

Current Conditions in the British Caribbean

FOREIGN TRADE

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Markets in the British Caribbean 2

Last year, Canada sold nearly \$58 million worth of products in this area, linked with Canada through Commonwealth associations and long-standing trade ties. And the market is still expanding, with demand growing for variety of goods.

British Eastern Caribbean: the Trade Picture 4

United States is gradually becoming second largest supplier to this area, supplanting Canada. Exporters face some import controls, especially in Trinidad, but our sales continue to rise, with foodstuffs, manufactured goods bulking large.

From the Port-of-Spain Office 7-14

Trinidad is emphasizing industrial development, with Second Five-Year Plan starting next year; Barbados has had good sugar crop, greater tourist revenue; Leewards and Windwards developing tourist services, port facilities, fruit growing.

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Dollar countries have become Jamaica's main source of imports, with Canada holding just over 10 per cent of market. Construction projects offer opportunities for selling materials, equipment and services as industrial building goes on.

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In Jamaica, period of adjustment after independence over, pace of business quickening; Bahamas has attracted record number of tourists, increased its exports; British Honduras is diversifying agriculture, encouraging industry.

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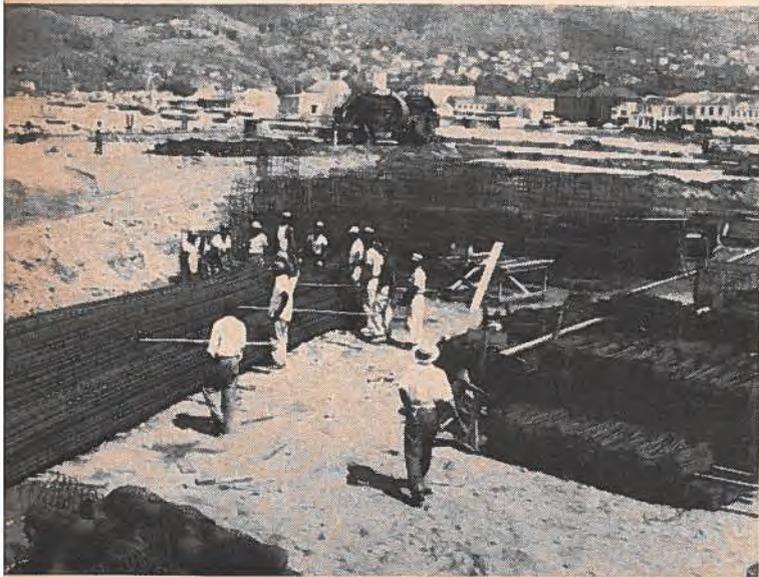


—National Film Board

In Barbados, a Saguenay Shipping freighter tied up in Bridgetown unloads (left) crates containing Canadian-made automotive parts and (right) cartons of skim milk powder, also from Canada.



In Trinidad, a furniture dealer discusses purchases from Canada with a Canadian Trade Commissioner in Port-of-Spain. In the background, Canadian-made dinette furniture, which sells well.



In St. Vincent, a shipment of Canadian concrete reinforcing bars lies ready for use in building the deepwater harbour at Kingstown. A British Columbia firm holds this contract; expects the harbour to be completed by the end of this year.



In Jamaica, a young Canadian Trade Commissioner stationed in Kingston examines a shipment of salt supplied by a Canadian company and stacked in a Kingston warehouse after unloading.

in the British Caribbean

Jamaica: Imports from Canada
1961 — \$19 million
1962 — \$22 million
1963, first half — \$10.6 million

Trinidad and Tobago: Imports from Canada
1961 — \$18.4 million
1962 — \$14.8 million
1963, first half — \$7.6 million

Leeward and Windward Islands: Imports from Canada
1961 — \$4.8 million
1962 — \$5.6 million
1963, first half — \$3.3 million

British Guiana: Imports from Canada
1961 — \$5.3 million
1962 — \$5.1 million
1963, first half — \$2.2 million

Bahamas: Imports from Canada
1961 — \$3.8 million
1962 — \$5 million
1963, first half — \$2.8 million

Barbados: Imports from Canada
1961 — \$4 million
1962 — \$4.5 million
1963, first half — \$2.7 million

British Honduras: Imports from Canada
1961 — \$600,000
1962 — \$835,000
1963, first half — \$343,000

British Eastern Caribbean:

The Trade Picture

Drive to build up industry to ease employment problems is affecting trade but is complicated by competition among the islands. Total trade increasing, with the United States becoming second only to Britain as a supplier; Canadian exports expected to reach near record this year, with foodstuffs, manufactured goods far in lead.

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

THE British Eastern Caribbean has had more than its normal share of world headlines over the past year. With the collapse of the Federation of the West Indies in May 1962, Trinidad and Jamaica emerged in the following August as fully independent countries within the Commonwealth. Barbados, set adrift by the dissolution of the Federation, has taken the lead in trying to create a federation in the Eastern Caribbean consisting of itself and the Leeward and Windward Islands. In the island of Grenada the movement to join this Eastern Caribbean Federation is opposed by the majority government group, which favours a unitary state with Trinidad and Tobago. Following the serious riots and fire in British Guiana in February 1962 the country experienced an economically shattering general strike, which ended only in July 1963 after lasting 80 days. The state of emergency declared by the British Guiana Governor was lifted on September 4, 1963, when conditions were considered normal again.

Population and Unemployment

Trinidad and Jamaica are now independent but still face the serious problem of over-population, as do the other islands. Since 1946 most of the area (and particularly Trinidad and Jamaica) has achieved an

increasingly higher standard of living. However, a substantial decline in the death rate and an increase in the birth rate have resulted in a remarkable population increase. This has grave implications. The area must industrialize to provide a living (and not merely a place in the sun) for the fast growing number of workers. Yet to date industrialization, successful though it has been in certain areas, is considered to be far from a satisfactory solution to the problem of over-population. The labour force is simply growing much more rapidly than are new openings in industry or agriculture. The prosperity of the Eastern Caribbean is delicately balanced on three all-important industries—oil, bauxite and sugar—with the growing tourist trade also an important factor. There is the same prospect of a decrease in large-scale employment of agricultural workers on the sugar estates because the Caribbean industry, to remain competitive in world markets, must be mechanized and consequently will employ less labour. Trinidad's petroleum production and refinery industry currently has fewer employees than five years ago.

Conference Considers Problems

The first conference of Commonwealth Caribbean countries held in Port-of-Spain in late July, which

was inspired and chaired by the Prime Minister of Trinidad and Tobago, focused attention on the common problems and aspirations of the various Caribbean countries. By inference, the meeting suggested that their differences, fundamentally attributed to varying rates of industrial development, will require time and statesmanship to resolve and to achieve the benefits of regional co-operation.

