

# foreign trade

OCTOBER 25, 1952



OTTAWA  
CANADA



The Cuban Market

... opportunities for exporters



## **Cuba . . . and Canadians**

*The second of our reports on particular markets for Canadian products comes from Cuba—the “Pearl of the Antilles”, largest island of the West Indies group.*

*Cuba, with its 5½ million people, is not one of Canada's biggest customers. Last year it ranked 20th in our total trade. But the potential is there. In 1947, our sales to Cuba reached \$7·5 million . . . in 1951, \$20·4 million. And for the first seven months of this year they have already touched \$15·5 million.*

*The bulk of these sales were of products traditional to the Antilles trade—wheat and wheat flour, salt cod, seed potatoes, newsprint. Yet that is only part of the story. Cuba is buying manufactured products . . . raw materials for the secondary industries she is striving to build up . . . combines, tractors and fertilizers to make agriculture more efficient. These are things which Canadian exporters are ready and eager to supply—and Cuba has the dollars to pay for them.*

*Those dollars come from the sale of the world's largest sugar crop. Only when the sugar harvest is bountiful and the selling price high does Cuba prosper. In contracting for 75 thousand tons of this sugar a year, Canada has again recognized the essential fact that one must buy in order to sell.*

*Every market has hurdles to be surmounted. Canadians who wish to sell in Cuba must recognize the dominant role of the United States in Cuban trade, and the preferential tariffs which the U.S. enjoys. The last few years have, however, brought a lowering of these barriers. Today there is scope for other traders in many lines.*

*Here, then, is a realistic review of the Cuban market as our Trade Commissioners in Havana see it—and of the sales opportunities there for the enterprising exporter.*

—The Editor.



# foreign trade

**VOL. 12    OTTAWA, OCTOBER 25, 1952.    NO. 304**

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**COVER . . .** These bundles of sugar cane starting their journey to the mills are the key to the Cuban economy, where sugar reigns supreme. Last year Cuba exported over 5½ million long tons of sugar, the sale of which brought the country more than \$631.5 million U.S.

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—Cuban Tourist Commission.

*Havana, Cuba's capital and principal port, seen from Atares Castle.*

## **Cuba Buys Canadian Products**

**H**AVANA—Seven years ago, Cuba bought from Canada \$4½ million worth of goods. Last year, sales mounted to over \$20 million. And that could be just the opening chapter in a trade “success story”, because Cuba, with a population of about 5½ million, imported \$492 million worth of products from the United States alone in 1951.

No exchange controls and import restrictions hedge in this market, and substantial reductions in the preferential tariff margin accorded to the United States mean brighter prospects for Canadian exporters. Tariff concessions gained through GATT have also helped.

Cuba's exports to Canada, on the other hand, have not maintained a steady upward climb. During 1949 and 1950 they fell off drastically. But in 1951, Canada and Cuba entered into a trade agreement whereby Canada undertook to buy 75 thousand short tons of Cuban sugar a year, in return for certain trade concessions. (For details, see story on page 24.) Since then, Cuba has again become an important source of supply for Canada.

Cuba is the world's largest exporter of sugar, and during 1951 exported sugar and by-products to the value of \$675 million. Although at the present time sugar is in surplus supply, mainly because of import restrictions imposed by many consuming countries, the long-run outlook is excellent. For the first time in many years, Cuba is restricting the forthcoming crop to five million long tons. This, however, compared with

the average prewar crop of under three million long tons, should not have any untoward economic repercussions and the country should remain relatively prosperous.

Cuba has made great strides in developing domestic food supplies. The country now has a large beef cattle and dairy industry and grows considerable quantities of rice. Secondary industries have developed only slowly, but there has been progress. One evidence is the opening this year of a flour mill, which will supply a large proportion of the country's needs, and of a detergents factory. In addition, during the past two years the Cuban Government has been laying the basis for future development. Completed and under construction are such necessary public works as new roads, bridges, waterworks, cold storage facilities, dredging, improvement of harbour facilities, erection of granaries, etc.

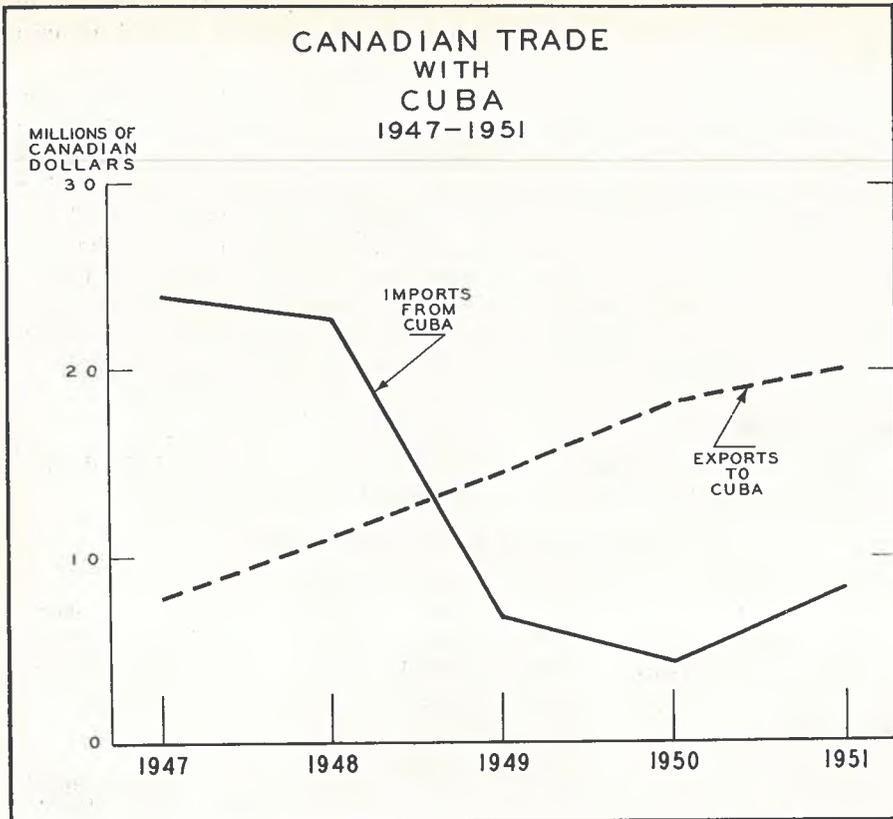
### Guide to Market

The following selected list of Cuban imports, based on 1950 figures (the latest available) may serve as a guide to the Cuban market:

#### Selected List of Cuban Imports, 1950

(1 Cuban peso equals US\$1.00)

Commodity	Metric tons	Cuban pesos	Principal supplier	Import controls where applicable
Wheat .....	2,051	159,955	U.S.A.	Prior licence against quota ditto.
Wheat flour .....	143,085	14,277,442	U.S.A.	
Malted barley .....	15,727	2,258,767	U.S.A.	Permit Agriculture Department.
Oil cake and meal .....	7,858	615,771	U.S.A.	
Linseed oil .....	1,685	654,016	Canada	
Seed potatoes .....	3,538	220,740	Canada	
Bloaters .....	641	147,452	Norway	
Codfish .....	10,567	4,245,215	Canada	U.S.A.
Canned sardines, not boned	5,327	1,928,175	U.S.A.	
Leather .....	664	2,255,789	U.S.A.	U.S.A.
Live poultry, including baby chicks .....	717	436,785	U.S.A.	
Hams, including canned...	1,507	1,836,246	U.S.A.	U.S.A.
Butter .....	523	749,077	U.S.A.	
Condensed milk .....	5,280	1,401,705	Netherlands	U.S.A.
Evaporated milk .....	10,065	2,372,055	U.S.A.	
Powdered milk .....	461	248,878	U.S.A.	U.S.A.
Eggs in the shell (dozen)	2,471,385	927,028	U.S.A.	
Plywood .....	2,286	720,044	Dutch Guiana	U.S.A.
Lumber (rough sawn pine)	111,179	5,214,784	U.S.A.	
Wood pulp .....	20,127	1,666,464	Sweden	U.S.A.
Kraft wrapping paper .....	3,812	612,583	U.S.A.	
Manilla paper .....	1,988	503,447	U.S.A.	U.S.A.
Newsprint .....	32,227	4,180,458	Canada	
Chrome papers .....	3,784	1,103,344	U.S.A.	U.S.A.
Motors, all kinds (units) ..	12,895	1,671,388	U.S.A.	
Farm machinery, implements and parts, including tractors .....	....	7,810,608	U.S.A.	U.S.A.
Automotive accessories ...	3,062	3,465,777	U.S.A.	
Copper wire .....	2,401	1,804,357	U.S.A.	U.S.A.
Copper tubing .....	892	674,167	U.S.A.	
Glass containers .....	26,156	3,699,792	U.S.A.	U.S.A.
Pharmaceutical preparations and drugs .....	3,215	12,263,736	U.S.A.	
Fertilizers .....	13,776	872,456	U.S.A.	U.S.A.
Paints, pigments, lacquers, powdered colours .....	6,432	2,797,183	U.S.A.	
Calcium carbide .....	3,909	358,799	Canada	U.S.A.
Refrigerators (units) .....	45,872	6,497,278	U.S.A.	



—Dominion Bureau of Statistics.

