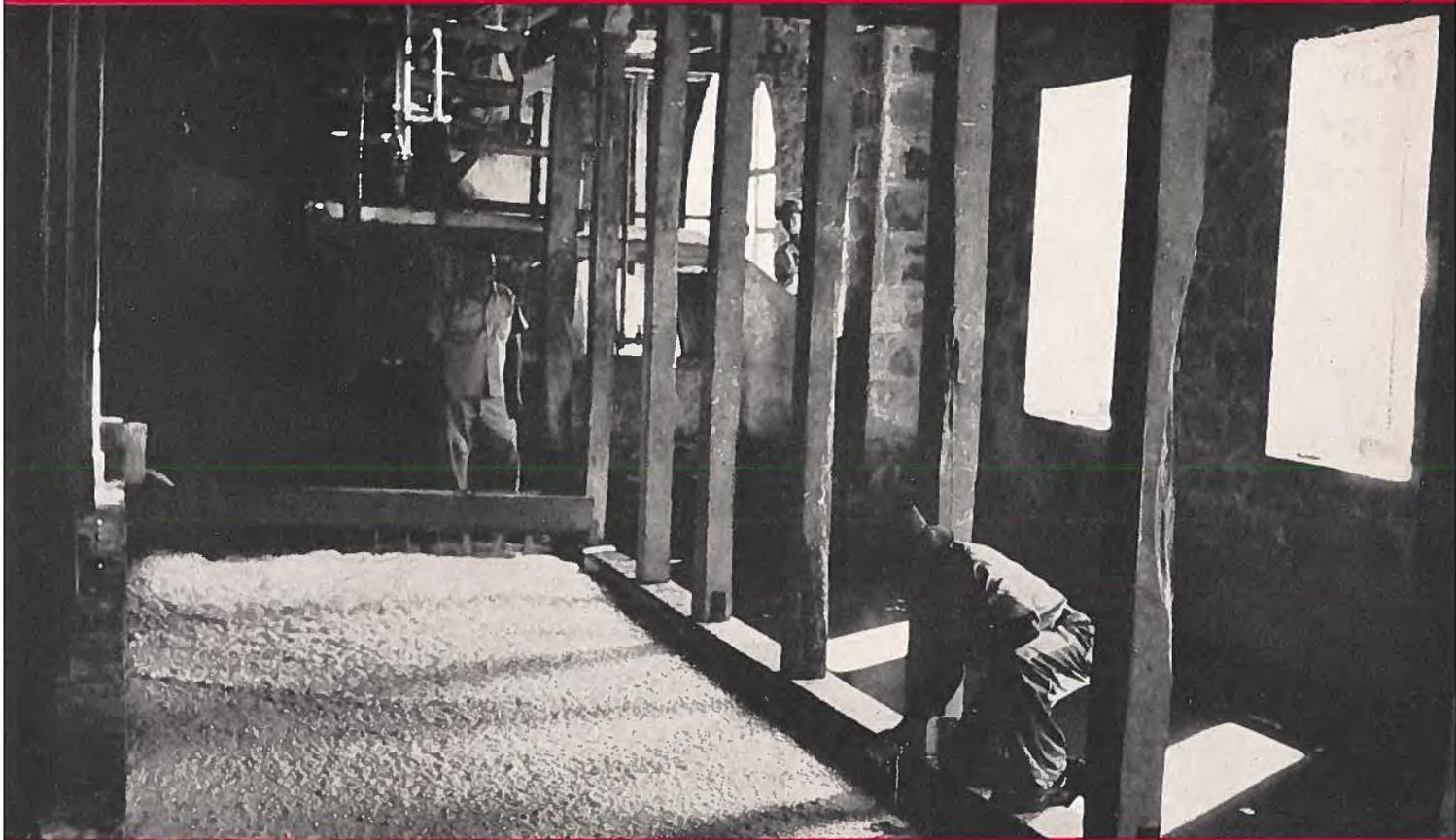


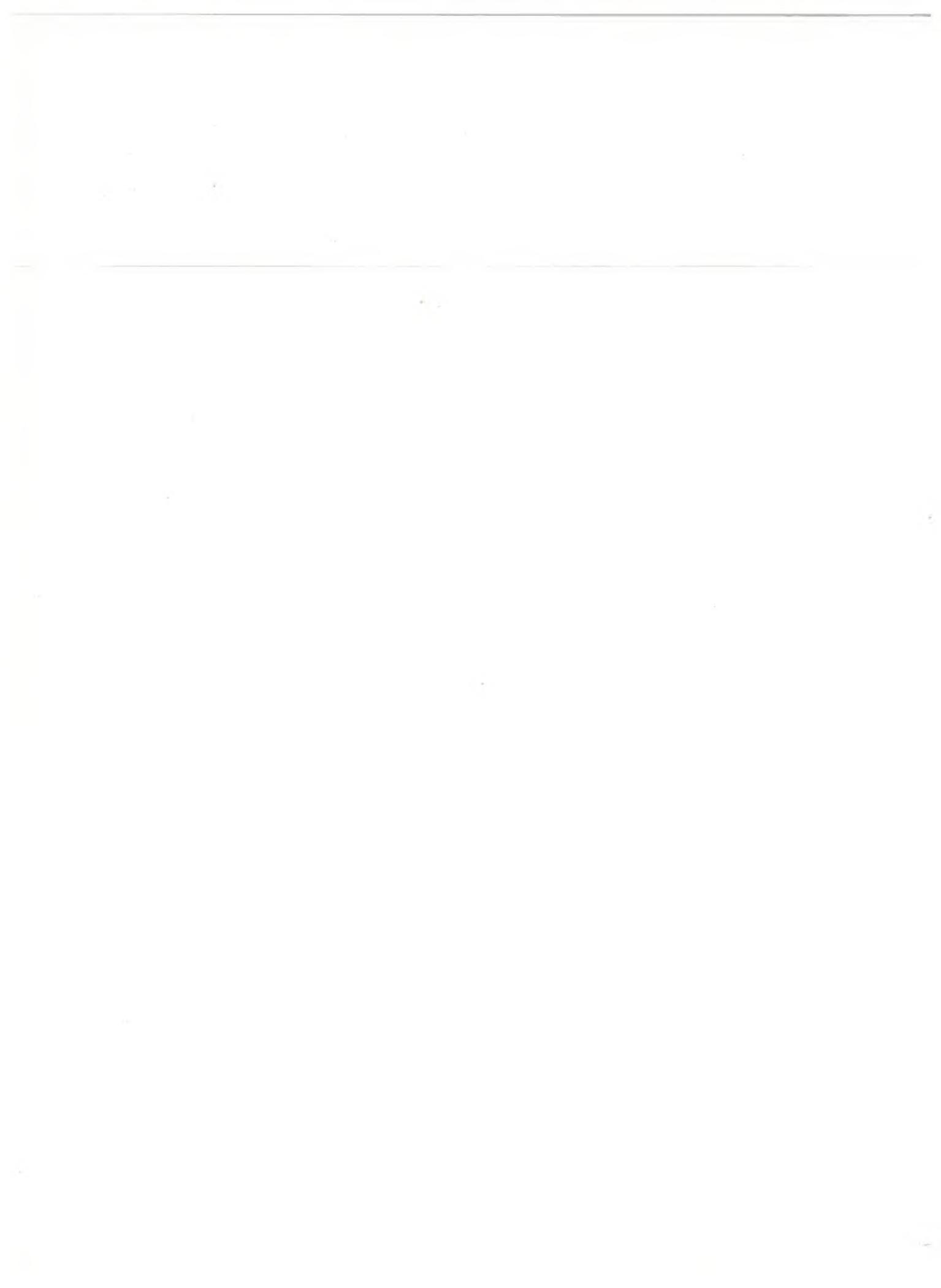
The West Indian Markets (pages 2-24)



FOREIGN TRADE

DEPARTMENT
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COVER:

Arrowroot, grown in St. Vincent, one of the Windwards group, is shredded, then the starch extracted by immersion in water. Here the starch "milk", after straining, is run onto settling tables. The arrowroot starch settles on the bottom and the water is drawn off. Trade and development in St. Vincent, the world's prime producer of arrowroot, is covered in this issue, mainly devoted to the West Indian markets; so are business conditions in the other nine members of the Federation and in Jamaica and the Bahamas. (See pages 2 to 24.)

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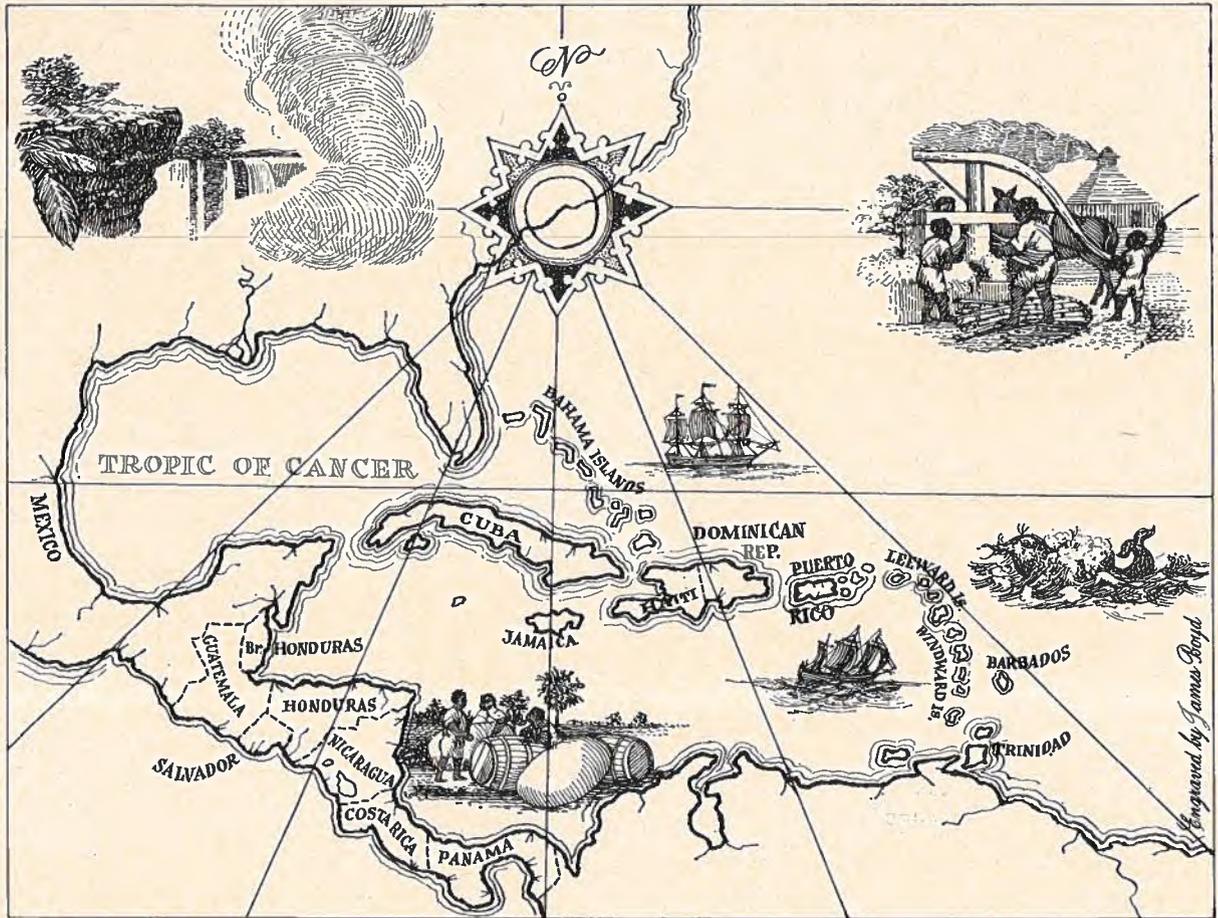
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COMING—DEVELOPMENT AND TRADE, LATIN AMERICA II, NOVEMBER 18



The West Indies in 1961

Jamaica's decision to withdraw from the Federation has left political order of area undecided at this stage. Economic progress is continuing, with smaller islands sharing in it; this makes the West Indies an expanding market for many types of Canadian products.

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

JUST a year ago*, a brief review of *The West Indies* published in *Foreign Trade* described how the area was progressing towards an independent Dominion within the British Commonwealth. As the appointment with destiny drew nearer, the various problems—economic, political and social—were hammered out until a hard core of the basic points of difference between the island governments remained. The process developed momentum during the first part of 1961, but it came to an abrupt halt in September when Jamaica declared its intention of withdrawing from the Federation.

Review and Referendum

The caretaker constitution of the Federation provided for its review before the end of a five-year period in order to set up a final constitution that would be the basis on which the independent West Indies would build and thrive. In April 1961, following a series of meetings held over a long and anxious period by two committees, the final Inter-governmental Conference to decide on a suitable constitution for recommendation to the British Government met in Port-of-Spain. There representatives of the governments of the islands making up the Federation—Trinidad, Jamaica, Barbados, Antigua, St. Kitts, Montserrat, Dominica, St. Lucia, St. Vincent and Grenada—met with the Federal Government and agreed, with some reservations, on the constitution that they would take to London for discussion. This fateful meeting took place in May, an ultimate constitution was agreed upon (with some misgivings on certain principles), and the date for independence set for May 31, 1962. However, it was agreed that before independence, the constitution should receive the consent of the Federal Parliament and of each island Legislature. In addition, and in keeping with the pledge given by its Premier, Jamaica was to hold a referendum

*See *Foreign Trade* of November 5, 1960.

to decide whether or not that island wished to remain in the Federation.

That referendum was held on September 19, 1961, and the people of Jamaica voted to leave the Federation. No plans had been made for such an eventuality, with the result that the area has been left in considerable uncertainty. However, Jamaica has announced its intention of seeking separate independence within the Commonwealth and has already held preliminary discussions on this matter with the British Government.

Reaction in Trinidad

The remaining nine governments of the Federation have not yet made any decision on their future course of action. Trinidad, with over half of the total remaining population of about one and a half million, clearly holds the key to the future. At the moment it is on the eve of a general election. The present government has announced it will not declare itself on the Federation issue until after the election. No date has been set but it must take place before January 26, 1962, and the political parties are busily campaigning. Generally it is accepted that two courses are open to Trinidad: to seek independence for itself, or to join with the other eight governments in forming a new Federation. Thus, at this stage and until after the elections, the ultimate political order of the area is necessarily undecided.

Effect of Vote

Although clarification of the political organization for the area as a whole must await the decision of Trinidad, the referendum in Jamaica does establish the following facts:

- The Federation that formally came into being in April 1958 will no longer exist after the formalities of a Jamaican withdrawal have been completed.
- Some time during 1962, Jamaica will achieve full independence and in all probability become a new

Dominion within the Commonwealth.

- If a new Federation is created by the remaining members, (a possibility but by no means a certainty), a new constitution will have to be developed to meet the new circumstances.
- The elaborately worked-out customs union of the ten islands will not be put into operation.
- External trade will thus be conducted under the same general conditions as heretofore, both for Jamaica and for the other islands of the Federation.
- A new start will have to be made on revising the 1926 Canada-West Indies Trade Agreement, after the new political alignments in the West Indies have been worked out.

Clearly this situation has created a number of problems, for the whole fabric of federation was predicated on the supposition that Jamaica would be part of a new Dominion that would achieve independence on May 31, 1962. A number of services that were being developed on a federal basis will have to be reconsidered and realigned. For example, the University College of the West Indies, with its headquarters in Jamaica and its agricultural and engineering faculties in Trinidad, was a federal responsibility; so were matters of defence. The West Indies Regiment was based in Jamaica, with plans for a second battalion to be established in Trinidad. Shipping services throughout The West Indies naturally included Jamaica and efforts were being made to develop a national airline. The plans for a customs union have already been mentioned. All of these and others will have to be reconsidered and in some cases redesigned. However, there is no doubt that, as far as is compatible with sovereignty, the maximum liaison between Jamaica and the other units of the Federation will be maintained and developed.

Meanwhile the area as a whole continues to make enormous strides economically. Exports, the real measure of advancement in an area almost exclusively dependent on foreign markets for its prosperity, are expanding rapidly, the tourist trade has grown by leaps and bounds, and industrialization in the larger islands is helping to bring a measure of needed diversification to the economy. In ten years, exports have nearly trebled in value—from the equivalent of Can.\$181 million in 1950 to almost Can.\$506 million in 1960. The tourist trade is estimated to be bringing in over Can.\$54 million a year.

Imports Trebled in Decade

The effect of such increases has been to almost treble imports over the same ten years (from Can.\$208 million to about Can.\$617 million). Industrialization, particularly in Jamaica and Trinidad, has increased the demand for machinery and equipment perhaps more rapidly than for the traditional products. It has also reduced imports of those products now made locally and removed the preferential advantage to Canadian and other Commonwealth producers of machinery and equipment and of certain raw and semi-manufactured materials granted free entry to new industries under Pioneer Industry ordinances. On the other hand, new opportunities have appeared and much greater possibilities of trade created through a rapidly rising standard of living. Moreover, this rising standard of living is tending to stimulate and enlarge a demand for better quality goods.

A Good Year

The current year has been reasonably satisfactory. Trade figures are not available except for the first months for the larger territories. However, it is probable that exports and imports will show a continued and substantial expansion. The area has had the largest sugar production on record and because of a substantial allocation in the United States

market, it will be able to dispose of all of it at a somewhat higher overall price per ton than last year. As sugar represents nearly 20 per cent of total exports from the area and is the largest employer of labour, the effect of a good "sugar year" is important in Jamaica, Trinidad, Barbados, St. Kitts, Antigua and (to a smaller extent) St. Lucia.

The citrus crop, of some importance in Jamaica, Trinidad and Dominica, has been much smaller in Trinidad and somewhat smaller in the other islands.

Despite some early drought and severe wind damage to the St. Lucia crops, bananas in the Windwards—the most important source of revenue there—have been moving ahead slightly, although the Grenada production declined as other crops replaced some bananas.

The cotton crop, so vital to St. Vincent, Montserrat and Nevis and of great importance to Antigua, was very low last year because of the small acreage planted and dry weather. (In St. Vincent, the loss by fire of its ginnery was a particularly discouraging factor and doubt about world prices throughout the area kept plantings down.) However, it seems as if a larger acreage will be put in this year.

Main Industries

The production and refining of oil in Trinidad is of vital importance to that island and to the area as a whole. Actually exports of oil now represent some 72 per cent by value of all Trinidad's exports and about 42 per cent of exports for the whole federal area. The value of such exports has been rising steadily and during 1961 this trend has continued. The daily refinery throughput for the first seven months of 1961 rose substantially over the same period last year. This was largely the result of increased crude imports, but Trinidad's own production of crude has also increased. One of the problems facing the industry is that the number of people employed is going down steadily, despite the rise in produc-

tion of crude and of refined products. The Government has announced an agreement to give an international company pioneer status to build a large lubricating-oil plant that eventually will employ a considerable number.

In Jamaica the production and export of bauxite and alumina have become the major factor in its economy. These exports accounted for about 50 per cent of the value of total exports from that island in 1960 (compared with about 21 per cent for sugar). During the first part of this year, these shipments were running slightly ahead of the same period of last year.

The current tourist year appears to have been somewhat below expectations and the rate of development has slowed down. Nevertheless, this sector of the economy is confidently expected to prosper. Up to now, the principal tourist islands have been Jamaica, Barbados, Antigua and Tobago. Now other islands are developing their considerable assets; new hotels are going up and beaches and facilities being developed in Grenada, St. Vincent, St. Lucia, Montserrat and St. Kitts. At the same time, Antigua, Barbados, Jamaica and Trinidad continue to add to their facilities.