At this conference the Premier of British Guiana, in reiterating his demand for prompt and complete independence, called for change and opposed reactionary elements at home and abroad determined to preserve the *status quo*. Yet the Premier, according to the official communique, joined in the conference decision that all countries should jointly examine the possibilities of finding, as a long-term solution, additional markets for their products but should meanwhile seek to continue their existing protected and preferential markets.

The conference of Caribbean countries looking overseas for increased trade, closer economic ties, and technical and capital assistance unanimously decided to include Canada with Britain and the United States as countries which should early develop a Colombo-type plan for the Caribbean area. Yet they did not agree on a common ground

for a southern area group approach leading to revision of the Canada-West Indies Trade Agreement. The details of the agreement and other economic relationships with Canada will be examined with a view to further discussion at the next meeting of heads of governments to be held in Jamaica early next year.

In the conference sessions devoted to trade, little progress was made towards a Caribbean Customs Union. Because of the problem of

similar and competitive industries in these countries, the conference stated that "efforts should be made to increase trade within the region in specific products of interest to the various countries". The Premier of Barbados, the Hon. E. W. Barrow, in his opening speech implied that a rational approach to industrial and economic progress in the region was lacking. He made the point that Barbados and the Leeward and Windward Islands would view with

suspicion any attempt to gain entry into their markets on the pretext of economic co-operation without the liabilities attendant upon a complete federal system.

Direction of Caribbean Trade

Total trade of the Leeward and Windward Islands has over the past few years been increasing, with commodity imports exceeding exports and with the deficit largely made up by tourist earnings. Britain is the principal trading partner, supplying from 35 to 45 per cent of the needs of the various islands. In some, either Canada or the United States is the second most important source of imports. In Barbados, the United States in 1960 for the first time supplanted Canada as the second most important supplier; (she achieved this trade position in British Guiana and Trinidad years ago). A recent trade report revealed that last year the United States was tending to outrun Britain in two-way trade with Trinidad. Exports from Trinidad and Tobago to the U.S. reached W.I.\$145* million last year, but those to Britain dropped to W.I.\$137 million, the lowest figure since 1958. Trinidad's exports totalled \$536 million compared with \$527 million in 1961. United States merchandise sales to Trinidad in 1962 were worth \$76 million compared with \$67 million in 1961; British sales to Trinidad dropped to \$136 million in 1962 from the previous year's \$137 million.

Historic Ties with Caribbean

Canada has an historic and economic as well as political interest in the stability and development of these Commonwealth countries and British colonies. The West Indies has for centuries been an important market for all types of Canadian goods, particularly consumer goods with a high labour content, a reasonable proportion of which are supplied by a number of small

CANADIAN TRADE WITH THE BRITISH EASTERN CARIBBEAN

WHERE WE SELL

	Six months		
	1961	1962	1963
	(Can.\$'000)		
Barbados	3,997	4,481	2,742
British Guiana	5,272	5,102	2,214
Leeward and Windward Islands	4,828	5,642	3,341
Trinidad	*12,898	14,817	7,627
Total	26,975	30,042	15,924

*Not including \$5.5 million Canadian aid (two ships).

Source: DBS.

WHAT WE SELL

	Six months		
	1961	1962	1963
	(Can.\$'000)		
Wheat flour	4,357	4,639	2,830
Fish, other than canned	2,418	2,910	1,549
Meats (canned and otherwise)	1,987	2,652	1,042
Lumber	1,344	1,476	750
Automobiles	741	1,185	245
Fish, canned	2,470	1,170	510
Cotton fabrics	722	908	397
Tobacco	578	874	58
Newsprint	626	707	283
Household furniture	447	513	204
Potatoes	624	339	573
Barytes	182	332	93
Milk powder	151	266	201
Paper bags	300	264	146
Split peas	266	251	145
Refrigerators	217	241	108

Source: DBS.

WHERE WE BUY

	Four months		
	1961	1962	1963
	(Can.\$'000)		
Barbados	4,980	3,170	220
British Guiana	23,030	23,375	10,462
Leeward and Windward Islands	1,261	1,686	838
Trinidad	14,374	14,100	2,148
Total	43,645	42,331	13,668

Source: DBS.

WHAT WE BUY

	Four months		
	1961	1962	1963
	(Can.\$'000)		
Bauxite, alumina	12,563	15,253	5,702
Raw sugar	17,197	13,401	5,474
Petroleum and products	9,011	9,569	1,870
Molasses	2,570	2,331	218
Rum	1,103	827	196
Nutmeg and mace	245	206	26
Cocoa beans	174	114	7
Arrowroot	47	87	20
Tropical fruit juices	145	65	23
Cocoa butter	51	41	27
Tomato paste	35	40	.....
Foundation garments	32	40	3
Essential oils	35	33	5
Artificial teeth	32	26	7
Coffee, green	143	22	18

Source: DBS.

*W.I.\$1.00=Can.\$0.63.

plants located in the Maritime Provinces. Canadian banks, manufacturing firms, insurance companies, shipping firms, and other enterprises have branches and investments in the West Indies. Jamaica and British Guiana are the chief sources of supply of bauxite and alumina for the Canadian aluminum industry, whose large-scale investment created and developed this important Caribbean industry.

Characteristics of Our Trade

In the current year Canadian exports to the Eastern Caribbean, it is estimated, will reach a near-record of Can.\$32 million compared with \$30 million in 1962 and \$27 million in 1961. Canadian imports from the West Indies are also mounting and totalled \$42.3 million in 1962; they are largely made up of tropical agricultural products, bauxite and oil products.

Trinidad is Canada's most important trading partner in the Eastern Caribbean. Trinidad's imports have increased over the six years 1957-1962 from W.I.\$356.2 million to \$606 million, or by roughly 70 per cent. During the same period, Trinidad's imports of crude or partly refined petroleum increased from \$88 million to \$272 million, or by 209 per cent. Imports of all other commodities increased by 24.5 per cent—from \$268.2 million to \$333.9 million. Imports from Canada, except in 1961 when they decreased slightly, have risen steadily—from W.I.\$24,877,000 in 1957 to a record high of \$29,963,000 in 1962, a gain of 20.4 per cent. Canada's relative share of Trinidad's import trade, excluding petroleum imports, declined from 9.3 per cent in 1957 to 8.3 per cent in 1961, but recovered in 1962 to 9 per cent. There is no doubt that this significant increase was a direct result of the devaluation of the Canadian dollar in May 1962.

Foodstuffs and Consumer Goods

A remarkable feature of Canadian exports to the West Indies is that they consist almost entirely of

foodstuffs, plus a wide range of fully manufactured goods with a high labour content. Currently the single most important Canadian export to the West Indies is wheat flour and although the projected establishment of a flour mill in Trinidad (to come into operation by the end of 1964) is not expected to have any drastic effect on exports immediately, the implications are that this trade will be curtailed over the longer term. Other important food products are cured and canned fish, meats, produce, and canned goods. Lumber and newsprint have an important market in the Eastern Caribbean and these two products, plus tobacco, are the only industrial raw materials exported in any quantity from Canada to this area. Lumber as a building material is gradually losing out to cement and other construction materials and consequently, significant increases cannot be expected.



