. These products are not to be exported at a price deemed by the other countries to be lower than normal value.
- The adoption of measures to stimulate the establishment or enlargement of regional industries of particular interest in the economic integration of Central America.

*Canadian businessmen who wish details on the list of goods covered by this Treaty should write to the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Industrial Agreement

In keeping with this last principle, an attempt is now being made to formulate an agreement on industrial integration. A draft industrial agreement has been drawn up but a good deal more time is expected to elapse before it can be finalized. Unlike the free trade treaty, the industrial agreement will come into effect only after it is ratified by all five countries. If a particular industry is approved for establishment in one of the Central American countries, the other four countries must undertake to grant to these products successive tariff reductions of 10 per cent each year for ten years.

Effect on Foreign Trade

It is, of course, too early to make any judgments on the implications of these developments for Canadian export trade. However, there is a possibility of some displacement of markets for certain Canadian products. There is, for example, a tire plant in Guatemala that began limited production in September of this year. Under the provisions of the industrial treaty, this factory would expect to benefit from exclusive tariff preferences throughout the regional market. On the other hand, a strengthening of the Central American economies through integration could result in an expanding market for Canadian products in this area. ●

62128-4—3

The West Indies

... its trading problems

Change-over to new trading regime as result of federation presents many problems that differ from island to island. Once these are solved, trade should increase—and Canada's share of it rise.

R. G. C. SMITH,
Commissioner for Canada, Port-of-Spain.

THE federation of most of the British islands of the Caribbean area (see *Foreign Trade* of January 4, 1958) has led to much speculation over the effect of this far-reaching political development on the foreign trade of the area. Historically Canada has had a long, harmonious and honoured association with the West Indies so that this new development is of interest to the Canadian people in general and to businessmen in particular.

Specifically, the federation of the islands under a central government with a capital in Trinidad—located as a start at Port-of-Spain—links together in a loose form of federal government ten separate islands, each of which had and has its own government. In addition there are a number of islands, dependencies of the others, that are sparsely populated and of lesser economic importance.

Distance Creates Problems

Probably it is a general concept that the West Indies are a number of islands grouped vaguely in the Caribbean, more or less close together. In fact, they are spread over an immense area, starting with the second largest island, Trinidad (1,980 square miles) in the extreme south and just off the coast of Venezuela, and running northward through the Windwards and Leewards to Antigua in the north, some 445 miles away. A short distance off to the east of this chain of islands lies Barbados, 166 square miles, and the most densely populated of the group. Away to the west as the apex of a triangle with a thick base of these islands lies Jamaica, some 1,135 miles from Trinidad and 980 miles from Antigua. Jamaica is the largest island with an area of 4,411 square miles. Most of these islands have a rapidly growing population and the standard of living is steadily improving. As a consequence of spreading industrialization in such places as Jamaica and Trinidad, and considerably larger and better agricultural output, foreign trade is rapidly expanding.

No Customs Union Yet

To state these bald facts of geography is enough to acknowledge the extraordinary difficulties of creating an economic and political federation. Physically the main problem is communication—how to make it possible for the peoples of the island groups to move easily throughout this nascent country and how to move goods from one island to another in what will be "domestic" trade but has been up to now "foreign" trade.

Fundamentally the act of federation changes nothing immediately in the problem of the easier movement of peoples and goods. People moving within the area must still pass through "immigration" when they wish to visit another island and inter-island trade is still subject to the payment of customs duties, levied under a different tariff schedule for each island. For example, a product manufactured in Jamaica is subject to the same rate of duty on entering Trinidad as is applied to it when it is imported from Canada.

Canadian exporters contemplating this old and familiar market must therefore for the moment continue to deal with each island as in the past, taking into account the respective rate of duty levied by each and considering the exchange problem as it is handled by each.

To state the problem in this way is not to belittle the importance of federation. What has happened is to conceive a new country out of a number of scattered small islands, a new country that has as its aim the eventual free movement of its peoples within its widely scattered territories and a customs union that will create a single market with a uniform external tariff. A committee has been set up to work out a proposal for a unified external tariff and for the gradual abolition of tariffs on inter-island trade. This report is expected to be made public soon and in due course it is hoped that agreement of the various segments of the Federation will make it possible to establish a unified and fairly large trading area.

Change-Over Problems

The problems of changing over to this new trading regime are not simple. In the first place, standards of living and wage rates vary considerably from island to island. There is a wide difference in the density of population. Dominica, for example, is under-populated but Barbados is one of the most densely peopled areas in the world. There is also a great difference between the level of protection and the degree of industrialization in the various islands. Jamaica, for example, has followed a policy of considerable protection to industry—protection by higher rates of duties and more stringent import controls than in the other Federation members. To some extent agricultural production in the islands is competitive rather than complementary. This, coupled with inadequate inter-island shipping, has tended to reduce the flow of internal commerce.

Nevertheless, federation has focused attention on these problems and, to an extent never before attempted, efforts are being made to break down these barriers, to build up inter-island shipping facilities, and to explore ways of increasing complementary primary production so that some of the food now imported (meats, dairy products, fish and poultry in particular) and essential raw materials (such as fertilizers) may be supplied from domestic rather than foreign sources as at present.

The fact that the immediate effects of federation on the foreign trade of the area are not apparent should not be allowed to obscure its ultimate significance. It will give Canada a larger, more uniform and "easier" trading area. It is an area where Canadian goods, both manufactured and primary, have been established for a long time. Shipping services are constantly being improved and through the offer of two ships as part of the aid program, Canada is playing a direct part in the improvement of the facilities for inter-island trade. These facilities cannot but increase the ability of the new country to conduct a more viable and larger foreign trade, both import and export.

At the recently concluded Commonwealth Trade and Economic Conference held in Montreal, agreement was reached, in consultation with the British and West Indian representatives at the Conference, that a study should be undertaken aimed at a closer and freer trading relationship between Canada and The West Indies. Clearly, until there is a customs union within the Federation, solid progress towards new formal trading arrangements will have to be delayed. It is significant, however, that the decision was made to explore the best way in which closer trade relationships with the new Federation can be developed. ●

British Eastern Caribbean

Trade is flourishing in nearly all parts of this region, with oil, sugar, bananas, and some agricultural products the main exports. Plans to diversify industry and agriculture are making headway.

P. T. EASTHAM,
Assistant Commercial Secretary, Port-of-Spain.

TRINIDAD

TRINIDAD'S foreign trade achieved a record in 1957 as it has in each of the past ten years. Total exports at BWI$391 million* and imports at $355 million were both up 18 per cent over the previous year, making the highest surplus on current account ever recorded.

Petroleum products dominated domestic exports even more than usual, accounting for 83 per cent of the total, followed by sugar (8 per cent) and cocoa (2 per cent). Production of all major exports increased, with the exception of cocoa. It declined 37 per cent in volume because of poor weather conditions. The value of most imports increased in 1957; industrial machinery was up, but salt fish and milk products showed slight declines. Canada's share of Trinidad's imports fell to 7 per cent in 1957 from 9 per cent the year before, compared with an increase for the United States to 14 per cent, up from 12 per cent over the same period.

The oil industry stepped up exploration and drilling programs and production of crude petroleum increased to 33 million barrels in 1957 compared with 29 million in the previous year. Another 22 million barrels of crude were imported for refining, and accounted for 25 per cent of the value of all imports. As an indication of the growth of the oil industry, refinery throughput in 1957 exceeded 50 million barrels, more than double that of a decade ago.

Industry Is Growing

With oil, which provides over a third of government revenue, and agriculture, the largest employer of labour, manufacturing is assuming a steadily more important place. Stimulated by "Pioneer Industry" legislation, several new industries have recently been established, including the manufacture of concrete blocks, metal windows, plastic products, enamelware, knitted goods and animal feeds. A $19 million fertilizer plant is now

*All values are in BWI dollars. One BWI dollar currently equals $0.5708 Canadian.

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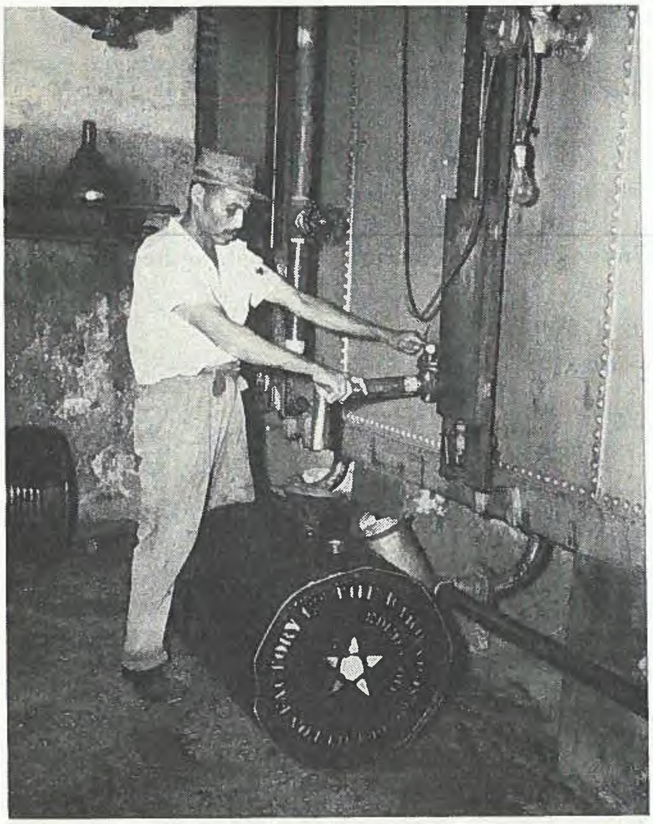


Edible oil, extracted from West Indian copra and highly refined, is prepared for export. This is one Barbados industry that is not connected with sugar-cane or with its byproducts.

being constructed and is scheduled to go into production next summer, and an integrated operation is being set up to catch tuna fish in the South Atlantic; this would be packed in Trinidad, chiefly for export. Among projects being considered are a $5 million milk-processing plant and a $30 million pulp and paper mill that would use bagasse. Construction of a 250-room hotel in Port-of-Spain to be operated by the Hilton chain is to start this year and another proposal to build a resort hotel on the north coast is now awaiting government approval. These projects, with the government development program and the big increase in home and office building influenced by the locating of the federal capital in Trinidad, have brought a boom in the construction industry that promises to continue for some time.

Local Industry Protected

Anti-dumping legislation was passed earlier this year to protect local industry, and the Government has set up an Industrial Development Corporation to build factories for leasing and generally to encourage the establishment of new industries.

The impressive growth in Trinidad appears to have a sound basis and prospects are bright for a further expansion of business activity. •

BARBADOS

THE foreign trade of Barbados is growing year by year; imports totalled $68 million and exports $50 million in 1957, compared with $61 million and $36 million respectively in the previous year. In 1957 sugar accounted for 72 per cent of total exports, molasses 10 per cent and rum 4 per cent.