While unemployment continues to harass the area as a whole and there seems to be some slowing down of business activity at the moment, expansion is the general rule. As the political pattern for the future is redesigned, a new surge of economic planning that will be supported by help from outside is to be expected.

Exploiting the Market

In fact, opportunities for trade and investment are opening up rapidly. Although industrialization will increase, particularly in industries with a high labour component, the West Indies will remain an interesting and profitable market for many manufactured products as well as for raw materials and basic food products that have figured largely in Canada's trade with the

area for some time. The West Indies is also seeking outlets for its manufactured goods in export markets, with a view to hastening the time when it will become more economically independent.

The obstacles to trade that have loomed large since the end of the war—such as restrictions on imports from outside the sterling area and the premium on the Canadian dollar—have practically all been removed. Most important is the fact that the lower value of the Canadian dollar now offers a positive advantage. The welcome accorded to Canada and its products could hardly be more sincere or more widespread—provided, and it is a most important proviso, the goods are competitive in quality, style and price. It is heartening to be able to report that the number of Canadian business visitors (and of course tourists) has been increasing rapidly.

Although it may be tedious to repeat the cliché that a personal visit is worth more than thousands of letters, it remains true. Moreover, visitors continue to be amazed at the warmth of the welcome they receive and the extent of the opportunities they discover. It would be redundant to list the goods and services that can find a market in the islands of the West Indies. *The fact is that just about every manufactured product and a growing number of raw or semi-manufactured products can be sold to a greater or lesser degree.* The exceptions are products that are being made in the area, not a very extensive list so far. Any Canadian company that is not now selling in the area should write to the Trade Commissioners stationed in Trinidad and Jamaica, who will be able to indicate the size of the market and to help in establishing sound and reliable connections. There are also investment opportunities that complement the development of trade, and the different island governments give considerable taxation and other incentives to pioneer industries. ●

THE WEST INDIAN MARKETS

Jamaica

Emphasis on setting up of local industries increases competition for Canadian goods, but prospects continue to be excellent—if exporters extend credit, study market at first hand, adapt themselves to Jamaican needs, and offer attractive prices.

C. G. BULLIS, *Assistant Trade Commissioner, Kingston.*

THE first six months of 1961 has been a period of consolidation for the Jamaican economy and this phase is likely to continue for at least another 12 months. It follows an expansion that reached its peak during 1959 and the first nine months of 1960, bringing inflation in its wake. However, both merchants and consumers are now adopting a more realistic attitude towards consumer debt and the return of a more normal trade pattern is expected in the future.

During the past two years, consumer sales in Jamaica have skyrocketed, based on instalment buying and other forms of long-term credit. Purchases—particularly of automobiles, furniture, stereo sets, and domestic appliances—doubled, and families in lower income groups became over-extended and could not maintain payments. New finance companies, which were going all out for business, have now been obliged to write off their bad debts and to put a brake on indiscriminate lending. Banks have also tightened up credit.

In October 1960, the Government took steps to curb inflation. An order was issued making it compulsory for all automobile buyers to pay at least one-third of the price initially and the remainder within two and a half years. In May of

this year, price controls were reimposed on automobiles, automobile parts and codfish. Legislation has also been passed to enable the Trade Board to investigate the profit margin of local merchants, with a view to curbing excessive markups. These measures have sharply reduced the demand for consumer durables and this in turn has brought about a general decline in imports. During the first half of 1960, Jamaican imports were valued at £39.3 million; during the second half of 1960 this figure dropped to £38.1 million, and for the first six months of this year to £37.6 million.

Industrial Expansion

A steady increase in the value of Jamaica's exports has gone hand in hand with this drop in imports. Exports rose from £24.6 million for January to June 1960 and £28.3 million for July to December 1960 to £31.8 million in the first half of 1961. Jamaica's unfavourable trade balance, which has averaged £7.9 million during the first half of the past three years, was cut to £5.4 million in the first half of 1961. Part of this rise in exports resulted from the carefully fostered industrial growth of the island under the auspices of the Jamaica Industrial Development Corporation. Ten new factories have come into operation

since the beginning of 1960 and 25 more have been granted approved status. Clothing is one of the principal manufactured products exported and the range of goods being offered was widened in June, when the first shipment of Jamaican-made lingerie was sent to the United States. The value of clothing exported increased from \$942,358 in 1959 to \$2,874,132 in 1960 and sales for the first half of 1961 are already 18 per cent above those for the same period last year.

The Jamaica Industrial Development Corporation estimates that approximately 2,500 workers will find new jobs this year as 14 new factories scheduled for completion go into operation. Among the products will be building marble, plastic goods, carpet backing, toothpaste, crown corks and ceramics. The latter will be produced in the pilot plant of Jamaica Pottery Ltd., subsidiary of Royal Worcester Porcelain Company, which plans full production of china and porcelain from Jamaican clay by the end of 1962. Hotel construction continues apace and work has now begun on the new Sheraton Kingston Hotel, scheduled for completion in time

to house visitors to the Caribbean International Games in July 1962.

Mining and Agriculture

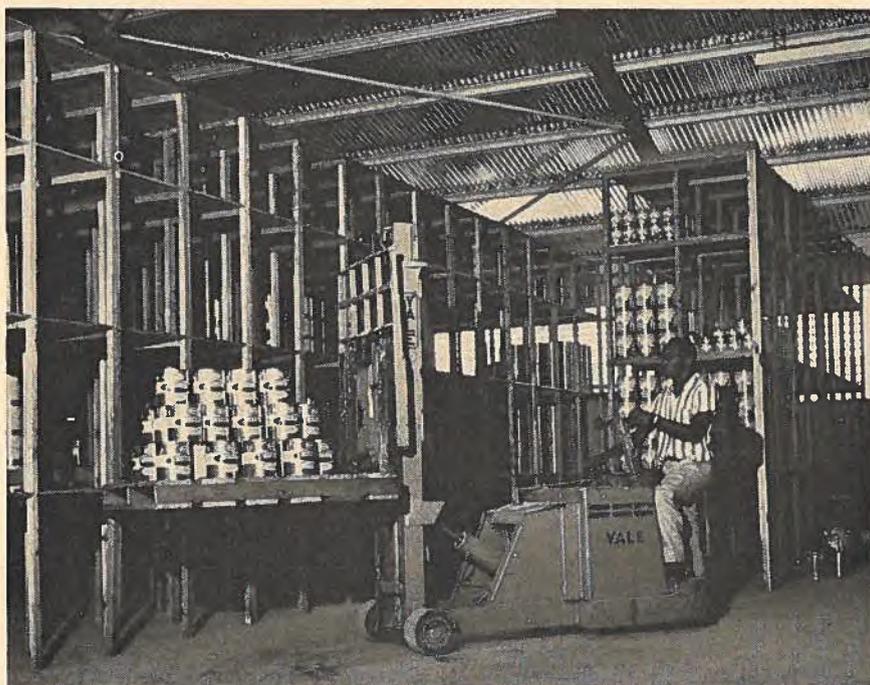
Although industrialization will contribute more to Jamaica's exports in future years, her main wealth still lies in her bauxite-mining industry. Nearly half the value of exports comes from the sale of bauxite to the United States and alumina to Canada, Norway, India and Brazil. (Total Jamaican sales to Canada were valued at £13.6 million in 1960; alumina sales represented 70.7 per cent of this figure.) This industry has suffered a temporary setback as a result of a glut on the world alumina market and two of the three companies operating in the island have cut production. Reynolds Mines, however, landed an order for 600,000 tons of bauxite for the U.S. Government stockpile and has thus managed to maintain its former output. The fourth mining company, Alcoa Minerals of Jamaica Inc., is going ahead with its installations.

Offsetting the fall in bauxite production is the boost given to sugar exports by the decision of the United States Government to purchase

sugar from the West Indies and British Guiana at the subsidized price of £45 per ton, as a result of the termination of the Cuban sugar quota. Sugar, estimated at 434,543 long tons for the 1961 crop, is Jamaica's second largest breadwinner, accounting for a quarter of her export sales. So far the United States has decided to purchase 223,000 long tons of sugar, of which Jamaica's portion is 105,000. Because Jamaican costs are estimated at £36 per ton, £9 higher than the present world market price, this decision means that the entire 1961 crop will be sold at a profit.

Exports of bananas to Britain by the middle of June had risen 15 per cent above last year's figures. Citrus, however, is another story, as local consumption is accounting for a larger and larger proportion of the total crop. During the first six months of 1961, shipments were 20 per cent lower than in 1960. To cope with the situation, the Government and the Citrus Growers Association have drawn up a program for the industry which will put 7,500 new acres under cultivation during the next four years.

A workman efficiently stacks tins of paint in the warehouse of one of Jamaica's newer industries. This Kingston paint company, set up in 1959, today produces about 130,000 gallons of paint a year.



Another important source of revenue is the tourist trade. As a result of the bumper crop of visitors last year (226,945 compared with 191,303 in 1959), new hotels opened both in Kingston and on the north coast, raising accommodation for tourists in the 1960/61 season from 5,808 to 6,140 beds. The earlier part of the season proved disappointing in Jamaica, as elsewhere in the Caribbean. The summer season, however, has shown a welcome rise over last year and tourist arrivals to the end of June 1961 amounted to 117,126, compared with 123,071 in 1960. Some U.S. companies are using Jamaica as the locale for conventions in the summer season or are flying groups of dealers there for brief stays. Future bookings are high and the Jamaica Tourist Board is confident that final figures will show an increase over last year. The recent decision of the United States Government to curtail the duty-free allowance on purchases made by U.S. residents abroad on vacation from \$500 to \$100 will undoubtedly be a blow to the owners of in-bond shops, but should not affect the number of overseas visitors.

Development Budget Large

The high rate of development in Jamaica is being maintained by the Government and the 1961 budget, brought down in March, called for an increased expenditure of £3.8 million, bringing the total to a record of £43 million. Of this amount, approximately £2 million will be spent on slum clearance and low-cost housing. Four large-scale housing developments for middle income groups begun in 1960 will provide 3,200 units when they are completed.

In July it was announced that £1.78 million of the £2.5 million U.S. loan to the West Indies Federation has been allocated to Jamaica, to assist in financing new housing and water-supply schemes. The island's water supply needs expansion to meet the increasing

needs of the population and a five-year plan for rural areas, costing some £5 to £6 million, is being drawn up with the aid of the U.S. International Co-operation Administration. A new dam at Harker's Hall, to cost approximately £5 million, will be begun in 1962 and will provide water for the suburbs of Kingston and the parish of St. Catherine.

Prospects for Canadian Goods

Canadian sales to Jamaica reached £7.8 million in 1960, according to Jamaican figures, or about 10.1 per cent of the import market, compared with 34.4 per cent for Britain and 24.4 per cent for the United States. The accompanying table gives details on the commodities traded.

JAMAICAN IMPORTS FROM CANADA

Total Imports—£7,838,979

(in per cent)

Foodstuffs—53.2	
Fish (cured, canned, fresh)	22.9
Cereals (including flour 16.7 per cent)	21.3
Meats (cured, canned, fresh)	4.1
Fruit and vegetables (fresh and canned, including potatoes 1.1 per cent)	4.0
Beverages—3	
Tobacco—4.8	
Raw materials and manufactured goods—24.9	
Paper and manufactures	6.8
Textiles, clothing and footwear	4.1
Miscellaneous manufactures, furniture, fittings, etc.	4.0
Base metals and metal manufactures	3.3
Rubber and manufactures	2.1
Wood and manufactures	1.8
Hides and leather	1.8
Non-metallic products, glass, jewellery	.6
Machinery and transport equipment—12	
Machinery (non-electric)	7.4
Transport equipment	3.3
Electric machinery, appliances and apparatus	1.3
Chemicals—4.1	
Paints and colouring materials	1.6
Drugs and medicines	.9
Miscellaneous chemical products, plastics, insecticides	.8
Soaps, cosmetics, etc.	.3
Chemical elements and compounds	.3

In the first six months of 1961, Jamaica bought from us goods worth £3.72 million, compared with £4.0 million in the first half of last year. Our purchases from Jamaica (£13.6 million in 1960) totalled £6.3 million in the first half of 1961, compared with £7.3 million in the same period of 1960.

Although the boom in the Jamaican market last year has now passed, prospects are still good for Canadian firms with an aggressive selling policy. In dealing with Jamaican businessmen, the value of a personal visit from representatives of Canadian firms cannot be over-emphasized. An excellent example of this is the market for electric appliances. Earlier this year the import duties on electric refrigerators, radios and phonographs were altered so that Canadian products now have a 10 per cent instead of a 5 per cent tariff advantage over their non-Commonwealth competitors. This advantage, combined with the drop in value of the Canadian dollar, should make Canadian prices of these products very competitive. Weighing against this is the fact that U.S.-made domestic appliances became entrenched in the local market during the period of dollar restrictions and most of the large distributors in Jamaica have spent time and money in advertising the products of their United States principals. They are naturally reluctant to introduce new lines, even though prices may be lower, and a personal visit is therefore essential if a satisfactory arrangement is to be reached.

Another important factor in selling in this market at the moment is willingness to extend credit. Up to now, most importers in Jamaica have operated on sight draft and have extended credit to their customers by obtaining it from the banks. As a result of restrictions on credit during recent months, the larger importers are either obliged to obtain from their suppliers terms of anything from 30 to 90 days or else to cease granting credit to customers and thus reduce the volume

of their trade. Canadian firms will probably find during the coming months that they will be faced with requests from their agents in this area for terms ranging up to 90 days.

Although future prospects for increased trade are excellent, particularly now that the Canadian dollar has depreciated in value, Canadian exporters will face increasing competition from foreign suppliers and more important still, from local producers. Jamaican authorities are firmly committed to a policy of fostering local industry through tax incentives, protection from external competition, and other measures.

Because of the small domestic market and lack of local capital, development will likely come in those industries that either use a good deal of labour or require relatively little equipment. Since protection frequently takes the form of import quotas, Canadian trade with this area during the next few years will undoubtedly show its greatest increases in raw materials for local industry and in manufactured goods requiring complex and costly equipment.

Political Future

Although Jamaica's decision in the referendum held on September

19 to secede from the West Indies Federation came as a surprise, local officials have now set themselves the task of building the island's economy into a strong, independent unit. It is still too early to tell what problems will be encountered, though most Jamaicans feel that the resources of the island are such that a sound economy will finally emerge. Both political leaders have reconfirmed their belief in an orderly progress towards full dominion status on traditional lines within the British Commonwealth of nations, and in a bright future for the island, based on stable government and sound economic practices. ●

The Bahamas

Pay a personal visit to Nassau, says the author. The economy of the 700-odd Bahama Islands is expanding and Canadian prices are competitive—but long-distance selling is not likely to succeed.

C. G. BULLIS, *Assistant Trade Commissioner, Kingston.*

BAHAMIANS have at last found the key to their future prosperity. It lies in the development of the Out Islands, as yet unexploited. The Bahamas, a group of about 700 islands and 2,400 cays with none of the advantages of larger countries, depends for its prosperity on the beauty of its white sand beaches, coral reefs, clear shallow waters, and delightful year-round climate. These make it a yachtsman's paradise and an ideal spot for vacationers from harsher climes. The tourist trade is the main support of the Bahamian economy and the Out Islands, with unspoiled scenery and proximity to the United States coast, have a tremendous contribution to make.

Since the establishment of Nassau as the capital of the Bahamas in the late 17th century, nearly all

progress has been confined to the city itself and to New Providence Island on which Nassau is situated. But nowadays "Nassau" is becoming less and less synonymous with "the Bahamas" in the minds of outsiders and more people are beginning to realize that the Bahama Islands cover an area of 4,466 square miles, of which New Providence Island totals only about 147. The tourist figures for the first four

TOURIST ARRIVALS

	Nassau	Out Islands
1957	194,618	15,095
1958	177,867	18,791
1959	244,258	20,366
1960	305,553	36,424
1960		
Jan.-April	116,990	11,931
1961		
Jan.-April	116,528	16,179

months of 1961 bear this out. Visitors to Nassau and the Out Islands together increased by only 3 per cent over the same period of 1960, but visitors to the Out Islands increased 35 per cent. It is almost true to say that the growing popularity of the Out Islands as a resort area saved the Bahamas from the tourist trade setback experienced in 1961 by other Caribbean islands, and this despite the airline strike in February and the recession in the North American economy. Credit is due largely to U.S. travel agencies which are advertising weekly package tours to the Out Islands, to improved airline service by Bahamas Airways and Mackey Airlines, and to the growing number of small hotels and guesthouses in these islands. Tourist accommodation has increased from 550 beds in 1955 to 2,000 for the 1960/61 season. Mackey Airlines recently announced plans to build a chain of hotels throughout the Out Islands and the first of these, a 40-room hotel on South Bimini (fifty miles

off the Florida coast), will be open for the 1961/62 season.

Development Schemes

Within the past two years foreign investors and local businessmen have begun several projects for establishing residential developments in the Out Islands. Dumas International Limited is planning a club-hotel, yacht, marina and shopping centre at Treasure Cay, Abaco Island, and Dr. Axel Wenner-Gren, Swedish financier, has invested \$10 million in roads, powerlines, water supplies and deep-water canals on Andros Island and is selling over 5,000 acres as residential lots. The most recent company on the scene is Palm Developers Limited which has purchased land for residential purposes on Eleuthera Island.

In addition to housing developments, several agricultural projects have been initiated in the past year or so, mainly by U.S.-owned companies formerly operating in Cuba. With the aid of fertilizer, good-quality tomatoes, cucumbers, pineapples and other fruits and vegetables can be grown on the larger islands—Andros, Abaco and Eleuthera—and produce from farms there is now being exported to the United States.

Freeport Established

In 1955, the U.S. financier Wallace Groves obtained 234 square miles of land on Grand Bahama Island from the Bahamas Government, plus a grant of 30 years' freedom from all taxation, personal and corporate, and a 99-year exemption from excise and customs duty on all goods except those for personal consumption. This area, known as Freeport, has mushroomed overnight and become an internationally known business and industrial centre. Among the first undertakings was a bunkering station for ships, supplying fuel free of duty. This station now refuels more ships than all the bunkering stations in Florida put together. Many U.S. firms have established offshore companies in Freeport to assemble, manufacture

and market their goods, using tax advantages to make their products more competitive in world markets. In December 1960 the Bahamas Government signed a new agreement guaranteeing the earlier concessions and extending to Freeport employees freedom from customs duty on materials to build and furnish homes there. In return, Freeport contracted to build a deluxe 200-room hotel by December 1963, to build and operate free public schools, and to provide medical service—free for indigent persons and according to ability to pay for others.

U.S. Rulings Hit Economy

President Kennedy's announcement last May of plans to tax overseas subsidiaries of U.S. firms and to levy estate duties on overseas property owned by U.S. citizens constitutes a serious threat to Freeport and other development projects in the Bahamas that have been built up as a result of tax concessions. There is little doubt that the attractiveness of offshore subsidiaries would be diminished if the bill were passed. It is still under study by Congress.

Another blow came when the United States Government recently cut the duty-free allowance of returning vacationers from \$500 to \$100 per person, effective September 9. Nassau merchants depend very heavily on their in-bond sales to tourists and this new ruling will

reduce their volume of business. The recession in North America has already resulted in lower retail sales during the first half of this year and the value of building permits issued to May 31—a fairly accurate indicator of business activity—was considerably below that of the first five months of 1960.