Wide Variety of Products

Over the past five years sales of our fisheries products, primarily salt cod and canned salmon and sardines, have steadily risen in quantity and value because of an increase in the population and their higher standard of living. Canadian exports of fisheries products to the Caribbean currently comprise 6 per cent of all Canadian fisheries exports, compared with only 4.4 per cent in 1958.

Prosperity in the islands, dependent upon international prices for sugar and petroleum products,

should continue to increase. Consequently Canadian exporters can look forward not only to a rise in the volume of their sales but a greater diversification of exports. In 1961 our exports to Trinidad and Tobago covered 462 DBS classifications as against only 371 in 1958. This wide variety of goods, many of extremely small value, illustrates the problem that Canadian exporters face in developing and servicing customers in a large number of different centres. On the other side of the coin, the large number of agents, representatives and customers required to achieve our present level of exports promises strength and stability in our future sales, given a reasonably buoyant economy. The composition of Canadian export trade to the West Indies tends to change only slowly and is not subject to drastic dislocations as a result of the sudden adverse decision of any one large or important customer.

Competitive Prices Important

Canadian mills have gradually fallen behind in exports of wheat flour to the Caribbean because of lower prices being offered by U.S. mills as a result of U.S. Government subsidies. This declining market for flour, although the circumstances are unusual, demonstrates that in addition to strict attention to correspondence, proper documentation, etc., price is all-important in obtaining orders. Attractive packaging is always a factor in sales, as is quality. However, West Indies customers are often satisfied with a reasonable degree of style and quality plus suitable packing and these goods will sell if competitively priced. Three years ago, Trinidad alone was the single most important Canadian export market for refrigerators. This was achieved by offering an attractive yet simple basic unit that sold readily at a competitive price. Again Trinidad has been the most important export market for Canadian metal furniture—mainly dinette sets, handsome in appearance, of good quality, and priced to sell.

Canadian exporters need not fear that any change in government regulations in any one island or territory will affect drastically any substantial portion of their export trade. There are ten entirely separate governments which in the past could not agree to keep a federation in existence and whose policies on trade controls are unlikely to coincide. Actually British Commonwealth countries in the Caribbean enforce import controls through legislation at the local level and import licences are issued by and at the discretion of the local authorities. Generally speaking, in the smaller islands very few Canadian goods face import controls and these are imposed mainly to comply with regional or Commonwealth

agricultural trade and purchasing agreements. Trinidad and Tobago controls the import of thirty commodity groups, one of which includes all articles (n.e.s.) of pulp, paper and paperboard. The Trinidad administration admits that this import licensing program is currently intended to encourage the establishment of domestic industry, although the controls are applied only against imports from dollar countries, including Canada, and not against imports from Britain and its colonies.

The Leeward and Windward Islands, Barbados and British Guiana all are members of the British Caribbean Currency Board and use the Eastern Group West Indies dollar. In these circumstances, the

value and availability of foreign exchange to pay for imports is bound up with the fortunes of the pound sterling. Trinidad also currently uses the West Indies dollar but plans now that it is independent to establish a Central Bank and to change over to the use of Trinidad dollars by the end of the year. In his 1963 budget speech, the Trinidad Minister of Finance expressed concern about the deteriorating terms of trade and the balance-of-payments position. Consequently purchase taxes were imposed or raised on a wide range of imported vehicles and consumer goods. Should these taxes prove ineffective, it may be necessary to restrict foreign exchange expenditures further and curtail imports. ●

Trinidad and Tobago

- gross national product at record high.
- exports up; sales to U.S. exceed those to Britain.
- Second Five Year Plan (\$302.6 million) begins in '64.

CLAUDE J. ST. PIERRE, *Assistant Commercial Secretary, Port-of-Spain.*

ON August 31, 1963, Trinidad and Tobago celebrated the first anniversary of its emergence as an independent nation. The transition to self-government has been accomplished smoothly and efficiently, creating scarcely any serious problems for the business community.

At the time of independence there was a slight interruption in Trinidad's economic progress. This was the result of several factors, including labour problems, the imposition of purchase taxes in the 1963 budget on a wide range of imported goods, and an increase in rates in the new Income Tax Act. Despite

a slackening in business activity, the gross national product reached a record high of W.I.\$1,005.7 million* in 1962. Per capita income in Trinidad is now \$876, higher than in any other Caribbean or South American country, with the exception of Puerto Rico and Venezuela.

Total Trade Rises

Exports increased in value in 1962, continuing the healthy trend of the last five years. Imports did

*Values in this report, unless otherwise indicated, are in West Indian dollars. One West Indian dollar equals Can.\$0.63.

not rise as quickly as in other years: at \$606 million, they were only \$31 million more than in 1961. Sales of oil and oil products rose slightly, reflecting the expansion in the industry, and constituted 80 per cent of total exports. Sales abroad of grapefruit and grapefruit juice were up, but those of sugar were down. Trinidadians bought more crude oil, mainly from Saudi Arabia, and also more textiles, base metals, and non-electrical machinery.

Long an exclusive preserve for British exporters, Trinidad and Tobago currently is trading more and more with the United States. In 1962 for the first time its sales to the U.S., at \$145 million, exceeded its sales to Britain and its purchases from the U.S. totalled \$76 million compared with \$67 million in 1961. Britain, however, continues to be the main source of Trinidad's imports of general merchandise, excluding oil.

Since the establishment of the Industrial Development Corporation in February 1959, investment in new industry has more than doubled. The number of "pioneer industry" plants has risen from 56 to 100 and the number of persons directly employed in them from 2,700 to 4,700. To attract manufacturers the Industrial Development Corporation of Trinidad and Tobago offers various tax incentives, a growing domestic demand, and proximity to North and South American markets. In addition there is an abundance of low-cost energy in the form of oil, natural gas and electric power.

The country is trying to diversify its industry to reduce its dependence on oil, which currently provides 80 per cent of all exports and through direct payments, 35 per cent of government revenues. The people of Trinidad realize that its oil resources are a wasting asset and that oil is becoming more and more costly to produce. Yet refining, using imported Venezuelan and

Middle East oil, is a vigorous and expanding industry.

In its search for new industries the Industrial Development Corporation emphasizes those that are based on indigenous raw materials and offer jobs for relatively large numbers of workers, or those designed to replace sizable imports or serve the export market. The Industrial Development Corporation would like to see established in Trinidad factories making instant soluble coffee, metal office furniture, paper from bagasse, shoes, radios, motor vehicle tires, and domestic refrigerators, and also a steel mill.