Sugar is the mainstay of the island, where every possible piece of land is cultivated. Production reached a high of 204 thousand tons last year but declined to 153 thousand in 1958 because of drought. There should be a good crop next year if the favourable weather continues. Output of molasses and rum declined again in 1957, as in the previous two years.

The second industry of Barbados, the tourist trade, did well in 1957; hard currency receipts rose 25 per cent above the previous year. However, receipts for the first half of this year declined.

A few small secondary industries have been established and help to diversify the economy, but it is unlikely that manufacturing will become significant for many years, if at all. Construction of the deep water harbour, which is to be completed in 1962, is proceeding on schedule.

With the poor sugar crop and the drop in tourist receipts in the present year, business activity has levelled off but the economic progress made should at least be maintained. •

WINDWARD AND LEEWARD ISLANDS

WITH the exception of Montserrat and Antigua, all of the islands made good progress in 1957. In Montserrat, the changing of the planting season for cotton, the main cash crop, left it dependent on lime juice and vegetables for a year but should result in greater yields in the future. In Antigua, which depends on sugar and cotton, the cotton crop dropped 50 per cent in 1957 but prospects for this year are good. Two more resort hotels are being constructed; this will give Antigua a bigger return from an already important industry. The situation in St. Kitts, which produces chiefly sugar, showed little change.

In the Windward Islands, economic activity expanded considerably, almost entirely because of the much greater banana production. It is Dominica's chief crop and may soon displace sugar as the major product of St. Lucia. Bananas have helped Grenada to remain relatively prosperous, notwithstanding the devastation of its nutmeg trees by hurricane in 1955, and in St. Vincent they have offset the drop in production of arrowroot.

Although the pace of economic progress in the Windwards and Leewards may be slower than in the Federation as a whole, there are good prospects for the attainment of greater prosperity. ●

Jamaica

All sectors of the economy improved last year, but this year drought cut sugar yield and fruit crops, and alumina exports have declined. Prospects for Canadian exporters remain reasonably good.

M. S. STRONG,
Acting Trade Commissioner, Kingston.

THE economic trend was upward in Jamaica last year, but this year exports of alumina have declined because of lower world prices for aluminum, and serious drought has affected the crops.

The effects of the bad weather are being felt by the sugar industry. Last year, earnings from sugar exports rose by approximately 10 per cent over 1956 to £13,399,453. Results of the current sugar-cane crop are disappointing: it is reported that about 9.50 tons of cane are required to produce one ton of sugar—the second lowest yield in ten years. As a result, 6,000 acres of cane have been left uncut and sugar output is now expected to total 334 thousand tons instead of the 395 thousand estimated at the beginning of the season.

Fruit Crops Affected

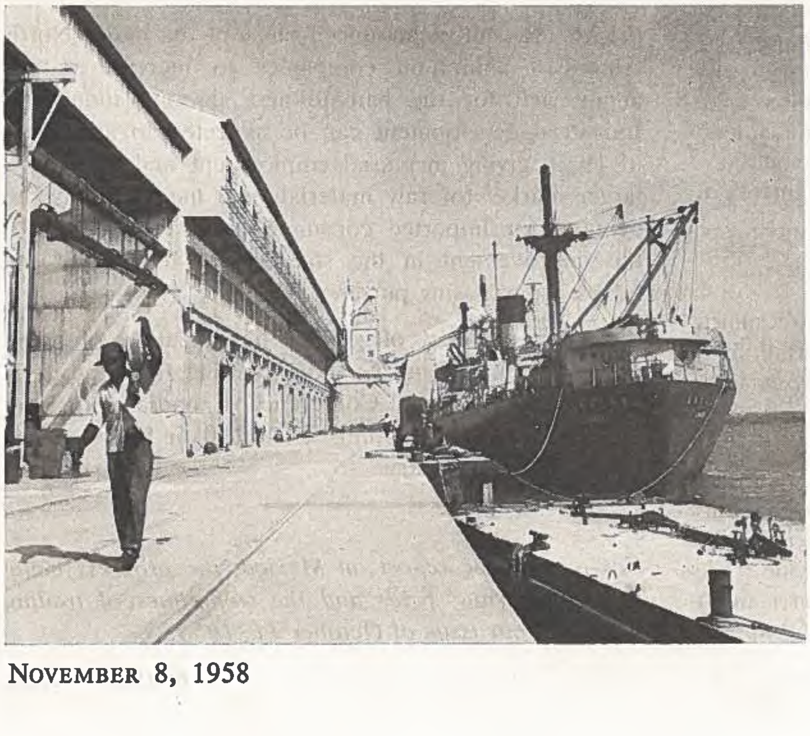
Because of the drought, fruit exports are also expected to be smaller this year. The following figures show the value of banana and citrus exports for 1956, 1957, the first half of 1957 and the first half of the current year:

	Banana Exports	Citrus Exports
1956	£6,085,609	£348,342
1957	6,799,745	302,676
Jan.-June 1957	2,749,542	174,820
Jan.-June 1958	2,137,373	180,141

Manufacturing and Processing

The volume and variety of manufactured and processed products produced by Jamaican industries continues to grow and includes articles for both export and domestic markets. Consumer demand in Jamaica is broadening as incomes rise and living standards improve.

In the first nine months of 1958, 90 new plants were registered under the Factories Act, compared with 48 in the whole of 1957. As local products are substituted for imports, the Island's import trade is changing and raw materials and machinery make up an increasing proportion of total purchases abroad. Similarly, agricultural products are more and more often processed locally before being sold abroad.



Port Esquivel on Jamaica's south coast was built by Alumina Jamaica Ltd. to ship alumina in bulk to Kitimat, B.C., and receive raw materials for its operations. Shipments of alumina have fallen off this year, a result of the fall in world aluminum prices.

The stream of tourists to Jamaica this year may well surpass the 1957 total of 160,675; during the first eight months of this year (despite the recession in the United States, which sends the greatest number) 122,428 visitors have enjoyed the sunshine and beaches and contributed to the economy by buying local and foreign-made goods and providing employment for the catering trade.

Construction Sets Record

A record number of houses, hotels and commercial buildings were built in 1957, and indications are that the upswing has continued in 1958. During the first quarter of this year sales of cement were higher than in the same period last year, and building permits issued for residential and other structures in the Kingston and St. Andrew Corporate Area were well above the first three months of 1957. As a result of the growth of the building industry during recent years, the number of architects and construction firms has greatly increased.

Imports and Exports

In 1957 the Island's imports and exports together totalled more than £100 million. Imports, worth £67 million, were 14 per cent larger than in 1956 and three times the 1950 figure. The major part of this increase of approximately £8.5 million resulted from the greater demand for materials for the building and manufacturing industries, such as leather, lumber, rubber, textile yarns, fabrics and metals. Imports of machinery and transport equipment, including motor cars, were valued at £16 million in 1957 and represented 25 per cent of total imports.

Total exports in 1957 exceeded the 1956 value by £11.4 million; re-exports declined by £300 thousand, but domestic exports increased by approximately £12 million. The sugar industry increased its sales by £1 million; shipments of bauxite and alumina were worth twice the 1956 figure; bananas, grapefruit, juices, and ginger all contributed to the larger total for domestic exports. There was a slight decline in shipments of coffee and pimento.

Trade with Canada

In 1957 the value of Canadian exports to Jamaica increased by 13 per cent over 1956, and our imports from the Island rose by 64 per cent, principally because of larger shipments of alumina.

Future Prospects

Economic conditions in Jamaica are, of course, influenced by world conditions. Assuming that no international calamity (such as a war or a world-wide trade recession) or serious local disaster (such as hurricanes) occur, the Island's economic prospects for 1959 appear bright. Recently announced plans of the major North American aluminum companies to increase output augur well for the bauxite and alumina industries. Industrial development can be expected to accelerate in 1959, giving increased employment and opening a larger market for raw materials and machinery. The demand for imported consumer goods will rise with the improvement in the standard of living and the people's purchasing power.

With the prospect of greater liberalization of trade between Jamaica and Canada resulting from the decisions of the Montreal Conference, Canadian exporters can feel reasonably optimistic about their future export trade with this country.

CANADIAN EXPORTS TO JAMAICA

(Canadian dollars)

Total all exports, 1956	$17,222,124
Total all exports, 1957	19,487,357
Total all exports, six months 1957	7,833,495
Total all exports, six months 1958	7,845,228

Principal Commodities	**1957**	**1958 6 months**
Wheat flour, n.o.p.	$2,468,483	$1,300,748
Cod, salted boneless, light salt, heavy salt	2,457,162	1,430,625
Tobacco, bright, flue cured	786,154	505,791
Machinery and parts, n.o.p.	703,479	133,471
Structural steel	633,102	216,312
Mining machinery and parts	632,724	71,812
Mackerel, pickled, split	631,354	56,939
Iron pipe and tubing, and pipe fittings	595,622	68,966
Sardines, little fish, canned	590,856	385,914
Electrical apparatus, n.o.p.	590,090	128,443

DBS statistics.

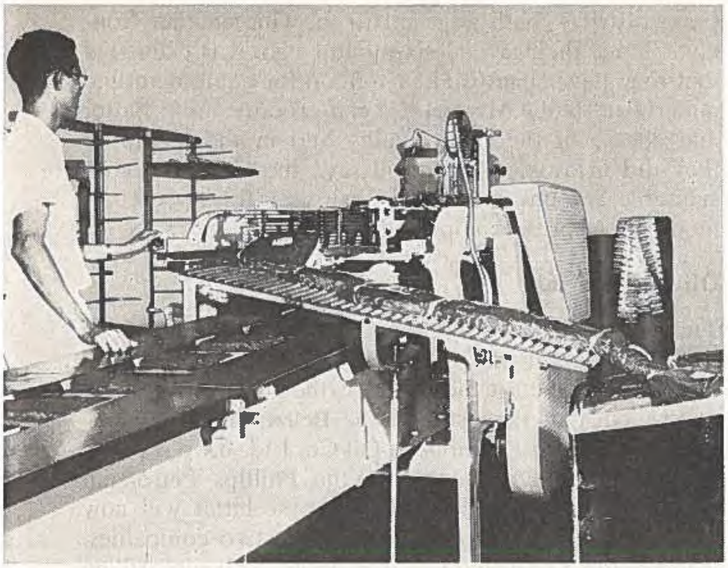
CANADIAN IMPORTS FROM JAMAICA

(Canadian dollars)

Total all imports, 1956	$24,632,981
Total all imports, 1957	40,210,002
Total all imports, three months 1957	4,978,222
Total all improts, three months 1958	6,879,282

Principal Commodities	**1957**
Bauxite alumina for refining	$23,312,851
Raw sugar, imported by refineries	14,884,700
Cocoa butter	423,049
Rum	351,839
Cotton fabric, not bleached, n.o.p.	350,367
Roasted coffee and substitutes	217,404
Cocoa beans, not roasted	116,984

For a complete report on Mexico, the progress being made in various fields and the techniques of trading there, see our issue of October 11, 1958.