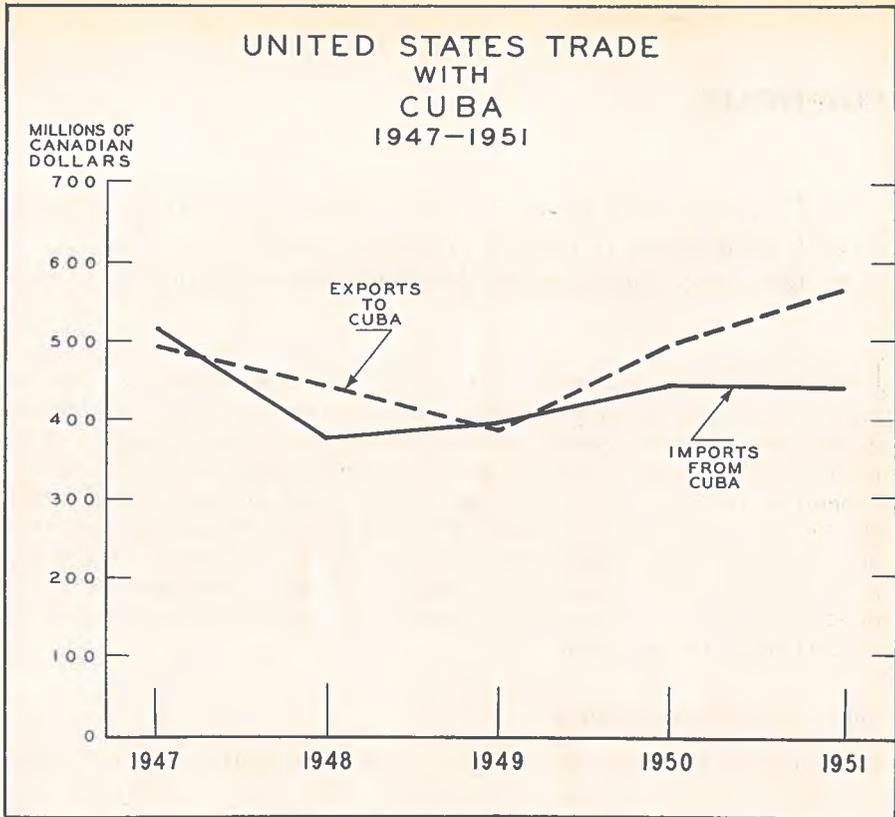
Total Cuban imports for 1951 reached \$640 million, some 24 per cent over 1950 and six times the value of imports in 1939. The leading groups of imports were:

#### Cuban Imports by Commodity Groups

(millions of Cuban pesos)  
(one Cuban peso equals US\$1.00)

	1939	1945	1950	1951
Stones, earths, minerals, glass and ceramics....	11.1	20.5	50.3	61.2
Metals and manufactures thereof .....	9.9	19.4	40.5	59.4
Substances employed in the pharmaceutical and chemical industries .....	11.8	26.9	49.6	62.1
Cotton and manufactures thereof .....	11.1	17.6	35.5	34.4
Vegetable fibres, including rayon, and manu- factures thereof .....	7.7	19.8	45.8	37.6
Wool, hair, bristles and manufactures thereof ...	1.2	2.1	1.7	2.4
Silk and manufactures thereof .....	.4	.08	.1	.1
Paper and manufactures thereof .....	4.7	11.7	20.2	28.7
Wood and other vegetable products, and manu- factures thereof .....	2.4	4.4	8.8	10.3
Animals and by-products .....	2.2	4.0	5.4	4.6
Machinery, instruments, apparatus and vehicles	10.9	17.9	90.6	127.2
Foodstuffs and beverages .....	26.4	81.2	148.5	191.8
Tobacco and manufactures .....	.1	.3	.9	1.2
All other commodities .....	5.3	12.5	16.4	18.5
<b>Totals .....</b>	<b>105.8</b>	<b>238.9</b>	<b>515.0</b>	<b>640.2</b>

Proximity to the United States and its preferential tariff margin has made that country Cuba's chief supplier, and U.S. type merchandise is



—Dominion Bureau of Statistics.

favoured. The tariff negotiations previously mentioned are, however, aiding other supplying countries to increase their share of the market.

#### Agency Arrangements

Cuba has only one city of over a million people—the capital, Havana. The second largest city, at the far eastern end of the Island, is Santiago de Cuba, with about 200 thousand people. Most agencies are placed with firms in Havana who cover the other parts of the country, including Santiago de Cuba, through sub-agents. Bulk products such as dried salt fish and flour are an exception to this rule. For them, in most cases, direct agencies are held in Santiago de Cuba to cover the eastern end of the Island. However, the practice varies with the product.

Although Cuba is facing a real problem with the first sugar surplus in many years, future prospects in this market are excellent. There appears little doubt that exports of sugar will continue to be much higher than they were prewar. The preferred position given Cuba in the U.S.—where about half of Cuba's crop has an assured sale at prices higher than present ones in the world market—provide a definite cushion against any really drastic economic reverses.

—A. W. EVANS  
*Commercial Secretary for Canada*

## CHEMICALS

- *Prospects good for zinc oxide, phosphorus, copper sulphate.*
- *United States is leading chemicals supplier.*
- *Germany making strong bid for business again.*

**I**MPORTED chemicals play a vital role in Cuban industry. The all-important sugar industry consumes, directly or indirectly, considerable quantities of varied types. Other industries—including soap, textiles, rayon, rubber goods, fertilizers, pharmaceuticals-chemicals and tanning—depend in varying degrees on a still wider range of imported chemicals. Most of them have been purchased from the United States, mainly because of proximity, price, steady supplies, and tariff preference. The latter, in fact, is the chief obstacle to greater Canadian participation in this market. Europe, and especially Germany, is again making a strong bid for a share of the business.

### **Sulphuric Acid Manufactured**

Production of industrial chemicals is comparatively recent and limited in scope. In sulphuric and hydrochloric acids Cuba is practically self-sufficient. There are three manufacturers of sulphuric acid, all using the contact process and obtaining their raw sulphur from the United States. The first two plants, together producing roughly 85 tons per day, use their entire production themselves, although occasionally they sell small amounts. The third plant, producing approximately ten tons of sulphuric acid a day, sells the entire production on the domestic market. This plant also produces chlorine, hydrochloric acid, sodium hydroxide, sodium hypochlorite, potassium sulphate and inhibited acid for cleaning evaporators.

The price at which sulphuric acid is sold to the Cuban consumer is extremely high—the result of a strong protectionist policy favouring the one local plant producing this chemical for sale. This keeps costs high in the various Cuban industries which rely on sulphuric acid as a fundamental raw material. It has also discouraged the establishment of a number of new industries.

Only enough caustic soda is produced in Cuba to meet a fraction of requirements. Informed sources tell of plans to increase production of the liquid form substantially within the next several years. Cuban production is all in the liquid form (37 per cent  $\text{Na}_2\text{O}$ ) and totals over one million kilos a year. Imports for the last three years have run at roughly ten million kilos a year. Two-thirds of the imports have been in liquid form (mainly 50 per cent solution, 37 per cent  $\text{Na}_2\text{O}$ ) and the remainder solid (76 per cent  $\text{Na}_2\text{O}$ ).

## Caustic Soda

Practically all imports of caustic soda come from the United States, with very limited amounts from Great Britain, because of lower prices for solid caustic.

### Imports

1949	1950	1951	1952 (6-mos.)
6,204,421 kilos	10,041,226 kilos	8,318,839 kilos	2,750,995 kilos

The principal users of liquid caustic are the rayon plant at Matanzas and the various soap manufacturers. Caustic soda in solid form is used in the sugar mills for cleaning. In flake form, it goes to different industries such as bottling plants. Some companies import their requirements direct; others buy through local distributors.

Sales prospects for Canadian caustic appear poor. Liquid caustic is imported in tankers and barges at a low ocean freight. Furthermore, caustic soda producing plants in the southern United States are very close to Cuba.

## Aluminum Sulphate

This duty-free product is used mainly in aqueducts and by paper mills. Bulk of imports come from the United States; the iron-free type is bought from Germany, because of lower prices.

### Imports

1949	1950	1951	1952 (6-mos.)
1,315,458 kilos	1,647,382 kilos	1,113,219 kilos	546,752 kilos

To date, Canadian prices have not been competitive. Entry into this market is not worthwhile unless prices are competitive or unless an iron-free product, required by the paper mills, can be offered at a price equal to or less than that of German producers. Aluminum sulphate is usually sold on sight draft, documents on payment, directly to paper mills and large aqueducts. It is also sold locally through agents and distributors.

## Zinc Oxide and Phosphorus

Principal suppliers of zinc oxide are the United States, Canada, Germany, the United Kingdom and Mexico.

### Imports

1949	1950	1951	1952 (6-mos.)
944,157 kilos	1,205,521 kilos	1,102,082 kilos	439,282 kilos

End users are paint manufacturers, druggists, the rayon plant, and plants turning out rubber products.

Canada should be a good source of supply and if prices are competitive, Canadian exporters should have a definite advantage over European ones on what is classified as impure zinc oxide. This pays a low rate of duty. High grades of 99.9 per cent are classified in the Cuban customs tariff as pure and pay a high duty, with a preferential US\$2.20 per 100 kilos in favour of the U.S. product. Terms of payment acceptable to the Cuban importers are sight draft, cash against documents.

The principal suppliers of phosphorus are the United States and Canada. Imports from the United States receive the preferential rate of 0.035 cents a kilo, compared with 0.05 cents a kilo on similar imports from Canada.