Program for Development

The Government of Trinidad and Tobago recently published a draft of its Second Five Year Development Plan 1964-1968. The Plan proposes to spend \$302.6 million in the public sector of the economy, mainly on agriculture, electricity, roads, housing, water and port facilities. To see this Plan through, Trinidad will have to rely heavily

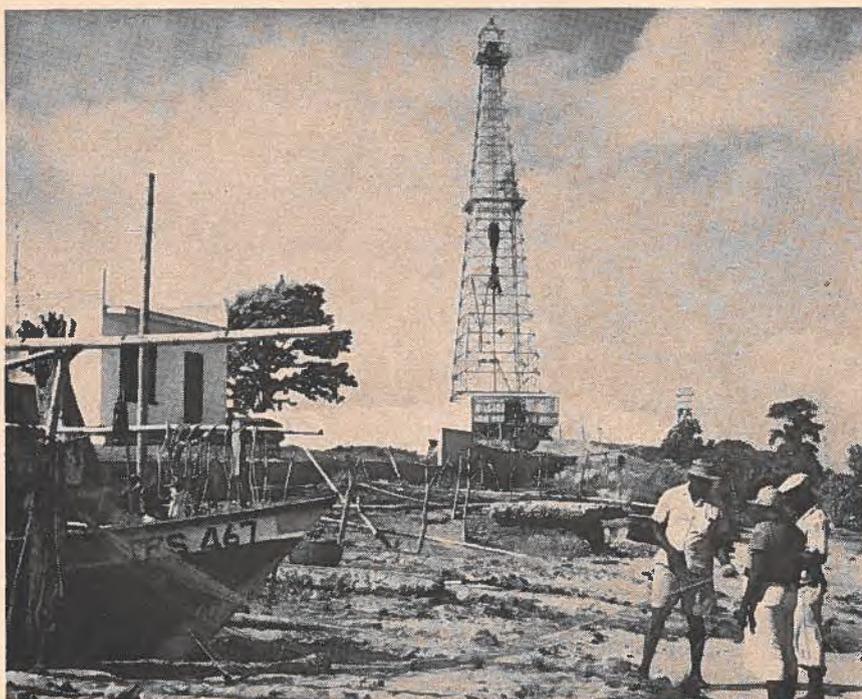
on outside aid. The Government of Trinidad and Tobago plans to obtain over \$95 million from local sources, both public and private, and \$50.5 million from the agreement with the United States covering its naval base in Trinidad. In addition, it plans to borrow about \$60 million on commercial terms. These three figures added together still leave a gap of nearly \$91 million, which it expects to bridge by foreign grants or low-interest long-term loans.

More Employment Needed

At 3 per cent a year, the rate of population growth in Trinidad and Tobago is one of the highest in the world and this creates a large pool of labour. Unfortunately, there are not enough new jobs to employ all those looking for work. The Five Year Development Plan expects the labour force to reach 343,000 by 1968, an increase of 49,000 from the present 294,000. In the same period only 44,900 new jobs will probably be created. There will thus be more unemployed in 1968 than in 1962. Already 20 per cent of the labour force is said to be seeking jobs.

To satisfy the needs of the growing population, the electricity and telephone services are currently being expanded. Another large-scale public utility project is a sewerage scheme for the three major urban areas of Port-of-Spain, San Fernando and Arima. This project, scheduled for completion in the latter part of 1964, will cost approximately \$27,360,000.

Despite the business and employment created by these large-scale public projects, the immediate future presents a challenge to Trinidadians, interested as they are in economic progress. The rise in per capita production has resulted to a major extent from the growth in the oil industry and this growth is not likely to be sustained. It will therefore be necessary for manufacturing and agriculture to expand sufficiently to offset any decline in the importance of the oil industry. ●



—Texaco-Trinidad, Inc.

The traditional and the modern mingle in Trinidad, as this picture shows. Fishermen mend their nets in a west coast cove; behind them rises an oil derrick, marking a development well. Oil still provides about 80 per cent of Trinidad's exports.



—National Film Board.

A donkey cart crosses Trafalgar Square in Bridgetown, where Nelson looks down on passersby. Bridgetown recently acquired a deepwater harbour, eliminating the need for ships to anchor offshore and then transfer their cargoes to lighters.

Barbados

- important sugar crop was larger, sold at high prices.
- number of new industries operating, others will begin soon.
- booming tourist industry has sparked new hotel projects.

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

BARBADOS has had a good year: new industries have been established and the tourist industry (second only to sugar in importance) made healthy gains. The sugar industry remains the basis of the economy and production also rose—at a time when world prices were high. The territory hopes to achieve full political independence in 1964, ahead of the projected formation of an Eastern Caribbean Federation.

The Government's 1963/64 budget called for an expenditure of

W.I.\$30.5 million*, an increase of \$2.6 million over the 1962/63 budget. But revenue is estimated at W.I.\$29.3 million, which will mean a deficit of \$1.2 million. Last December the Barbados Government raised a loan in London through the Crown Agents for W.I. \$6,139,200. This was over-subscribed, and so far this year loans to a total of W.I.\$2 million have been raised on the local market, to be used for development purposes.

*W.I.\$1.00=Can.\$0.63.

A number of new industries have been established during the year, including a pharmaceutical plant which opened last March. The pottery factory which was established under pioneer status** a little over a year ago has increased its plant capacity threefold and its staff from 30 to 60. A dress factory will begin production later this year, mainly for export to its parent company in Cincinnati, and will employ 35 to 45 persons initially. The abattoir and cold storage facilities were completed at a cost of W.I.\$1.5 million and went into operation recently. The latter should do much to keep domestic prices for fish steady; they are designed to take 200 tons of meat and 12 tons of fish.

The formation of a local company to reconstitute milk and process condensed and evaporated milk was recently announced. This is a joint venture by the local government, the New Zealand Dairy Production and Marketing Board, and Northern Dairies Ltd. of Britain, involving an investment of over W.I.\$1 million. Twenty-five per cent of the shares of the company will be offered to the public in Barbados. This company will be granted pioneer status and will also enjoy sole licence to process condensed and evaporated milk for ten years. Further protection in the form of import duties is expected and, at a date to be fixed, imports of condensed and evaporated milk may be prohibited.

Following the coming into operation of a sawmill earlier this year imports of lumber have been prohibited, except from Canada which has been given a quota of five million board feet a year. This is considered sufficient to meet the import requirements for Douglas fir, red cedar and a little spruce, of which Canada has been virtually the only

**The Pioneer Industries Act of Barbados provides for the establishment and development of industries that are not operating in Barbados on a substantial scale by granting relief from customs duties on goods required to construct or equip a factory, and relief from income tax, rates on trade profits, trade tax, and interim traders' licence fees.

TABLE I
IMPORTS INTO BARBADOS
(millions of W.I. dollars, c.i.f.)