Canadian Exports Increase

Despite the drop in Bahamian imports in 1960, Canadian exports to the Bahamas increased by 10 per cent to \$3.8 million. Since the Bahamas imports nearly all its foodstuffs and consumer products, the field is wide open to Canadian exporters, although stiff competition can be expected from suppliers located in Florida who have the advantage of proximity to the market and can promise delivery in two to three days. U.S. salesmen have easy access to Nassau and local merchants prefer to place small orders frequently rather than to tie up capital in stock. However, the Bahamas is largely a price market. Except for luxury goods imported solely for the tourist and in-bond trade, local merchants buy where prices are lowest and Canadian prices should now be very competitive. In addition to the recent drop in the value of the Canadian dollar, Canada enjoys a 10 per cent preferential margin on most products imported into the Bahamas.

The most pressing need, however, is for Canadian businessmen to visit Nassau. Local merchants have become accustomed to personal selling and it is unlikely that they will take the trouble to work out landed prices from a Canadian catalogue when a U.S. salesman stands before them with a set of samples and an order form. If Canadian wholesalers and export agents can offer the same on-the-spot service and regular deliveries, the advantages they have in tariff and dollar exchange should offset higher freight rates. They could win a fair share of the trade and expand their sales as the Bahamas market itself expands. ●

IMPORTS INTO THE BAHAMAS

	1958	1959	1960
	(in £'000,000)		
Total	16.48	24.83	23.41
of which:			
Canada	1.01	1.21	1.33
United States	8.61	13.91	12.32
United Kingdom	3.60	5.88	5.14

EXPORTS FROM THE BAHAMAS

	1958	1959	1960
	(in £'000)		
Total	1,107.9	1,556.8	1,294.5
of which:			
Canada	37.2	26.4	33.4
United States	1,032.8	1,491.5	1,228.1
United Kingdom	11.9	7.7	6.4

Trinidad and Tobago

Foreign trade, domestic production still expanding but with less momentum. Some import restrictions remain, but open market offered for wide variety of foodstuffs, consumer goods. Canada's share of import trade dropped slightly in 1960.

R. F. RENWICK, *Commercial Counsellor, Port-of-Spain.*

TRINIDAD AND TOBAGO'S trade and commerce has continued to expand, although more slowly than during the past five years.

The petroleum industry did better in 1960, the sugar crop and sugar exports were up, and foreign trade gained over 1959. An April 1960 census revealed that Trinidadians and Tobagonians now number 827,957, have a per capita income of \$751*, and occupy an area of 1,980 square miles. Trinidad itself is an island approximately 37 miles wide and 50 miles long, and Tobago an attractive smaller island lying 20 miles north. Both are adjacent to the northeast coast of Venezuela.

The petroleum industry is all-important to the economy of Trinidad. In 1960, production of crude oil reached 42.4 million barrels, compared with 37.4 million in 1958. Last year for the first time imports of crude oil for refining (45.3 million barrels) exceeded domestic production. The result was that over 84.4 million barrels were refined in 1960, up from the 62.1 million processed in 1958. Labour productivity increased, because employment in the petroleum industry in 1960 was down to 17,916 staff, refinery, and field workers, compared with 18,613 in 1958.

Sugar, which ranks second only to oil among Trinidad's industries, currently gives employment to a slightly smaller number—about 17,400 compared with 19,700 four years ago. Sugar production in 1960 increased 20 per cent to 217,919 long tons from 181,130 in 1959.

*Values unless otherwise indicated are in West Indian dollars. W.I.\$1.00=Can.\$0.60.

Estimates for the 1961 crop are optimistic—245,700 tons. Trinidad comes next to Jamaica and British Guiana in sugar production and has benefited from shipments of 10,500 tons to the United States as its share of the U.S. sugar import allocations to The West Indies and British Guiana. Most of Trinidad's sugar goes to the United Kingdom; Canada is also an important customer.

Controls Largely Removed

Total Trinidad imports in 1960, at \$501 million, exceeded exports at \$492 million. Over 75 per cent of exports consist of petroleum and products, with sugar and products and other agricultural commodities running a poor second. The biggest export market is the United Kingdom (\$153.1 million), followed by the U.S. (\$96 million), the Netherlands (\$32.9 million), The West Indies (\$26 million), and Canada (\$25 million).

As reported in *Foreign Trade* last November, Trinidad has eliminated most import controls on Canadian goods. However, a considerable number of products—among them

all papers, paperboard and manufactures, furniture, most types of knitted garments and all articles made of plastics—are still subject to import licences and quotas. These import restrictions are being retained primarily to encourage the development of local industry.

The recent referendum in Jamaica, as a result of which the largest and most heavily populated island of the Federation has voted to withdraw from it, should have no appreciable effect on Trinidad's trade over the near and mid-term. The Government of Trinidad and Tobago imposes its own import controls, administers its own tariff and collects its own Customs revenues. Some local businessmen claim that without a full-scale Federation or even with a type of formal or informal Caribbean Economic Community, development and growth of Trinidad's foreign trade with the other islands in the British Caribbean will not attain its full potential. For the present, however, Canadian exporters will find that their goods will enter Trinidad, as well as the other islands in the Caribbean, in precisely the same manner and under the same conditions as in past years.

Total Imports Up

Trinidad carries on a substantial entrepôt trade with adjacent Caribbean islands. Decreasing sales to the so-called "South Quay Schooner" ships' masters first became apparent as far back as September/October 1960 and subsequently sales to

IMPORTS INTO TRINIDAD AND TOBAGO

	1957	1958	1959	1960
	(in W.I. \$ million)			
Total	\$355.84	\$411.98	\$448.11	\$500.95
Of which:				
United Kingdom	\$129.1	\$134.95	\$146.3	\$148.04
(percentage of total)	36.3	32.8	32.6	29.6
United States	\$ 50.4	\$ 57.3	\$ 58.5	\$ 69.0
	14.2	13.9	13.1	13.8
CANADA	\$ 24.9	\$ 25.2	\$ 27.8	\$ 27.7
	7.0	6.1	6.2	5.5
Netherlands	\$ 12.2	\$ 16.6	\$ 19.7	\$ 17.8
	3.4	4.0	4.4	3.6

Source: Central Statistical Office, Trinidad.



Shrimati Moti Singh and her daughter drive home after a hard day's work in Trinidad's sugar fields, taking with them a load of fodder for their little donkey and their cow. Sugar ranks second only to oil among Trinidad's industries.

some of the other distribution trades also dropped. Main shopping-area retailers were those principally affected, as it is these firms that sell better-class consumer goods rather than foods. Sales by clothing retailers have been noticeably affected over the past eight months, with some of them inclined to attribute the drop to the tightening up of foreign exchange regulations in nearby Venezuela. Venezuelan visitors and shoppers were not as numerous over the past half year as they were in early 1960. Electrical appliances did not move nearly as rapidly as in the last quarter of 1960, and some wholesalers reduced their stocks and purchases of confectionery and fancy goods.

Nevertheless, as the table on page ten shows, Trinidad's imports are increasing steadily. These import figures are substantial, but the Canadian exporter of manufactured goods or food products looking for a large overseas market should keep in mind that imports of crude oil distort the trade picture; these were valued at \$158.5 million, or 32 per cent of total imports for the January/December 1960 period of \$500.9 million. The United Kingdom is by far the most important supplier, followed by Venezuela, with shipments of \$111.5 million during 1960. Imports from Venezuela consist mainly of oil and therefore the Venezuelan figures are not given in the table of the most

important overseas exporters to Trinidad of materials, manufactured goods and food products.

British, U.S. and Dutch exports to Trinidad are expanding with the general increase in Trinidad's imports. Canada's sales to Trinidad, on the other hand, are continuing at about the same level and therefore our share of the import market has dropped from 7 per cent in 1957 to 5.5 per cent in 1960.

Other important sources of imports into Trinidad are West Germany, Japan and Hong Kong. West Germany's share of slightly over \$9 million has remained about constant over the past two years. Hong Kong's exports to Trinidad have increased by approximately \$1 million to \$5.1 million in 1960. In the same period, Japan doubled its sales from \$3.2 million in 1959 to \$6.5 million in 1960.

Canadian Trade with Trinidad

Canadian exporters, as demonstrated in the attached table, shared very slightly in Trinidad's increasing imports. Following a full year free of import controls, sales of Canadian automobiles to Trinidad rose from Can.\$312,000 in 1959 to \$846,000 in 1960, to take over second place in the list of exports. Other commodities—such as wheat flour, tobacco, salt fish and lumber—maintained their relative positions. Canadian newsprint entered Trinidad in a third greater volume because of the *Trinidad Guardian's* increase in circulation, size and advertising lineage.

Potato sales dropped substantially because of competition from the Netherlands and they disappeared completely from the list of the 15 most important Canadian exports to Trinidad. Other important products in the same category were leather footwear and synthetic fabrics, which were replaced in the list of export sales by electric refrigerators and paper bags. Sales of pickled beef, metal furniture (mainly dinette suites) and medicinal preparations were also significant. Wheat flour shipped to

WE EXPORTED TO TRINIDAD

	1957	1958	1959	1960
	(Can.\$'000)			
Total Exports	\$11,811	\$11,599	\$12,705	\$12,971
Of which:				
Wheat flour	2,653	2,657	3,061	2,662
Automobiles	610	217	312	846
Tobacco	822	789	1,012	741
Salted cod	771	684	558	632
Planks and boards	377	586	381	613
Newsprint	340	312	308	418
Cotton fabrics	298	263	349	411
Canned sardines	181	252	295	281
Apples	94	116	203	275
Aluminum, semifabricated	.....	00.6	67	232
Refrigerators	61	44	125	203
Canned salmon	140	173	188	202
Pickled pork	198	280	228	188
Barite	383	468	322	186
Paper bags	124	196	156	171

WE IMPORTED FROM TRINIDAD

	1957	1958	1959	1960
	(Can.\$'000)			
Total Imports	\$ 8,205	\$ 9,851	\$12,764	\$14,512
Of which:				
Crude petroleum	3,491	453	7,471	6,495
Sugar	2,873	2,297	2,188	3,963
Heavy fuel oils	.....	.....	386	1,522
Light fuel oils	.....	.....	1,120	1,216
Rum	388	455	488	471
Molasses	943	600	355	390
Cocoa beans	90	410	305	83
Citrus juices	13	37	15	75
Coffee	134	174	110	68

Source: DBS.

Trinidad from Canada is currently high-grade, prepackaged flour for the store trade, or strong grades of flour for specialty (hops bread) bakers.

Industrial Expansion

With the completion of Texaco Trinidad Inc.'s impressive multi-million dollar expansion of production at its Pointe-à-Pierre refinery, the program of the Trinidad and Tobago Electricity Commission to build a 100,000 kw. thermoelectric plant at Port-of-Spain is the island's most important industrial project. In addition to new distribution facilities and a generating station at Port-of-Spain, the plan involves the construction of a 41-mile pipeline to transport natural gas from the oilfields around San Fernando

to the plant. The total cost of the project is estimated at about \$65 million. In August the World Bank approved a loan of U.S.\$23.5 million to the Government of Trinidad and Tobago, guaranteed by the British Government, to help finance the development program over a period of twenty years, with repayment to begin in January 1966. Canadian banks and insurance companies were among the 12 private financial institutions which participated in the loan to the extent of U.S.\$14.8 million without the World Bank guarantee.

Trinidad's Industrial Development Corporation has earmarked dozens of industries for government assistance under its Pioneer Industries legislation. Between October 1956, when the IDC began opera-

tions, and the end of August 1961, the Corporation assisted 32 pioneer industries to become established in the territory; these industries will ultimately employ about 3,375 persons. Up to September 1961 the IDC had received 53 applications for pioneer status, of which 26 were approved. Estimated capital investment for these 26 enterprises will range well over \$100 million. In 1960, 21 applications for the grant of pioneer status were approved.

In the past year, construction began on a milk condensery which will shortly be in production. International Foods Limited, a Port-of-Spain firm, opened a new 2,400-ton capacity cold-storage warehouse. It is expected that two new paint plants will soon be operating and a third, which suffered a disastrous fire, will be in business again. A company based in British Guiana is building a new lithographing plant. Also under construction is a pioneer plant for the manufacture of tin cans, an overseas investment by the Metal Box Company of England, one of the world's largest manufacturers of metal containers. Among the food-processing plants under consideration are a tuna-fish packing plant and a flour mill.

Canadian Investment

Among the Canadian corporations that have identified themselves with Trinidad's future prosperity is the Intercontinental Grain Co. Ltd. of Toronto, which brought its pea splitting, polishing and packaging mill into production early in 1960, incorporating as the Caribbean Milling Company. In March it was announced that Thomson Newspapers of Canada had bought out the Trinidad Publishing Co. Ltd. which publishes the morning *Trinidad Guardian* (circulation 47,000), the most important daily newspaper in the Eastern Caribbean, as well as the local *Evening News*. Thomson Newspapers at the same time acquired the *Guardian's* commercial printing business and Radio Guardian, one of Trinidad's two broadcasting stations. At midsummer,

Combined Enterprises Limited of Toronto purchased the outstanding shares of the Trinidad Co-operative Lime Juice and Products Co. Ltd., which they will operate in conjunction with Stuart Bros. (West Indies) Limited, a well established plant manufacturing essences and fruit-flavouring extracts.

The West Indies Federal Development Loan Guarantee Fund has recommended a lengthy list of industries as providing a chance for profitable investment. Among

these are: assembling watches, radios, and bicycles; cornmeal industry; bakeries; dairy products; sawmills; furniture; pharmaceuticals; plastics, and other small industries such as boat-building. In addition to assistance under Trinidad's Pioneer Industries legislation, the Loan Fund is in a position to offer modest medium/long-term credit facilities to local firms at very reasonable cost.

During the past year Homes International of Puerto Rico made

a good start on alleviating Trinidad's critical housing shortage when it began building residences at the Diamond Road housing project in Diego Martin Valley, a Port-of-Spain suburb. Its long-range plans envisage the construction of a community with 2,000 medium-priced dwellings. The Government of Trinidad and Tobago is continuing its efforts to attract overseas investment in the construction of the many low-cost dwellings still needed for the expanding population. ●

Barbados

Opening of deep-water harbour should benefit island's economy; some small industry is moving in. Canadian sales down last year as competition stiffened, especially in agricultural products.

R. L. RICHARDSON, *Assistant Commercial Secretary, Port-of-Spain.*

TRADE in Barbados moved ahead in 1960, with an improved sugar crop and an increase in revenue from tourists. An island of 166 square miles, Barbados supports a population of 240,000 (1,450 per square mile), mainly on earnings from sugar and the tourist trade.

The completion of a deep-water harbour this year at the capital, Bridgetown, is the most important economic development in the island for some time. The harbour is 32 feet deep and provides berths for six ships at a time which can bunker while loading or unloading. Bulk loading of sugar at the rate of 500 tons per hour instead of by bag at 100 tons will give a major boost to the sugar industry, which accounts for over 40 per cent of the national income. Several shipping lines announced shortly after the opening of the harbour that they would use Bridgetown as a

transshipping point. Freighters can now dock alongside. This eliminates lighterage charges and is an added convenience to the many tourists who visit the island.

The sugar crop of 1959/60 totalled 154,000 tons and estimates for the 1960/61 crop are slightly higher, at 159,000 tons. Both these yields are considerably below the five-year average of 170,000 tons. The soil and climate of Barbados are ideally suited to sugar and every available acre of land is used for this one crop. In the Scotland district in the northeastern section of the island, land previously of no value because of the salt water erosion has been reclaimed and most of it planted in sugar cane.

Development Studied

The tourist trade earned a record W.I.\$8.75 million in 1960 from 40,785 visitors. These figures compare favourably with a revenue in 1959 of W.I.\$7.49 million from 31,992 tourists. In the 1961 season

there were fewer visitors but hotel construction continues. Investors, including Canadians, have built and are planning to build more and better hotels to serve the tourist trade. Accommodation at the end of 1960 included 57 hotels and guesthouses, capable of catering to 2,000 tourists.

The Barbados Government realizes that the economy is vulnerable because the sugar crop depends on the weather and the tourist trade on economic conditions in overseas countries. The Barbados Government this year completed an economic study that provides the basis for a five-year development program aimed at diversifying production and building up a more self-sustaining economy. Secondary industry must be geared to a small market but, spurred on by government incentives, a number of industries are being established. In 1961 a brewery, brick factory and a shirt factory have gone into production. A cold storage plant and abattoir is to be built in 1962 to assist the local flying-fish industry.

Trade Reaches Record

Barbados, often called "Little England", is conservative by nature and the United Kingdom still

Note: All currency in W.I. dollars unless otherwise stated. Rate—W.I.\$1.00=Can.\$0.60.

dominates its trade. Imports reached a new high in 1960 at \$83.3 million, up from \$74.8 million in 1959. The United Kingdom still supplies close to 40 per cent of all imports. Canada relinquished its position as the second largest supplier to the United States and at the same time lost ground to competitors from the Netherlands and West Germany. The table on the right shows the major suppliers and the changes in 1960 over 1959.

Canadian Trade

In 1959 Canada's imports from Barbados reached Can.\$4.7 million, exceeding our exports to that market (Can.\$4.1 million). In 1960, our sales fell to \$3.8 million and our purchases to Can.\$2.8 million. Our imports from Barbados are almost entirely (98 per cent) made up of three products—sugar, rum and molasses—and the poor sugar crop was mainly responsible for the drop in imports.

Canadian exporters of automobiles, newsprint, mixed feeds, paper bags, paints and footwear enjoyed increased sales. Automobiles showed

a particularly significant increase, reflecting the removal of import controls. Exports of salt cod and canned sardines, both staple foods, increased. Lumber, our largest export, was down slightly because of smaller sales of white pine; sales of spruce increased and those of Douglas fir from the West Coast held steady.

VALUE OF IMPORTS INTO BARBADOS

	1959	1960
	(millions of W.I.\$)	
Total Imports	\$74.8	\$83.3
of which:		
United Kingdom	29.9	32.7
	40 %	39.3%
United States	8.7	10.9
	11.6%	13.1%
Canada	8.8	8.6
	11.8%	10.3%
Netherlands	3.5	4.6
	4.7%	5.5%
West Germany	1.7	2.3
	2.2%	2.8%
West Indies	7.4	8.5
	9.9%	10.2%

Forty per cent of our sales to Barbados consist of agricultural products and it was in this sector

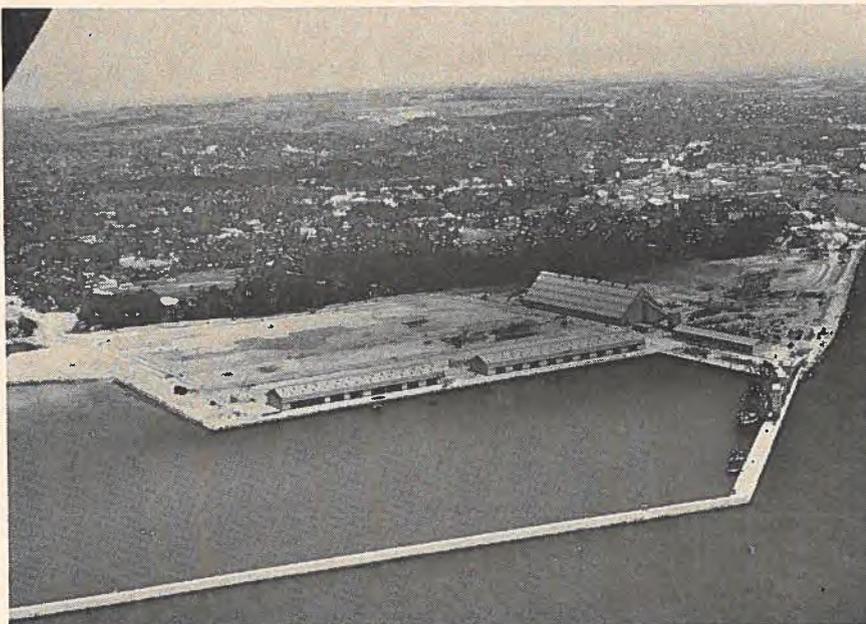
that our sales declined most (over Can.\$400,000) in 1960. The loss in flour sales was the most serious; competition from the United States, Puerto Rico and France increased. Packaged flour is supplied from Canada and sales are increasing slowly. The Barbadian, unlike the Trinidadian, does not shift to new products quickly and many still buy flour in brown paper bags filled by the shopkeeper. Canadian sales of other food staples, such as pickled pork, cornmeal, potatoes and onions, also declined. The accompanying table compares our 1959 and 1960 exports to Barbados.