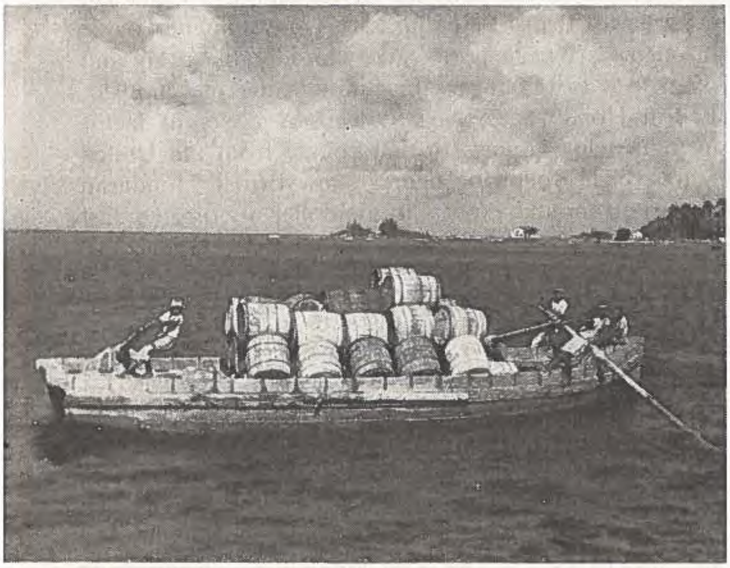


In Jamaica—A Kingston bakery uses Canadian cellulose film to package its bread, cookies, etc., in an attractive and sanitary way. Here we see a packaging machine using the film.

In the Dominican Republic—This is part of a shipment of 520 Canadian-raised Suffolk sheep, shown on arrival at Ciudad Trujillo airport. The Republic will use the sheep for breeding.

Canada in Caribbean Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".



In Barbados—Two products from two of Canada's major industries are imported by this member of The West Indies. At left, boatmen labour to bring into Carlisle Bay a load of Canadian salt cod; right, lumber is unloaded on the Bridgetown wharves.

British Honduras

Government is encouraging agriculture and light industry to reduce dependence on forest products; oil exploration is moving ahead. Canadian sales to this market remain small.

M. S. STRONG,
Acting Trade Commissioner, Kingston.

THE economic history of British Honduras since it was first settled has been primarily that of its major forest products—logwood, mahogany, chicle, cedar, rosewood and pine. The exploitation of timber, particularly mahogany and cedar, was for years unsystematic and only prime logs suitable for the log export trade were removed. Supplies of these have been seriously depleted and the trade is turning its attention to sawmilling, using the trees previously rejected for export as well as those without defect.

Agricultural Development Proceeding

The pattern of agricultural development was in the past influenced by three main factors: the economic importance and long-established tradition of the forest industry; the shifting "Milpa" system of farming using the machete and fire, and the scattered nature of cultivation, confined largely to coastal and riverside areas. However, various agricultural enterprises have become established and the industry is receiving help through the development plan for the colony. By 1960, £771,100 will have been spent to aid farmers.

From the 1957/58 cane crop, British Honduras produced 11,067 tons of sugar compared with 8,000 tons in the previous year. It has a current quota of 5,000 tons under the Commonwealth Sugar Agreement and the right to justify retention of a final quota of 25,000 tons. The factory in the Corozal area has been enlarged, plantings of cane are increasing, and it is expected that this industry will become more and more important.

The citrus industry is well established and, with the planting of new orchards, the quantity of fruit available for export and processing has gone up rapidly. Some 200 thousand cases of grapefruit and 250 thousand cases of oranges were produced in 1957 and it is expected that the 1958 production will rise by 25 per cent.

A recent development that may well boost agricultural production is the arrival of 800 Mennonites from Mexico. These hard-working farmers have purchased 178 thousand acres of land in the Blue Creek and Cayo districts, both adjacent to the Guatemalan frontier. Since their arrival six months ago, it is estimated that they have spent B.H.$1 million for equipment and materials. If the Mennonites can produce milk, butter and cheese of the same quality and in the quantities they did in Mexico, they will save the Colony a considerable amount of money every year for these commodities, at present imported.

Oil Exploration

The British Honduras Gulf Oil Co. is continuing its drilling program and is at present drilling a well on Ambergris Caye, in the north of the colony just south of the Yucatan Peninsula. The Belize Petroleum Co. Ltd. and the West Caribbean Oil Co. Ltd. have recently concluded an agreement with the Phillips Petroleum Co. of Bartlesville, Oklahoma, and the latter will now take over the concessions held by the two companies. The Phillips Petroleum Co. is expected to begin drilling operations at Punta Gorda in the south about the end of the year.

Foreign Trade Pattern

The import and export figures for January-July 1958 compared with the corresponding period in the previous year are as follows:

	Exports	Imports
January-July 1957	B.H.$4,147,845	B.H.$ 8,964,161
January-July 1958	5,420,380	11,141,946

The increase in imports during the first seven months of 1958 compared with the corresponding period of 1957 is largely accounted for by heavy purchases of oil-well drilling equipment.

The lack of direct shipping services hinders Canadian exports to British Honduras. Transhipments made through Caribbean ports cause considerable delay and often lead to pilferage. In addition, the proximity of British Honduras to New Orleans is a potent factor in influencing imports to that colony from the United States. The following figures show British Honduran imports from and exports to the dollar area in the past two years:

		1956	1957
United States	Imports from	U.S. $4,164,972	U.S. $4,852,171
	Exports to	U.S. 3,547,269	U.S. 2,119,927
Canada	Imports from	Can.$ 248,348	Can.$ 283,851
	Exports to	Can. 170,562	Can. 210,465

For the first six months of 1958, Canadian sales to British Honduras showed only a slight change—they totalled $115,579 compared with $121,711 in the first half of 1957. The main commodities in this trade were wheat flour ($21,050), cotton fabrics ($14,973), canned sardines ($10,018) and files and rasps ($6,349). Our purchases from the Colony in the first quarter of 1958 reached a value of $44,029 (1957, $59,197). Mahogany, at $27,867, was by far the leading import, with bananas coming second.

The Outlook

In recent years there has been a tendency towards greater diversification of output in British Honduras. Agriculture is becoming more important and various foodcrops are being more extensively produced. If this process continues, and if the current search for oil yields favourable results, the general standard of living will be raised and the people's power to buy imported goods increased. ●

Cuba

High returns from a good sugar crop have kept export income up in 1958; imports are rising, and Canadian sales too are increasing.

J. E. O'NEILL,
Office of the Commercial Secretary, Havana.

GENERAL business conditions in Cuba so far this year have been better than anticipated and compare favourably with the prosperity enjoyed during the past several years. A slump in tourist traffic during the early months, combined with the unsettled political situation, caused some pessimism at that time. But even though a weakening has developed in some quarters, the economy as a whole has continued to press forward.

The combined government revenues during the first six months were slightly below the figures for the same period of 1957, with a more pronounced drop in customs receipts because the normal level of inventories was reduced. This situation is considered temporary and should result in a substantial increase in imports in the remaining months of the year. Exports so far have been running close to those of 1957, when they reached an all-time record value of over $800 million. If sugar prices remain at their previous level and exports continue at a normal pace, 1958 will be an average-to-good year for Cuba. Sugar is the vital factor and any development that affects it is reflected in business throughout the country.

Banks in general have had a good year, although collections in some quarters have been falling behind. Bank clearings and deposits gained approximately 3 per cent in the first seven months of the year; wages and salaries increased over 1957. Consumption of electric power during the first half rose 12 per cent over the same period of 1957 and the total number of consumers reached 720,800 in June 1958 (696 thousand a year ago).

The construction industry has continued active, although the investment was smaller during the first six months of the year than in the same period of 1957. Building permits for the entire country numbered 2,572 with a value of $35,816,811, as against 2,819 valued at $41,407,270 for the first half of 1957. The city and province of Havana—where normally 75 to 80 per cent of all building in Cuba is done—accounted for 1,740 of this year's permits valued at $28,185,949, down from 1,752 permits valued at $29,904,674 in the same period of last year.

The city of Havana is rapidly spreading far from the commercial district as outlying areas are made accessible by new highways. Many new subdivisions have been opened to home-builders, particularly along the coast, both east and west of the city. In these areas land values have skyrocketed in the last two to three years.

Export Trade Is Brisk

Sugar far outranks every other Cuban export; out of this year's crop of 5.6 million long tons (2,240 pounds), 3.2 million pounds worth $331 million had been exported up to the end of June, compared with 3.1 million worth $370 million during the same period of last year. The difference in value was only 11 per cent, although world prices have averaged about 40 per cent below 1957.

For the first quarter of the year, Cuba's total exports were valued at $199 million, compared with $192 million during the first three months of last year. Leading commodities in this trade included: sugar $132 million ($128 million last year), minerals and metals $15.8 million, leaf and manufactured tobacco $12 million, foodstuffs $9.8 million, animal and animal products $1.4 million, forestry products $1.9 million, miscellaneous, (including chemical and pharmaceutical products) $1.8 million.

The present coffee crop which got under way in August is not likely to reach the earlier estimate of 1.1 million quintals because the recent hurricane Ella is reported to have done considerable damage in the mountainous section of the eastern province of Oriente where the principal plantations are. Although supplies will not be as large as last year, a substantial quantity will no doubt be available for export, after domestic consumption is provided for.

Imports during the first quarter of the year, at $176 million, were 6 per cent higher than in the corresponding period of 1957. This indicates that Cuba continues to be a good market for foreign merchandise.

Trade with Canada

Canadian sales to Cuba have been rising so far in 1958; they totalled $7.8 million up to the end of June, as against only $7.4 million in the first six months of last year. The leading products sold to Cuba were newsprint, heavy salt cod, malt, wheat flour, and machinery and parts. Exports last year reached nearly $17 million.

In 1957, the trade balance was in our favour, because we bought only $13.8 million worth of goods from Cuba and marketed $17 million worth there. Chief purchases were sugar ($9.6 million), synthetic tire-cord yarn, tobacco for cigars, and fresh pineapples. Up to the end of June 1958 our imports from Cuba had reached $5.5 million, compared with $6.5 million for the same period a year ago.

The Cuban general election is to be held on November 3. After it is over, the expectation is that the present political disturbances will cease and the commercial life of the country return to normal. •

Dominican Republic

Economic advances and stable government make this an open dollar market worth attention. The demand for fisheries and agricultural products brisk; for consumer goods more limited.

W. B. McCULLOUGH,
Commercial Counsellor, Ciudad Trujillo.

THE Dominican Republic continues to enjoy stable government and economic prosperity, and is looking forward to celebrating its centennial in 1963 with an international fair. The country has no foreign debt and the gold and foreign exchange reserves on July 31, 1958, totalled $35.7 million, compared with $38.1 million in 1957. This year the construction of several new highways, power plants and other projects was begun and a large number of public works programs are planned for the next five years. These will continue to give employment and keep up the demand for goods and services.