	1960		1961		1962 (Jan.-June)	
	Value	Per cent of total	Value	Per cent of total	Value	Per cent of total
Total	83.3		80.3		39.7	
Of which:						
Britain	32.7	39.3	29.1	36.2	13.6	34.3
United States	10.9	13.1	12.8	15.1	5.9	14.9
Canada	8.6	10.3	8.3	10.3	3.7	9.3
Netherlands	4.6	5.5	4.0	5.0	3.0	7.6

Source: Barbados Statistical Service.

TABLE III
BARBADOS—SELECTED STATISTICS

	National Income (millions of W.I.\$)	Per Capita Income (W.I.\$)	Gross Domestic Product at Factor Cost (millions of W.I.\$)	Balance of Payments (millions of W.I.\$)
1956	81.0	353	84.0	-4.2
1957	100.0	431	103.0	11.3
1958	94.6	399	97.6	1.2
1959	100.0	415	103.5	5.3
1960	99.0	409	101.1	-1.7
1961	104.5	432	106.6	1.6
1962	*	*	114.0†	*

*Not available.

†Preliminary estimate.

supplier. The restriction will mainly affect pitch pine lumber because the mill will be turning out lumber from imported pitch pine logs.

Agriculture and Fisheries

The 1962/63 sugar crop produced 190,697 tons of sugar, an increase of 32,239 tons or 20 per cent over the 1961/62 crop. Under the Commonwealth Sugar Agreement, Barbados' 1963 quota for the British market was 126,000 tons, leaving over 50,000 tons available for export at the prevailing high world price. The 1963/64 crop is expected to produce over 200,000 tons.

Although the sugar situation is excellent, the Government is stressing diversification of crops and it is expected that cultivation of bananas and citrus for export and home consumption will be initiated next year in some areas now planted to sugar cane.

A United Nations team will begin shortly an investigation of the feasibility of commercial deepsea fishing

in the Caribbean. Administration and marketing headquarters will be in Barbados and operations will continue for five years, during which local fishermen will be trained in the use of new equipment and methods. This project will cost over W.I.\$2 million.

Trawler fishing for shrimp was introduced recently by a Florida firm which has since registered a local company. The first shipment of 15 tons was made in August to the United States; another 2,000 pounds were sold on the local market for W.I.\$3,000. The firm employs 50 fishermen and has a fleet of 25 trawlers which will be increased to 50.

Tourist Industry

In 1962, Barbados welcomed 44,258 tourists who spent W.I.\$18.9 million on the island; comparative figures for 1961 were 37,061 visitors and W.I.\$15.9 million. Revenue from tourists accounted for 15 per cent of the gross national product in 1961 and 16.6

TABLE II
BALANCE OF VISIBLE TRADE,
BARBADOS
1959-1961

	1959	1960	1961
	(millions of W.I.\$)		
Exports (f.o.b.)	46.7	40.9	43.2
Imports (c.i.f.)	74.9	83.3	80.3
Balance	-28.2	-42.4	-37.1

Source: Barbados Statistical Service.

per cent in 1962. Earnings from Canadian and U.S. tourists during the first quarter of this year reached W.I.\$5.18 million, compared with W.I.\$4.03 million during the same period of 1962.

The island has 37 registered hotels and ten guest houses, or 990 rooms in all. An agreement for the construction and operation of a 100-room hotel was recently signed by the Government and Hilton Hotel International. It will be built by the Government on a 14-acre site with beach, at an estimated cost of U.S.\$2 million; the Government will receive two thirds of the profits. Construction will begin early next year and should be completed in 18 months.

A second project is a joint venture of Barbadian and Canadian businessmen who have formed a company to build 400 cabanas on a 90-acre site at a cost of W.I.\$8 million. The one, two and three bedroom cabanas will be completely furnished and there will be a central hotel service area with dining rooms and cocktail bar, commissary, beach facilities and three or four park areas complete with swimming pools. This project is aimed at the rapidly expanding middle-income tourist group. Building will probably begin early in 1964.

Other Development Projects

Work on the new W.I.\$8.25 million hospital (providing jobs for 600) is progressing satisfactorily and is expected to be completed by next June.

A new dual-lane highway on the east coast will be started soon. Caribbean Enterprises Ltd. was formed

recently to build a large number of low-cost houses, using local materials made from bagasse and stone.

The International Power Company of Montreal recently purchased the ordinary shares of the Barbados Light and Power Co. Ltd. from Mitchell Engineering Group Ltd. and the Colonial Development Corporation, and the new chairman has announced plans to extend power distribution to the rural areas.

Trade and the Economy

Barbados imports more than W.I. \$80 million worth of commodities a year. Canada is the third largest

supplier, holding about 10 per cent of the market. The value of imports into Barbados from its four principal suppliers in the last three years is given in Table I. Table II shows the balance of visible trade for the years 1959 to 1961.

The national income in 1961 reached a total of W.I.\$104.5 million, an increase of W.I.\$5.5 million over 1960. Per capita income, at W.I.\$432, compared favourably with the 1960 figure of W.I.\$409.

The gross domestic product at factor cost also rose—from W.I. \$101.1 million in 1960 to W.I. \$106.6 million in 1961, and to an estimated W.I.\$114.0 million in 1962.

The balance of payments showed a surplus of W.I.\$5.3 million in 1959 and W.I.\$1.6 million in 1961, but a deficit in 1960 of W.I.\$1.7 million. Statistics on national income, gross domestic product and the balance of payments for the years 1956 to 1962 are given in Table III.

Continuing industrial development and expansion of the tourist industry, plus the increase in sugar production and the current high world price for it, should mean a marked improvement in the Barbados economy in the coming year—and assure a steady market there for Canadian exporters of capital and consumer goods. ●

Leeward and Windward Islands

- Banana exports still rising; sugar crop generally smaller.
- New and planned hotels are increasing tourist influx.
- Development projects, tourist trade raising island incomes.

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

SINCE the dissolution of the West Indies Federation in May 1962, several meetings have been held to discuss setting up a federation of the Eastern Caribbean territories, with the exception of Grenada. Further discussions between the territorial governments and the British Secretary of State for Commonwealth Relations were held in London in September. Meanwhile, the uncertainty about the future may be responsible in part for the slower growth of industry in the Leeward and Windward Islands this year compared with 1961 and 1962. With the exception of Dominica, no important new industries have been established in these island groups since the beginning of the year.

The Leeward and Windward Islands are grant-aided territories and the budget of the seven normally totals about W.I.\$45 million, of which approximately \$10 million represents grants-in-aid from the British Treasury and Colonial Development and Welfare funds. St. Lucia, however, expects to be able to balance its budget of W.I.\$9 million within the next two to three years without Treasury grants. The Government of Antigua (in the Leeward group) is hopeful that its 1963 budget will enable it to do without the annual grant-in-aid.

It has been reported that loans totalling W.I.\$5,448,000 were raised in London in July by the Crown Agents by issue of 6½ per cent stock redeemable in 1974/76. This will

finance development projects—\$2,040,000 for Dominica, \$1,512,000 for St. Vincent, and \$1,896,000 for St. Kitts-Nevis-Anguilla.