CANADIAN EXPORTS

	1959	1960
	(Canadian dollars)	
Total	4,102,920	3,774,623
of which:		
Lumber	508,257	478,569
Pickled pork	499,583	458,994
Flour	501,943	320,202
Salted cod	275,627	293,072
Mixed feeds	174,700	188,826
Cornmeal	164,202	135,282
Sardines	108,985	127,077
Tobacco	126,144	123,622
Automobiles	17,622	72,610
Tallow	132,310	70,934
Paints	53,610	65,715
Newsprint	36,334	62,559
Cotton fabrics	71,164	60,000
Footwear, leather	52,486	57,746
Synthetic fabrics	50,319	41,626
Paper bags	30,847	36,870
Potatoes	96,043	19,738
Onions	21,282	12,963

Source—DBS.

Bridgetown's new deep-water harbour, officially opened in May by Sir Grantley Adams, took over three years to build. Six ships can be berthed at once and cargo can now be unloaded or loaded directly, without the need for using lighters.



In the first five months of this year, our sales have risen—to \$1.73 million from \$1.45 million in 1960.

The fact that exports from Canada to Barbados in 1960 consisted of over 300 different types of products means that Canadian exporters must compete in a market where sales of many items are limited in value. However, once an exporter is established in the larger markets of Trinidad and British Guiana, there is little additional cost involved in establishing an agent in Barbados—an integral part of the Eastern Caribbean market. ●

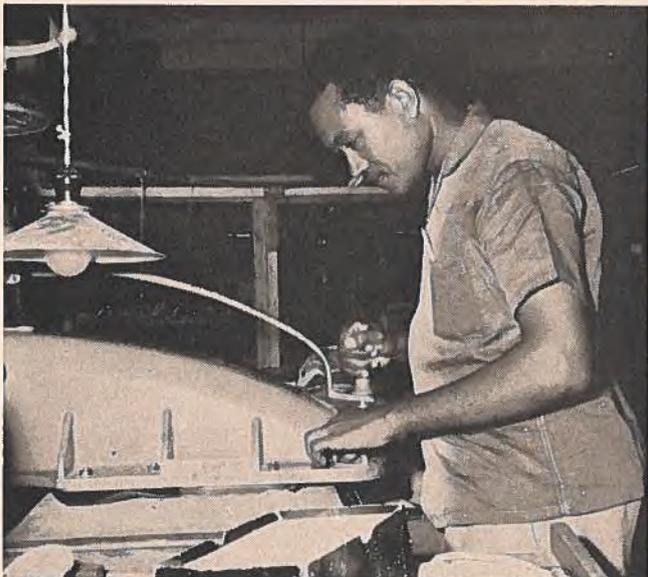
Canada in West Indian Markets

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 Trinidad—Another bag of Canadian flour on its way to a Trinidadian kitchen. The price tag is startling until you realize that one West Indian dollar equals only 60 cents Canadian.

In Jamaica—Mr. Robinson, a worker in a Jamaican shoe factory, uses Canadian leather and a Canadian-made clicking machine to cut out the uppers for a pair of men's shoes.



In Jamaica—Stowed in the hold of a freighter for Jamaica, this recent shipment of table salt is the Canadian producer's first to the island; marks also the opening of a new market.

In Barbados—Apples are as popular a refreshment here as soft drinks are in Canada, and street vendors like this young woman sell many Canadian apples during the season.



Windward Islands

New light industries, diversified agriculture and larger tourist earnings are improving the standard of living and increasing demand for consumer imports, such as electrical appliances and cars.

JOHN A. AHOW, *Commercial Assistant, Port-of-Spain.*

THE Windward Islands—Grenada, St. Lucia, St. Vincent and Dominica—have a population of 314,000 (last April's census figure), 62,000 or 24.8 per cent more than the previous 1946 census figure of 252,000. Their economy depends on tropical agriculture and an expanding tourist industry but they are not yet self-supporting. To balance their budget, the British Government gives financial assistance in the form of grants-in-aid. They also receive Colonial Development and Welfare grants and financial and technical aid from Canada and the United States for several development projects.

Grants-in-aid totalled W.I.\$5.3 million in 1960 and will reach W.I.\$6.1 million in 1961. Table I shows the amounts each territory received from 1959 to 1961, and gives estimates of government expenditure for 1959 and 1960.

Trade with Canada

Canada's imports from the Windward and Leeward Islands in 1960 showed a decrease of almost Can.\$1 million from a total of \$2 million in the previous year; our exports to the area increased to Can.\$4.7 million from \$4.4 million in 1959. The principal exports from Canada are shown in Table II.

Imports into the Windward Islands are rising steadily. Table III shows the totals and the three principal suppliers for each of the territories from 1958 to 1960.

In July 1960, because of hurricane damage to the banana industry of St. Lucia, the minimum weight for a stem of bananas acceptable for export was reduced from 18 to 16 pounds for July to December. A

greater volume of smaller banana stems was therefore shipped from Dominica, Grenada and St. Vincent.

In general, retail trade has been slow but commitments are reported to be well met and demand for building materials continues high. A few light industries are being set up and with the continuing hotel construction and government-initiated development projects, the economy is steadily expanding and the standard of living rising. Prospects for increasing Canadian exports of electrical appliances, refrigerators, automobiles and other capital goods appear good.

Dominica

In 1960, exports from Dominica totalled W.I.\$7.3 million, or about 10 per cent more than the \$6.6 million of 1959. Imports increased by 12 per cent—from W.I.\$9.9 million in 1959 to \$10.1 million—leaving a trade deficit for 1960 of W.I.\$2.8 million.

Exports of bananas, the chief crop, reached some 28,000 tons in 1960 and, together with copra, the price of which increased by W.I.\$20 a ton to \$340 a ton, accounted mainly for the increase in exports.

Barbados buys the entire copra crop and bananas go chiefly to the United Kingdom. Small shipments of cocoa beans, vanilla, lime juice and essential oils went to Canada and the demand for tamarinds in molasses, chiefly from the United States, could not be met. Grapefruit exports to the U.K. continued.

Air arrivals in 1960 numbered 2,265, as compared with 1,098 the previous year. A permanent landing strip is under construction; it and the hotel built recently at Mino Beach by a Canadian company will give a boost to the tourist industry.

Grenada

Production of nutmeg, the principal crop, is rapidly increasing but has not yet got back to pre-1955 totals—the year Hurricane Janet severely damaged the plantations. Prices for nutmeg and mace dropped during 1960 and despite a larger volume of exports, the value was down. Cocoa production is increasing and from January to September 1960 the island exported 32,470 cwt. compared with 38,016 for the whole of 1959. Banana exports totalled 27.3 million pounds valued at W.I.\$1.5 million, compared with 31.0 million valued at W.I.\$1.8 million in 1959. Copra, previously exported, is now being processed into edible oil in a newly established factory, which also makes laundry soap.

Government as well as private enterprise has been injecting large sums of money into the economy. Water wells are being drilled in the southern end of the island for the

TABLE I
WINDWARD ISLANDS
GRANTS-IN-AID AND ESTIMATED EXPENDITURES

Territory	Grants-in-Aid			Estimated Expenditures	
	1959	1960	1961 (W.I.\$'000)	1959	1960
Dominica	1,280	1,357	1,673	5,465	5,634
Grenada	1,280	1,568	1,700	7,097	7,328
St. Lucia	999	1,175	1,450	6,042	5,661
St. Vincent	1,364	1,237	1,285	5,591	4,831
Total	4,923	5,337	6,108	24,195	23,454

Source: Territorial Estimates, and Barclays Bank *Overseas Review*.

tourist resorts and hotels planned there, as well as for industrial development. The Annendale Falls scheme, which will augment the water supply to St. George's, the capital, is progressing. A government debenture loan of W.I.\$1.5 million for the improvement of water supplies and telephone services was over-subscribed by W.I.\$500,000. A new power station is being erected which will supply electricity to the entire island. Two generating plants with a total capacity of 96.5 kilowatts, sufficient to meet the needs of the adjacent dependent island of Carriacou, have recently been installed.

There were 7,326 stay-over visitors to the island in 1959 who spent an estimated W.I.\$1.6 million; hotels during the 1961 season were reported full.

St. Lucia

The economy of St. Lucia showed a general improvement in 1960. There was little unemployment and most estates suffered from labour shortages because of the mass emigration to Britain and drifts to neighbouring islands during their crop seasons. Following talks on the revision of the bases agreement with the United States, St. Lucia will receive U.S.\$350,000 in grants and

these will go toward the improvement of electrical services and roads and a new secondary school.

The Government is developing land for a new residential area. Building sites are becoming difficult to obtain and land values are rising steeply.

The Vigie Airport runway has been extended and *Viscounts* and *DC6's* now put down there safely. This has led to increased interest in hotel development and a new hotel is being constructed at beautiful Reduit Beach. There were 5,200 visitors to the island last year, including 2,858 cruise passengers.

Hurricane Abby in July last year damaged 70 per cent of the chief crop, bananas, but some W.I.\$500,000 has been paid out to planters in crop insurance. The industry has now fully recovered and 1961 promises to be a good year. Copra production reached a record 3,759 tons valued at W.I.\$1.2 million last year and this year's crop is expected to be larger. The increase in price of copra (to W.I.\$340 a ton) and the establishment of an edible oil processing plant have both led to greater production.

Sugar fell to a low 5,448 tons in 1960, compared with 9,314 tons in 1957. The industry is losing to

other crops its former importance in the economy. Land in the Cul-de-sac Valley previously under cane is now under bananas.

St. Vincent

No marked improvement took place during 1960 in St. Vincent's economy, dependent as it is on agriculture—it was a poor year for crops. But the Government is speeding development plans and this, plus the assistance being given by Canada, makes the future look brighter. Imports in 1960 totalled W.I.\$12.9 million, an increase of more than 20 per cent over 1959's \$10.5 million; exports declined 10 per cent to W.I.\$6 million from \$6.6 million. The volume of imports in 1960 also increased to 46,000 tons from 42,000 in 1959. Exports dropped to 33,000 tons from 35,000.

Production of arrowroot, which has given way to bananas as the chief crop, fell to 32,835 barrels (200 pounds each) from 34,548 in 1959 and 37,446 in 1958. Unfavourable weather affected starch yield and in recent years the acreage planted has steadily declined. The 1961 crop is estimated to be larger, however.

Banana exports also dropped—to W.I.\$2.8 million from \$3.3 million in 1959—but with increasing stem weight (attributed to better cultivation and leaf-spot control) production is expected to rise considerably. Some large growers have installed irrigation systems and a brighter future for the industry seems assured.

Copra output is climbing steadily; 6.5 million pounds were harvested in 1960 as against 5 million in 1958. Almost all of it is exported to Barbados for making edible oil, laundry soap and margarine.

The sea island cotton industry has declined considerably and only 215 bales of 400 pounds each were produced in 1960 as against 585 in 1959 and 460 in 1958. The 1961 crop is estimated at a low 105 bales; the acreage planted declined from 2,100 in 1959 to 250 this year.

TABLE II

PRINCIPAL CANADIAN EXPORTS TO THE WINDWARD AND LEEWARD ISLANDS

	1958	1959	1960
	(Can.\$'000)		
Total	4,274	4,437	4,729
Of which:			
Flour of wheat	1,696	1,738	1,728
Codfish, salted	500	497	569
Lumber	319	392	331
Milk powder, whole and skimmed	28	58	183
Sardines, canned	118	147	147
Mixed feeds	120	163	130
Cotton fabrics, n.o.p.	92	39	119
Pollock, dried salted	127	150	113
Pork, pickled	116	67	85
Haddock and cusk, dried salted	47	50	80
Passenger automobiles	12	18	49
Macaroni and spaghetti, n.o.p.	25	43	41

TABLE III

WINDWARD ISLANDS IMPORTS

	1958	1959	1960
	(W.I.\$'000)		
Dominica	8,800	9,900	10,000
Canada	1,300	1,200	1,200
Britain	3,300	3,500	3,600
United States	900	1,000	1,200
Grenada	10,900	12,700	*
Canada	1,200	400	
Britain	4,200	4,500	
United States	1,600	1,400	
St. Lucia	9,000	10,100	5,300†
Canada	1,400	1,500	800
Britain	3,400	3,900	2,100
United States	900	900	500
St. Vincent	10,700	10,500	13,000
Canada	1,300	1,300	1,500
Britain	3,900	4,100	4,900
United States	1,100	1,000	1,500

*Data not available.

†Imports for Jan./June, only.

Sugar suffered from dry weather and a switch-over of land to bananas, decreasing to 3,619 tons from 4,122 tons in 1959. This year's cane harvest is estimated to be even less but new equipment recently installed is expected to improve extracting processes and slightly increase sugar tonnage.

Plans for construction of a deep-water harbour in Kingstown are being prepared, following completion of surveys. The Canadian Gov-

ernment has given \$1 million and technical aid toward this project. At Richmond a hydroelectric scheme is under construction and should be completed soon. The Arnos Vale airport runway has been extended and a new \$122,400 terminal building is being built.

Twenty per cent more visitors came to the island in 1960 than in 1959 and the extended runway made possible 2,100 more arrivals by air.

The economy of the Windward Islands is steadily improving, and construction and development projects have increased over the past year. Increases in wages for industrial and agricultural workers and civil servants in some of the islands should mean a better market for imported goods. Assisted by a regular shipping service from Eastern Canadian ports, Canadian suppliers might well expand their sales to these areas. ●

Leeward Islands

Bad weather has hit some crops but others are being planted experimentally; new earnings from agriculture and the tourist trade make this small, growing market of special interest to Canadian exporters of cars, building supplies, and other products.

JOHN A. AHOW, *Commercial Assistant, Port-of-Spain.*

THE population of the Leeward Islands—Antigua, Montserrat and St. Kitts-Nevis-Anguilla—has reached 122,994 according to the 1960 census, an increase of 20.2 per cent over 102,333 in 1946. Over the 14 years, the average annual rate of increase was 1.3 per cent.

The economy of these islands depends mainly on agriculture (sugar and sea island cotton) and is assisted by grants-in-aid from the United Kingdom. Antigua received W.I.\$1.54 million in 1960 and \$1.4 million in 1961 in grants-in-aid, and Montserrat received W.I.\$914,000 and W.I.\$1.06 million.

Imports into the Leeward Islands are going up. The accompanying table shows total imports and the three principal suppliers for each of the territories from 1957 to 1959.

Recently imports from South Africa were banned and this may be expected to result in increased demand for canned foodstuffs, peanut butter and canned fruits from other sources, including Canada.

Trade has been slow but there is a continuing market for building materials and hardware and commitments are reported to be met punctually.

Antigua

Antigua again had poor sugar and cotton crops because of unfavourable weather. Less cotton was produced in 1960 than in 1959 and the 1961 crop of 190,800 pounds clean lint is the lowest since 1947. The 1961 sugar crop is expected to increase slightly.

The tourist industry continues to expand. Several new hotels were established last year and six more will probably be completed this year. The number of visitors increased over 1959 and some of the hotels reported much more trade this season than they expected. The Government has built a new airport terminal building and the airport runway is to be extended this year. A deep-water harbour at St. John's, to cost an estimated W.I.\$4 million,

and expanded electricity and telephone services are also planned. The revised bases agreement with the United States will bring in U.S. \$150,000 for the harbour and \$218,000 for the runway from the U.S. Operations Mission.

In the private investment sector, one of the major developments expected in the near future is the establishment of a brewery.

St. Kitts-Nevis-Anguilla

The sugar crop in 1960 reached 50,179 tons, or about 4,000 tons more than in 1959. The expected record 1961 crop was seriously hit by a number of cane fires and sugar

LEEWARD ISLANDS IMPORTS

	1957	1958	1959
	(W.I.\$'000)		
Antigua	11,400	13,400	14,000
Canada	1,900	1,500	1,700
Britain	4,100	5,800	5,900
United States	1,500	700	1,900
Montserrat	1,300	1,500	1,900
Canada	300	200	300
Britain	400	600	700
United States	100	100	100
St. Kitts-Nevis-Anguilla	10,300	11,400	12,100
Canada	*	1,800	1,700
Britain		4,200	4,400
United States		1,400	1,500

*Data not available.

output is now expected to fall short of 1960's total. Last year's cotton crop produced 234,500 pounds of clean lint and 20,600 pounds of stained lint but the 1961 crop is expected to be only about 50 per cent as large.

In an effort to diversify agriculture, officials have planted some 150 acres of castor beans as an experiment. If the results are good, peasant farmers would benefit greatly; markets for this product are reported to be available in Britain and the United States. Trial plantings of tomatoes have been made and a tomato-processing plant is under consideration.

In the industrial sector, a new brewery is expected to be in production shortly. Edible oil from copra is being produced for local consumption in a plant recently set up in Nevis. This plant can absorb the territory's entire copra production,

which in previous years was exported to Barbados for processing. Planting of coconut trees is being accelerated.

To encourage the tourist industry, the St. Kitts airport runway has been extended to handle larger aircraft. Construction of a large modern hotel at Fort Thomas, a commanding site on the outskirts of Basseterre, the capital, is planned, and a small hotel has been built at beautiful Cockle Shell Bay.

Construction of a modern hotel in St. Kitts and completion of the main road around the island of Nevis are included in government estimates.

Montserrat

In 1960, Montserrat exported \$200,000 worth of cotton lint, its chief crop, but this was less than 50 per cent of the previous year's figure. Exports of bananas, a new

crop, are steadily increasing while exports of cottonseed cake and meal, tomatoes, tamarinds and cattle have remained steady. The tomato-processing plant established by a Canadian-owned company is in operation.

Imports of motor cars, which reached only W.I.\$27,000 in 1958, jumped to W.I.\$124,000 in 1960. Flour from Canada, valued at \$109,000, took second place.