The Government is also carrying on work on the Tavera multi-purpose dam and power project. A Canadian company completed the first stage of the engineering studies and a Dominican firm is now gathering additional data. After the appropriate authorities review the plans, tenders for construction will be invited. It is estimated that this will be a $17 to $20 million job.

Two companies are continuing to drill for oil; it has been found in different sections of the Republic but is not yet of commercial consequence. Sizable deposits of nickel-bearing ore are being developed by the Dominican subsidiary of a Canadian nickel company. Bauxite deposits in the Cabo Rojo district are being exploited and exports will begin in December of this year.

Agriculture Comes First

Agriculture is the basic industry and on it the prosperity of the country depends. The Republic has large areas of fertile soil. It is crossed by a central range of mountains and in the rich valleys at varying altitudes a wide range of temperate zone crops, such as potatoes and other vegetables, are successfully produced. Sugar continues to be the chief crop but coffee, cocoa, tobacco and rice are grown for export. There is a thriving cattle industry, both dairy and beef, and beef cattle are shipped regularly to the neighbouring islands.

Sugar production in 1958 totalled an estimated 860 thousand tons—short of the million-ton target because of drought in some areas and torrential rains in others at harvest time. It is expected that, with new areas in production and normal growing conditions, the objective of one million tons will be reached in 1959. Production of exportable coffee for 1957/58 is forecast at 510 thousand bags, up from the 300 thousand of the previous year and about equal to the 1955/56 crop. The cocoa crop is forecast at 70 million pounds, down slightly from the previous year.

At the beginning of 1957 the Department of Statistics listed 2,906 plants engaged in varying types of industry, employing 81,579 persons, and turning out goods valued at $193.7 million. In 1956, industry used national raw materials valued at $61.7 million and imported materials valued at $14.4 million. Aside from sugar, the more important local industries include the armament plant, which also makes air conditioners, beds and steel rods; a green glass factory; meat-packing, fertilizer and cement plants; several textile mills; shipyards; a brewery, and soft drink plants. One of the big soap manufacturers is expanding to make a larger range of products, including toothpaste.

Trade Reaches Record

The Dominican Republic is one of the few countries without a mass of import controls and foreign exchange regulations. Import permits are generally not required except for all fruit and vegetable products, wheat flour, barbed wire, cast iron pipe (which is made locally), and confectionery products. Foreign exchange is readily available for normal business purposes, remittances abroad are prompt, and the Republic enjoys an excellent reputation for carrying out its financial obligations. The market, however, is limited. With approximately 2.7 million people and a primarily agricultural economy, the demand for many consumer goods is not large.

The foreign trade of the Dominican Republic in 1957 broke all records, reaching $277.5 million, up 19.1 per cent over the previous year. Exports totalled $161 million in value and imports $116.5 million. The major factor in the increased trade was the higher world market price for sugar during 1957. The following table gives the trade statistics for recent years:

FOREIGN TRADE OF THE DOMINICAN REPUBLIC

	Total	Export	Import	Balance
	(in D.R. pesos, one peso=US$1.00)			
1953	191,847,652	105,320,706	86,526,946	18,793,760
1954	202,553,933	119,726,923	82,827,010	36,899,913
1955	212,905,928	114,849,773	98,056,155	16,793,618
1956	232,837,038	124,559,106	108,277,932	16,281,174
1957	277,496,341	161,018,032	116,478,309	44,539,723

Sugar and its by-products, coffee and cocoa normally account for 85 to 90 per cent of the country's exports by value. In 1956 sugar provided 48 per cent, coffee 26 per cent, and cocoa 12 per cent. The higher prices for sugar in 1957 and the smaller output of exportable coffee in 1956/57 because of drought gave sugar the sharp percentage increase. In 1958, with a lower sugar price and good crops of coffee and cocoa, the last two products will account for a greater percentage of the export values. This will also reflect the success of the Government's diversification program, undertaken to make the Republic less dependent on sugar for foreign exchange earnings.

Leading Imports and Suppliers

The principal imports, in order of value, are machinery and parts, food products, motor vehicles and spares, petroleum products, textiles, iron and steel, and electrical equipment. The leading source of supply in 1957 was the United States with 61.1 per cent, followed by Germany 6 per cent, Dutch West Indies 4.5 per cent, United Kingdom 4.2 per cent and Canada 3.8 per cent. The United States also ranks as the leading customer, taking 38.5 per cent of the total export values, followed closely by Britain with 32.8 per cent. Canada took only 0.4 per cent. Britain has become the best customer for raw sugar, taking 417,923 metric tons valued at $50.2 million, out of total exports of 723,382 tons valued at $83.2 million. The next largest buyer was Germany, with 99,447 tons valued at $11.4 million.

—Dominican Information Center.

This load of sugar cane on its way to the Catery mill represents the Dominican Republic's greatest agricultural asset. By 1959, the Republic hopes to produce over one million tons a year.

Canadian-Dominican Trade

Canadian exporters will find in the Dominican Republic an open dollar market. Since the signing of a trade agreement in 1940, Canada and the Republic have exchanged most-favoured-nation tariff treatment. This agreement has been supplemented by the GATT, under which both countries have negotiated tariff concessions on a wide variety of products of importance to their expanding trade.

	Canadian exports to Dominican Republic	Canadian imports from Dominican Republic
1952	4,642,648	5,999,987
1953	3,992,537	5,853,523
1954	4,268,597	1,662,515
1955	4,167,723	1,529,329
1956	4,984,835	1,345,983
1957	5,023,833	1,273,756
1958 (5 months)	2,185,768	1,603,878

Fisheries products are the leading Canadian export to the Republic, accounting for $1.67 million of the $5 million total export value for 1957. This is Canada's best market for salt pollock. Other leading commodities are wheat flour $865,778, newsprint $269,638, truck and bus tires $229,794, copper wire $196,602, purebred cattle $103,100. A variety of other Canadian manufactures and other products in smaller quantities are sold here.

Because of the lower world sugar price, the foreign exchange earnings in 1958 may not reach the 1957 record which brought a favourable trade balance of

$44.5 million. The demand for imported goods and services continues at the same level and Canadian exporters can look for a continuation of good business. All exporters should bear in mind that Canadian goods must meet the competition from other countries and that this competition is keen. In a market such as this, price is almost always the prime consideration. Quotations should be in U.S. dollars, preferably C.I.F. Ciudad Trujillo, the capital and principal port. The general outlook is good and no serious disturbances are visible on the economic horizon. ●

Haiti

As situation improves, sales and investment opportunities should attract Canadian businessmen. Several big projects are under way and new flour mill has begun operations.

FULGENCE CHARPENTIER,
Chargé d'Affaires, Port-au-Prince.

HAITI is striving to maintain economic stability, despite some serious financial difficulties and other problems. The general business situation is still rather fluid, but there are many favourable factors. Among them is the fact that the currency has been completely stable for 40 years; in addition, no attempt has been made to nationalize or expropriate foreign enterprises.

Upon his accession to the presidency a year ago, Dr. Francois Duvalier announced his intention to impose a program of austerity to remedy the delicate financial situation. He promised that natural resources would be developed, particularly agriculture. A number of private contracts have been signed; these cover, among other things, construction of an international airport, a wharf in Port-au-Prince and a paperboard mill. Negotiations are going on with the World Bank and the International Monetary Fund to obtain the necessary loans for urgent public works and rehabilitation programs.

Mining and Power Projects

A Canadian company, Consolidated Halliwell of Canada (Sedren), is actively pursuing its copper-mining operations at Terre-Neuve in the northern part of the country. Preliminary exploration and the opening of underground shafts are well advanced and the company is ready to embark on full-scale operations on short notice. It is reported to be negotiating with the Haitian Government for permission to build a road from the city of Gonaives to a wharf to be built on the coast.Both the road and the wharf are needed to bring in machinery and equipment for putting up a concentrator plant (the contract for which has been signed) and for the exporting of copper mineral. The company hopes to begin operations on a large scale as soon as these arrangements are completed and the plant built. Mine officials in Haiti are confident that their enterprise will be the country's largest industry and Terre-Neuve its most prosperous district.

The Artibonite Valley project is moving forward. Construction of the Peligre Dam, started in 1951, was completed in 1956. The objectives of the project are to make possible extensive irrigation and soil conservation in the Artibonite Valley and to provide electric power for industry.

This project—among the many contemplated by the Government—was again taken up with the Export-Import Bank by the Haitian Economic Mission to the United States in April 1958. Necessary for the economic development of the country, it has already cost the Haitian Government $29 million in loans, $15 million more than the original estimate. However, a revision of the laws governing the project has been requested before the international agencies will consider further loans. Construction of a 40,000-kilowatt hydro-electric power station is essential for the complete scheme but can be built only with the help of foreign investors.

Flour Mill Operating

The flour mill which was completed early in 1957 began operations in July of this year. A shipment of 3,200 tons of No. 1 U.S. wheat, 16.1 protein content, was landed at the mill wharf in Lafiteaux early in July. This was the second shipment since the mill began experimental operations last December. The flour produced was put on sale and, according to information received, is of fair quality.

Import quotas for flour have been closed since the end of July and shipments of Canadian flour leaving Canada after August 30 are subject to the new rate of duty, in accordance with the May 20 contract between the mill and the Haitian Government. By the end of the year, all stocks of imported flour should be depleted and the mill, with a capacity of 1,750 bags of 200 pounds daily, should be producing more than the local demand of approximately 245 thousand bags a year. Although Canada will have lost the greater part of a market worth over $1 million a year, two possibilities remain: the sale of Canadian wheat and the sale of cake and pastry flour, which will not be milled in Haiti.

The mill is endeavouring to find export markets in the Caribbean area for about 280 thousand bags a year, together with markets for the total output of mill feed.

Japanese Fisheries At Work

Fishing ships of the Taiko Fisheries Company of Tokyo started operations about mid-July. The company, which obtained a monopoly of the fishing industry in Haiti, reported that it faces numerous difficulties, such as the lack of local fuel supply for its low-speed motors and limited drydock facilities. The ships at present have to refuel in Puerto Rico. The Bizoton drydocks outside of Port-au-Prince are not equipped with workshops to repair heavy machinery and equipment; facilities are limited to general overhauling and hull repair.

Taiko Fisheries at present is concentrating on the tuna fish industry. The catches are cleaned and quick frozen on board ship and put into cold storage in the hold to await transfer to freighters and eventual distribution to overseas markets. As long as the company continues operations under the present arrangements, this new industry will have little effect on the sale of Canadian fish in Haiti.