### Imports

1949	1950	1951	1952 (6-mos.)
36,501 kilos	48,699 kilos	41,480 kilos	25,767 kilos

Imported phosphorus is used by the local match industry. This industry (which is over-expanded because of the continued operation of marginal producers) manufactures over 200 million boxes of fifty a year, mainly of the waxed paper types. All the essential raw materials are imported.

### Copper Sulphate

This commodity, needed to make agricultural fungicides and to a limited extent in water treatment, is principally obtained from the United States. Entry into Cuba is duty-free.

### Imports

1949	1950	1951	1952 (6-mos.)
82,943 kilos	219,935 kilos	179,799 kilos	48,284 kilos

### Trichlorethylene

Because imports of trichlorethylene are classified under a general heading, actual figures are not available. The principal end users are the textile manufacturers and the innumerable dry cleaning establishments.

Imports come mainly from the United States, though limited quantities have been purchased from a Canadian subsidiary of a U.S. firm. The United States product enjoys a tariff preference of US\$2.20 per hundred kilos.

### Acetic Acid

All imports come from the United States.

### Imports

1949	1950	1951	1952 (6-mos.)
32,330 kilos	39,093 kilos	40,208 kilos	5,623 kilos

Acetic acid is used in the photographic, textile and vinegar industries. It is impossible to compete with the United States in this product, because the product itself is worth only about US\$0.12 per pound but carries a duty of US\$0.35 per kilo for imports from the U.S. in contrast to US\$0.50 per kilo for the Canadian equivalent. By the time the importer pays the 9 per cent tax, based on the duty-paid value, the difference on the landed cost based on equal f.a.s. prices amounts to about US\$0.09 per pound.

### Acetone and Alcohol

The consumption of acetone is not very great. Principal imports are from the United States. With the conclusion of the bilateral trade agreement between the United Kingdom and Cuba in September 1951, the previous tariff preference in favour of acetone imports from the U.S. was eliminated. The more important users in Cuba include the lacquer and solvent industries.

### Imports

1949	1950	1951	1952 (6-mos.)
27,765 kilos	81,271 kilos	65,194 kilos	40,828 kilos

Cuba is a large exporter of alcohol. The only type imported is wood alcohol (methanol) which must comply with Cuban specifications. Imports are made in both tank cars and drums for use in distilleries, varnish and paint plants, and the lacquer industry. The United States enjoys no tariff preferential on this product.

Imports			
1949	1950	1951	1952 (6-mos.)
281,474 kilos	368,192 kilos	412,849 kilos	134,268 kilos

—W. R. VAN  
Assistant Commercial Secretary for Canada

## VEGETABLE AND OTHER OILS

- *Cuba purchases many types of vegetable oils.*
- *Essential and fish oils also sell well.*
- *Linseed oil, cod liver oil best Canadian prospects.*

CUBA imports large quantities of vegetable oils, both for food purposes and for use in industries such as paint manufacture and soapmaking. The types most frequently purchased are coconut, soybean, olive, sesame, cottonseed, palm, linseed and castor oils, two of which are of interest to Canada. The country produces all its own peanut oil but the price is exceedingly high.

### Linseed Oil

During the last three years Canada has been the largest single supplier of this commodity, with the United States in second place. Other suppliers of lesser importance are Belgium and the Argentine. The boiled type constitutes the majority of imports. Imports of U.S. origin are normally made by tank car from West Palm Beach, Florida; imports from Canada and Europe in drums. The firmness of the Canadian dollar during the last few months has led to heavier imports from the United States, to the detriment of the Canadian trade.

Although Cuban paint factories are the chief end users, many other industries which require a vegetable oil buy small amounts. The Cuban branch of Sherwin-Williams is by far the largest single importer and consumer. This factory imports the oil in tank cars from sellers in the United States. Imports for re-sale are distributed largely by hardware stores throughout the country.

IMPORTS			
1949	1950	1951	1952 (6-mos.)
1,160,332 kilos	1,853,843 kilos	1,311,103 kilos	528,599 kilos

The tariff preferential favouring U.S. exporters to this market over all other sources, including Canada, amounts to US\$0.10 per 100 kilos. This

product is usually handled on a commission basis by local agents conversant with the trade. Usual terms are sight draft, documents on payment.

### Soybean Oil

Cuba imports large quantities of soybean oil, entirely from the United States, because of the extremely high tariff preferential. American imports are subject to a duty of US\$1.95 per 100 kilos; similar imports from other countries, including Canada, to a duty of US\$10.00 per 100 kilos.

Most of this soybean oil is for human consumption; is made into edible oils and fats. The soybean, experts say, should grow well in Cuba and the Cuban Ministry of Agriculture is taking a greater interest in the possibility of local production. However, interest in this product has risen and fallen over a long period so it is difficult to predict whether any concrete results will be achieved.

IMPORTS			
1949	1950	1951	1952 (6-mos.)
4,178,860 kilos	5,726,199 kilos	5,940,188 kilos	2,794,273 kilos

### Essential Oils

In addition, Cuba uses a large number of oils to prepare perfumes and flavours. Practically all imports come from the U.S.

IMPORTS			
1949	1950	1951	1952 (6-mos.)
164,137 kilos	148,242 kilos	201,796 kilos	70,133 kilos

### Cod Liver Oil

Scandinavian countries, especially Norway, supply most of this product. The United States has also had a good share of the market; Canada has supplied smaller quantities. It is also possible that a portion of the U.S. imports are of Canadian origin.

IMPORTS			
1949	1950	1951	1952 (6-mos.)
73,507 kilos	154,774 kilos	10,283 kilos	39,504 kilos

Duties levied on imports of American origin are US\$1.60 per 100 kilos. Those from Canada and other countries are charged US\$2.00 per 100 kilos. As the duty preferential is small, future prospects depend entirely on competitive pricing and on being able to supply the qualities required.

—W. R. VAN

## FERTILIZERS

- *Use of commercial fertilizers is increasing.*
- *Raw materials for mixing fertilizers imported.*
- *Most basic ingredients enter duty-free.*

**T**HE Cuban market for fertilizers, indications are, will continue to expand. Undoubtedly, as time goes on, preparation and possibly production of fertilizers will increase. In that case, demand for the raw material ingredients should be brisk.

At present, the most important source of completed fertilizers, and of the raw materials for mixing fertilizers, has been the United States. In 1950, all imported superphosphates came from the U.S. as did most of the muriated potash and ammonium sulphate. Canada supplied most of the ammonium nitrate. Sodium and potash nitrates came largely from the Republic of Chile. There seems to be a shift towards European sources of supply, especially Germany, for potash and nitrogen.

The real value of fertilizers has been and is being proved by the increasing use of them in all phases of Cuban crop production. Approximately 20 per cent (or over two million acres) of all crop land is now fertilized in contrast to some 12 per cent a decade ago. The heaviest proportionate use has been on sugar cane fields. During the crop year ended June 30, 1951, this all-important part of Cuban agriculture consumed approximately 65 per cent of all fertilizers. Even so, some 75 per cent of the cane acreage is still not fertilized.

About 20 per cent of the mixed fertilizers was used on tobacco plantings; the remainder on fruit, potatoes and rice crops. Commercial plantings of potatoes, cucumbers, peppers and other winter vegetables are almost completely dependent on fertilizers. Moreover, such crops as pineapples, tobacco and grapefruit would be of minor commercial importance were it not for the extensive use of fertilizers.

### Use Is Growing

Of the whole Island, only the eastern province of Oriente has a good quality soil which does not need much fertilizing. All the other provinces require fertilizers in varying degrees and types. Consumption of mixed fertilizers during the year ended June 30, 1951, was 236,112 short tons. Approximately 90 per cent was mixed in Cuba. This represents an increase of approximately 215 per cent over the crop year ended June 30, 1945, when only 74,860 short tons of mixed fertilizers were used. About 12 per cent of farms used fertilizers on a total of one million acres in the 1944-45 crop year. In the year ended June 30, 1951, this had risen to 37 per cent and over 2.3 million acres. Consumption of mixed fertilizers for the year ended June 30, 1952, will probably total some 240 thousand short tons.