Market Growing

With a slowly expanding economy, continued new construction (both private and government), and establishment of light industries, the Leeward Islands offer a small but growing market to Canadian exporters of compact cars, lumber and hardware, hotel furniture and furnishings, boots and shoes, canned foodstuffs and fruits, and electrical household appliances. ●

SHIPPING SERVICES FROM CANADA TO THE WEST INDIES

FROM

	Pacific Coast	Great Lakes	St. Lawrence and Atlantic
TO: Bahamas			Saguenay Shipping Ltd. (Saguenay Shipping Ltd., Montreal)
Barbados		Saguenay Shipping Ltd.	Royal Netherlands Line (Montreal Shipping Co. Ltd., Montreal)
Jamaica	"K" Line (Johnson Walton Steamships Ltd., Vancouver)		Canada Jamaica Line (Kerr Steamships Ltd., Montreal)
Leeward and Windward Islands			Saguenay Shipping Ltd. Saguenay Shipping Ltd.
Trinidad	Mitsui Line (Pacific Export Lines Ltd., Vancouver)	Michigan Ocean Line (Robert Reford Co. Ltd., Montreal)	Michigan Ocean Line Royal Netherlands Line Saguenay Shipping Ltd.
	Moore-McCormack Lines (Balfour, Guthrie (Canada) Ltd., Vancouver)		

Canada's Trade with the West Indies

From 1952 to 1960, imports into the West Indies almost doubled. Canada is sharing in this expanding trade; is introducing new products side by side with the traditional best sellers.

M. V. McCORMICK, *International Trade Relations Branch.*

CANADA and the West Indies have many bonds of mutual interest and points of contact which have been developed through their association in the Commonwealth and the Western Hemisphere and through their long-standing trading relations. Trade between the two areas has been carried on for more than two centuries and over this period it has increased greatly in both size and variety. Many factors have favoured the building up of this trade. The economies of the two areas are complementary. Their climates and natural resources are very different but geographically the areas are quite close. The two countries give tariff preferences to each other and these are important in facilitating a mutually profitable trade. There is a substantial amount of Canadian investment in the West Indies and a number of Canadian firms, as well as banks and insurance companies, operate there. The interchange of trade missions and official visits has strengthened the connections. Canada has also sponsored two very successful trade fairs in the area. Contacts between Canada and the West Indies are being further promoted today by the increasing flow of Canadian visitors to the islands and of West Indian students to Canada.

Another factor that has enhanced the relations between the two countries was the institution by Canada in 1958 of a program of economic assistance to the West Indies that involves an expenditure of \$10 million over a five-year period. From this grant two ships have been built for an inter-island shipping service that should increase trade between Canada and the British Caribbean. The first of these two ships, the *M.S. Federal Maple*, arrived in Port-of-Spain, Trinidad, on August

16 and has since been joined by her sister ship, the *M.S. Federal Palm*. Canada has, as well, supplied technical advisers to the Federation and provides training facilities in Canada for nominees of the West Indies. In addition Canada has carried out survey projects on behalf of various West Indian areas.

Market Expanding Rapidly

Canada and the West Indies have much to offer and much to exchange and the commodities they produce provide fine opportunities for mutual trade. In early times, West Indian trade with Canada was confined within narrow limits and was carried on chiefly with the Maritime Provinces. It consisted mainly of the exchange of sugar and its by-products, molasses and rum, for the fish, forest and agricultural products of Canada. Although these products remain the mainstay of the two-way exchange, the trade has become more diverse in recent years.

The two areas now exchange annually close to \$100 million worth of goods. As shown in the accompanying tables, Canadian exports to the West Indies were valued at \$40 million in 1959 and \$39.5 million in 1960. For the first five months of 1961 they totalled \$16.7 million, compared with \$16.5 million for the similar period in 1960. The principal Canadian exports to the West Indies are wheat flour; salted, pickled and canned fish; meats; tobacco; lumber and newsprint. The West Indies, however, is a rapidly growing market for a wide variety of other goods of interest to Canada, especially manufactures. In fact, it is Canada's fourth largest market for manufactured goods. Canadian exports of motor vehicles and parts to the West Indies were valued at \$589,000 in 1958, \$993,000 in

1959, and \$2,132,000 in 1960. Other Canadian exports on the upswing are cotton fabrics (which increased from \$626,000 in 1959 to \$858,000 in 1960), medicinal preparations (from \$321,000 in 1959 to \$420,000 in 1960), and boots and shoes (from \$325,000 to \$383,000). The West Indian market is expanding at a rapid pace. Total imports into the West Indies from all sources increased over 90 per cent from 1952 to 1960 so that there are more and more opportunities for larger sales of Canadian products.

Buying from West Indies

Canadian imports from the West Indies have also increased considerably in recent years. In 1960 these imports were valued at \$56.1 million, compared with \$50.8 million in 1959 and \$43 million in 1958. For the first five months of 1961 they rose to \$22.6 million from \$19.6 million for the same period of 1960. In 1960, the West Indies was Canada's fourth largest market in the Commonwealth and our second largest source of supply in the Commonwealth.

In recent years, Canadian imports of bauxite and alumina have exceeded those of raw sugar, the product of traditional importance. Although raw sugar is high on the list of West Indian exports into Canada—sales were valued at \$15.8 million in 1959 and \$14.1 million in 1960—imports of bauxite and alumina increased from \$19.0 million in 1959 to \$26.5 million in 1960. Crude petroleum and fuel oils are other West Indian products that are being imported into Canada in increasing quantities.

Trading Relations

Trading relations between Canada and the West Indies are still ruled by the Canada-West Indies Trade Agreement of 1926, which replaced the earlier ones of 1912 and 1920. The Treaty provides that for specified products, including flour, dairy products, meat, fish, apples, potatoes, alcoholic beverages,

CANADIAN EXPORTS TO THE WEST INDIES

	1959	1960	(5 mos.) 1961
	(Can.\$'000)		
Trinidad	12,705	12,971	5,356
Barbados	4,127	3,775	1,733
Jamaica	18,791	18,056	7,659
Leeward and Windward Islands	4,452	4,729	1,944
Total	40,075	39,531	16,693
Flour of wheat	8,209	7,320	
Salt and pickled fish	4,933	4,868	
Canned fish	1,931	2,053	
Meats	2,115	2,463	
Tobacco	1,976	1,538	
Lumber	1,510	1,443	
Cotton fabrics	626	858	
Newsprint	979	1,119	
Mixed feed	434	380	
Medicinal preparations	321	420	
Paints, enamels, varnishes	523	321	
Manufactures of iron, n.o.p.	246	136	
Motor vehicles and parts	993	2,132	
Cornmeal	286	211	
Upper leather	272	249	
Boots and shoes	325	383	
Wrapping paper	175	90	
Paper bags	204	223	
Machinery and parts, n.o.p.	258	275	
Potatoes	566	340	

ages, confectionery, cement, and boots and shoes, specified margins of preference are granted to imports from Canada. For other products, the duties on Canadian goods may not exceed certain percentages of the most-favoured-nation rates, and these percentages vary in the different islands. By the terms of the Agreement, most products that the West Indies ship to Canada (other than sugar, tobacco and spirits) are granted duty-free entry, and bound margins of preference are granted on virtually all dutiable imports, including sugar.

Canada has in much of the post-war period been unable to take full advantage of the benefits of the Agreement because of import restrictions imposed by the West In-

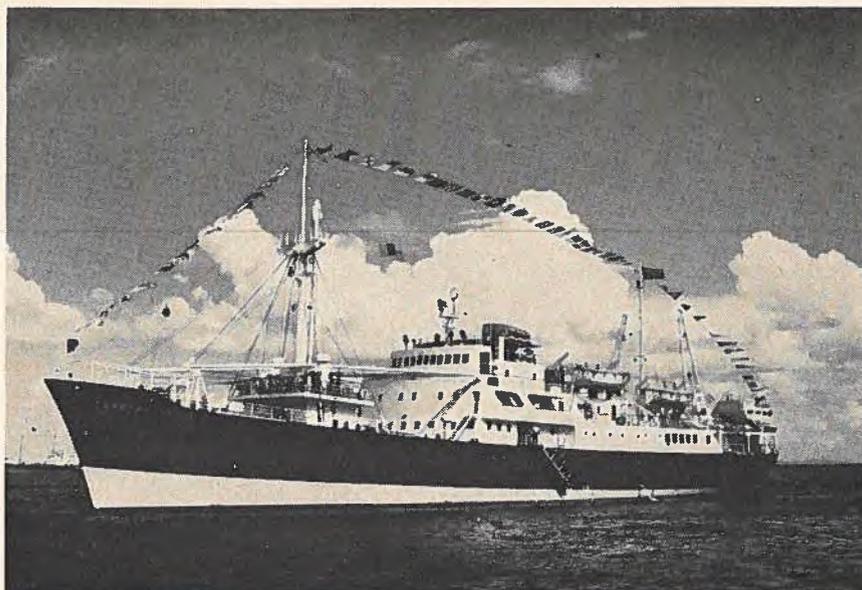
CANADIAN IMPORTS FROM THE WEST INDIES

	1959	1960	(5 mos.) 1961
	(Can.\$'000)		
Trinidad and Tobago	12,764	14,512	4,269
Barbados	4,770	2,854	1,643
Jamaica	31,274	37,688	16,530
Leeward and Windward Islands	1,992	1,059	194
Total	50,800	56,113	22,636
Bauxite alumina	19,072	26,500	
Raw sugar	15,792	15,101	
Crude petroleum	7,471	6,495	
Molasses	2,305	1,636	
Rum	1,252	1,108	
Fuel oils	1,506	2,739	
Cocoa butter	828	646	
Cocoa beans	698	500	
Pepper, mace and nutmeg	319	481	
Coffee, green	211	180	
Arrowroot	41	51	
Spices and ginger, unground	88	117	

dies on dollar goods. Now only a few products of interest to Canada remain under control in some of the territories and the market is largely wide open to Canadian exports.

During the past two years, the ten territories forming the West Indies Federation have been working out a scheme for the establishment of a customs union that would involve the replacement of their existing tariffs with a common external tariff. It was recognized that this would necessitate the negotiation of a new trade agreement between Canada and the Federation, and towards this goal, preliminary trade discussions were held between officials of the Canadian and West Indian Governments last August. However, in a referendum held on September 19 last Jamaica voted to secede from the Federation and to seek independence on its own some time in 1962. The other nine territories have not yet indicated whether or not they will continue as a Federation without Jamaica. These developments have brought into question the plans for the formation of a customs union. ●

Bedecked with flags, the M.S. Federal Maple, first of Canada's two gift ships, moves into harbour at Port-of-Spain, Trinidad, her new home, where there's a warm welcome awaiting her.



Canadian Ships for the West Indies

Federal Maple and *Federal Palm*, built in Canada and presented to the Federation, have been enthusiastically welcomed in the West Indies; are supplying regular inter-island freight and passenger service and thus filling a long-felt need.

ROBERT F. RENWICK, *Commercial Counsellor, Port-of-Spain.*

ON August 16, 1961, the M.S. *Federal Maple*, the first of two ships given by Canada to The West Indies, was warped into Port-of-Spain's No. 1 dock, to be acclaimed by thousands as an excellent hub for the new West Indies shipping service. On arrival, the vessel, with its saxon-blue hull and white decks, was gaily dressed from stem to stern with a line of flags to mark the long-heralded event. She sailed from the St. Lawrence under the command of Captain Angus H. Murray, a veteran Scottish mariner, who on arrival described her performance as "splendid" and "very smooth". After berthing, Captain Angus played host to a group of Federal Ministers and other im-

portant visitors. Uppermost in the minds of the West Indians was the fact that Canada had given them the means of furthering their ambition of closer trade links among the various islands of the Federation and an intermingling of her peoples.

To mark the occasion, His Excellency the Acting Governor General of The West Indies, Mr. John S. Mordecai, who over the years has formed close official and personal connections with Canadians, sent the following message to the Governor General of Canada: "*Federal Maple* has arrived safely at Port-of-Spain. We warmly hail this important event in the long history of Canada-West Indies friendship and co-operation. I send to you and your

Government on behalf of the Federal Government and the people of The West Indies our warmest thanks for this magnificent gift which will serve to strengthen the links between the islands, all of which treasure the association between our two countries."

Built in Montreal

The 300-foot ship was christened on May 4 by Mrs. W. Andrew Rose, wife of The West Indies' Minister of Communications and Works, when it was launched at the builders' yards. Constructed by Canadian Vickers Limited, Montreal, it was designed by Gilmore, German & Milne, naval architects. The *Maple* was joined by a sister ship, the M.S. *Federal Palm*, which was completed and handed over to The West Indies Government by Port Weller Dry Docks Limited, Port Weller, Ontario, on August 26. Ownership of the vessels and responsibility for the shipping service is vested in The West Indies Shipping Corporation, a Crown company. Operators and agents are

Furness, Withy and Company Ltd., Port-of-Spain.

Safety Plus Comfort

The ships combine comparative luxury with safety. They are equipped with the latest aids to navigation, including radar, gyro compass, echo sounder, direction finder, and rudder angle indicator. Two lifeboats are augmented by two landing-type motor-driven small craft for unloading passengers on windswept beaches or for emergencies. The vessels have two complete decks, a clipper bow and a cruiser stern. There are two hatches forward, serviced by derricks; a refrigerated hold midships has two self-contained electrically operated cranes. A colourful and useful feature is permanent plastic awnings over the bridge, boat decks and crane operators' positions.

In the past, deck passage as a means of travel over the Caribbean has been a rugged affair, with passengers more often than not exposed to the vagaries of the weather and expected to provide their own food. The *Federal Maple* ushers in a new era of air-conditioned comfort for the 200 deck passengers whom it can accommodate; the first 60 will be able to use bunks of the pullman type, complete with mattresses. Deck passengers will have open and completely enclosed deck space provided aft and there is the added local luxury of facilities for obtaining hot and cold food and drinks. Cabin class passengers are accommodated in three deluxe two-berth passenger suites immediately below the bridge. The remainder of the 22 cabins are two-berth ones, equipped with hot and cold running water.

Inter-Island Service Begun

The *Federal Maple* and the *Federal Palm* are identical and will be used for inter-island freight and passenger service in The West Indies Federation. Each has three cargo holds, with a capacity of 80,000 cubic feet for general cargo and a further 4,000 cubic feet of re-

frigerated space. Top speed is 15½ knots but their comfortable cruising speed of 10 to 12 knots is considered ideal for an island-hopping schedule.

The maiden voyage of the *Federal Maple* was made from Trinidad on August 24, calling in at Grenada, St. Vincent, Barbados, St. Lucia, Dominica, Montserrat, Antigua, and St. Kitts, with arrival at Jamaica on September 4. The return voyage was made from Jamaica on September 6 with only one stop at Barbados and arrival in Trinidad on September 11. The three de luxe cabins were booked and most of the space for 200 deck passengers taken up, as well as practically all of the 44 first-class berths. Sample passenger fares are Can.\$8.40 deck, \$27.00 cabin, and \$36.00 de luxe cabin from Trinidad to Barbados.

Origin of the present federal West Indies shipping service dates back to 1955, when the Standing Federation Committee developed an inter-regional shipping service, initially by way of an agreement with the West Indies Navigation Co. and then by chartering two vessels. For a very short period, the Shipping Corporation operated three vessels but since the end of September 1961 have depended upon the *Federal Maple* and *Federal Palm*. This service is all-important to the Federation of the West Indies because it provides the only scheduled general or cargo shipping space to each and all of the islands twice a month, irrespective of inducement.

Rates Moderate

Freight rates are subject to change but are generally based on the Intercolonial Freight Rates Tariff for a single charge to any island destination, excluding Jamaica. Under these rates, general cargo can be moved from Port-of-Spain to any of eight island destinations at the same charge of W.I. \$18.40 (Can.\$11.00) per shipping ton. Cargo for Kingston, Jamaica, is about 35 per cent additional. Shippers' costs are also affected by receiving, storage and delivery

charges which vary from port to port, as well as higher charges for refrigerated space (the latter service is a great boon to the islands). Experience to date is that approximately 60 per cent of all freight carried is transshipment cargo. In the future, greater movement of such commodities as cement, bottles, fertilizers, soaps, paint, biscuits, margarine, beer and other West Indian produce is expected to result in the carriage of more domestic products and of less transshipment cargo.

The Commissioner for The West Indies in Canada, Mr. Rex Stollmeyer, stated at the handing over ceremony of the *Federal Palm* that it was a source of pride and joy to all West Indians to have achieved another high point in their history, with Canada's aid. In the same vein, the Hon. Andrew Rose, West Indies Minister of Communications and Works, said at the welcoming ceremonies for *Federal Maple*, "She is a magnificent vessel—first rate in every respect—the very thing we need." It is evident that both vessels have caught the imagination of West Indian Ministers and officials. This pride of ownership has extended through all levels of West Indian society who, in their own words, acclaim them as "We" ships.

Shoe Fair in Mexico

THE 5th National Exposition of the Mexican Shoe Industry will take place from November 18-21 at the Del Prado Hotel, Mexico City. Organizers are the National Shoe Manufacturers Association and the National Shoe Retailers Association of Mexico. All the important footwear manufacturers of Mexico are reportedly exhibiting. For further information, contact the Commercial Counsellor, Canadian Embassy, Melchor Ocampo 463, 7th Floor, Mexico 5, D.F., or the exposition sponsors, Cámara Nacional de la Industria del Calzado, Edificio de las Industrias, Mexico 5, D.F.



G. R. Paterson, Consul General of Canada in Los Angeles (third from left), examines Canadian Westinghouse's MK-43 torpedo at the ISA show. Sharing his interest are (left to right): the author of this report; J. Dewhurst, of Westinghouse; Dr. R. Tripp, ISA president; a visitor, and P. A. Sprague, ISA president-elect.

Opportunity Knocks in Los Angeles

Eighteen Canadian firms participated in the display sponsored by the Department of Trade and Commerce at the Instrument Society of America exhibit in Los Angeles a few weeks ago. Result: valuable contacts, immediate sales, promise of greater trade in future.

G. F. OSBALDESTON, *Consul and Trade Commissioner, Los Angeles.*

"THE first step in selling Canadian products is publicity. At the moment, Canadian equipment is unknown and Canadian companies even more so."

"We will be back in the Instrument Society of America show next year with or without the Canadian Government."

"The show has revealed a potential market for us of \$100,000 a year. We have already made our first sales."

"The research department has put a request into the purchasing department for one of our units valued at up to \$30,000, and I am seeing another division of the com-

pany on my way back home and hope that they will purchase a second unit."

These are a few of the comments made by Canadians who participated in the Canadian Government exhibit at the Instrument Society of America Conference and Exhibit held in Los Angeles from September 11-15, 1961. Other Canadian companies which could have exhibited and secured similar results let a real opportunity slip by.

ISA Show Largest

The Instrument Society of America trade show is the largest of its kind directed specifically at the instrument buyer and manufacturer. It covers both the electronic and mechanical field and the society which sponsors it is a highly regarded scientific association.

The decision of the Department of Trade and Commerce to participate in this particular show was made after carefully considering many factors. Last year one of our Trade Commissioners at New York visited the ISA exhibit and reported on its effectiveness as a vehicle for the promotion of Canadian products. A copy of this report was forwarded to Los Angeles. We at Los Angeles then undertook to discuss the show with instrument manufacturers, local representatives of Canadian firms, instrument buyers, and the local representative of the Canadian Department of Defence Production. All these conversations convinced us that the ISA show offered an opportunity for selling Canadian goods.

Major Electronics Market

California has the third largest concentration of instrument manufacturers in the United States. The number of their plants increased by 35 per cent between 1954 and 1958. The electronics industry now vies with the aircraft and rocket industry as California's number one source of factory sales and jobs.

The Western area of the United States last year accounted for 24.2 per cent of the nation's \$10.2 bil-

lion total for factory sales of electronic equipment. In the past five years, factory sales in the West have climbed 58.6 per cent, up \$1,040 million from 1957's \$1,775 million; national sales by comparison increased only 41.3 per cent. At present the West accounts for nearly one-fourth of all employment in the U.S. electronics industry—or 215,000 out of a total 875,000. California's three major industrial centres (Los Angeles, San Diego and San Francisco) employ the lion's share—184,300. This, then, is the market that the Canadian Government invited Canadian industry to explore through the medium of the ISA exhibit.