Government Revenues Law

Government receipts from taxes on exports and imports have declined to a fraction of the normal annual revenue and commercial activities are currently at a low level. The primary source of government revenue during the past fiscal year (October 1-September 30) has been duties accruing from the export of coffee. The crop, one of the largest in recent years, has yielded nearly 600 thousand bags of 50 kilos. Estimates for the fiscal year 1958-59 are far from promising and the crop is expected to be less than 200 thousand bags.

Trade Relations with Haiti

Trade between Canada and Haiti has not been seriously affected by the business depression. Exports from Canada to Haiti totalled $1,227,882 for the first six months of 1958 and imports from Haiti into Canada for the first five months of 1958 $691,354. This is an improvement over the year 1957 and more comparable to the 1956 figures. The following table gives comparisons between the corresponding periods of the years 1956-57-58:

Imports from Canada into Haiti:	Jan.-June 1956	$1,493,304
	Jan.-June 1957	1,122,040
	Jan.-June 1958	1,227,882
Exports from Haiti to Canada:	Jan.-May 1956	858,158
	Jan.-May 1957	456,234
	Jan.-May 1958	691,354

The main exports from Canada were flour, fish, paper, agricultural implements and machinery, and chemical products. Canada buys from Haiti chiefly sisal and sisal products, rum, green coffee, and mahogany-ware.

With more stability, Haiti should be on its way to recovery. It will never be a country with large financial possibilities but it offers, nevertheless, distinct opportunities for Canadian trade and investment. The United States is by far Haiti's biggest supplier, chiefly of manufactures and canned goods. Canada comes second, at some distance behind, immediately followed by Germany. Canadian businessmen would be well advised to come here, combine business with a holiday in an attractive country, and establish personal contacts. There is a genuine desire on the part of the population for closer economic interchanges with Canada. ●

Puerto Rico

An industrial development program offering special investment incentives is speeding economic diversification and easing age-old dependence on agriculture. Canada continues to be an important supplier to this market.

W. B. McCULLOUGH,
Commercial Counsellor, Ciudad Trujillo.

THE Commonwealth of Puerto Rico derives its name, according to legend, from Christopher Columbus' exclamation on first seeing the harbour of San Juan, "Que puerto rico!" This beautiful island is today the scene of a small-scale industrial and social revolution. Although the country is generally poor in resources—except for its large labour force recruited from a population of 2.3 million—and in the past has depended mainly on agriculture, manufacturing industries now contribute over 50 per cent of its total income. So rapid has been the promotion of secondary industries in postwar years that the Government feels impelled to develop the cane sugar, coffee, tobacco, pineapple and other agricultural industries to a comparable level.

In the past fifteen years, the island has developed remarkably from a one-crop (sugar) economy to a diversified one, with manufacturing and trade taking the lead. The national income reached a record $1,006.9 million in the 1956/57 fiscal year, ended June 30, 1957, representing an increase of 5.3 per cent over the previous year. Income from agriculture, however, declined 7.7 per cent to $152 million and accounted for 15 per cent of the total. The sharp drop was the result of hurricane damage and serious drought.

The most important factor in Puerto Rico's economic diversification has been the Government's Economic Development Administration. Under its program, locally referred to as "Operation Bootstrap", generous incentives are offered to investors to establish manufacturing plants on the island. These incentives include tax exemptions, economic studies on production costs, plant locations and financing. At the end of 1957 there were 568 factories established and the E.D.A. hopes to add another 100 in 1958. Puerto Rico is part of the U.S. domestic customs and trade area. There are no tariffs or other trade barriers between the island and the United States, and the U.S. tariff applies to all foreign goods imported into Puerto Rico from abroad. Canadian businessmen may be interested in the country as a location for branch plants to facilitate entry of their goods into the United States and as a market for Canadian raw and semi-processed materials for use in expanding industries.

Foreign Trade Increases

During the 1956/57 fiscal year Puerto Rican imports were valued at $720.2 million compared with $632.6 million in 1955/56, and exports reached $446 million compared with $406.2 million in the previous year. The trade deficit was offset by imported capital and earnings from the tourist trade. Canada's exports to Puerto Rico were valued at $12.6 million in 1957, a modest increase over the $10.4 million of 1956 and $9.7 million of 1955. In the first six months of 1958, our sales totalled $6.4 million, compared with $5.7 million in the same period last year.

PUERTO RICAN FOREIGN TRADE

	Imports	Exports
	(US $ million)	
1955	574.5	352.9
1956	632.6	406.2
1957	720.2	446.0

DIRECTION OF PUERTO RICAN TRADE

		Imports	Exports
		(US $ million)	
1955	U.S.	524.2	342.5
	Canada[1]	9.6	.3
1956	U.S.	570.6	389.9
	Canada	10.4	1.0
1957	U.S.	635.3	424.4
	Canada	12.6	.9

[1]Calendar year.

Salt Fish a Staple

Puerto Rico is Canada's principal market for salt cod, which represents about 25 per cent of the total value of our exports to this country. Puerto Ricans have consumed Canadian cured fish since long before the Spanish-American War. Today, according to statistics, they eat more salted fish per person than any other people in the Western Hemisphere. In fact, salted codfish, "bacalao", is deemed so important in the Puerto Rican diet that it is included in the small group of food staples the prices of which the Government closely controls.

Codfish and other species of salted fish are an important grocery staple in Puerto Rico. Imports of these products during the 1955/56 fiscal year totalled $4.35 million, and all but a small proportion originated in the Canadian Atlantic Provinces. Newfoundland usually supplies about three-quarters of Puerto Rico's codfish requirements and the Maritimes one-fifth; the so-called "scale" fish—haddock, pollock, hake and cusk —come almost entirely from the Maritimes. Consumption of salted boneless fillets of cod, which sell at a higher price, increased to a peak of approximately one million pounds in 1957.

Other Products Sell Well

Demand for construction lumber such as Douglas fir and hemlock in planks continues because of the boom in construction of industrial plants, office buildings and private dwellings. There is a continuing trade in other construction materials such as copper and brass tubing and semi-fabricated forms of these metals, principally copper. Exports of aluminum in primary and semi-fabricated forms and of electric motors and parts have increased steadily. Automobile exports climbed spectacularly in 1957 but so far in 1958, because of shipping costs, these models have not been competitive with other makes from the U.S. The following table shows Canada's main exports to Puerto Rico:

PRINCIPAL CANADIAN EXPORTS TO PUERTO RICO

	1955	1956	1957
Salted fish	$4,359,878	$3,102,083	$3,832,333
Lumber	2,348,979	2,527,101	3,347,378
Newsprint	1,364,204	1,649,004	1,492,350
Barley malt	442,269	319,430	393,197
Potatoes	97,321	774,353	747,208
Whiskey	137,291	111,636	66,394
Copper tubing	81,020	177,317	87,512
Automobiles		455,374	1,152,316
Machinery and parts	316,590	441,835	443,001

Outlook Is Good

The economy and foreign trade of Puerto Rico are very closely associated with and dependent upon the U.S. and any severe recession there will surely be felt, perhaps to a lesser degree, on the island. However, statistics on economic conditions in Puerto Rico did not reveal any drop in business activity until the first quarter of 1958, and even then there was no slump comparable to the decline in the United States. The value of construction permits granted in the first quarter was about 20 per cent greater than in 1957. Exports for the quarter were slightly ahead of last year.

Canadians who wish to do business here should note that there are no import restrictions and that the unit of currency is the U.S. dollar. Like most other countries in the Caribbean area, this is a price-conscious market. Puerto Ricans have an average per capita income of $443 a year and an average family income of $2,400. Moreover, Canadian exporters have to meet the competition of products from other countries and particularly of duty-free imports from the United States.

Trade Commissioners on Tour

The following officers of the Trade Commissioner Service are on tour in Canada. Their itineraries are:

C. M. FORSYTH-SMITH, Trade Commissioner in Hong Kong:

Ottawa—Nov. 4-14	St. Catharines, Welland—Dec. 5
Toronto—Nov. 17-28	Montreal—Dec. 8-19
Windsor—Dec. 1	Winnipeg—Jan. 5-6
London—Dec. 2	Vancouver—Jan. 8-21
Brantford—Dec. 3	
Hamilton—Dec. 4	

When he completes his tour Mr. Forsyth-Smith will return to his post in Hong Kong.

E. H. MAGUIRE, Consul in Hamburg, West Germany:

Halifax—Nov. 10.

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria, at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

Tours of Territory

D. S. ARMSTRONG, Commercial Secretary in Cairo, Egypt, will visit Khartoum, Sudan, from November 10-14, and Jidda, Arabia, during December.

M. B. BLACKWOOD, Commercial Secretary in Djakarta, Indonesia, will visit Surabaja and Semarang during the week of November 16. While he is in Surabaja, he plans to spend a day at the International Agrarian and Industrial Fair there.

W. M. MINER, Assistant Trade Commissioner in Hong Kong, will visit Vientiane, Laos, from November 10-15.

H. W. RICHARDSON, Trade Commissioner in Guatemala City, Guatemala, will visit El Salvador from November 17-21.

C. J. SMALL, Trade Commissioner, and W. M. MINER, Assistant Trade Commissioner, in Hong Kong will visit the Canton Fall Fair, Canton, Mainland China, from November 22-26.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Armstrong at Cairo, Mr. Blackwood at Djakarta, Mr. Miner and Mr. Small at Hong Kong, and Mr. Richardson at Guatemala City.

Commodity Notes

Apples

UNITED KINGDOM—Canadian MacIntosh Red apples landed in the United Kingdom early in October sold for $6.71 a carton, although the same quantity of Worcester Pearmain (home grown) apples fetched only $2.19. An exceptionally heavy domestic crop is expected and British growers state that prices are not covering their production costs.

North American apples, which are no longer restricted by the date of their entry into the U.K., are now included in an over-all Northern Hemisphere allocation which permits free competition with European suppliers. The annual Northern Hemisphere quota is 1.5 million cwt., of which 300 thousand cwt. may be shipped between July and December, 1958—London.

Cheese

UNITED KINGDOM—Cheddar imports into the United Kingdom dropped from 125 million lb. in the first half of 1957 to 102 million for the same period of 1958, largely because of considerably smaller supplies from Australia and New Zealand. Shipments of cheddar from Canada were cut severely from 918 thousand lb. in the first half of 1957 to 107 thousand in the first half of 1958. Supplies of fancy cheese from Europe also declined, resulting in a net reduction for the first six months of 1958 of 13.2 million lb. in United Kingdom imports of all varieties of cheese, compared with 1957—London.

Compressor

SWEDEN—At this year's St. Eriks Fair, Atlas Copco exhibited an entirely new screw compressor built on the principle devised in 1934 by the internationally-known Swedish professor A. Lysholm. The technicians at Atlas Copco have developed this screw principle and the result is a compressor quite different from previous types—Stockholm.

Dredging Equipment

BRAZIL—The National Economic Development Bank, B.N.D.E., has been authorized by SUMOC to spend some 25 million florins to buy dredgers and auxiliary equipment from the Netherlands. The financing of the project, to be conducted by Industriello Handelscombinatie "Holland" of The Hague, will extend over seven years, with the principal bearing 7 per cent interest—Rio de Janeiro.