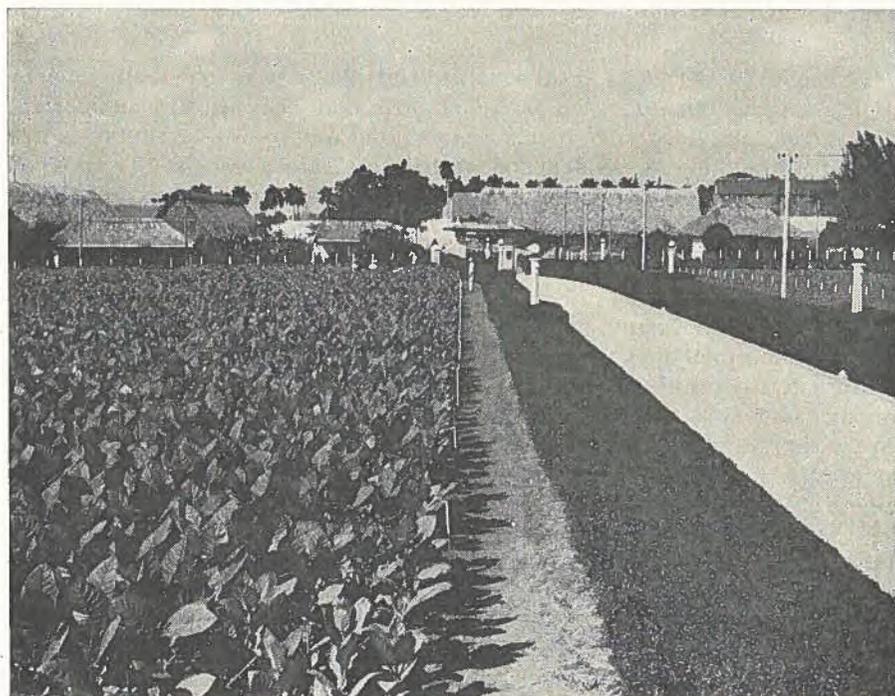
All raw materials to produce fertilizers are imported. One firm\* located on the outskirts of Havana now makes superphosphates ( $P_2O_5=19$

\* Productora de Superfosfatos S.A., Regla.

per cent) in a modern, well-equipped plant capable of producing approximately 38 thousand short tons a year. The difficulty of obtaining sufficient sulphur has kept this plant operating at only 80 per cent of capacity. Four to five local firms are equipped to produce ammoniated superphosphates which, when prepared, are stored as a basic ingredient for the mixing of complete fertilizers. Only one firm, however, has sufficient storage space to ammoniate superphosphates at the same time complete fertilizers are being prepared. Statistics show that during the fiscal year ended June 30, 1951, Cuban firms prepared 40,674 short tons of ammoniated superphosphate ( $\text{NH}_3$ —6 per cent;  $\text{P}_2\text{O}_5$ —16 per cent), and 2,224 tons of high analysis ammoniated sulphate ( $\text{NH}_3$ —7.5 per cent;  $\text{P}_2\text{O}_5$ —37 per cent).

Cuba also has three large and twelve comparatively small mixing plants. All are located in the areas where fertilizer demand is greatest, including the provinces of Pinar del Rio, Havana and Matanzas in the western end of the Island. Proposals have been put forward to establish an initial 10,000-short-ton mixing plant in the eastern province of Oriente, to lower distribution costs in that part of the Island and make the use of fertilizers more attractive. All plants, including the one major producer, depend on assured supplies of raw materials. This, with the rise or fall in sugar cane production, governs output. The shortage of raw materials for mixing tends to increase imports of complete fertilizers.

Of the 217,862 short tons of mixed fertilizers prepared during the year ending June 30, 1951, by Cuban mixing plants, formulas varied



*Tobacco still ranks as Cuba's second most important export crop, though cigar exports have fallen of late years. Fertilizers are being used extensively on tobacco plantings to step up quality and yield.*

according to crop and soil conditions. The percentage of basic ingredients averaged:

Ingredients	Percentage	Tons
N (Nitrogen) .....	7.0	15,156
P <sub>2</sub> O <sub>5</sub> (Phosphorous pentoxide) .....	9.5	20,769
K <sub>2</sub> O (Potash) .....	6.5	14,089

Wider use, encouraged to a great extent by the Ministry of Agriculture, has boosted imports of complete fertilizers or raw material ingredients for their production. The development of domestic manufacture has tended to decrease imports of completed fertilizers and give the advantage to imports of raw materials. However, much depends on supply of the various ingredients and on the fluctuations in the market prices of them.

The principal imports of raw materials in recent years have included superphosphates, ammoniated phosphates, nitrate of potash and muriate of potash. The Ministry of Agriculture figures for imports for the fiscal year ended June 30, 1951, give the complete picture.

Fertilizer Materials	Quantity (Short Tons)
Super .....	42,603
Triple Super .....	3,318
Ammoniated Super .....	26,981
Ammo. Phosphate .....	3,800
Ammo. Sulphate .....	40,668
Ammo. Nitrate .....	1,319
Sodium Nitrate .....	8,073
Urea .....	220
ANL .....	150
Cyanimid .....	200
Nitrogen Sol .....	9,385
Nitrate of Potash .....	14,973
Muriate of Potash .....	14,950
Sulphate of Potash .....	3,415
Sulphate of Magnesium .....	1,188
	<hr/>
	171,553

Approximately 7,200 tons of nitrates (potassium or soda) were reportedly applied directly to the soil unmixed. All remaining ingredients comprise the basic materials for Cuban mixes. Figures on imports of actual prepared fertilizers for the fiscal year ended June 30, 1951, are only approximate and range between 18 and 20 thousand short tons.

Storage facilities for fertilizer ingredients and mixed fertilizers are limited. Consequently, consumption is approximately equal to imports plus local production.

The Cuban Government imposes no specific regulations on the import, production or distribution of fertilizers other than the normal import duties and local taxes. All basic ingredients enter duty-free at all times, except ammonium superphosphates. The free entry of this is subject to periodic decrees, presumably based on the ability of local production to supply requirements.

Prepared and imported fertilizers are subject to import duties of four cents US per 100 kilos when originating in the United States and five cents per 100 kilos when originating in other countries, including Canada.

Fertilizers or basic ingredients are usually marketed through commission agents. Salaried salesmen are used extensively but are normally employed by local producing and mixing firms. A few sugar mills import directly.

—W. R. VAN

## PAPER PRODUCTS

- *Strictly a price market, but brand conscious.*
- *Preferential tariff granted U.S. is obstacle.*
- *All sales made through commission agents.*

CUBA has proved a steady and growing market for all types of papers. Paper exporters who know this market have found it strictly a price, not a quality, one. But the buyers are brand-conscious. Manufacturers selling there for the first time must be prepared to compete in price with firms that have been long entrenched. Unfortunately, Canada and other exporting countries face the barrier of a preferential tariff granted to imports from the United States, which is, in some instances, quite substantial.

Another problem is the high cost of Canadian production compared with other (especially European) countries. Consequently, to compete in normal times Canadian producers and exporters must adjust their prices so that the landed price in Cuba is even less than, or not above, that of similar imports from the United States.

All papers are imported in rolls or sheets and made up locally. It is only rarely, and in small quantities, that finished paper such as stationery and envelopes is imported. There are many jobbers and printers, especially in Havana, but also spread throughout the Island. Actually the number is larger than the population warrants. The intense competition that results usually leaves the jobber with a very low profit and in effect controls the markup. This again makes it imperative for the exporter to meet local competition.

Cuba has two paper mills, both in Havana, producing paper for bags and wrapping. The average annual production approximates 24 thousand tons. Raw material in the form of pulp comes chiefly from Sweden. Now a substantial price reduction in the locally manufactured product is affecting imports. Informed sources indicate that there has been a seven cent a pound reduction during the first six months of this year. All raw materials for these mills are free from import duties, thus giving their products a distinct advantage over imported bags or wrapping. The two mills also produce roughly 4,000 tons of cardboard a year from waste paper which is repulped.

### **Important Market**

A cross-section of imports, with values and countries of origin, issued by the Statistical Section of the Ministerio de Hacienda, illustrates the increasing importance of this market:

#### *Kraft Wrapping Paper*

1935-1939: Total Cuban imports amounted to 1,980,153 kilos valued at 143,469 Cuban pesos. The United States supplied 1,946,106 kilos of this. No imports from Canada were listed.

1948: Total imports amounted to 2,181,641 kilos valued at 395,851 Cuban pesos. The United States supplied 2,079,973 kilos, and Canada 14,597 kilos valued at 3,724 Cuban pesos. Sweden supplied 45,963 kilos valued at 14,274 Cuban pesos, and Austria 29,544 kilos valued at 9,512 Cuban pesos.

1949: The United States supplied 2,793,018 kilos, valued at 473,783 Cuban pesos, of total imports of 2,920,340 kilos, valued at 507,180 Cuban pesos. The two other principal suppliers were Canada, with 445,437 kilos valued at 8,990 Cuban pesos, and Norway with 67,760 kilos valued at 20,284 Cuban pesos.

1950: Total imports amounted to 3,812,153 kilos valued at 612,583 Cuban pesos. The United States share was 3,228,236 kilos valued at 524 thousand Cuban pesos. Canada was the second principal supplier with 453,698 kilos valued at 61,588 Cuban pesos.

#### *Bond Book Paper*

1935-1939: 656,154 kilos valued at 79,246 Cuban pesos were imported. Over 90 per cent of this amount was supplied by the United States; none by Canada.

1948: Total imports amounted to 1,279,226 kilos valued at 370,748 Cuban pesos. The United States shipped 1,139,583 kilos valued at 332,387 Cuban pesos. Canada, with 63,392 kilos valued at 14,346 Cuban pesos, was followed by Sweden, with 51,713 kilos valued at 11,429 Cuban pesos.

1949: Imports were reduced to 555,631 kilos valued at 182,882 Cuban pesos. Ninety per cent of this amount was supplied by the United States; Sweden supplied 19,462 kilos, and Canada 13,989 kilos.

1950: A doubling of imports over the previous year set the import figures at 1,258,763 kilos valued at 315,953 Cuban pesos. Over 95 per cent was supplied by the United States, with Canada supplying 30,369 kilos valued at 7,074 Cuban pesos.

The Cuban customs tariff provides nearly one hundred separate classifications for papers of all types, exclusive of newsprint. Canada participates in varying degrees, but the United States is the principal supplier in all lines. Canada could probably win a more substantial share of the market for most of the lines sold in Cuba. However, as pointed out earlier, our high cost of production and the preferential tariff granted to imports from the United States are obstacles. Another need, of course, is to have a well-established brand. At the present time, direct sales from Canadian manufacturers would appear to have the best prospects of success.