Selling the ISA

Last spring the Department began canvassing potential exhibitors to tell them about the show. This canvass was in addition to the wide publicity given the Department's whole 1961 trade fair program. Oddly enough, the Commodity Officer co-ordinating a show usually finds that he has to go out and "sell" it to Canadian industry.

For the ISA exhibit, the Commodity Officer was "selling" the following package:

- the largest instrument show in North America
- an opportunity to explore one of the largest markets in the world for electronic and mechanical instruments, components and parts
- exposure of Canadian products to 15,000 instrument buyers
- an opportunity to talk to potential agents
- a service in which the Department constructs the stand, sets up the display, looks after all operating details, packs up when it is all over and ships the display back to Canada.

The cost for this package—just \$50. One company which bought

it made 200 contacts for its products in five days. So did a number of the other exhibitors.

Return on Investment

The firms exhibiting sold tens of thousands of dollars worth of Canadian equipment and were asked to quote on hundreds of thousands of dollars worth more after the Americans visiting the stand found that the Canadian exhibitors were competitive.

Was there reluctance among potential Canadian exhibitors because they did not have agents to do the follow-up? A number of Canadian companies that had never before sold in California have now established representation as a result of the show. One company appointed representatives in Phoenix, Chicago and Cleveland. Another appointed an agent for Los Angeles. Four others are considering requests from U.S. firms that have asked to represent them.

One Canadian company that already had a local representative received one of the fringe benefits that always accompanies such exhibits. Their agent told me that he made a sale valued at over \$10,000 that week for the Canadian company simply because he had been "boning up" on the specifications of the Canadian products during the show. When he saw his customer's specifications, he realized the Canadian product fitted the description. He admitted that he might not have been so well informed on the Canadian specifications had it not been for the show.

Canadian Display

Those who have not seen a Canadian Government exhibit at a vertical trade show may be interested to learn what type of display we mount. For this particular show we contracted for an area 94 feet long and 24 feet wide—the largest single exhibit in the show. The stand was built on a tile floor and was topped by a full roof made of translucent plastic. A fascia extended around the full perimeter of the

roof, stating clearly that all products on display were designed, developed and manufactured in Canada. This gave unity to the whole exhibit. Each firm had a booth approximately 7 × 8 feet more or less, depending on individual requirements. The Canadian stand was without question one of the most attractive at the show.

In addition to providing opportunities for sales and valuable contacts, these displays gave invaluable publicity to Canadian manufacturers. Before the show began a mailing list of 3,000 names was developed to be used in a direct mail campaign. These names were obtained through the co-operation of local Canadian representatives and the Canadian companies participating; each person on the list received three mailings. The first was a press release announcing our participation and describing the products to be displayed; the second, a personally addressed letter inviting the recipient to visit our stand and enclosing a free admission ticket; the third, a copy of our show brochure which devoted one full page to each company, showing a picture of its product and providing information on its plant and capability. A further 4,000 brochures were distributed at the show. This is prestige advertising carefully directed to individual buyers.

The Canadian Consul General officially visited the Canadian stand and was welcomed by the ISA executive. A member of the executive committee, associated with a major U.S. chemical company, was so impressed with a Canadian product that he returned to the stand later to get additional information to report to his company. The Canadian company subsequently made its first sale to this firm—a major breakthrough for it.

Perhaps the relating of these few occurrences during our exhibit at the ISA show makes clear what many Canadian companies missed when they turned down the opportunity to participate. The Department of Trade and Commerce

might expect to be besieged by Canadian companies wanting to climb aboard the trade fair bandwagon. It is not.

Try a Trade Fair

If your company has not participated in a trade fair, try it. If

you are participating in the program, examine each opportunity presented to you with care, and be sure to man your booth properly. Products do not make sales—salesmen do! No one realizes this better than the Department of Trade and Commerce.

The objective of the trade fair program is to provide Canadian businessmen with a vehicle for the promotion of their products. It is intended to help your efforts to enter new markets. Why not make use of the opportunity offered to you and join in the trade fair program. ●

FAIRS AND EXHIBITIONS

■ Leather at Paris

INTERNATIONAL Leather Week (September 8-13, 1961), organized by the French National Leather Council, is now one of the major international trade fairs held in Paris. Foreign participation has increased steadily; this year there were 610 exhibitors, 228 of whom were foreign—from Argentina, Austria, Belgium, Germany, Britain, Finland, Italy, Morocco, Spain, Sweden, Switzerland and the United States. A large number of British exhibitors attended, including representatives from the British Leather Federation and the British Footwear Manufacturers Association.

Exhibits were divided into 11 groups: raw hides and skins; tanning and skin-dressing; leather and skin products; shoes and slippers; design; fine goods and clothes; supplies and accessories for the shoe industry; gloves; leather garments; tanning extracts; tanning and shoe machines.

Officers of the Canadian Trade Commissioner Service visited the fair to assess opportunities for Canadian suppliers. Exporters who wish further information should contact the Commodities Branch of the Department of Trade and Commerce, Ottawa.

■ Canadian Woods in Chicago

THE Department of Trade and Commerce will exhibit end-uses of Canadian woods at the National Association of Home Builders show in Chicago, December 3-7. The NAHB show brings together contractors and members of the related trades, associations and professions from all over the United States, and Canadians will take this opportunity to stimulate new trade, improve old contacts, and impress designers, builders, students, and other interested persons with what they can provide.

Visitors to the Canadian exhibit will see a 20 by 20-foot two-storey model house in which the many species of Canadian woods are effectively used as panels, flooring, shingles, or supporting members. They will walk through the house, inspecting Canadian

birch, cedar, white pine, white spruce, red pine, Douglas fir, hemlock and maple used to best advantage. Representatives of the Canadian Lumbermen's Association, the B. C. Lumber Manufacturers Association, the Red Cedar Shingle Bureau, and officers of the Department will be on hand to supply technical information. Literature on every type of Canadian wood, lists of U.S. wholesalers who stock our woods, and other promotion literature will be handed out for future reference.

Canada took part in the previous NAHB show last January; approximately 24,000 persons visited the Canadian model home and 15,870 pamphlets were distributed. The Department processed all inquiries and relayed them to 550 Canadian mills and wholesalers for follow-up. This December's model house will be built on much the same lines as the last one; changes in design, however, will include stairs rising straight up from the front of the exhibit to the second floor, and a large pylon rising the full two stories, with "Canada" printed clearly at the top.

■ Brno Fair, Czechoslovakia

CANADA participated this year for the third successive time in the Brno International Trade Fair, Czechoslovakia (September 10-24). A collective exhibit illustrating Canadian production facilities and resources stressed Canadian aluminum production and fabricated and semifabricated products. New and modern methods of using the metal received special attention. Other machinery and equipment was displayed as well and the Czech Government trading corporations placed orders for some of it at the conclusion of the fair. Technicians, businessmen and the general public all found the Canadian exhibit and products interesting and Canadian trade officials received a good number of trade inquiries.

The Brno Fair, one of the largest annual trade shows in Eastern Europe, increases in scope and importance each year. This year there were 1.3 million visitors.

In addition to Czechs, it draws large numbers of visitors from other countries in Eastern and Western Europe. In recent years heavy engineering products, machine tools and highly technical equipment of various types have predominated. These are shown by all the Eastern European countries, but there are a large number of entries from other parts of the world, both in collective government exhibits and in displays privately arranged by businessmen of many countries keen on making their goods known in Czechoslovakia and Eastern Europe.

■ Boats in Britain

TWICE as much space as in 1961 has been reserved for Canada's exhibit in the 1962 International Boat Show, Earls Court, London, January 3-13. Our display in 1961, when we entered for the first time, occupied about 1,200 square feet; in 1962 we shall take 2,240 square feet. Twenty-four firms will participate; among the products that they will display are 11 boats (compared with five in 1961), including a 23-foot cruiser, a 22-foot runabout, fiberglass and aluminum boats, and a fiberglass *Snipe* and dinghy. Also on exhibition will be two canoes, mahogany and birch hulls, outboard motors and controls, marine hardware, silencers for outboards, windshields, convertible tops, seat-beds, a sectional marine dock, water skis, oars and paddles, fishing equipment, and lifejackets.

A rope-web roof unifies the whole display and gives a nautical flavour. About 25,000 pamphlets and 500 posters are being prepared for circulation and a large picture of "Miss Supertest", winner of the Harmsworth Trophy, will remind visitors of Canadian pre-eminence in this field.

The Boat Show—featuring pleasure craft of all kinds, related sporting goods and aquatic equipment—receives considerable publicity through its sponsor, the *London Daily Express*. Nearly 325,000 persons from Britain and other countries came to see it last year. Canadian exhibitors wrote a good deal of business and several appointed agents.

■ Sports Clothes and Equipment, Chicago

THE National Sporting Goods Association (NSGA) Show is advertised as "the largest sporting goods show in the world". Last January it drew 13,133 business visitors who viewed 708 exhibits set up in Chicago's Morrison and Palmer House hotels. Buyers came to it from all parts of the United States, Canada and many foreign countries; the public was not admitted.

Canada will have its largest display ever in this show next January 21-25. Thirty-six companies will participate in the government exhibit with an impressive number of Canadian-made products, particularly winter sporting goods. Our exhibit will occupy the Clark Room and an adjoining area in the Morrison

Hotel; the Canadian Government Exhibition Commission has designed a unified display with an attractive entrance.

Visitors will see Canadian hockey, baseball, lacrosse and playground equipment; sports clothes, including hockey outfits, hunting and fishing clothing, and footwear; barbells, water skis, knives, toboggans and sleds, ice and roller skates, and snowshoes; hockey games, croquet sets, dart boards, crokinole, and silver trophies.

Participants in the 1961 show succeeded in finding new customers and many are back in the show again after several former appearances. One claims he has trebled his U.S. business in two years through contacts made at the Canadian exhibit.

■ Addresses of Hanover Fair Agents

THE German Industries Fair held each spring in Hanover (next year from April 29 to May 8), is the country's largest. Essentially a capital goods fair, the machine tool, engineering and chemical sections are extensive although there are groupings for office supplies, porcelain and ceramics, glass, jewellery and silverware, cutlery and metal goods. It was originally conceived shortly after World War II as a means of promoting German industrial exports but since 1950 it has welcomed foreign exhibitors. Over 4½ million square feet of exhibiting space is available and in 1961 about 5,000 exhibitors took space; one fifth of these were from outside the country. France, the Scandinavian countries, Britain, Switzerland and the United States headed the list.

The fair's address is Deutsche Messe und Ausstellungen A.G., Messegelaende, Hanover. However, it is usually more convenient to contact the Canadian agents of the fair: The Trimont Corporation Ltd., Suite 29, 1390 Sherbrooke Street West, Box 25, Station "H", Montreal, Que., the main representative, or the sub-agents: Encom Agencies (J. Bezden), Suite 209, 1485 Davie Street, Vancouver, B.C.; Wilson Equipment Supply Co., Box 121, Station "C", Winnipeg, Man.; MacNutt Associate Industries Ltd., Suite 1, 1215 5th Street West, Calgary, Alta.; R. F. Lederer, 98 Glenview Avenue, Toronto, Ont.

Trade Fair Program

A booklet outlining the Department's program of participation in trade fairs abroad in 1962 has just come off the press. It describes each show briefly and sets the deadlines for applications to participate in these government-sponsored exhibits. If you would like a free copy, write the Editorial and Art Services Division, Trade Publicity Branch, Department of Trade and Commerce, Ottawa.

What's current in commodities?

FOREIGN TRADE has been planning for some months, in co-operation with Commodity Officers and the Trade Commissioners, a schedule of regular reporting on commodity opportunities and developments abroad. We intend to feature in each issue at least one and possibly two commodity fields, beginning with forest products and engineering services and equipment (see articles below). In succeeding numbers we hope to cover plant products, textiles and consumer goods, metals and minerals, chemicals, appliances and commercial machinery, and livestock and dairy products. From time to time we shall also write about special developments in the transportation field. We hope that this feature will prove useful and that readers will suggest possible topics.

Logs and Lumber

Japan—Construction boom has seen demand for logs and lumber outstrip domestic supply; imports from North America for 1961 expected to be up 300 per cent; brisk market should continue.

N. W. BOYD, *Assistant Commercial Secretary, Tokyo.*

JAPAN is experiencing its third consecutive year of rapid economic growth. According to the Economic Planning Agency's annual economic report for fiscal 1960-61, the gross national product increased 11 per cent and industrial production 23.7 per cent during the 1960 fiscal year (April 1960-March 1961). These boom conditions have resulted in great activity in the building industry. Because of rising costs of domestic construction material, the demand for imported softwood logs and lumber has increased each month since the end of 1960.

Japanese imports of North American logs and lumber in the first seven months of 1961 exceeded twelve months' imports in 1960 by 70 per cent. Imports over the January-July period totalled 397.5 million FBM (Breton Scale) and year-end imports for 1961 are estimated at 700 million FBM, three times 1960 imports from North America (233.9 million FBM).

Japan is not without forest resources. Indeed, forests cover 60

per cent of the total land area (in Canada, 48 per cent). But because of heavy cuttings, reserves of 2,500 million cubic meters have dwindled to 1,817 million in 1959. Felling in excess of the increment is still taking place, particularly in accessible areas, where it reaches as much as three times the increment.

TABLE I
DEMAND AND SUPPLY OF TIMBER
IN 1960

	Demand	Supply	
		Domestic	Imports
	(in B/M'000)		
Sawn lumber	15,933,000	14,338,000	1,595,000
Pulp	3,836,000	3,764,000	72,400
Mining poles	1,022,000	1,022,000	.....
Plywood	1,347,000	234,000	1,113,000
Poles	179,000	178,000	400
Piling	200,000	157,000	43,000
Scaffolding	145,000	145,000	.....
Fibre-board	74,000	74,000	.....
Other	664,000	658,000	6,000
Total:	23,400,000	20,570,000	2,829,800

Table I shows that the demand for timber in Japan last year totalled 23,400 million FBM, an increase of 1,987 million over 1959. On the supply side, domestic timber production of 20,570 million FBM fell short of the demand by 2,830 million, even though 1960 domestic timber production increased by 1,305 million FBM over 1959. Imports of logs and lumber accordingly went up from 2,147 million FBM in 1959 to 2,755 million in 1960.

Imports Rising

From the table it is apparent that the bulk of timber imports are to meet the demand for sawn lumber and of the Japanese plywood industry. With 30,000 sawmills in Japan, the bulk of imports, both hardwood and softwood, are in log form.

Table II shows Japanese imports of logs and lumber in 1960—2,755 million FBM valued at Y61,291 million. Lauan logs accounted for over 70 per cent of total imports. Much of this was used in the manufacture of plywood, but lauan wood is also employed as sawn timber in construction. The Philippines is the main supplier of lauan wood. The U.S.S.R. was the main supplier of softwood, followed by the United States, New Zealand and Canada. Exports to Japan of Canadian logs, poles and piling and lumber in 1960

reached 11.25 million FBM, valued at Y374 million.

Imports from North America

During the first seven months of 1961, Japan imported 397.5 million FBM of logs, poles and piling, baby squares, flitch and lumber from North America; this represented 170 per cent of total 1960 shipments. In July alone, these imports reached 105.6 million FBM, the equivalent of five months' imports in 1960. Further estimates suggest August-October imports will average 70 million FBM a month and November and December imports each 50 million FBM. If these estimates are accurate, year-end imports will exceed 700 million FBM, 300 per cent of the 1960 total. Statistics for seven months, showing separately imports from Canada, are not yet available, but during the first four months of 1961 Canadian exports of logs, poles and piling and lumber to Japan were valued at \$1.18 million, 144 per cent of total Canadian shipments in 1960. Consequently, it is clear that Canadian lumber exporters are also benefiting from the activity of the Japanese building industry.

Table III gives details of January-July timber imports from North America and, for comparison, figures for 1960. From this, it is evident that Douglas fir, hemlock, red cedar, spruce and mixed logs, and baby squares all made noticeable gains. Japanese importers began to purchase North American baby squares last October and business has been very active since the beginning of this year because of a shortage of domestic logs. Hemlock baby squares are used for beams and pillars in the construction of low-priced apartment houses. Japanese buyers have been paying particular attention to British Columbia baby squares and year-end export figures will show a substantial increase over 1960.

Probably as much as 95 per cent of Japanese imports of North American logs and lumber is han-

TABLE II
JAPANESE IMPORTS OF LOGS AND LUMBER IN 1960

	Quantity (B/M'000)	Value (c.l.f.) (Yen'000)
Hardwood		
LOGS		
Lauan and apitons	1,973,519	42,307,519
Cottonwood and aspen	6,190	150,292
Lignum vitae	369	108,659
Teak	226	50,769
Red sandalwood	495	50,501
Paulavnia	851	38,671
Ebony	257	32,977
Mahogany	664	18,709
Sawlogs and veneer logs, n.e.s.	70,157	1,954,670
Pulpwood	5,236	51,996
Poles and piling	33	1,410
Railway sleepers	10	851
LUMBER		
Teak	633	167,243
Red sandalwood	408	11,480
Lauan and apitons	66	3,640
Paulavnia	43	2,790
Mahogany	6	1,254
Lumber, n.e.s.	877	143,200
Softwood		
LOGS		
White and yellow cedar	70,265	3,446,265
Abies and picea	213,113	3,407,980
Pine	125,197	2,378,814
Douglas fir	29,257	968,015
Larix	62,637	894,271
Sitka spruce	12,051	471,003
Red cedar	11,100	259,696
Hemlock	1,574	53,060
Sawlogs and veneer logs, n.e.s.	7,276	134,953
Pulpwood	77,716	925,010
Poles and piling	18,972	662,479
Telegraph poles	613	10,496
LUMBER		
Douglas fir	38,220	1,504,806
Sitka spruce	19,843	756,202
Incense cedar	4,510	219,831
Hemlock	2,360	77,729
White and yellow cedar	467	16,086
Abies and picea	14	2,301
Pine	8	113
Lumber, n.e.s.	170	5,221
Total	2,755,403	61,290,962

dled by the 51 trading companies, members of the Japan Lumber Importers' Association. In 1960 eight of these trading companies imported 80 per cent of the total. A recent move on the part of some of these large importers is the acquisition of logging rights in North America.

TABLE III
JAPANESE IMPORTS OF NORTH AMERICAN LOGS AND LUMBER

	1960 (B/M'000)	7 Mos. 1961
Logs		
Douglas fir	27,904	64,703
Red cedar	1,203	19,457
Alaska red cedar	8,310	2,458
Port Orford cedar	56,596	35,599
Yellow cedar	7,236	5,777
Noble fir	13,986	5,082
White fir	1,579	4,166
Spruce	11,986	20,721
Hemlock	1,210	81,079
Cottonwood	5,576	4,919
Western pine and fir	15,193	6,062
Mixed	1,854	21,457
	152,633	271,480
Piling		
Hemlock	....	27
Douglas fir	22,163	17,264
	22,163	17,291
Baby Squares		
Douglas fir	....	678
Red cedar	....	5,410
Port Orford cedar	121	572
Hemlock	1,023	20,355
	1,144	27,015
Squares		
Douglas fir	33,498	31,292
Hemlock	1,198	10,489
Mixed hemlock balsam	....	5,113
	34,696	46,894
Flitch		
Douglas fir	1,875	3,383
Spruce	....	101
Red cedar	....	746
Hemlock	....	1,870
Mixed	....	347
	1,875	6,447
Lumber		
Red cedar	....	149
Yellow cedar	78	533
Spruce	....	100
Alaska spruce	21,339	21,671
Mixed	....	6,067
	21,417	28,420
Total:	233,928	397,547

Two developments have followed in the wake of the recent buildup of shipments of North American lumber to Japan—rising ocean freight rates and delays in offloading at Japanese ports. In 1960, midyear freight rates on logs were \$37.00-\$38.00 per 1,000 FBM.