Fertilizer

INDIA—The estimated production of nitrogenous fertilizers in the country during 1958-59 is 450 thousand tons. Arrangements have been made to import 270 thousand tons and it is hoped that 137 thousand will be added later. India makes about 240 thousand tons of phosphatic fertilizer; proposals for importing 11,500 tons are being considered. Under the Development Assistance Program, the U.S. has agreed to make available $5.9 million to buy about 62,000 tons of ammonium sulphate, 15,000 tons of urea and 13,000 tons of high-analysis fertilizers—Bombay.

Gin

NEW ZEALAND—A new company is to be formed in Auckland, New Zealand, to distill gin; this will be New Zealand's first. Shares will be held equally by three British companies and their New Zealand distributors. The Government will not be a shareholder but will appoint a director. The aim is to make the best use of existing facilities and of home-grown barley. Once production is equal to demand, imports (284 thousand gallons last year) will be prohibited —Wellington.

Lumber

SWEDEN—Lumber exports increased in June and July despite the Russian sales campaign that has attracted the interest of buyers. However, prices have gradually been forced down by large Russian offers at much lower prices. Swedish exports in June and July amounted to 95,000-100,000 standards as compared with 65,000 standards in April and May, of which more than half was sold to Britain. As of July 31, Sweden had sold approximately 520 thousand standards, of which 210 thousand-215 thousand went to Britain, 85,000-90,000 to the Netherlands, and 65,000-70,000 to West Germany—Stockholm.

Newsprint and Chemical Pulp

NEW ZEALAND—In 1957 exports of newsprint increased by 10,400 long tons to a total of 35,900 long tons. Almost all of it went to Australia. Imports of newsprint in 1957 fell to 33,500 long tons, nearly 6,500 long tons less than in 1956 and 12,500 tons below purchases in 1955.

Chemical pulp exports in 1957 increased by 18,200 long tons over 1956, to a total of 65,000 long tons. Australia bought 42,700 long tons, 13,500 tons went to the United Kingdom, and 8,800 to other countries, mainly China and Japan. Imports of chemical pulp in 1957 rose about 3,000 long tons over the 1956 total—Wellington.

Nylon Stockings

PERU—Berkshire del Peru S.A., which is affiliated with the Berkshire knitting mills in the United States, expects to begin manufacturing within the next two months. Said to be the first nylon stocking factory in South America, the new plant cost US$400 thousand. It will make 7,000 to 8,000 dozen pairs of nylon hose per month, comparable in quality to the parent firm's product—Lima.

Particle Board

THAILAND—This country's first chipboard plant, situated in Sriraja, started production recently with an output of 20 to 30 tons a day. It is controlled by the Thai Crown Property Office and bases its production methods on the German "Behr" system. Because this product scarcely ever warps or swells, it is ideal for Thailand's tropical climate and is becoming popular with local users—Singapore.

Petroleum

PERU—Oil has been discovered in the Carpitas zone of the province of Tumbes in northern Peru. The first well, one of a series, has an initial production of 238 barrels a day. The discovery was made by the Compañia Petrolera Amotape S.A., which has leased concessions from the Compañia Petrolera Fiscal, the government oil company. Two additional wells in the same zone are almost completed and are expected to produce shortly—Lima.

BRAZIL—Production of oil in Brazil's Bahia fields from January 1 to August 5, 1958, totalled 10.1 million barrels, or 31,000 barrels more than production for the full 12 months of 1957. The field had its record day in July when 57,000 barrels were produced. In recent months production has been averaging 50,000 a day or double 1957's daily average. Brazil's refining capacity—which now stands at 132 thousand barrels a day—is also climbing rapidly and by 1961 will be more than double the current rate—Rio de Janeiro.

Rubber

SARAWAK—The Sarawak Government proposes to put a levy of two-thirds of a cent per pound on rubber exported from the Colony. The object is to raise money for boosting new planting and increasing the acreage of high-yielding rubber. The cost of the new scheme is expected to amount to Can. $3.7 million. The proposed increase will be from 40,000 to 60,000 acres, with a subsidy of Can. $80 per acre. This will be paid out of the new levy—Singapore.

Telephone Equipment

SWEDEN—The Ericsson Telephone Company of Sweden has concluded a $2.1 million contract for the enlargement of the telephone exchanges in Bogotá, Colombia; their capacity will be increased from 86,000 to 100 thousand lines. The company has also signed a $660 thousand contract to enlarge the telephone system in Cartagena, Colombia. Exchanges will be increased by 1,000 lines, the cable network will be expanded and more telephone receivers will be delivered—Stockholm.

Tractors

BRAZIL—Construction of Brazil's first tractor factory in the state of Pernambuco is expected to get under way before the end of the year. The new company—a mixed-capital Italian and Brazilian firm with an initial capital of Cr.$500 million—will operate under the name Companhia Italo-Brasileira de Máquinas Agricolas, or CIBMA.

In accordance with the regulations of the Federal Automobile Authority, three types of tractors will be made: a 25 h.p. track type with a four-speed diesel motor, a 15 h.p. wheel type with a four-speed diesel motor, and a 50 h.p. tractor with wheels and removable tracks and a four-speed diesel motor. By 1962 it is expected that 90 per cent by weight of the tractors' components will be made in Brazil; the motors are scheduled to be 100 per cent locally-made by 1963—Rio de Janeiro.

Wheat

CHILE—It has been announced that Chile's wheat harvest for 1958 totals 12.5 million metric quintals. This record crop stands well above the 1957 harvest of nine million metric quintals (one quintal=112 lb.)—Santiago.

Transportation Notes

Ecuador

NEW PORT PLANNED—The World Bank on October 9 made a $13 million loan to Ecuador for the construction of a new port at Guayaquil, the country's largest city and main seaport. Guayaquil handles about 90 per cent of Ecuador's imports and 60 per cent of her exports; the volume of exports passing through the port has risen by 70 per cent since 1953.

The plan includes building a concrete wharf 3,000 feet long, capable of accommodating five ships at a time. It will be linked to the city by a four-lane highway and to the Guayas River by a mile-long barge canal. The total cost of the project is about $19.1 million, of which $13 million will be in foreign currency and covered by the loan. The main construction contract is expected to be awarded in the summer of 1959 and the port should be ready by 1962.

At present, vessels drawing only 23½ feet or less can navigate the Guayas River and dock at Guayaquil; larger ships unload into lighters 35 miles downstream. The new port is to be built near the head of the Estero Salado, an arm of the Gulf of Guayaquil which extends to within six miles of the city. With some dredging, the larger channel will be at least 28 feet deep.

Greece

AIRPORT FACILITIES—The Greek Government has approved a $5 million credit to carry out large-scale improvements to the Hellenikon airport at Athens. Three million dollars has been allocated for the new administration buildings, and the remainder will be used to extend the central landing strip to 10,000 feet and to purchase telecommunications equipment—Athens.

Ireland

NEW SHIPBUILDING PROJECT AT CORK—The Government of Ireland has for some years carried on a campaign to encourage industrial investment in that country. The most recent addition to the list of foreign investors is the Dutch firm Verolme United Shipyards of Rotterdam. This company will carry out a shipbuilding and repairing project in Cork harbour. When finished it will provide a 2,000-foot wharf and two slipways for the building, repairing and fitting out of ships up to 50,000 tons—Dublin.

Madeira

PORTUGUESE BUILDING AIRPORT—The mountainous nature of Madeira limits air travel to and from the island to seaplanes; this is not satisfactory because seaplanes are frequently delayed by rough seas. Despite the difficult terrain, the Portuguese Government has decided to establish an airport on land. This project is included in the Second Six-Year Development Plan—1959 to 1964. Surveying has already begun and the airport should be in operation within two years. The cost of the project is estimated at $2 million; a further $1 million will be needed to cover expropriation expenses. The airport will have a runway 1,500 to 1,800 metres long and will conform to international specifications. A similar airport is planned for the future at Porto Santo, another island in the Madeira group—Lisbon.

Northern Ireland

PORT IMPROVEMENTS—The opening of Sinclair Wharf at Belfast completes the first stage of the £5 million port development scheme undertaken by the Harbour Commissioners. The scheme also entails deepening the main channel to accommodate vessels with a draught of 33 feet. The new Sinclair Wharf, on the Herdman Channel, is 1,200 feet long and has a single-span transit shed of 1,100 x 120 feet. A second wharf—equipped with transit shed and a 200-ton cantilever crane—is also being built on the Victoria Channel and when completed later in the year will handle new heavy machinery and electrical equipment.

Foreign shipping using the port increased by 130.9 thousand net tons during the first quarter of 1958 and total imports have risen by approximately one million tons in the last ten years.

Industrial development at Londonderry has resulted in extensions to harbour facilities, including special wharves at Coolkeeragh for the new oil-fired power station—Belfast.

Trade and Tariff Regulations

Austria

ADDITIONAL DOLLAR IMPORTS LIBERALIZED—The Government of Austria has announced a decision, taken September 24, to liberalize additional imports from Canada and other dollar countries. Liberalized products are admitted into Austria free from restrictions, and import licences are being granted automatically for them. The list of newly-liberalized products is expected to be announced shortly. A wide range of industrial products is expected to be included in the new list, as well as some agricultural products. When full details regarding this measure have been released, another notice will be published in *Foreign Trade.*

India

IMPORT CONTROLS—The Minister of Commerce and Industry stated on September 30 that the announcement of the Import Trade Control Policy for the licensing period October 1958 to March 1959 would be delayed by about three weeks. Pending announcement of this policy, it has been decided that, to avoid dislocation and to insure an even flow of raw materials for industrial production, applications from actual users will be entertained in the same form and in accordance with the same procedure as has been in operation during the last licensing period ended September 1958.

Import licences for raw materials and accessories required to manufacture goods for export will also continue to be issued on the same basis as during the April-September 1958 licensing period.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—The South African Board of Trade and Industries recently received the following representations respecting the tariff:

Increase in duty on:

Woollen hoods for men's hats, from 15 per cent ad valorem to 25 per cent ad valorem on imports from most-favoured-nation countries, and 30 per cent from other countries.

Bringing into operation of the suspended duty on:

Woven woollen piecegoods containing more than 50 per cent by weight of wool or hair, or wool and hair mixed, to the extent of the whole suspended duty of 20 per cent ad valorem provided for in Tariff Item 77(7)(d).

Canadian firms exporting these goods to South Africa may wish to have their views on these tariff inquiries placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to have his South African agents act on his behalf before the Board. Action should be taken as soon as possible because tariff inquiries normally begin in South Africa soon after the announcements are made.