#### **Sales through Agents**

All sales of paper in the Cuban market are handled through commission agents. Their commissions vary, but the usual one is 5 per cent of the price f.a.s. port of embarkation. However, some agents say that because of the tremendous competition their commissions often have to be severely pared down. Terms must be attractive and many of the principal companies established in this market have been offering very reasonable term payments. They realize that they are operating in a buyer's market, and a popular dollar market, and that to keep their footing they must offer their customers every facility.

—W. R. VAN

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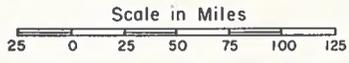
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# CUBA

- National Capitals ..... ●
- Other Cities (Towns) ..... ●
- Main Highway ..... ———
- Other Selected Highways ..... - - - - -
- Railways ..... + + + + +
- Airports ..... Ⓛ
- Seaports ..... ▲



Tampa

FLORIDA  
(U.S.A)

Miami

GULF OF MEXICO STRAIT

HAVANA Guanabacoa Varadero  
Matanzas

Pinar  
del Rio

Nueva  
Gerona

Santa  
Cie

YUCATAN CHANNEL

MEXICO

CARIBBEAN SEA

G.B. 52-48

87°

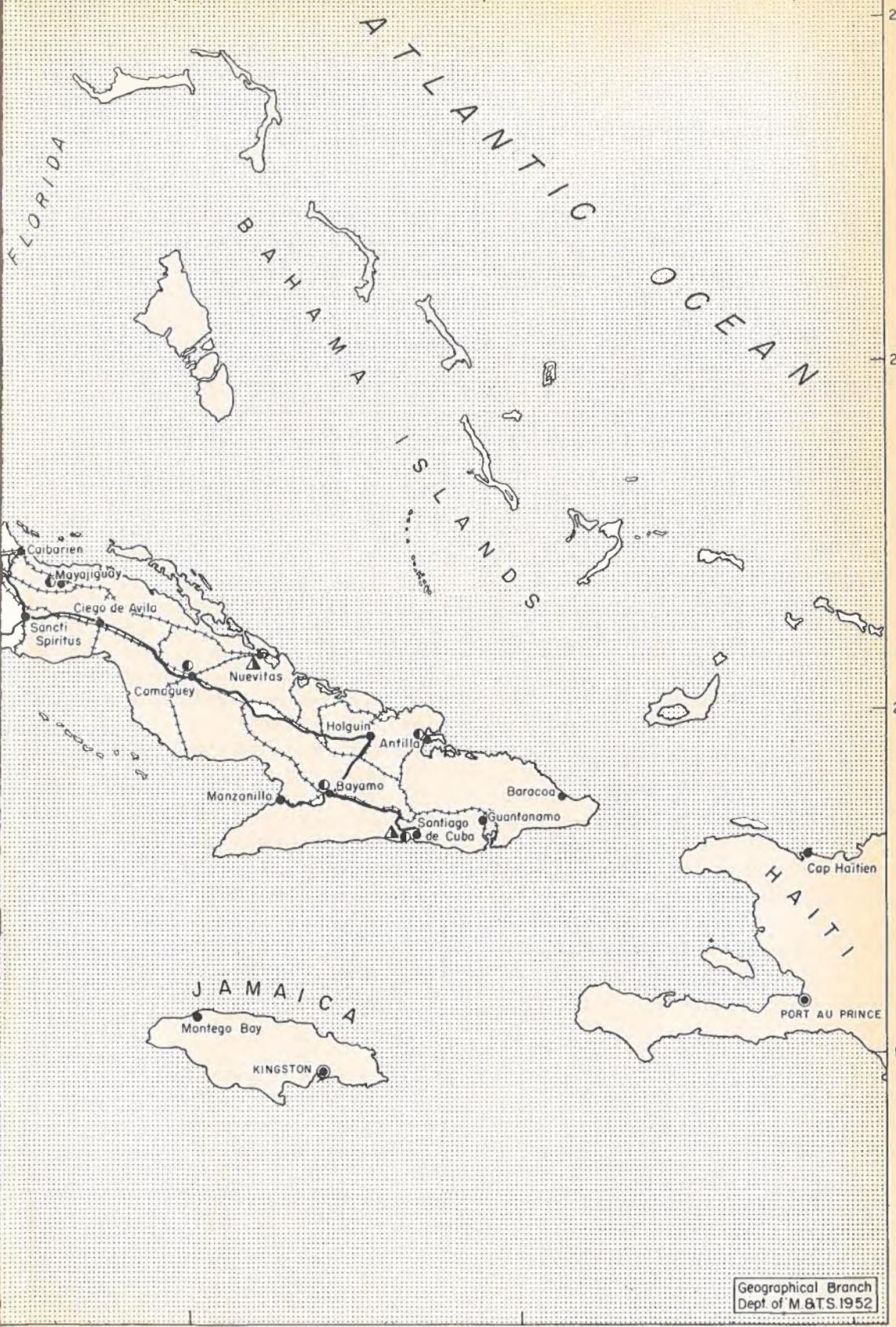
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Geographical Branch  
 Dept of M & TS, 1952

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## PHARMACEUTICALS and PATENT MEDICINES

- *Canadian exports gaining larger share of market.*
- *Competition is keen, good promotion needed.*
- *Personal exploration of market pays off.*

**P**HARMACEUTICAL products and patent medicines have always sold well in Cuba and this trend is continuing. During and since the last war the United States has been the principal supplier, although, prewar, France and, to a lesser degree, Germany were keen competitors. Canadian exports to this market have improved remarkably during the last few years.

Annual consumption of pharmaceutical products and patent medicines is estimated at well over 30 million Cuban pesos, based on the value of retail sales. Roughly half this amount is imported; the remainder represents products made up or repacked in Cuba.

Cuba has some 15 first class laboratories, including those of American and European firms, which import raw materials in bulk for manufacturing. The only local raw materials are small amounts of vitamin A obtained from shark livers, and fairly substantial quantities of liver extracts, but neither is sufficient to supply domestic manufacturers. Glandular extracts also are available but are no longer considered important because of the new treatments that have been developed.

Several hundred small organizations import finished products in bulk and repack them locally. The repacked product is sold under the name of the local organization. Competition is keen in this trade and the profit high; sales bring in well over one million Cuban pesos a year. Pharmaceutical products and patent medicines imported into Cuba to be sold under their own name are handled through agents and distributors, principally in Havana. Usually these agents employ travelling representatives.

### Canadian Exports Gaining

Gradually, Canadian patent medicines and pharmaceutical products have made headway in the Cuban market over the last ten years.

#### Value of Imports

Year	United States	Canada	Total Imports
1940	1,303,347	1,974	2,474,355
1941	2,006,398	21,971	2,533,916
1942	2,640,482	31,122	3,176,329
1943	3,316,925	58,575	4,061,107
1944	3,759,586	60,893	4,639,878
1945	4,874,463	112,523	5,803,449
1946	6,407,353	131,872	7,384,622
1947	7,959,886	186,950	9,373,877
1948	6,389,713	235,919	7,908,796
1949	8,159,443	215,399	9,350,561
1950	8,938,069	198,637	10,351,715

From 1941 on, French exports were cut off almost completely and those from the United Kingdom and Spain diminished. But Switzerland managed to enlarge her shipments. With supplies from Europe falling off and the demand growing, the United States and Canada took over a larger share of the market. Competition from Argentina, Brazil and Mexico also increased. These South American countries, on an individual basis, far surpassed the peso value of exports from Canada before 1946. From that year on, however, Canada gradually passed them and by 1950 was far in the lead.

### **Specific Products**

*Patent medicines* are classified under Cuban tariff item 100-A. The duty charged is 20 centavos per kilo, together with a 20 per cent surtax on the duty when the products originate in countries other than the United States, which receives the preferred tariff of 14 centavos per kilo.

*Biological products* have the second highest value, running to over half a million Cuban pesos each year since 1944. These products are listed in the Cuban customs tariff under item 100-B. Imports from the United States are entered at the preferential tariff of .75 centavos per kilo. Those from Canada and other countries signatory to the Geneva Agreement are charged .25 centavos per kilo, plus a 20 per cent surtax on duty levied. U.S. manufacturers have been the principal suppliers, although before 1939 they faced stiff competition from Germany. Gross sales of biological products during the years 1935-1939, according to Cuban statistics, totalled 168,656 Cuban pesos. By 1950 they were bringing in 630,554 Cuban pesos.

The quantity and value of imports of Canadian biological products were negligible until 1946, but from that year to 1950 the average yearly value was well over 20 thousand Cuban pesos. There is every prospect that Canada's share in this market will grow.

Imports from South American countries, including Argentina, Brazil and Mexico, showed a definite upward trend during the war years and reached their peak in 1947. From then on, imports from these countries diminished on almost the same scale as they had increased. However, Germany and, to a lesser degree, France are making a strong bid to recapture their former positions in the Cuban market for biological products. However, U.S. firms are now so firmly entrenched that they will probably retain the largest share.

*Opothepirical products* are under the same tariff item as biological products and account for over a quarter of a million Cuban pesos a year. United States suppliers again lead, with over 90 per cent of the market. Canadian participation amounted to only 5,010 Cuban pesos in 1950, and Argentine and Brazil, 17,585 and 14,624 Cuban pesos respectively.