Current quotations are \$51.00-\$52.00.

As expected, the sharply increased volume of imports, combined with a shortage of mooring buoys, unloading facilities, stevedores and timber-yards, has resulted in serious offloading delays, with consequent losses to importers and buyers. As a result, the Japanese importers have petitioned the Government to permit customs clearance through documents only for vessels with part loads and with loads to be discharged at different ports. At the present time, customs clearance through documents is per-

mitted only for full cargoes of duty-free import items offloaded at one port.

Outlook Favourable

In anticipation of liberalization of 90 per cent of imports by October 1962, Japanese investment in plant and equipment has been very high, 21 per cent of the gross national product in 1960 and even greater in 1961. Substantial progress is being made toward the goal of doubling the 1960 gross national product by 1970. As far as the building industry is concerned, the "Income Doubling" plan calls for

the construction of five to six million residential housing units by 1970. This bodes well for the imported lumber market.

Japan imposes no quantitative import restrictions on imports of North American logs and lumber for balance-of-payments purposes, with the exception of tongue-and-grooved finished lumber. Although Japan's foreign exchange reserves have declined slightly in recent months (April 1, 1961—\$2,035 million; July 31, 1961—\$1,837 million), this does not appear to pose any immediate threat to lumber imports from Canada. ●

Roadbuilding Machinery, Contracts

Argentina—Accelerated roadbuilding program in next five years will mean machinery purchases worth \$70-90 million. Canadian firms may secure some of this business if they are competitive, particularly in credit terms. They may also compete for road contracts financed by World Bank loans.

C. O. R. ROUSSEAU, *Commercial Secretary, Buenos Aires.*

IN his annual address to Congress last May 1, President Frondizi surveyed the first three years of his mandate, and in a projection for his last three years in office made special mention of the need to improve the transportation and communication facilities in Argentina. He said, "The program for roads and highways will give the country 13,000 kilometers of new paved roads by 1964, transforming the pattern of communications between the various centres of production and their internal markets, integrating the economy of the interior of the country, and releasing it from its centralized dependence on the port of Buenos Aires. Tenders have been called and contracts awarded for roadbuilding projects valued at 15,000 million pesos."

For a country the size of Argentina (1,072,745 square miles) where road and railway transport are vital, the present situation can be best illustrated by citing the fact that 80 per cent of the present road network was built before 1946. The Division of Highways (Vialidad) of the Federal Department of Public Works, in a report on the present situation, shows graphically that in 1943, the advent of Peron's regime, roadbuilding took a tremendous downturn and kept skidding down until it hit its low in 1948. There it remained until 1955, when the revolutionary government took over. For the last five years nothing startling has been done, but the present government is endeavouring to make up for the past 15 years by launching the program now under way.

One of the main problems the authorities and the contractors who have been awarded large contracts face is the lack of machinery available locally to start the crash program. The equipment left in the country at the beginning of the program was old, inadequate and obsolete; this means that all the machinery needed has to be imported. This results in a further delay before the program can gather real momentum and also in an extremely heavy drain on the Argentine foreign exchange resources. Since the beginning of 1961 the highway authorities (both federal and provincial) and the contractors have been feverishly negotiating with suppliers of roadmaking and earthmoving machinery (such as motor-graders, scrapers, rollers, stone-crushing plants, heavy trucks, etc.) from all over the world, seeking the quickest deliveries possible and the best long-term financing. Canadian suppliers since the beginning have been very much in the picture. The difficulties seem to lie in the rather extended terms asked by the Argentine buyers who, because of the high rates of interest locally, are trying to find finance in the supplying countries.

So far most of the road machinery and equipment they want is new and is being purchased through the local agents of suppliers from all over the world. Although Argentine law provides for the import of used machinery when it is in perfect condition, is the latest model or similar in performance to the latest model, and is imported direct by the end-user, it has not been our experience that local contractors have imported secondhand machinery. The reason given for their reluctance to do so is that the equipment will be used at such a strenuous pace that they fear used machinery will not stand up satisfactorily. For used machinery, extended term financing is also difficult to secure.

External Financing

The Department of Public Works calculates that the machinery requirements for the next five years will amount to between \$70 and \$90 million. To assist the program, the World Bank has provided Argentina with a \$48.5 million loan. It is expected that \$15 million of this will be used to buy equipment and the remaining \$33.5 million for construction; the Argentine Government will supply local currency requirements. The total cost of the works for which this credit is granted is estimated at \$80 million. It is stipulated in the agreement that purchases must be effected in countries that are members of the World Bank. Negotiations between the World Bank and the Argentine authorities are continuing, in the hope of raising the total credits to \$130 million. In addition to the financial help so far received from the World Bank, the United States through the Export-Import Bank has also granted a loan of \$40 million. Of this, \$16 million has been earmarked for immediate purchases of machinery and the information we have is that it has already been spent. The highway authorities also announced in March that the loans received from the Eximbank and the Development Loan Fund to that date totalled \$80 million. While

these U.S. loans are of great interest to the program, they are less important to Canada because Canadians are not entitled to tender for contracts under these loans, which are restricted to U.S. suppliers.

Domestic Financing

Many contracts so far awarded are being financed internally and a law has been passed earmarking for the road program a percentage of the tax levied on the gasoline and gas oil consumed. When the first highway law was promulgated in 1933, it provided for a fixed levy of five centavos per litre, which was subsequently raised to eight centavos. Decree/law 505/58 promulgated in January 1958 provided a change in the system whereby a tax amounting to 50 per cent is levied on sales of gasoline and gas oil. This tax is shared by the federal Department of Highways and its provincial counterparts—35 per cent to the federal department and 15 per cent to provincial departments. This 15 per cent to the provinces is used strictly for provincial roads. They receive a further 35 per cent of the federal revenue for work done on roads linking the provincial system to the federal network. The federal department therefore only retains for its own work on the federal road system 65 per cent of the original 35 per cent levied. The Banco de la Nacion is the federal agency handling the account for the federal Department of Highways and the revenues are distributed monthly to the various provinces. Each province receives a proportionate share, based on the sales of gasoline and gas oil within its borders.

Although the provinces are free to purchase their equipment wherever they wish, it is sometimes difficult for them to obtain long-term credit abroad, since they are not always able to secure a federal bank guarantee for dollar payments. To co-ordinate the federal and provincial road programs, a council made up of the chairman of the federal Highways Authority and the various provincial chairmen has been ap-

pointed. This council not only helps to co-ordinate the actual working of the programs, but also acts as a controlling factor in the large foreign indebtedness contracted by the provincial entities in their purchases abroad.

Opportunities Promising

The opportunities in Argentina for the sale of new roadmaking machinery from Canada are very promising at the present time. The competition, however, is extremely keen and therefore our prices, deliveries, and especially the credit terms offered have to be in line with those offered by United States, European and Japanese suppliers. The Embassy is trying to keep abreast of the situation and is sending all information available to Ottawa, but it is our belief that only those companies that have active agents can be kept informed in time to take the necessary action to meet the limited deadlines.

Besides the supply of machinery, there are also a number of large road contracts financed under the World Bank loan and for which foreign contractors are eligible to quote. Before doing so, however, foreign firms must prove that they are legally empowered to contract in this country; this means they must be inscribed in the Public Register of Commerce. Then they make application for their names to be inscribed in the Register of Public Works Contractors in the Department of Public Works; otherwise they must quote through a local firm already registered. When registering, foreign firms must furnish full information on their past experience in similar works and their financial situation. They must also prove that there is at least one qualified Argentine technician in the organization that will undertake the contract. Interested Canadian contractors can get further information from the Engineering and Equipment Division of the Commodities Branch, Department of Trade and Commerce, Ottawa, or from the Canadian Embassy in Buenos Aires. ●

Consulting Engineering Services

Chile—Canadian experience in mineral, forest and hydro development should prove valuable to Chile, just in the early stages of resources development. Here are some suggestions on marketing our engineering services there.

J. M. KNOWLES, *Assistant Commercial Secretary, Santiago.*

THE successful marketing of consulting engineering services in Chile, as elsewhere, is based largely on two things: professional reputation and personal contact. The ethics of the consulting engineering profession as practised in Canada normally prevent the engineer from taking what would be considered too aggressive an approach to the sale of his services. Engineers from many other countries are usually not so reluctant, however, and often regard their services as wares that must be sold to a potential client in the same way as any other merchandise.

Selling a Service

Aside from financing, the major problem that has to be overcome at the local level is the sheer ignorance of what Canada has to offer in the way of specialized services of this kind. One way of helping to overcome this lack of knowledge would be for Canadian consulting firms to adopt a more aggressive approach in the brochures and bulletins they use to promote their sales.

They would also be wise to have their literature translated into and printed in Spanish for use in Chile and other Spanish-speaking countries. If a firm has already done work in Latin America, this should be highlighted in this type of literature.

Chile is well advanced industrially and technologically compared with many of its neighbours and has a small but fully qualified engineering fraternity capable of handling the operational phase of industry. However, they do not

have extensive specialized knowledge to implement new projects and it is in this field that Canadian consulting firms should find opportunities.

Chile is in the early-to-intermediate stages of a period of resources development such as Canada passed through 25 or 30 years ago. In view of the remarkable parallels between the Canadian and Chilean patterns of resources—notably mineral, forest and hydro—recent Canadian experience is particularly pertinent to Chilean problems.

Entering the Field

The Santiago office of the Canadian Trade Commissioner Service has evolved what is essentially a simple procedure for introducing Canadian consulting firms to this country. One of our officers is in close and constant touch with, among others, the Corporacion de Fomento de la Produccion (CORFO), the Chilean Government Development Corporation, the Empresa Nacional de Electricidad (ENDESA), the Government Power Corporation, and the Sociedad de Fomento Fabril, which is roughly the Chilean equivalent of the Canadian Manufacturers' Association.

Canadian consulting firms are urged to send as complete information as possible on the nature and scope of their activities to the office of the Commercial Secretary, Canadian Embassy, Casilla 771, Santiago, Chile. If possible, at least six brochures should be included. The brochures will be placed with

the most important interested organizations in Chile and accompanied by a suitable covering letter in Spanish embodying the additional information available. This initial contact will be followed up from time to time by personal visits aimed at eliciting as much advance information as possible on potential engineering assignments. It may be expected that engineers will be asked occasionally to visit the territory to meet the more important people who may be interested in their services. It is a wise firm that deliberately budgets for a certain amount of foreign travel even when there is no immediate prospect of a sale. There is also much to be said for scheduling periodic visits to Chile, as to other areas, to get the feel of the country and to develop personal contacts as part of a deliberate long-range policy.

Joint Ventures

The best approach is to develop a contact with a Chilean engineering firm with closely allied interests, to the point of a correspondence or even a partnership arrangement. The Chilean group would then have at its disposal highly specialized Canadian consulting services as more or less an extension of its own. This would allow the local company to seek out and take on assignments that it would otherwise be obliged to refuse, and could be advantageous to the Canadian firm not only from the fees to be earned but as a listening-post inside the country. The national flavour achieved by this approach is also a great advantage.

Visit New York

Either as an alternative or as a valuable supplement to personal visits to Chile, visits can be made to a number of important Chilean Government agencies, CORFO and ENDESA among them, that maintain offices in New York. This is particularly advantageous to Eastern Canadian firms, which frequently have senior men in or

passing through New York from time to time on business or on holiday. It is useful if Canadian engineers take advantage of an occasional visit to that city to drop in and get acquainted with the Chilean officials there. Most of the important office-holders of these corporations in Santiago have been assigned to the New York office at one time or another, and personal friendships cultivated at that end can be a sound investment for the future. The names and functions of the more important officials currently on duty there, all of whom are at 80 Pine Street, New York 5, New York, are as follows:

José Zabala de la Fuente, Manager
Corporacion de Fomento de la Produccion (CORFO)

Edgard Schlesinger, Manager,
Empresa Nacional de Electricidad (ENDESA)

Eduardo Simian, Manager,
Empresa Nacional de Petroleo (ENAP)
c/o Corporacion de Fomento de la Produccion

There is relatively little scope at the present time for the sale of engineering services in the hydro-electric power field, as ENDESA

tends to do most of its own engineering. Special problems do, however, arise from time to time and require the services of a specialist.

Contact CORFO

Speaking broadly, the most promising contacts to be developed are with CORFO; most new enterprise in Chile will seek at one time or another financial assistance from the Government Development Corporation. CORFO is responsible for the planning and execution of Chile's ten-year, \$10 billion development program (see *Foreign Trade*, March 11, 1961), and the CORFO guarantee of a project is an assurance that it is economically sound and creditworthy. Accordingly, it is a good plan to keep in close and constant touch with developments in Chile, even in the private sector, through this government agency. The Foreign Investment Committee of CORFO passes on all new investment in Chile and the corporation's officers are fully conversant with the industrial development of the country. It is, of course, supremely important for a consulting firm to learn of potential new business at the earliest possible

stage—this means even before the feasibility study is carried out.

How to Offer Credit

One of the keys to selling engineering services is financing. Many foreign firms and consortia offer consulting services "free" as part of a package deal on equipment in a turnkey-type proposal. As in other countries, it is difficult for the Government Development Corporation to obtain funds for feasibility studies. Although CORFO executives naturally realize that knowledge has to be paid for, it is difficult to convince the ordinary taxpayer that he has had his money's worth unless his purchase is something that he can see and touch. Although the ideal solution from CORFO's point of view would be grants for the purpose, the Corporation is also interested in the possibility of obtaining engineering services on credit. Canadian services can be made available in this way under the terms of the Export Credits Insurance Act. Further details are available from the Export Credits Insurance Corporation, P.O. Box 655, Ottawa. ●

COMMODITY NOTES

Automobiles

ITALY—A total of 645,000 motor vehicles were produced in Italy in 1960, an increase of 29 per cent over 1959. Domestic sales reached a record 428,000 units, a 50 per cent increase over the previous year. Exports fell slightly—from 225,270 units in 1959 to 200,820 in 1960.

The large increase in the domestic demand, and the fact that this demand is slowly turning towards higher powered cars, shows the improving standard of living in this country. It is estimated that there are 2½ million motor vehicles in Italy—Rome.

Cellulose, Shingles

DENMARK—Forest owners in Denmark have found it difficult in recent years to sell their fuelwood because of the introduction of other heating methods. They

intend, therefore, to open a cellulose factory at Assens (Funen) to make wrapping and corrugated paper, and in the future, newsprint. The factory will cost between 13 and 15 million D.Kr. and will start operating in the autumn of 1962. A London firm will supply the machinery.

A shingles factory to be erected at Glumsø in South Zealand by a subsidiary of the Danish Shingles Company will provide another use for the available timber; this factory is expected to be ready by July 1962—Copenhagen.

Chemicals

AUSTRALIA—Imperial Chemical Industries of Australia and New Zealand Ltd. has announced plans for building a £6 million ammonia and methanol plant

at Botany, New South Wales. The plant, which will be operating in 1963, will have a rated annual capacity of 63,000 tons of end products. By building at this site, I.C.I.A.N.Z. will have invested more than £22 million in this area and when completed the plant will be the most heavily capitalized and developed chemical complex in Australia under single control—Melbourne.

Metal Containers

TRINIDAD—The Metal Box Co. of Trinidad Ltd., a United Kingdom subsidiary, has been declared a pioneer industry for the manufacture of all types of containers made primarily from tinsplate. The factory, now being constructed on the outskirts of Port-of-Spain, is scheduled for production by April 1962 and represents an investment of U.S.\$2.4 million. The new factory will make tin cans for packing all sorts of foodstuffs (including citrus products) paints and lubricants—Port-of-Spain.

Metal Jar and Bottle Closures

TRINIDAD—Manufacture of metal jar and bottle closures has been approved for Pioneer Industry status by the Government of Trinidad and Tobago. Sproston Limited, one of the Aluminum Company of Canada's companies, has applied for pioneer status for the manufacture of bottle closures. Substantial quantities are needed in the area for alcoholic beverages (rum and beer), and by the budding pharmaceutical industry—Port-of-Spain.

Metal Plates and Fittings

TRINIDAD—A new company, Pipelines Limited, with a registered capital of W.I.\$1.0 million, was recently formed to make metal plates and fittings of every description, including spiral welding metal pipes of all kinds—Port-of-Spain.

Oil

TRINIDAD—A world record for oil wells drilled from a single offshore platform has been achieved in Trinidad. Texaco Trinidad Inc. drillers set the new mark when they completed 36 angled wells from their offshore rig near Brighton in southern Trinidad. About 170,000 feet (32 miles) were bored from this one platform. Oil is piped to Texaco's Pointe-a-Pierre refinery, the second largest in the Commonwealth—Port-of-Spain.

Pharmaceuticals

TAIWAN—A well-known American pharmaceutical company has announced plans to construct a factory in Taiwan. The plant is expected to be in operation by

May 1962 and will employ about 70 Chinese technicians and production personnel. Full use will be made of local raw materials and supplies to produce finished antibiotics, steroids, pharmaceutical specialties, and veterinary and animal health products—Manila.

Steel

PHILIPPINES—Government participation in a proposed integrated steel plant to be erected by the Sta. Ines Mining Corporation in Laguna Province, near Manila, has been approved in principle. It is reported that the plant will produce 130,000 tons a year of steel billets and pig iron, which will replace the scrap now being used by several of the country's steel mills.

The various government financing corporations have approved the plan in principle and the Philippine National Bank and the Development Bank of the Philippines have guaranteed the machinery to be purchased from Germany on first payment. Krupp Enterprises will supervise the construction and operation of the mill and will furnish \$28 million worth of machinery. The Central Bank will make dollar allocations for amortization payments as they fall due—Manila.

SOUTH AFRICA—An Epping, Cape, steelworks recently secured contracts in Britain and Commonwealth countries against worldwide competition. The firm, which had previously exported to Australia and Cyprus, attributes its success to the competitive prices of South African steel and the co-operation of S.A. Iron and Steel Industrial Corp. Ltd. (ISCOR) in making prompt delivery—Cape Town.

Synthetic Detergents

TRINIDAD—The Government of Trinidad and Tobago has declared the manufacture of synthetic detergents, not containing soap, a pioneer industry, and eligible for incentives. West Indian Oil Industries Ltd. (a Lever Bros. plant) will establish a factory to manufacture non-soapy detergents to be marketed in Trinidad and the area from July 1962. Initial production is set at 500 tons of powdered synthetic detergents and approximately 700 tons of liquid synthetic detergents a year—Port-of-Spain.

Tile

CEYLON—The Ministry of Industries will construct five tile factories with an estimated annual production of nine million tiles. These factories will be administered by the National Small Industries Institute. Ceylon imports annually about 30 million tiles costing approximately Rs.9 million in foreign exchange. The Government's first tile factory in the Gal Oya Valley turns out three million tiles a year, which are used mainly by the Gal Oya Board—Colombo.

HOW does a new trade office get Canadian merchandise moving into its territory? That's the problem that faced the officers posted to Philadelphia when the Trade Commissioner Service opened an office there last June, with the express purpose of expanding Canadian exports to the states of Pennsylvania, Delaware, Maryland, Virginia and West Virginia. These five states cover a large land area rich in natural resources and containing some of the most densely populated and heavily industrialized sections of the United States. The market for both industrial materials and consumer goods of almost every variety is enormous.