The Department of Commerce and Industries has also announced that applications for increase in duty on the following items which have been considered by the Board of Trade and Industries during the quarter ended 30th June, 1958, have not been supported:

Oil-burning lamps (other than hurricane lamps); asphalt floor tiles; wallets, purses, notecases, writing sets, photograph albums, loose covers for books, notebook covers, cheque book covers and pencil cases made of leather, plastic and other leather substitutes; fibreboard; barbed wire, hard-drawn wire, annealed or baling wire and galvanized wire; wire nails; wire netting; buttons and knitting needles; cotton yarn; constructional veneers; certain tools; fishing nets; bandsaw blades.

Turkey

NEW FOREIGN TRADE REGIME ANNOUNCED—A foreign trade regime, announced in a decree dated August 25, 1958, will be implemented by new foreign trade regulations issued on September 5 by the Ministry of Economy and Commerce and published in the *Official Gazette* of September 23, 1958. This new regime is part of a broad stabilization program designed to improve the economy. To ensure the co-ordination of domestic and foreign resources and requirements, a committee consisting of the Ministers of Co-ordination, Finance, Commerce, Industry and Foreign Affairs was formed to make decisions and issue regulations on the general export and import policy.

Exchange of goods between Turkey and foreign countries with which it has agreements, and payments arising from such exchanges, will be carried out in accordance with the provisions of these multilateral or bilateral agreements. Trade with countries with which Turkey has no agreements will come under the provisions of the decree, and payments will be made in free dollars, Swiss francs, convertible sterling and other foreign convertible currencies. No private barter or similar linked transactions may be made in any form or from any destination.

Most products, unless prohibited, may be exported freely from Turkey, subject only to confirmation by the relevant authority of the price on the day of sale. Although the criterion for price approval is the world market price, minimum export prices have been fixed for certain commodities and these will be adjusted as world prices fluctuate. The exception is a specified list of commodities that require an export licence. All exports to be paid for in EPU dollars or in currencies other than those mentioned above are subject to licence. Goods not subject to licence will be exported on the basis of registration certificates.

Imports can be made by merchants and manufacturers who have importers' certificates issued by their Chamber of Commerce. Imports from all countries are subject to licence issued by the Central Bank of Turkey within the limits of global quotas, fixed periodically. Import licences are valid only for the goods listed and must not be used to bring in any other goods. These licences are valid for four months from the date of issue and the imports should arrive within that time; the licence may be extended for two months under special circumstances. The Ministry of Economy and Commerce may grant licences for imports from bilateral agreement countries, even for goods not covered by the import quota. No application may be made for more than 15 per cent of the global quota of the product concerned. Raw materials imports must be covered by a certificate, issued by the Union of Chambers of Commerce and Industry, which establishes that the manufacturer needs the materials for his production. Imports to be paid for in currencies other than those mentioned in paragraph two above are subject to special allocations fixed within the limits of the global quotas.

The value of the invoice must be deposited within eight days of issue-date of licence; failure to comply invalidates the licence. No foreign exchange will be granted unless the importer takes up the full value of licence.

The Price Control Office will check and approve the price of all imports. If the price paid is found to be higher than the world price at time of purchase, the importers concerned shall not be eligible to import for one year.

A schedule of goods that may be imported into Turkey from all countries under the first three-months' over-all quota of US$150 million has been announced. Of this total $42 million has been allocated to raw materials for industry, the remainder to consumer goods and spare parts for machinery and vehicles. In the meantime, imports against the U.S. International Cooperation Administration dollar allocation will be made under current procedure until new regulations are announced. Applications for import licences against the current three-months' quota had to be filed with the Central Bank by October 8, 1958. The quota for January-March 1959 should be announced in December. Because Turkish importers must take the initiative on any imports, Canadian firms with established contacts are advised to keep Turkish firms informed of their quotations.

The complete schedule of permissible imports into Turkey for October-December 1958 may be obtained from the International Trade Relations Branch, Department of Trade and Commerce.

United States

TARIFF QUOTA ON POTATOES ANNOUNCED—The Customs has confirmed that the tariff of 37½ cents per 100 pounds on table potatoes imported during the twelve-month period beginning September 15, 1958, will apply only to the basic quantity of 36 million pounds.

Imports over the 36-million-pound figure, but not over a 60-million-pound figure, made between December 1, 1958, and February 28, 1959, will be dutiable at 60 cents, and all shipments outside of these quotas will be subject to a rate of 75 cents per 100 pounds.

Dutch Machine Breaks Eggs

A Netherlands factory has turned out an egg-emptying machine with an output of 4,000-5,000 eggs an hour. It is an improvement over breaking eggs by hand, and leaves less than 0.3 per cent of the contents in the shell. The tops and bottoms of the shells are pierced by stainless steel needles and the contents are blown out by filtered compressed air. The operator checks the colour and odour of the liquid which has been blown out and can at once spray off the contents of a bad egg with a hose. The sound liquid eggs are collected on a tray and run into a reservoir via a discharge tray and a receiving trough. All parts of the machine that might come into contact with the liquid egg are made of high-grade stainless steel, detachable by hand and easy to clean. The machine is perfectly safe to operate. The drive mechanism is entirely separate from the egg conveyor belt so that it cannot be reached by the wash water. To facilitate cleaning, the blowing head can be turned through 90 degrees, and the conveyor belt can be removed and replaced by hand in a few minutes.

Foreign Commercial Representatives in Canada

ARGENTINA
Washington—Economic Counsellor, Argentine Embassy, 1600 New Hampshire Avenue N.W.

AUSTRALIA
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, Suite 608, Burrard Bldg.

AUSTRIA
Ottawa—Ambassador, Embassy of Austria, 140 Wellington Street.
Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.
Vancouver—Austrian Trade Delegate, Room 111, 525 Seymour Street.

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

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Bldg.
Toronto—Consul of Belgium, 696 Yonge Street.
Vancouver—Consul General of Belgium, Room 1621, 355 Burrard Street (P.O. Box 1043).

BOLIVIA
Montreal—Consul General of Bolivia, 783 Stuart Avenue.

BRAZIL
Ottawa—Brazilian Embassy, 305 Stewart Street.
Montreal—Trade Commissioner, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

CHILE
Montreal—Consul General of Chile, Suite 131, 3445 Cote des Neiges Road.
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

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

COLOMBIA
Ottawa—First Secretary and Consul, Suite 33, Roxborough Apts.
Montreal—Consul General of Colombia, 1572 Summerhill Avenue.
Toronto—Consul of Colombia, 372 Bay Street.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

COSTA RICA
Montreal—Consul General of Costa Rica, 1465 Mackay Street, Apt. 4.

CUBA
Montreal—Cuban Consul, Consulate General of Cuba, 1572 Summerhill Avenue.

CZECHOSLOVAKIA
Ottawa—Commercial Counsellor, 48 Range Road.
Montreal—Commercial Section, Czechoslovak Consulate General, 1305 Pine Avenue West.

DENMARK
Ottawa—Royal Danish Embassy, 446 Daly Avenue.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Bldg., 1440 St. Catherine Street West.
Toronto—Assistant Trade Commissioner, Royal Danish Consulate, 114-118 Danforth Avenue.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

ECUADOR
Montreal—Consul General of Ecuador, 1572 Summerhill Avenue.
Vancouver—Consul of Ecuador, 603 West Hastings Street.

EL SALVADOR
Montreal—Consul General of El Salvador, 4972 Victoria Avenue.

FINLAND
Ottawa—Attaché, Legation of Finland, 140 Wellington Street.

FRANCE
Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Counsellor of France, 1510 Mackay Street.
Toronto—Commercial Counsellor of France, 185 Bay Street.

GERMANY

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

GREECE

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

GUATEMALA

Montreal—Consul General of Guatemala, 3467 Wilson Avenue.

HAITI

Ottawa—Embassy of Haiti, 82 Wurtemberg Street.
Montreal—Consul of Haiti, 1405 Bishop Street.
Halifax—Consul of Haiti, 50 Sackville Street.

HONDURAS

Montreal—Consul General, Consulate General of the Republic of Honduras, 5407 Coolbrook Avenue.
Toronto—Vice Consul (Honorary), 3 Nashville Avenue, Apt. 18.
Vancouver—Consul (Honorary) of the Republic of Honduras, 3789 West 50th Avenue.

INDIA

Ottawa—First Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.

INDONESIA

Ottawa—First Secretary (Commercial), Indonesian Embassy, 275 MacLaren Street.

IRAQ

The Legation of Lebanon is in charge of Iraqi interests. See address below.

IRAN

Ottawa—Third Secretary, Legation of Iran, 333 Chapel Street.

IRELAND

Montreal—Irish Trade Representative (Irish Export Promotion Board), 1015 Beaver Hall Hill.

ISRAEL

Montreal—Consul of Israel (Commercial), 1555 McGregor Street.

ITALY

Ottawa—Commercial Attaché, Embassy of Italy, 12 MacLaren Street.
Montreal—Vice Consul and Trade Commissioner, 1524 Summerhill Avenue.
Toronto—Italian Trade Commissioner, Suite 403, 34 King Street East.

JAPAN

Ottawa—First Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Toronto—Consulate of Japan, 180 University Avenue.
Vancouver—Consulate of Japan, 510 Hastings Street West.
Winnipeg—Consulate of Japan, Suite 618-620, Royal Alexandra Hotel.

LEBANON

Ottawa—Embassy of Lebanon, 470 Wilbrod Street.

LUXEMBOURG

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

MEXICO

Ottawa—Embassy of Mexico, Room 706, 88 Metcalfe Street.
Montreal—Consul General of Mexico, Room 513, Castle Bldg., 1410 Stanley Street.
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.
Vancouver—Consulate of Mexico, Room 607, The Burrard Bldg., 1030 W. Georgia Street.

MONACO

Montreal—Consul of Monaco, Suite 101, 4920 Western Avenue.

NETHERLANDS

Ottawa—Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue.
Montreal—Netherlands Consulate, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate, 159 Bay Street.
Vancouver—Netherlands Consulate, 475 Howe Street.

NEW ZEALAND

Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Bldg.

NORWAY

Montreal—Trade Commissioner of Norway, Norwegian Consulate General, 1410 Stanley Street.

PAKISTAN

Ottawa—Commercial Secretary to the Pakistan High Comissioner, 505 Wilbrod Street.

PERU

Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

PHILIPPINES

Vancouver—Trade Commissioner, Philippines Consulate, 615 West Pender Street.

POLAND

Ottawa—Commercial Counsellor to the Polish Legation, 580-582 Chapel Street.

PORTUGAL

Ottawa—Embassy of Portugal, 285 Harmer Avenue.
Halifax—Consulate of Portugal, P.O. Box 355.
Montreal—Consulate of Portugal, 4393 Esplanade Avenue.
Toronto—Consulate of Portugal, 2 Toronto Street.
St. John's—Consulate of Portugal, King's Bridge Court, Appartment 2E.

SPAIN

Ottawa—Commercial Counsellor to the Spanish Embassy, 149 Daly Avenue.