*Antitoxins, vaccines, virus serums, bacterines and anti-bacterines* for therapeutical purposes enter duty-free from all countries. Over 600 thousand Cuban pesos worth was imported during 1950, mainly from the United States. Vaccines accounted for approximately 60 per cent of the import values. Imports from Canada were negligible.

All drugs, chemicals, pharmaceuticals, serums, vaccines and allied products for the prevention, alleviation and cure of human and animal ills are subject to standards set by the Cuban Ministry of Health. The procedure for establishing standards is a lengthy one and can best be handled by a local lawyer who knows the difficulties involved. All labels must be in Spanish. The prices of all patent medicines are controlled and they cannot be higher than those prevailing in the country of origin. The Government has set a fixed scale of profit between the wholesaler and retailer. All bottles and packages must be stamped with the actual price.

#### **Promotion Methods**

Because of the tremendous competition in the pharmaceutical field, the local agent or distributor must be given the utmost co-operation. It is important for the agent or distributor to be closely associated with the medical field and ample quantities of samples and literature in Spanish must be distributed over long periods. In Cuba, when the physician prescribes a definite brand the druggist must supply it in the original package. Approximately 80 per cent of prescriptions are for patent medicines. It is understood that French manufacturers, in an effort to regain their lost position, are distributing full-size samples.

Advertising too is important and prospective exporters should use it as much as possible. If the exporter is fortunate enough to obtain the services of an agent or distributor with capital, then the advertising is usually done on a share basis. Profits from a new product introduced in this highly competitive market are practically non-existent during the first few years, according to local distributors. Personal study of the market by the prospective exporter has proved most successful.

All evidence indicates that Cuba is an excellent market for pharmaceutical products of all kinds. Present consumption of these products is high and the trend is still upward.

—W. R. VAN

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#### **For More Information on Cuba . . .**

WRITE your representative in Havana—  
A. W. Evans, Commercial Secretary,  
Canadian Embassy, Apartado 1945, Havana.

ASK the International Trade Relations Branch, Dept.  
of Trade and Commerce, Ottawa, for their  
pamphlet with detailed information on shipping  
documents and Cuban customs regulations.

REFER to these 1952 issues of *Foreign Trade*—  
March 22, June 21, August 2 and September 27.

## AGRICULTURAL MACHINERY

- *Mechanization of agriculture is making headway.*
- *Wheel-type 30 and 40 h.p. tractors sell best.*
- *Sales promotion by parent company is a "must".*

**T**HE drive to mechanize Cuban agriculture has made substantial progress in the last ten years. This is particularly true of the all-important sugar industry, to which more than 50 per cent of the cultivated land in Cuba is devoted.

Mechanization might have been used to an even greater extent in producing the sugar crop, but for the attitude of the labour leaders. They fear that the coming of the machines will cut down employment. This impediment to mechanization is likely to continue, though on a diminishing scale. The sugar producers, however (and, to an increased extent, government officials) realize the stark necessity of lowering the cost of sugar production if they are to compete in the world sugar market.

The majority of the other sugar-producing countries, not so dependent on the production of a single commodity, have been mechanizing in varying degrees for many years. But in Cuba the small amount of mechanization has consisted of replacing slow-moving oxen with tractors for the cultivation job. Improved equipment is now put to work on land preparation and to cultivate the cane. Trucks and tractors are being used to a greater extent in transporting harvested cane from the fields to the mills or railroads and old-fashioned handmade cane carts are giving way to multiple axle trucks.

### Market for Tractors

Statistics issued by the Cuban Government confirm this gradual trend toward mechanization. Tractors, accessories and parts were imported during the years 1935-1939, 1948, 1949 and 1950 as follows:

Year	Tractors		Accessories and Parts	
	Number	Value (Cuban pesos)	Kilos	Value (Cuban pesos)
1935-39 .....	65	121,255	104,124	53,740
1948 .....	2,129	3,125,006	1,102,382	946,735
1949 .....	1,689	3,500,009	929,939	900,074
1950 .....	2,555	4,249,480	1,725,011	1,716,453

Practically all this equipment was supplied by the United States and U.S. manufacturers of agricultural machinery and implements are now firmly entrenched. Canadian sales during the periods listed were negligible. (Before 1942, however, Canada was at a disadvantage because she was subject to the maximum tariff from time to time.) During 1950, parts and accessories for tractors of Canadian origin amounted to 4,335 kilos valued at \$11,063 (Cuban pesos). The United Kingdom made noticeable headway during the years 1949 and 1950. In 1949, the United



—Arturo Robert for Cockshutt Farm Equipment Ltd.

*A Canadian-made Cockshutt rice combine at work harvesting rice in the province of Pinar del Rio. Rice cultivation is receiving greater attention and growers are buying tractors and machinery to help produce the crop.*

Kingdom supplied Cuba with 119 tractors valued at \$128,261 (Cuban pesos) and with parts and accessories valued at \$2,853 (Cuban pesos). In 1950, the number of U.K. tractors supplied increased to 650 valued at \$593,042 (Cuban pesos), together with parts and accessories valued at \$27,573 (Cuban pesos).

The Cuban duty levied on tractors from the United States is 4 per cent ad valorem; on imports from Canada and other countries it is also 4 per cent ad valorem but there is a 20 per cent surtax on the duty levied.

The 30 and 40 h.p. wheel-type tractors sell best. The sugar industry uses the "row-crop" model for cultivation and the standard model for hauling cane from the fields to the mills. The trend is towards diesel-operated tractors, principally because this type of fuel is substantially cheaper than other fuels.

#### **Attachments Needed**

One important factor in the sale of tractors is the sugar producers' insistence that the tractors be fitted with the necessary implements to cultivate sugar cane, or at least that these implements—such as the disk cultivator, the heavy disk plough and the heavy disk harrow—be readily available. A most suitable type of tractor for the small farmer is one with adjustable front axles and rear wheel.

The rapid expansion in rice-growing means another important outlet for tractors and agricultural implements, including rice combines. The crawler-type, 40 to 60 h.p. tractor is preferred for this type of cultivation, mainly because it does not often bog down in the heavy "gumbo". The heavy disk plough is used. Because the Honduran type of rice is produced in Cuba, rice combines of both crawler and wheel type have not proved

too satisfactory. Honduran rice gives a higher yield but it tends to fall on maturing because of a weak stem. This makes it very difficult for the usual type of combine to harvest rice without using special attachments.

### Other Machinery

Agricultural machinery other than tractors and accessories (including combines) are dutiable at a rate of 6 per cent ad valorem when of U.S. origin. Similar types of agricultural machinery from Canada and other countries are charged at the rate of 6 per cent ad valorem, plus a 20 per cent surtax on duties charged. During the years 1935 to 1939 (according to Cuban statistics) agricultural machinery other than tractors and accessories imported into Cuba were valued at \$107,736 (Cuban pesos) with well over 90 per cent of this amount supplied by the United States. The remaining amount was divided among approximately ten other countries. In 1948 Canada was credited with \$36,836 (Cuban pesos) of total import values of \$1.3 million (Cuban pesos). Canadian participation almost doubled during the year 1950, with a Cuban peso value of over \$67 thousand out of a total of approximately \$1.8 million (Cuban pesos).

Agricultural implements, including the heavy disk plough, are not subject to import duties. During the years 1935 to 1939 imports were valued at \$4,683 (Cuban pesos), the principal suppliers in order of importance being the United States, France and the United Kingdom. In 1949 imports were valued at \$47,474 (Cuban pesos) with approximately 50 per cent coming from the United States and 25 per cent from Germany. Imports for the year 1950 increased substantially, to a value of \$173,702 (Cuban pesos). Nearly 50 per cent of this amount went to the United States and approximately 20 per cent to Germany. Statistics seem to show that the sugar industry is definitely committed to greater mechanization. And, with cultivation of tobacco and rice becoming more important, the market for agricultural machinery in Cuba should continue.

The bumper sugar crop this year has led the Government to stress the urgent need for greater diversification of crops. The Ministry of Agriculture may soon formulate plans to assist the smaller farmer. Over three-quarters of the farm units in Cuba are below 100 acres; many of them are only half that size. The Agricultural Credit Division of the Agricultural and Industrial Credit Bank, a government organization, has facilities for loans to purchase agricultural equipment. But the small farmer, it seems, is still in no position to take advantage of these loans, which apparently are issued largely on a short-term basis. The farmer would need a long-term loan, plus close supervision over the prices charged for agricultural machinery implements throughout the country. Another means of lowering the price of agricultural machinery and thus bringing it within the reach of the average farmer would be the elimination of all duties and taxes on it.

Canadian exporters to this market are aware that, because of the keen competition, much like that normally found in the home market, they must allow the local Cuban distributor extended terms of credit. Companies interested in capturing a larger share of this market must undertake active sales promotion.

—W. R. VAN

## Trading Relations with Cuba

CANADA and Cuba exchange full most-favoured-nation tariff treatment under the General Agreement on Tariffs and Trade (GATT), to which both countries subscribe. Accordingly, Canadian goods entering Cuba receive in all tariff and customs matters treatment equal to that granted other countries, such as the United Kingdom and Germany. Any benefits granted by Cuba to such countries are extended to Canada.

However, under United States-Cuban treaties dating back to 1902, Cuba grants preferential rates of duty to the United States on a wide range of products. As a result of GATT tariff negotiations held at Geneva in 1947, these margins of preference were reduced or eliminated on many items of particular interest to Canada, including codfish, wheat flour, agricultural machinery, motors, and numerous other products.