Figures on national income and on gross national product are not issued every year but Table I shows that national and per capita income increased impressively between 1951 and 1959. So did the gross domestic product—to an estimated W.I.\$20.9 million in 1959.

Crops Generally Good

These islands depend mainly on agriculture and the chief crops are bananas, arrowroot, sugar, nutmegs, citrus, cocoa and cotton. The more important minor crops are tomatoes, avocados, mangoes and copra.

● **Bananas**—Throughout the area, the 1962 banana crop was substantially larger than in 1961. St. Lucia produced 4,262,600 stems, about 20 per cent over 1961, and this year the figure is expected to be over five million. Production in Dominica, Grenada, and St. Vincent

was also greater than in 1961 and together these four islands exported more than ten million stems to Britain during 1962. Exports this year are expected to reach over 12 million stems.

● **Arrowroot**—St. Vincent is the only territory producing arrowroot starch in quantity and the 1962/63 crop yielded 50,181 barrels of 200 pounds, an increase of more than 13,000 barrels over the previous crop and the highest figure since 1940-41's 50,500 barrels. With the closing down of the only sugar factory in St. Vincent last year, the acreage under arrowroot has gone up and a record crop is expected next year. As a result, strenuous efforts are being made to find new markets in Western Europe and South America. Factories plan to increase their capacities to take care of the expected rise in the crop.

● **Sugar**—Unfavourable weather and labour problems resulted in a smaller 1962/63 sugar-cane crop except in Antigua, where production increased to 27,687 tons from 20,536 tons in 1962/63. Sugar production in St. Lucia has been steadily declining and Sugar Manufacturers Limited, the sole factory in that territory, recently announced that this fact, coupled with a labour dispute, has influenced it to discontinue operations after the end of this year's crop. The four territories of Antigua, St. Lucia, St. Kitts and Grenada produced 69,700 tons of sugar compared with 68,100 tons for 1961/62.

The Minor Crops

In 1962 citrus, cocoa and coconut crops were satisfactory and with aid and encouragement from the various unit governments, the 1963 crops are expected to be larger. Unfavourable weather may result in a smaller nutmeg crop in Grenada this year than in 1962. The 1962/63 cotton crops of St. Vincent, St. Kitts and Antigua were down from the previous ones because of adverse weather and low prices. However, a recent offer of

TABLE I
NATIONAL AND PER CAPITA INCOME
LEEWARD AND WINDWARD ISLANDS—1951 AND 1959

	Estimated population (mid-1963)	1951		1959	
		National income (W.I.\$ million)	Per capita income (W.I.\$)	National income (W.I.\$ million)	Per capita income (W.I.\$)
Leeward Islands	127,000	16.9	155	39.2	318
Antigua	56,000	5.8	126	19.7	362
Montserrat	13,000	2.1	150	3.1	255
St. Kitts-Nevis-Anguilla	58,000	9.0	184	16.4	289
Windward Islands	326,000	42.1	148	83.8	263
Dominica	61,000	7.5	136	17.2	289
Grenada	91,000	14.3	181	23.4	253
St. Lucia	89,000	10.0	123	21.8	253
St. Vincent	85,000	10.3	149	21.4	267

Source: W.I. Federal Statistical Office.

W.I.\$1.45 per pound for sea island cotton lint by five spinners in England is expected to result in larger acreage and a proportionately bigger 1963/64 crop.

The Government of Dominica is distributing 400 tons of fertilizer free to citrus growers to encourage greater production and the markets in Bermuda and Britain for avocado and other tropical fruit are currently being explored. In St. Lucia, the Government is assisting the cocoa industry by building an additional fermentary to produce a better grade of cocoa bean.

Industrial Expansion Planned

Although industrial progress has been less rapid recently, a number of developments are now going forward. In Dominica, a local company was formed lately to mine pumice rock and already large known deposits are being explored; 836 pounds of rock have been sent to testing laboratories in Puerto Rico to determine the quality. Offers from Canadian firms to set up a factory to produce plywood and veneer from gommier logs, in adequate local supply, have also been reported.

In Antigua, the West Indian Oil Company was recently registered to refine and market oil products. This is a joint venture by the Natomas Company of San Francisco and Standard Oil Company (Indiana)

of Chicago and involves an investment of some W.I.\$27 million.

Tourist Trade

The important tourist trade has made rapid strides during the past three to five years. In Antigua it is of major importance; there are now 24 hotels, with two new ones under construction and three more to be built immediately. The Mamoral Bay Hotel of 100 rooms, which is expected to open in November, has been granted permission to operate a casino, the first in the British Eastern Caribbean, on a one-year trial. In February 1963, the number of hotel rooms in Antigua was 650, a 100 per cent increase over the 325 rooms available in 1960. During the same period, the number of hotels increased from 14 to 24.

The Emerald Isle Hotel in Montserrat with six double rooms and the Carib Beach Hotel in Grenada with accommodation for 120 guests opened last December. In Dominica, two new hotels are being built. One 20-room hotel in which the local government has a W.I.\$41,000 interest is going up in the heart of Roseau, the capital, and the other about three miles from Roseau, around the sulphur springs. It will open with 10 rooms but plans are to expand it to 28 rooms. In St. Lucia, there are plans for a large modern hotel, golf course and other tourist amenities to be built by a

TABLE II
IMPORTS INTO LEEWARD AND
WINDWARD ISLANDS

	(c.i.f.)		
	1960	1961	1962
	(W.I.\$'000)		
Antigua			
Total imports	15,600	19,526	21,634
From:			
Canada	1,900	1,965	*
Britain	6,100	6,554	6,505
United States	3,100	4,658	5,489
Montserrat			
Total imports	1,970	2,140	2,538
From:			
Canada	250	270	192
Britain	710	820	990
United States	160	270	345
St. Kitts			
Total imports	12,100	*	*
	(1959)		
From:			
Canada	1,700	*	*
Britain	4,400	*	*
United States	1,500	*	*
Dominica			
Total imports	10,000	*	*
From:			
Canada	1,200	*	*
Britain	3,600	*	*
United States	1,200	*	*
Grenada			
Total imports	14,800	16,083	16,030
From:			
Canada	1,900	1,480	*
Britain	5,200	6,257	*
United States	1,800	1,780	*
St. Lucia			
Total imports	5,300†	13,350	*
From:			
Canada	800	1,860	*
Britain	2,100	4,650	*
United States	500	1,530	*
St. Vincent			
Total imports	12,973	12,631	12,477
From:			
Canada	1,455	1,379	1,748
Britain	4,870	4,468	3,909
United States	1,465	1,397	1,386

*Data not available.

†Figures for January-June only.

Source: Territorial publications.

group of U.S. businessmen on 600 acres of land recently leased at Vieux Fort. Two other hotel projects have also been approved and the Government is expected to conclude arrangements in the near future for a 200-room luxury hotel at Beanfield, a former U.S. base.