Almost from the outset, it was apparent to us that the most effective, and often the only, way to market Canadian products successfully was through reputable manufacturers' agents residing in the territory.

W. J. MILLYARD, *Consul and Trade Commissioner, Philadelphia.*

Try a

Accordingly, we mailed a questionnaire to 932 selected manufacturers' representatives in the five states, with the request that those interested in Canadian products complete it and return it to the Consulate. The questionnaire was basic and brief: in addition to its name and address, the firm was asked to list its present representations, number of salesmen and states covered, number of years in business, and Canadian lines that it would be interested in handling.

Excellent Response

The response in the first three weeks exceeded our most hopeful expectations. A total of 322 manufacturers' agents from all sections of the five states sent in replies. Some of them had been in business for over half a century, and had an impressive array of representations and a large force of salesmen. At the other end of the scale was the lone agent operating from his home, established only two or three years, and trying to build up a composite line of products complementary to the ones he already was promoting. Some agents had a sales territory covering several states, others confined themselves to one or two. The result of the exercise, however, was to furnish the Philadelphia office with the material for a directory of manufacturers' agents covering an immense range and often considerable depth.

An analysis of the returns showed that the agents' interests seemed to encompass the whole gamut of industrial activity in both light and heavy industry. The following sample list of Canadian products and the number of manufacturers' agents who would like to handle them makes fascinating reading.

Canadian Product	Number of Manufacturers' Agents Interested
Boilers and equipment for them	7
Bolts and nuts	6
Building materials	17
Castings and forgings	12
Chemicals	10
Chemical plant equipment	3
Clothing	3
Containers	2
Church supplies	2
Control equipment	28
Crushing and pulverizing supplies	5
Drugs, sundries	5
Electrical contractors' equipment	4
Electric industrial equipment	34
Electric utilities equipment	4
Electric wiring equipment	6
Electronic equipment and supplies	32
Fasteners, screw	4
Fasteners, other	10
Food products	3
Furnaces, industrial	6
Garage equipment and supplies	2
Garden equipment and supplies	5
Gifts, wrappings, cards	7
Hardware, housewares	35

Manufacturers' Agent

If you want to sell in Pennsylvania, Delaware, Maryland, Virginia and West Virginia, a professional manufacturers' agent is probably the answer.

Hi-fi products	8	Plastic materials and supplies	3
Hotel equipment and supplies	4	Plumbing equipment and supplies	10
Household utensils	13	Power transmission devices	10
Hydraulic machinery, parts	12	Printing equipment and supplies	2
Industrial equipment and supplies	67	Pumps of all kinds	34
Instruments, testing, gauging	30	Raw materials for compounding	9
Jewellery and jewellers' supplies	3	Rubber and rubber products	5
Leather and leather goods	2	Screw machine products	9
Lighting fixtures	19	Service-station equipment and supplies	13
Lubricating devices	2	Sporting goods	7
Machine shop supplies	3	Steam specialties	8
Machine tool parts	16	Steel and steel products	4
Machinery, other	21	Supermarket equipment	3
Marine equipment and supplies	4	Tools	28
Materials handling equipment	8	Toys	2
Metal specialties	6	Valves	31
Mining equipment and supplies	9	Welding equipment and supplies	5
Motors, electric	2		
Novelties	5		
Office equipment machinery and supplies	3		
Painters' equipment and supplies	9		
Paper and products; packaging	4		
Pipe (tubing)	9		

A further study of the returns leads to the conclusion that for some products Canadian exporters would be best served by appointing a single agency covering all five

states. In other instances, better results would probably be obtained by appointing several agents, each of whom would concentrate on a single state or part of a state, as in the case of Pennsylvania. In making suitable representation arrangements, much depends on the nature of the product, type of trade, and degree of technical knowledge and service required.

Contact the Trade Commissioner

Canadian firms which are in a position to export any of the products listed above should write to the Canadian Consul and Trade Commissioner, No. 3 Penn Center Plaza, Philadelphia 2, Pa. He will be glad to put them in touch with potential representatives and to supply any additional information which they may need on ways and means of selling in the central part of the eastern United States.

TRANSPORTATION NOTES

Australia

COAL-LOADING FACILITIES—Coal-loading facilities will be built at a cost of A£2.5 million at the new inner harbour at Port Kembla, about 60 miles south of Sydney. They will be used for coal exports to Japan in particular, and will include a 700-foot wharf on the eastern side of the inner harbour adjacent to the entrance. The harbour will be dredged to a depth of 38 feet and vessels carrying 35,000 tons of coal and more will be able to use the berth. The Public Works Department will build the wharf and tenders will be called for the coal-handling plant—Sydney.

VOYAGES IN OFF SEASON—Ships of the Australian National Line have completed 13 overseas voyages since 1959. A further four vessels are at present at sea and two overseas charters are pending. Of these trips, seven were to Japan, four to New Zealand, one to the United States, three to New Cale-

donia, and one each to Calcutta and Manila. Use of Australian National Line ships on overseas charters (mostly for bulk cargoes) has avoided the costly laying-up of vessels in the off season. Although some of the rates for the trips were not as high as the Government would have wished, none has been run at a loss—Sydney.

Brazil

PORT EXPANSION—The Brazilian Government will spend approximately Cr.\$3 billion over the next five years on improvements to the Port of Rio de Janeiro. It plans to increase warehouse space to 100,000 square metres, to expand coal and mineral ore dumps, enabling them to handle several million tons a year, and to construct wheat silos with a capacity of 10,000 tons and equipped with automatic feeders—Rio de Janeiro.

Canada

RATES INCREASED—Steamship lines operating regularly scheduled cargo liner services from Canadian Lakes, St. Lawrence and Atlantic ports to the Caribbean area have announced an increase in ocean freight rates to certain ports in the West Indies.

Rates to Jamaica are increased 5 per cent, effective September 11, 1961. Rates to Trinidad, British Guiana and Barbados are increased by 5 per cent up to a maximum of \$1.00 a ton, weight or measure, as freighted, with vessels sailing on or after September 14, 1961. Receiving, storage, delivery charges and/or landing charges will be increased 3 per cent.

The freight tariff covering movement of cargo from Eastern Canadian ports to Hamilton, Bermuda, is currently under review. New rates will be quoted in Canadian currency and will be effective on and after October 18, 1961—Ottawa.

Ceylon

HARBOUR DEVELOPMENT—The Dutch firm of engineering consultants, Nedeco, which carried out investigations for improvements to Ceylon's harbours, has been paid Rs.290,000. The firm was engaged by the Ceylon Government to report on the condition of the harbours prior to Ceylon's obtaining a World Bank loan to develop them—Colombo.

South America

NEW SHIPPING SERVICE FROM CANADA INVESTIGATED—The Amerind Shipping Corporation has scheduled a number of voyages for the purpose of surveying cargo possibilities between Eastern Canadian ports and the east coast of South America. The first experimental voyage was made in October by the Uruguayan flag vessel, the *M. V. Nortemar*, loading at Hamilton, Montreal and Quebec for Montevideo, Uruguay, and Buenos Aires, Argentina.

The development of a regular service will depend upon the results of the experimental voyages. Interested shippers may obtain information on subsequent sailings from the Canadian agents, Watts Watts Shipping Agency Limited, Montreal.

Uruguay

MONTEVIDEO PORT—A total of 1,999 ocean-going vessels with an aggregate 9,369,184 net register tons, called at the Port of Montevideo during 1960. This is an increase of 88 ships and 897,285 net register tons over the previous year. The highest percentage of these were British ships, numbering 280, followed by Argentina with 197, the Netherlands and the United States each with 175, West Germany 143, France 128, Italy 119.

Dredging in the access channel and harbour continues but there is an enormous backlog in dredging operations which, with adverse winds and low water level, seriously affects deep-draft shipping using this port—Montevideo.

Trade Commissioners on Tour

In Territory

D. S. ARMSTRONG, Commercial Counsellor in Cairo, United Arab Republic, will visit Damascus, Syria, from November 12-18, and Jeddah, Saudi Arabia, and Aden from December 8-16.

G. E. BLACKSTOCK, Consul and Assistant Trade Commissioner in New Orleans, will visit the following cities in Florida from November 8-22: Jacksonville, Orlando, Fort Lauderdale, Port Everglades, Miami, Coral Gables, Tampa, St. Petersburg, and Clearwater.

D. I. CAMPBELL, Assistant Commercial Secretary in Caracas, Venezuela, will visit Maracaibo from November 13-16.

B. HORTH, Assistant Commercial Secretary in New Delhi, India, will visit Kanpur and Lucknow, State of Uttar Pradesh, during November.

B. A. MACDONALD, Commercial Counsellor in Athens, Greece, will visit Cyprus, and Adana and Konya in southern Turkey, between November 15 and December 15.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, will visit Belfast, Northern Ireland, from November 20-24.

G. A. NEWMAN, Commercial Counsellor in New Delhi, India, will visit Cochin and Trivandrum, State of Kerala, during December.

R. F. RENWICK, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Grenada, St. Vincent, St. Lucia, Dominica, Montserrat and Antigua from November 16-24.

R. L. RICHARDSON, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Bridgetown, Barbados, from November 27-December 1.

K. D. TAYLOR, Assistant Trade Commissioner in Guatemala City, will visit El Salvador from November 29-December 2.

W. R. VAN, Trade Commissioner in Liverpool, England, will visit Manchester from November 22-25.

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. Blackstock at New Orleans, Mr. Campbell at Caracas, Mr. Horth and Mr. Newman at New Delhi, Mr. McLane at Glasgow, Mr. Macdonald at Athens, Mr. Renwick and Mr. Richardson at Port-of-Spain, Mr. Taylor at Guatemala City, and Mr. Van at Liverpool.

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

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

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which 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 .970874.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent October 23	Units per Canadian dollar	Notes (See below)
Argentina	Peso .....	.....	.01244	80.38	
Austria	Schilling .....	.....	.03992	25.05	
Australia	Pound .....	.....	2.3210	.4308	
Bahamas	Pound .....	.....	2.9012	.3447	
Belgium and Luxembourg	Franc .....	.....	.02069	48.33	
Bermuda	Pound .....	.....	2.9012	.3447	
Bolivia	Boliviano	Free .....	.00008783	11,385.63	
British Gulana	Dollar .....	.....	.6044	1.65	
British Honduras	Dollar .....	.....	.7253	1.38	
Brazil	Cruzeiro	Free .....	.003239	308.74	
		Special Category	†	†	
Burma	Kyat .....	.....	.2163	4.62	
Ceylon	Rupee .....	.....	.2176	4.59	
Chile	Escudo .....	.....	.9791	1.02135	
Colombia	Peso	Certificate .....	.1537	6.51	
Congo, Republic of	Franc .....	.....	.02069	48.33	
Costa Rica	Colon .....	.....	.1555	6.43	
Cuba	Peso .....	.....	†	†
Czechoslovakia	Koruna .....	.....	.1430	6.99	
Denmark	Krone .....	.....	.1496	6.68	
Dominican Republic	Peso .....	.....	1.03000	.970874	
Ecuador	Sucre	Official .....	.05722	17.48	
		Free .....	.04996	20.02	
El Salvador	Colon .....	.....	.4120	2.43	
Fiji	Pound .....	.....	2.6137	.3826	
Finland	Markka .....	.....	.003219	310.65	
France, Monaco, etc.	New Franc .....	.....	.2095	4.77	(1)
Franco-African Republics, etc.	Franc .....	.....	.004190	238.66	(2)
French Pacific	Franc .....	.....	.01152	86.80	(3)
Germany	D Mark .....	.....	.2574	3.88	
Ghana	Pound .....	.....	2.9012	.3447	
Greece	Drachma .....	.....	.03433	29.13	
Guatemala	Quetzal .....	.....	1.03000	.970874	
Haiti	Gourde .....	.....	.2060	4.85	
Honduras	Lempira .....	.....	.5150	1.94	
Hong Kong	Dollar	Free* .....	.1802	5.55	*Oct. 6
		Official .....	.1813	5.51	
Iceland	Krona	Official .....	.02395	41.75	(4)
India	Rupee .....	.....	.2176	4.59	
Indonesia	Rupiah	Official .....	.02289	43.69	(4)
Iran	Rial .....	.....	.01360	73.54	
Iraq	Dinar .....	.....	2.8840	.3467	
Ireland	Pound .....	.....	2.9012	.3447	
Israel	Pound .....	.....	.5722	1.75	
Italy	Lira .....	.....	.001659	602.77	
Japan	Yen .....	.....	.002861	349.53	

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

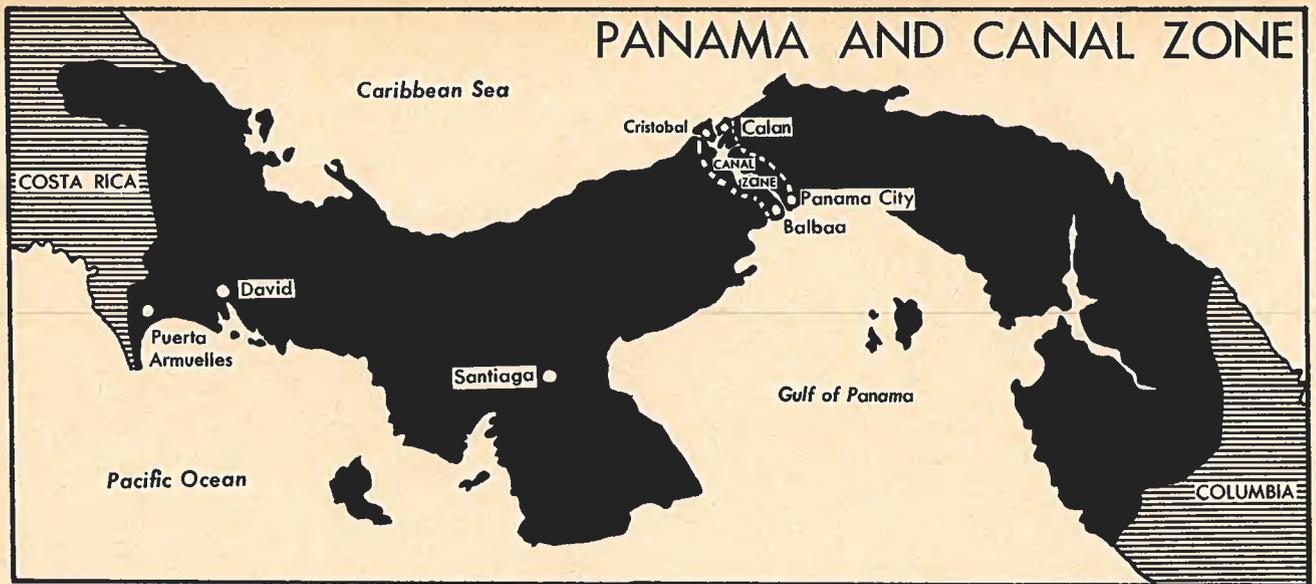
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent October 23	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3236	3.09	
Mexico	Peso		.08240	12.13	
Morocco	Dirham		.2060	4.85	
Netherlands	Florin		.2854	3.50	
Netherlands Antilles	Florin		.5462	1.83	
New Zealand	Pound		2.9012	.3447	
Nicaragua	Cordoba	Effective buying	.1560	6.41	
		Official selling	.1462	6.84	
Nigeria	Pound		2.9012	.3447	
Norway	Krone		.1448	6.91	
Pakistan	Rupee		.2176	4.59	
Panama	Balboa		1.03000	.970874	
Paraguay	Guarani	Official	.008142	122.82	
Peru	Sol		.03840	26.04	
Philippines	Peso	Free	.3433	2.91	
		Official	.5150	1.94	
Portugal & Colonies	Escudo		.03595	27.82	(5)
Republic of South Africa	Rand		1.4506	.6894	
Singapore and Malaya	Straits Dollar		.3385	2.95	
Spain and Dependencies	Peseta		.01717	58.25	
Sweden	Krona		.1994	5.01	
Switzerland	Franc		.2385	4.19	
Syria	Pound	Free	.2882	3.47	
Thailand	Baht	Free	.04872	20.52	(4)
Tunisia	Dinar		2.4926	.4012	
Turkey	Lira		.1144	8.74	(4)
United Arab Republic	Pound	Official	2.9577	.3381	
United Kingdom	Pound		2.9012	.3447	
United States	Dollar		1.03000	.970874	
Uruguay	Peso	Free	.09394	10.64	
Venezuela	Bolivar	Official	.3077	3.25	
		Free	.2242	4.46	
West Indies Fed.	Dollar		.6044	1.65	(6)
	Pound		2.9012	.3447	(7)
Yugoslavia	Dinar	Official	.001373	728.33	

Notes

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



Markets in Brief PANAMA AND CANAL ZONE

Area: 28,753 square miles, plus 553 square miles in the Canal Zone.

Population: one million.

Climate: tropical, with heavy rainfall.

Language: Spanish, but English is in common use.

Currency: balboa; at par with U.S. dollar.

Weights and measures: metric system, although U.S. standards are widely used.

Capital: Panama City.

Chief ports: Colon, 48 miles from Panama City and situated on the Atlantic end of the Canal, is the main port. Balboa and Puerto Armuelles are the principal Pacific ports.

Marketing centres: Panama City (population) 221,900; Colon 58,000; David 19,000; Santiago 13,028.

Economy: agriculture and fisheries, supplemented by the tourist trade and revenue from the Canal Zone, form the basis of the economy; exploration for petroleum is under way.

Total Panamanian imports: 1959—U.S.\$98.2 million.

Chief imports: (U.S.\$ million) 1959—manufactured products 24.3, machinery and transportation equipment 20.8, groceries 12.9, chemical products 10.8, fuel and oils 10.3.

Chief suppliers: (U.S.\$ million) 1959—United States 51.0, Britain 3.9, Japan 2.7, Belgium 2.0, Netherlands 1.7, Canada 1.6, Argentina 1.0.

Value of imports from Canada: 1961 (5 months)—Can. \$1,573,977; 1960—Can.\$3,702,779.

Chief imports from Canada: (Can.\$) 1960—flour of wheat 560,429, antibiotics 518,489, medicinal preparations 337,823, newsprint paper 298,382, insulated copper wire 159,189.

Total Panamanian exports: 1959—U.S.\$22.3 million.

Chief exports: (U.S.\$ million) 1959—bananas 13.0, shrimp 5.0, coffee 1.1, cacao 1.1.

Chief markets: 1959—United States, West Germany, Britain, Belgium, Canada.

Value of Canadian purchases: 1961 (5 months)—Can. \$2,027,470; 1960—Can.\$6,066,126.

Chief Canadian purchases: (Can.\$) 1960—bananas 5,873,005, manila fibre 65,820, drugs and chemicals 48,619, green coffee 47,817.

Dollar exchange: no restrictions.

Prices: quote in U.S. dollars, preferably c.i.f. Panamanian port.

Samples: samples of no commercial value and weighing no more than 18 ounces can enter free of duty. Valuable samples to be re-exported are admitted if a bond is placed with customs authorities.

Trade agreements: Canada and Panama accord each other most-favoured-nation treatment.

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

Canadian banks: none.

Correspondence: airmail essential; letters 10 cents per half ounce.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Canadian Government Trade Commissioner
P.O. Box 400
Guatemala City
Guatemala, C.A.

NOTE: The reader should note that in the sections on Canadian exports and imports, Canadian figures are used, otherwise the statistics of the country. This explains certain discrepancies.

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