### Sugar Purchase Arrangement

Partly as a result of tariff concessions granted by Cuba in 1947, Canadian exports to Cuba have increased markedly, rising from a total of \$7.5 million in 1947 to \$20.4 million in 1951. During this same period the value of Canadian imports from Cuba declined from \$23.7 million to \$8.3 million. This was the result primarily of the postwar recovery of Commonwealth sugar shipments to the Canadian market where the preferential tariff gives them an advantage.

At the 1951 GATT Conference at Torquay, Canada and Cuba concluded an arrangement on raw sugar for the years 1951 to 1953 inclusive. The Canadian Government agreed to ensure entry of 150 thousand tons of non-Commonwealth raw sugar annually for that period, of which 75 thousand tons were to come from Cuba. In return, Cuba undertook to continue in force all the important tariff concessions which had been granted to Canada under the GATT. Canada also benefited from additional tariff concessions granted by Cuba as a result of GATT negotiations with Germany and the United Kingdom.

Other countries which receive a portion of the global quota of 150 thousand tons of raw sugar annually under this arrangement are the Dominican Republic and Haiti. Purchases under this commitment are normally made through the private sugar refiners in Canada. A portion of the most-favoured-nation duty is remitted to the Canadian manufacturers, sufficient in amount to equalize the laid-down cost of Cuban sugar with the laid-down cost of preferential sugars from Empire countries.

The arrangement with Cuba was designed to permit non-Commonwealth sugar producers to regain access to the important Canadian market and to aid in the development of a sound two-way trade between Canada and Cuba. At the same time, this arrangement avoids any impairment in the sugar preference which has traditionally been extended by Canada to the British West Indies and other Commonwealth suppliers of sugar.

—MAURICE SCHWARZMANN

*International Trade Relations Branch*

## GUIDE TO EXPORTERS

### >Buyers Are Interested In . . .

Canadian goods in which Cuban importers appear interested cover a wide range. Recent inquiries received by the Trade Commissioner's office here have included requests for the following:

- Roofing materials; light and builders' hardware; construction materials; water pipes; smooth and corrugated galvanized sheets.
- Wrapping and printing paper; stationery items; newsprint; cardboard and paperboard, etc.; pulp for paper manufacture.
- Electrical cable and wire; electrical appliances and fixtures; refrigerators; electric and gas stoves; electrical kitchen utensils.
- Dairy machinery; agricultural machinery and implements; water pumps.
- Drugs and pharmaceuticals; pharmaceutical chemicals; machinery and equipment for the pharmaceutical industry; hospital and medical equipment.
- Textiles; looms and spinning equipment; upholstering materials and upholsterers' nails; cotton twine and cordage; canvas; artificial and shoe leather; shoe tacks.
- Industrial chemicals; calcium carbide; linseed oil; fertilizers; bone glue; paint ingredients; printers' ink.
- Iron and steel products; copper manufactures, including tubes, rods, sheets, plates, etc.; aluminum products; lead oxide; metal furniture for offices; cutlery; enamelled and aluminum kitchen utensils; screws.
- Lard; butter; cheese; eggs in the shell; condensed, evaporated and powdered milk.
- Wheat, flour, oats, cattle feeds.
- Codfish; bloaters; pollock; haddock; canned sardines and salmon.
- Potatoes, beans, soybean meal and oil.
- Pork products, canned hams and bacon.
- Automotive accessories; brake linings and clutch facings; storage batteries.
- Lumber, plywood, broom handles, brushes.
- Radios, including battery-operated; conveyor belts; vitreous sanitaryware; toys.

## > *Customs Classifications*

. . . . . Advisory rulings on the customs classifications of particular goods will be supplied by the Cuban customs authorities on receiving samples of the product, or of blueprints or adequate drawings and full description if the goods are too bulky to send. Applications for rulings are referred directly to the Treasury Department, which at its discretion may issue a Treasury circular establishing a customs classification and corresponding duty on the product.

Information about rates of import duty and customs surcharges on articles already classified may be obtained from the Commercial Secretary, Canadian Embassy, Havana.

## > *Import Restrictions*

. . . . . The Cuban Government does not exercise any unusual control over imports nor, in general, does it restrict them in any way. There are exceptions, however, for certain commodities such as rice and mixed fertilizers and wheat and wheat products, which are subject to import quotas and import permits. Certain chemicals, explosives and munitions may be imported into Cuba only with prior permits from the Ministry of Defence. Further, the Cuban Government requires permits on imports of those products for which it has established special duty-exemption privileges. These include raw materials for industry not available locally and machinery and equipment for new plants.

## > *Exchange Transfers*

. . . . . Cuba has no complete exchange control but in practice, exchange transfers exceeding \$1,000 must have prior approval from the Office of Exchange Control. In addition, a tax of 2 per cent is assessed on exports of money or its equivalent, including merchandise. The full amount of this tax is refunded, however, if the corresponding value of or the return from such exports is received within 180 days from the United States, and within 240 days from other countries. (Cuban exporters of sugar and sugar syrups, molasses, etc., must turn over to the Government 30 per cent of the dollars obtained from their sales abroad to be exchanged at par for an equal quantity of Cuban pesos.)

### > *Pound Conversion Rate*

. . . . . The Cuban Chamber of Commerce recently published in its daily bulletin a notice that Circular No. 138 issued by the Cuban Customs on December 30, 1939, (gazetted January 6, 1940) is still in force. This circular officially established that the conversion rate of pounds to kilograms applying to imports shall be one pound equals 453.6 grams, and repealed a 1932 circular fixing this rate at 460 grams. The 1939 circular made it clear, however, that for purposes of collection of excise and/or consumption taxes, including those collectible at customs, the rate of 460 grams still applies.

### > *Quarantine Regulations*

. . . . . Quarantine regulations apply to imports of plants, fruits, vegetables, animals and poultry. Import of some articles is prohibited altogether. Special regulations and requirements govern imports of food products and of drugs and pharmaceutical specialties.

### > *Anti-Dumping Regulations*

. . . . . Anti-dumping measures were introduced in 1935 and are currently effective. Under these regulations, the executive power is authorized to "adopt any measure of protection for the national industry and commerce against various forms of foreign dumping". Provision is made for penalty duties on imports which can be classified under the heading of "dumping".

### > *Shipping Documents*

. . . . . All exports to Cuba, under a decree effective November 17 (replacing the decree effective October 16), must be covered by a copy of the document or sworn declaration usually required by the customs legislation of the exporting country.

For Canadian exports, this requirement will be fulfilled by supplying an extra copy of the Canadian customs form B-13, duly certified by the Customs office at the port of exit from Canada for each shipment and visaed by the Cuban Consul at the Canadian port of shipment. Form B-13 must accompany each set of consular invoices.

## Transportation to Cuba

- *Most sea traffic sails from eastern Canadian ports.*
- *Fast and frequent air service for cargo and passengers.*
- *All-rail transport via Florida and car ferry to Havana.*

**W**ATERBORNE traffic from Canada to Cuba, with the exception of bulk cargo movements by non-scheduled vessels from both the east and west coast, moves almost entirely from eastern Canadian ports. Liner-berth shipping services from the Pacific coast are practically non-existent.

### By Sea

Four shipping lines provide regular liner-berth services to Cuba from Canadian Atlantic and St. Lawrence ports—Canadian National Steamships, Swedish American Line, Saguenay Terminals Limited, Canada Mexico Line.

*Canadian National Steamships* operate a service to Santiago de Cuba, using four dry cargo vessels, with a sailing via Halifax and Nassau every ten to eleven days.

*Swedish American Line* has been active in this trade since early in 1948 and at present has two vessels on the run, with a sailing to Havana approximately every three weeks from Montreal and other St. Lawrence ports. This shipping line used to maintain a service to Santiago de Cuba with occasional calls at Matanzas and Pastelillo, but these ports-of-call have been discontinued to provide a more efficient service to Havana.

*Saguenay Terminals Limited* maintain steamship services to a number of ports in the Caribbean area, including Santiago de Cuba and Havana. Service to Santiago de Cuba is fortnightly, sailing from Montreal and Halifax; service to Havana is monthly, sailing from Montreal, and from Three Rivers and Quebec, subject to arrangement.

*Canada Mexico Line* has three ships on its Cuban service and offers a sailing to Havana and Neuvitas approximately every three weeks from Montreal and Halifax.

During the winter months when navigation on the St. Lawrence Waterway is closed, each of these shipping lines continues its service from Halifax and/or Saint John.

Ocean shipping services from the Canadian Pacific coast to Cuba are lacking. There are no direct liner-berth services from British Columbia ports to Cuba, with the exception of an occasional sailing by the Independence Line from Vancouver. This line has regular monthly service from Portland, Oregon, to Cuba but trans-shipment of Canadian goods through Portland is limited because of the additional expense.

Although there are no direct airline services between Canada and Cuba, good connections through United States air gateways, New York and Miami, provide a fast and frequent air cargo or passenger service for the Canadian businessman planning a visit to Cuba, or wishing to get his products into the Cuban market quickly. TCA's trans-Canada network and Canadian Pacific Airlines' domestic air services link practically any point in Canada with either Toronto or Montreal. From these cities, daily connections to New York can be made either by TCA or by one of the American airlines operating into these cities.

National Airlines have two flights daily from New York to Havana.

Linea Aeropostal Venezolana have three flights each week and Aerolineas Argentinos have a flight each Friday. From Miami there are a number of flights each day by Pan American Airways and National Airlines. From midwestern Canada, connections can be made at Chicago with Chicago and Southern Airlines Incorporated and Braniff Airlines. Both of these schedule daily flights to Havana via Houston.