The number of tourists throughout the area during the last winter season went up, and with more hotel accommodation, should rise further this coming season.

Under the Canada-West Indies Aid scheme, the St. Vincent deep-water harbour is being built by a British Columbia firm and is progressing well, with completion expected by the end of this year. The Government of St. Lucia is reported to be preparing a ten-year development plan for the island and has held discussions with a group of Canadians about a possible housing program for the lower and middle income groups. The extension of Castries wharves and improvement of berthing facilities both at Castries and Vieux Fort are also being studied. These proposals were recently examined by a Canadian expert.

Pearl's airport in Grenada is to be extended to accommodate planes larger than *Dakotas* and *Viscounts* which currently operate there and electricity supply is being extended gradually to the small townships throughout the island.

The Government of Dominica is looking into the possibility of a deepwater harbour and at the request of the Government several sites were visited recently by the Canadian expert in charge of the St. Vincent project, with a view to selecting one of them. A local company was recently formed to go into the chicken broiler business, involving an investment of W.I. \$200,000. The first batch of broilers is expected to be ready for market by November.

Recently the St. Kitts Government acquired 860 acres of land at Frigate for development of hotel sites, housing, industrial estates and golf and race courses, and plans for the development are already prepared and under study. The Government is also putting up three factory buildings on the industrial estates, which they hope will soon be occupied by new industries. Drilling for water around Basseterre by Canadian engineers is continuing and one well is reported to be producing adequate supplies.

In Montserrat, the Montserrat Real Estate Co. Ltd., a local company, recently bought 500 acres of

land for development into a tourist resort and home for retired North Americans.

Roads and water facilities leading to new hotels in Antigua are under development, with income derived from the tax of W.I.\$1.00 per head per night imposed on visitors staying at hotels as from December of last year. A scheme to provide irrigation for growing vegetables is progressing satisfactorily, and 50 test holes are now being drilled. The Government has also announced a grant of W.I.\$340,000 from the British Colonial Office towards its school-building program.

Trade Deficit Normal

The Leeward and Windward Islands, like many other under-developed countries, do not have up-to-date statistics. However, Table II shows that total imports by these two groups can be estimated at not less than W.I.\$90 million c.i.f. Principal suppliers are Britain, Canada and the United States, in that order, with Canada securing about 10 to 12 per cent of the market.

The chronic imbalance of trade is increasing. Total exports of the area are estimated at W.I.\$30 million f.o.b. and total imports at W.I. \$90 million, resulting in a trade deficit of W.I.\$60 million. However, it should be borne in mind that import values are c.i.f. and export f.o.b. Therefore, deducting 10 per cent (or W.I.\$9 million) from total imports of W.I.\$90 million for freight and insurance charges, the real deficit becomes approximately W.I.\$51 million. However, with the increase in production of export crops expected in 1964, the imbalance of merchandise trade may improve slightly next year.

The expanding hotel and tourist industries, together with the planned private and government development projects, should raise income in these islands significantly. This will mean an improved standard of living and, with the greater tourist trade, provide a market for hotel equipment and furnishings and for Canadian consumer goods. ●

Jamaica: the Trade Picture

U.S. and Canada are increasing their share of the Jamaican market, at the expense of Britain. Canadian sales reached nearly \$22 million last year; foods, manufactured goods, machinery and transport equipment contributed largely to this increase. Development projects also offer opportunities to Canadian exporters.

R. W. BLAKE, *Commercial Counsellor, Kingston.*

BRITAIN, the United States and Canada are Jamaica's main trading partners. The direction of trade has changed in the past few years and in 1962 the dollar area superseded the sterling area as the main source of imports. Imports from the sterling area have remained fairly steady during the past five years at about \$93.0 million but imports from the dollar area have been rising sharply and reached some \$99.85 million in 1962, compared with just over \$67.0 million in 1958. The dollar countries have been the best customers for Jamaican goods for some time and in 1962 had a deficit on trade with Jamaica of about \$12.5 million, compared with the surplus of \$33.25 million enjoyed by the sterling area.

Import Trade

Britain's share of the import market declined in the first six months of 1963 compared with the corresponding period of 1962 and that of the U.S. and Canada increased. During the five years 1958 to 1962 the percentage of imports supplied by Britain has declined from 38.6 to 29.5 but the U.S. share has increased from 20.9 to 27.8. Canada's share has remained just above 10 per cent during this period, but our exports to Jamaica have been increasing steadily in value and reached approximately \$21.89 million in 1962 compared with \$20.5 million in 1958. (See Table I.)

Manufactured goods, machinery and food were the largest imports

and the machinery and transport equipment group was the only one to show a decrease in the first half of this year. This was partly the result of large imports of equipment early in 1962, including a dredge which was subsequently re-exported.

Export Trade

Exports from Jamaica in 1962 totalled approximately \$193.5 million, an increase of \$8.7 million

over 1961. Domestic exports accounted for one-half of this, rising from \$181.8 million in 1961 to \$185.7 million in 1962, largely because of bigger sales of manufactured goods. Bauxite exports also rose considerably but alumina exports declined. (See Table II.) The second largest export is sugar and its products, followed by bananas.

In the first half of 1963, sales abroad of sugar and alumina rose

TABLE I
WHERE JAMAICA BUYS

	1963 (Jan.-June)*		1962 (Jan.-June)		1962	
	Value (£'000)	Per cent	Value (£'000)	Per cent	Value (£'000)	Per cent
All countries	39,000	100	38,507	100	79,579	100
Britain	10,433	26.7	10,138	29.6	23,456	29.5
United States	11,062	28.4	11,407	26.3	22,107	27.8
Canada	4,132	10.6	3,901	10.2	8,287	10.4
EEC countries	5,070	13.0	4,812	12.5	9,836	12.4
British Caribbean	1,897	4.9	1,962	5.1	3,913	4.9
Other	6,406	16.4	6,287	16.3	11,980	15.0

*Provisional.

TABLE II
WHAT JAMAICA SELLS

	1963 (Jan.-June)*		1962 (Jan.-June)		1962	
	Value (£'000)	Per cent	Value (£'000)	Per cent	Value (£'000)	Per cent
Total Domestic Exports	36,499	100	33,103	100	61,889	100
Sugar	12,456	34.1	9,373	28.3	14,571	23.5
Bauxite	6,640	18.2	7,393	22.3	15,715	25.4
Alumina	8,378	22.9	7,676	23.2	14,423	23.3
Bananas	2,002	5.5	2,286	6.9	4,241	6.9
Rum	493	1.4	530	1.6	1,032	1.7
Other	6,530	17.9	5,845	17.7	11,907	19.2

*Provisional.

and sales of bauxite, bananas and rum fell slightly.

The importance of the U.S., Britain and Canada as markets for Jamaica's exports is shown in Table III.