SWEDEN

Ottawa-Secretary, Royal Embassy of Sweden, Suite 704, 140 Wellington Street.
Montreal—Trade Commissioner, Royal Consulate General of Sweden, 1511 Bishop Street.
Vancouver—Trade Commissioner, Royal Consulate of Sweden, Dominion Bank Bldg.

SWITZERLAND

Ottawa—Counsellor of Embassy, Swiss Embassy, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul General of Switzerland, 600 University Avenue.
Vancouver—Consul of Switzerland, 402 West Pender Street.
Winnipeg—Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.

THAILAND

Toronto—Consul of Thailand, Suite 600, 199 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

TURKEY

Ottawa—Commercial Counsellor, Turkish Embassy, 197 Wurtemberg Street.

UNION OF SOUTH AFRICA

Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Drive,

UNION OF SOVIET SOCIALIST REPUBLICS

Ottawa—Commercial Counsellor, Embassy of the USSR, 24 Blackburn Avenue.

UNITED ARAB REPUBLIC

Ottawa—Commercial Secretary, Embassy of the United Arab Republic, Roxborough Apts., Apt. 66.

UNITED KINGDOM

Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta and Northwest Territories, Imperial Bank Bldg., Jasper Avenue.
Halifax—United Kingdom Trade Commissioner for the Atlantic Provinces, 65 Spring Garden Road.
Montreal—United Kingdom Trade Commissioner for Quebec, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 119 Adelaide Street West.
Vancouver—United Kingdom Trade Commissioner for British Columbia and Yukon Territories, 540 Burrard Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba, Saskatchewan, and Northwest Ontario, 504 Main Street.

UNITED STATES

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1558 McGregor Street.
Niagara Falls—Consul of the United States, Newman Hill, Falls street.
Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.
Saint John—Consul of the United States, 204 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, 355 Burrard Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

URUGUAY

Ottawa—Chargé d'Affaires a.i., the Roxborough Apts., Apt. 32

VENEZUELA

Ottawa—Commercial Attaché, Embassy of Venezuela, Roxborough Apts., Apt. 21.
Halifax—Consul, Room 401, Roy Bldg., Barrington Street.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Vancouver—Vice Consul of Venezuela, 525 Seymour Street.

THE WEST INDIES, BRITISH GUIANA, AND BRITISH HONDURAS

Montreal—Commissioner for the West Indies, British Guiana, and British Honduras, Suite 460, 1510 Drummond Street.

YUGOSLAVIA

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 377 Spadina Road.

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

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

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

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

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

For conversion to United States dollar equivalent multiply by 1.031260.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent October 28	Units per Canadian dollar	Notes (see below)
Argentina	Peso	Official	.05387	18.54	(1)
		Free	.01515	66.01	
Austria	Schilling		.03730	26.81	
Australia	Pound		2.1775	.4592	
Bahamas	Pound		2.7219	.3674	
Belgium, Belgian Empire and Luxembourg	Franc		.01945	51.41	
Bermuda	Pound		2.7219	.3674	
Bolivia	Boliviano	Free	†	†	
British Guiana	Dollar		.5671	1.76	
British Honduras	Dollar		.6805	1.47	
Brazil	Cruzeiro	General Category*	.005110	195.69	*Sept. 30 (2)
		Special Category	.002598	384.88	
		Official buying	.05160	19.38	(3)
Burma	Kyat		.2036	4.91	
Ceylon	Rupee		.2041	4.90	
Chile	Peso	Free	.001248	801.28	(4)
Colombia	Peso	Certificate	.1512	6.61	
Costa Rica	Colon	Official	.1727	5.79	
		Controlled free	.1460	6.85	
Cuba	Peso		.9697	1.03	tax 2%
Czechoslovakia	Koruna		.1347	7.42	
Denmark	Krone		.1404	7.12	
Dominican Republic	Peso		.9697	1.03	
Ecuador	Sucre	Official	.06465	15.47	
		Free	.05707	17.52	
Egyptian Region, United Arab Rep.	Pound	Official	2.7845	.3591	
	"	Export account selling	2.2325	.4479	
El Salvador	Colon		.3879	2.58	
Fiji	Pound		2.4521	.4078	
Finland	Markka		.003030	330.00	
France, Monaco and North Africa	Franc		.002312	432.52	(5)
French colonies in Africa	Franc		.004624	216.26	(6)
French Pacific	Franc		.01272	78.62	(7)
Germany	D Mark		.2318	4.31	
Ghana	Pound		2.7219	.3674	
Greece	Drachma		.03232	30.94	
Guatemala	Quetzal		.9697	1.03	
Haiti	Gourde		.1939	5.16	
Honduras	Lempira		.4848	2.06	
Hong Kong	Dollar	Free	.1667	5.9974	*Sept. 26
		Official	.1704	5.8685	
Iceland	Krona	Official	.05954	16.79	(8)
India	Rupee		.2041	4.90	
Indonesia	Rupiah	Effective buying	.03207	31.18	*Oct. 1 (8)
		Effective selling	.02566	38.97	
Iran	Rial	Certificate	.01280	78.12	

*Latest available quotation date. †Not available.

Country	Unit	Type of Exchange	Can. dollar equivalent October 28	Units per Canadian dollar	Notes (see below)
Iraq	Dinar		2.7151	.3683	
Ireland	Pound		2.7219	.3674	
Israel	Pound		.5387	1.86	
Italy	Lira		.001557	642.26	
Japan	Yen		.002694	371.19	
Lebanon	Pound	Free	.3040	3.29	
Mexico	Peso		.07758	12.89	
Netherlands	Florin		.2571	3.89	
Netherlands Antilles	Florin		.5181	1.93	
New Zealand	Pound		2.7219	.3674	
Nicaragua	Cordoba	Effective buying	.1469	6.81	
		Official selling	.1375	7.27	
Norway	Krone		.1358	7.36	
Pakistan	Rupee		.2041	4.90	
Panama	Balboa		.9697	1.03	
Paraguay	Guarani	Official	.008815	113.44	
Peru	Sol	Certificate	.03939	25.39	
Philippines	Peso		.4848	2.06	
Portgual & Colonies	Escudo		.03384	29.55	(9)
Singapore and Malaya	Straits dollar		.3176	3.15	
Spain and Dependencies	Peseta	Controlled free	.02309	43.31	(8)
Sweden	Krona		.1874	5.34	
Switzerland	Franc		.2255	4.43	
Syrian Region, United Arab Rep.	Pound	Free	.2710	3.69	
Thailand	Baht	Free	.04637	21.56	(8)
Turkey	Lira		.1077	9.28	
Union of South Africa	Pound		2.7219	.3674	
United Kingdom	Pound		2.721875	.367394	
United States	Dollar		.9696875	1.031260	
Uruguay	Peso	Free	.1067	9.37	
		Basic buying	.6369	1.57	(8)
		Principal selling	.4630	2.16	
Venezuela	Bolivar		.2895	3.45	
West Indies Fed.	Dollar		.5671	1.76	(10)
	Pound		2.7219	.3674	(11)
Yugoslavia	Dinar		.003232	309.40	(8)

*Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Brazil: exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate plus a surcharge of 61.18 cruzeiros..
4. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
5. France: territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
11. Jamaica.

Dominican Republic Buys Fish

Canadian cured fish continues to be a staple food for the Dominican Republic's large low-income population. But increasing competition from European suppliers and stepped-up local production may cut into our share of the market.

J. J. B. MOUNTAIN, *Assistant Commercial Secretary (Fisheries), Ciudad Trujillo.*

IN the past few years, an average of over $1.6 million worth of Canadian fish has been imported by the Dominican Republic every year—a valuable market for Canada's East Coast fishing industry. This is in the tradition of the Atlantic Provinces' fish trade. From the beginning it found markets in the sugar islands of the Caribbean where a protein food was needed which could withstand tropical temperatures and humidity. The islands, in return, were able to supply sugar, molasses and rum.

One of the islands to which schooners laden with dried salted fish from the British North American colonies plied was Hispaniola. Others landed their cargoes in the Spanish islands, Cuba and Puerto Rico, or in the British possessions. The broad outline of this trade is basically unchanged today. Modern southbound cargo vessels carry manufactured products to the Caribbean in addition to fish, flour and potatoes. On the return voyage, they bring bauxite ore, alumina, petroleum and agricultural produce to Canada.

About 74 per cent of the Republic's 2.7 million population lives in rural areas. Although the country has one of the sounder economies in the Caribbean, the average per capita income is low by North American standards. As a result, inexpensive locally-grown vegetables, grains and fruits make up a large part of the diet. Fresh meat and fish may be bought in certain areas, but consumption is limited by an inadequate distribution system and the limited refrigeration.

The Dominicans used to eat mainly salted cod, but a codfish shortage during the last war changed the saltfish consumption pattern. Now the market for cod is limited but the Republic has become the principal importer of Canadian dried salted pollock and hake. The annual consumption of these fish is usually between seven and eight million pounds. Pollock, a relatively thick fish, is eaten mostly in the north, east and south, and hake is sold almost exclusively in the agricultural interior. Hake withstands tropical heat and humidity for longer periods than pollock. It has been preferred in the interior since the days when it took burros up to five days to carry the fish from the port of entry to the retailer.

The Dominican Republic and Haiti for years have been the only important markets for Canadian bloaters (round salted and smoked herring), which are produced in the Maritime Provinces. Dominicans consume three to four-and-one-half million pounds of the Canadian pack a year. Per capita consumption of bloaters, like that of salted fish, is highest among the labourers. Salted pollock and hake and herring bloaters are the "big three" in Canada's fish trade with the Dominican Republic, but there is also a substantial market for canned sardines and increasing demand for boneless salted cod.

Canadian Fish Exports to the Dominican Republic 1954-57

($'000)

	1954	1955	1956	1957
Herring bloaters	374	347	523	400
Hake, dried salted	255	190	210	244
Pollock, dried salted	834	739	959	862
Sardines, canned	75	93	83	98
Other products	108	121	56	66
Total	1,696	1,490	1,831	1,670

In the future, Canadian exporters of fish to the Dominican Republic must look to their laurels. Competition from European countries, whose industries benefit from lower production costs and government subsidies, is increasing. It is keenest in bloaters from the great herring-fishing nations of Europe, especially Norway; France has always been a threat in the salt-fish trade.

The Republic is determined to reduce her dependence on imports, particularly from countries with whom she has an unfavourable trade balance. She now has an important livestock industry with a surplus for export, and the Government is encouraging the local fishing industry with considerable success. In addition, the distribution system for these protein foods, both fresh and frozen, is gradually being expanded and prices are frequently lower than those of cured fish.

Another blow to suppliers of cured fish to the Republic is the slow but steady rise in the standard of living. The principal consumers of cured fish are agricultural labourers and urban manual workers. As their living conditions improve, their diet will include a greater number of foods now beyond their purchasing power. These are realities that our East Coast exporters of cured fish must face. ●