Flying time from Canada to Cuba is remarkably short; by air Cuba is only a few hours away. It is possible to leave Toronto or Montreal in the late morning and arrive in Havana in the early evening. Flights from Chicago reach Havana the same day. The return journey can be made in an equally short time. In Cuba itself, Aerovias Q S.A. operate a daily domestic service from Havana covering the whole island and all the principal cities.

#### **By Land**

Trade between Canada and Cuba moves by rail as well as by water and air. Although Cuba is an island, this traffic can be classified as an all-rail movement because the routing from Canada is trans-border into the United States, over United States railways to Florida, and from there by railway car ferry to Havana.

—H. A. HADSKIS

*Transportation and Communications Division*

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#### **Samples Carried by Commercial Travellers**

A Canadian commercial traveller landing in Cuba must present to the customs house at the port of entry a consular invoice, properly certified by a Cuban consular officer at the port of departure, and a customs declaration for samples and merchandise carried. This invoice must identify all articles and list them at the Canadian market price. Samples carried by a commercial traveller may be taken into Cuba for three months duty-free, if they are accompanied by a consular invoice, a customs declaration, and documentary proof that the traveller is authorized by an established firm to carry them. The traveller must deposit the amount of the duties applicable and must sign a statement under oath binding himself not to make any sales in Cuba except through an agent or importer legally established and registered.

## TRADE AND TARIFF REGULATIONS

### ARGENTINA

**Policy on Imports**—The Argentine Ministry of Finance announced recently that no permits would be granted for the import of merchandise of which an adequate supply was available from domestic industries. This announcement is in line with the current Argentine policy of limiting imports to products “essential to the economy of the country and the safeguard of its health”—Buenos Aires, October 14.

### BARBADOS

**Imports of Pickled Pork Permitted**—The Controller of Supplies, Barbados, advised importers on September 19 that imports of pickled pork from Canada no longer need be accompanied by a certificate issued by a Veterinary Inspector of the Health of Animals Division, Department of Agriculture. (See *Foreign Trade* of May 3, 1952, page 562, for announcement of this requirement.)

**Obtaining Import Licences**—In a notice of September 19 the Controller of Supplies, Barbados, reminds importers that import licences must be obtained *before* orders are placed for goods from any source, with the exception of those goods on open licence.

Goods ordered must arrive in the Colony before the expiry date of the licences covering the orders. In cases where delivery cannot be made in time for the goods to arrive before the expiry date, a new licence or extension of the original licence must be approved before the arrival of the goods.

Importers are warned that failure to comply with these instructions may result in the confiscation of the goods on arrival.

### BRITISH GUIANA

**Certificate for Flour Required**—The Controller of Supplies and Prices, British Guiana, advised importers on September 22 that unless a duly notarized chemist's certificate of analysis of flour accompanies documents covering imports of flour from Canada and the United States, importers and agents may have difficulty in clearing shipments.

### COSTA RICA

**Import Tariff Increased**—The Costa Rican customs tariff has been modified by Decree No. 1484 of August 19, 1952. On items formerly subject to the duty of 2 per cent of the f.o.b. value of imports, the

new rate is 4 per cent of the c.i.f. value. In those cases where imports were formerly exempt from the ad valorem duty, a rate of 2 per cent of the c.i.f. value will now be levied. The specific rates applying to these items remain unchanged.

These increases do not apply to drugs nor to chemical and pharmaceutical preparations for human and animal consumption.

## JAMAICA

**Footwear Imports Restricted**—By proclamation of August 12 issued under the Customs Law 1939, the import into Jamaica of boots, shoes, slippers and other footwear of leather and imitation leather is prohibited except under permit issued by the Trade Control Board. This prohibition does not affect imports under the Trade Liberalization Plan.

The above permit is in addition to the import licence required for exchange purposes under the Defence Regulations—Kingston, October 3.

## PERU

**Analysis of Processed Milk**—According to a Supreme Decree dated September 25, 1952, all types of processed milk (condensed, evaporated or powdered) are subject to analysis by the Department of Nutrition of the Peruvian Ministry of Public Health before they can be cleared through customs. Should the analysis show that such milk is not fit for human consumption, clearance will not be permitted and the importer will have to ship the goods back to the country of origin.

Domestically produced milk is also subject to similar tests. The complete text of these analytical control measures may be obtained from the International Trade Relations Branch, Department of Trade and Commerce—Lima, October 14.

## VENEZUELA

**Livestock Imports Regulated**—On June 19, 1952, Venezuela instituted new import regulations applying to livestock. All animals imported must be accompanied by a health certificate issued by a veterinary of the country of origin. Full details are available from the International Trade Relations Branch.

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## Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

# Foreign Exchange Rates

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

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

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

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the 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 equivalents multiply by 1.0366.

Country	Unit	Type of Exchange	Canadian dollar Equiv. Oct. 16	Notes (See below)
Argentina	Peso	Preferential buying	.1286	
		Basic buying	.1929	(1)
		Preferential selling	.1929	
		Basic selling	.1286	
		Free	.0694	
Austria	Schilling		.0452	
Australia	Pound		2.1550	
Belgium-Luxembourg & Belgian Dependencies	Franc		.0193	
			.0161	tax 5% (1)
Bolivia	Boliviano	Official	.0096	tax 3% (2)
		Differential		
British West Indies (except Jamaica)	Dollar		.5612	
			.0521	tax 8% (2)
Brazil	Cruzeiro		.2020	
Burma	Kyat		.2026	
Ceylon	Rupee		.0311	(1)
Chile	Peso	Official	.0161	
		Commercial	.0076	
		Free	.3859	tax 3% (2)
Colombia	Peso	Basic	.4252	
		Coffee Buying	.1722	(3)
Costa Rica	Colon	Official	.1446	*Aug. 29
		Free	.9647	tax 2%
			.0193	
Cuba	Peso		.1397	
Czechoslovakia	Koruna		.9647	
Denmark	Krone		.0643	
Dominican Republic	Peso		.0556	
			.0556	(4)
Ecuador	Sucre	Official	2.7702	
		Free	2.4268	
Egypt	Pound		.0042	
Fiji	Pound		.00276	
Finland	Markka		.00554	
France	Franc		.01522	
French Africa	Franc		.2297	
French Pacific Ter.	Franc		.000064	
Germany	D Mark		.9647	
Greece	Drachma		.1929	
Guatemala	Quetzal		.4823	
Haiti	Gourde		.1512	
Honduras	Lempira		.0592	
Hong Kong	Dollar	Free	.0456	
		Official	.0370	*Sept. 8
Iceland	Krone	Special buying	.2026	
		Special selling	.0846	
India	Rupee		.0423	(5)
Indonesia	Rupiah	Basic	.0282	
		With Surcharge I	.0018	*Sept. 15
		With Surcharge II		
		Dollar certificate		

\* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar Equiv. Oct. 16	Notes (See below)
Iran	Rial	Certificate I	.01265	*Aug. 29
		Certificate II	.01233	*Aug. 29
Iraq	Dinar		2.6937	
Ireland	Pound		2.6937	
Israel	Pound	Basic	2.7011	
		Special	1.3506	
		Investment	.9647	
Italy	Lira		.00155	
Jamaica	Pound		2.6937	
Japan	Yen		.00268	
Lebanon	Pound	Free	.2701	*Aug. 29
Luxembourg (See Belgium)				
Mexico	Peso		.1115	
Netherlands	Guilder		.2539	
Netherlands Antilles	Guilder		.5115	
New Zealand	Pound		2.6937	
Nicaragua	Cordoba	Effective buying	.1462	(6)
		Official selling	.1368	
		With Surcharge I	.1198	
		With Surcharge II	.0960	
Norway	Krone		.1351	
Pakistan	Rupee		.2916	
Panama	Balboa		.9647	
Paraguay	Guarani	Basic	.0643	(1)
		With Surcharge I	.0460	(7)
		With Surcharge II	.0322	
Peru	Sol		.0621	
Philippines	Peso		.4823	tax 17% (2)
Portugal	Escudo		.0336	
El Salvador	Colon		.3859	
Singapore & Malaya	Straits dollar		.3143	
South Africa (Union of)	Pound		2.6937	
Spain & Dependencies	Peseta	Basic buying	.0441	
		Basic selling	.0860	(1)
		Free	.0243	
Sweden	Krona		.1865	
Switzerland	Franc		.2252	
Syria	Pound		.2710	*Sept. 11
Thailand	Baht	Official	.0772	(1)
		Free	.0540	*Aug. 29
Turkey	Lira		.3445	
United Kingdom	Pound		2.6937	
United States	Dollar		.9647	
Uruguay	Peso	Official	.6351	
		Basic buying	.5420	
		Special buying	.4105	(1)
		Basic selling	.5077	
		Special selling	.3938	
Venezuela	Bolivar		.2880	(8)
Yugoslavia	Dinar		.0032	

\* Latest available quotation date.

#### NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Costa Rica: Official rate applies to all Costa Rican exports.
4. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
5. Indonesia: Effective rate for all Indonesian exports to dollar area is basic rate plus 70 per cent of dollar certificate rate. Cost of imports is increased by full amount of dollar certificate rate.
6. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
7. Paraguay: Basic rate applies to all Paraguayan exports.
8. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory note see *Foreign Trade* of October 11.

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