Canada's Trade with Jamaica

Canada's exports to Jamaica at current values have increased from about \$10.8 million in 1948 (or 18.27 per cent of total Jamaican imports) to approximately \$22 million in 1962 (or 10.4 per cent of total imports). In 1962, our exports were up about \$2.82 million over 1961, mainly because of relatively small increases in several commodities. The largest was in fish and fish preparations, about \$453,000. As Table IV shows, food accounts for the major part of Canadian exports to Jamaica, with manufactured

goods and machinery and transport equipment next in importance.

Canadian sales of foods, manufactured goods, and machinery and transport equipment gained last year and it is these classes that hold out most promise for the future. Fresh frozen foodstuffs are beginning to make headway in Jamaica and sales will no doubt increase rapidly as incomes rise and local refrigerated space becomes more plentiful. The lack of regular reefer space on ships plying between Canada and Jamaica is a handicap to Canadian suppliers but this situation is expected to improve.

There are definite signs of a revival in the construction industry both in government low-cost housing schemes and water, sewerage, hydro and drainage projects, as well as renewed activity in building by

private companies. This expansion should create a demand for all kinds of household goods, electrical equipment, and machinery and transportation equipment—and Canadian manufacturers should be able to get a good share of this business.

A number of the construction projects are covered by AID loans, which means that all materials and services required must be purchased in the United States. However, there will be opportunities for Canadian firms to quote on those not associated with tied loans.

Business by Tender

The Jamaican Government publishes tenders and although these are sent to the Department of Trade and Commerce in Ottawa for distribution to the trade in Canada, overseas firms with local agents have an advantage over those submitting tenders by correspondence. In the consulting engineering field, ten or twelve local firms are offering services; some of them are subsidiaries of British or U.S. companies and keep their principals in close touch with developments. Occasionally it may be possible for a Canadian firm to associate itself with one of this group, but usually Canadians prefer to work alone.

What We Buy

Canada has had an adverse balance of trade with Jamaica in the past five years which has ranged from about \$7.1 million in 1958 to \$18.4 million in 1960 and \$10.0 million in 1962. (The smaller figure last year was due to smaller shipments of alumina.) The main products we import from Jamaica are sugar and sugar preparations, including rum and other food products (approximately \$10.5 million) and alumina (approximately \$27.0 million). Other imports are coffee, marmalade, cocoa beans and cocoa butter, ginger, liqueurs and spirits, (not rum), glycerine, and handbags.

A start has been made in shipping bananas and citrus fruits to Canada and with some improvement in grad-

TABLE III
WHERE JAMAICA SELLS

	1963 (Jan.-June)*		1962 (Jan.-June)		1962	
	Value (£'000)	Per cent	Value (£'000)	Per cent	Value (£'000)	Per cent
All countries	37,225	100	33,844	100	64,499	100
Britain	12,096	32.5	12,168	35.9	17,086	26.5
United States	12,438	33.4	9,972	29.5	25,058	38.9
Canada	8,386	22.5	6,143	18.1	11,635	18.0
Norway	1,733	4.6	3,218	6.6	4,176	6.5
EEC countries	1,102	3.0	461	1.4	1,415	2.2
British Caribbean	706	1.9	906	2.7	1,584	2.4
Other	764	2.1	1,976	5.8	3,545	5.5

*Provisional.

TABLE IV
WHAT JAMAICA BOUGHT FROM CANADA*

	All Countries	Canada	Canada	Canada
	1961	1961	1962	Jan.-June 1963
Total imports	75,395,637	7,792,317	8,286,534	4,117,521
Of which:				
Food	14,437,794	4,181,896	4,399,276	2,140,486
Beverages and tobacco	1,612,309	224,682	205,427	80,003
Crude materials, inedible (except fuels)	2,261,055	77,363	71,813	37,981
Mineral fuels, lubricants and related materials	7,707,832	1,053	2,245	1,045
Animal and vegetable oils and fats	486,048	52,326	82,367	27,426
Chemicals	6,215,353	344,782	334,666	159,554
Manufactured goods classified chiefly by materials	19,362,119	1,413,521	1,587,886	1,003,623
Machinery and transport equipment	16,308,475	979,547	1,049,328	434,503
Miscellaneous manufactured articles	6,832,288	515,242	551,907	232,452
Miscellaneous transactions and commodities	172,364	1,905	1,619	448

*Jamaican statistics.

ing and packaging, a useful trade in these products could develop.

Canadian exports to Jamaica should rise in 1963-64 because, apart from the increasing interest

shown in this market by Canadian suppliers now that the lower value of the Canadian dollar enables them to quote better prices, a Canadian firm has won the contract for setting

up the television station. Inquiries received at the Second Export Trade Conference in Ottawa last April should also help to increase Canadian exports to Jamaica. ●

Jamaica

— National income, personal spending, gross national product up last year.

— Establishment of new industries continues; industrial exports now exceed agricultural.

— Income from tourists dropped in 1962 because of political tensions in Caribbean.

— “Wait and see” attitude of business now replaced by new activity.

R. W. BLAKE, *Commercial Counsellor, Kingston.*

JAMAICA celebrated its first year of independence in August, with some pride in the impression it has given of political and economic stability and in the favourable terms on which it was accepted as a member of the International Monetary Fund and the World Bank. These developments have had a good effect on its ability to raise private loans abroad.

Jamaica has also become a member of the General Agreement on Tariffs and Trade and would like to join the Organization of American States but agreement on this has not been reached. In May the Government passed a “Buy Jamaica” budget, designed to encourage expansion of industry and to increase agricultural output. The Tourist Board is to be reorganized, to help reverse the down-trend in the vital tourist trade.

On the other hand, the attitude of businessmen and potential overseas investors last year was one of caution and “wait and see”, until the election was over and it was clear

how an independent Jamaica would accept its new responsibilities and tackle its problems. In the event, the new Government adopted a rather conservative attitude and made no drastic changes.

Business activity slackened as certain sectors adversely affected by the over-expansion of trade because of the rapid increase in instalment buying in 1960 and 1961

adjusted themselves to the controls on this type of purchasing. (As an interesting sidelight, with the advent of television in the island this year, dealers are selling more sets for cash than they had expected.)

Some Indicators

The gross national product for 1962 is estimated at \$780 million, an increase of \$16.2 million (or 2.1 per cent) over 1961. Since 1954, however, when the mining of bauxite and processing of alumina got under way, the rate of increase in the GNP has slowed down considerably. (This development brought a large inflow of capital and a big increase in total production which is now levelling off.) Table I gives the annual increase in GNP at current and constant values for 1953-1962.

The gross domestic product at factor cost measured at current prices totalled \$757.5 million last

TABLE I
ANNUAL INCREASES IN GROSS NATIONAL PRODUCT 1953-1962

Year	At Current Values			At Constant Values		
	Gross national product £ million	Annual increase £ million	per cent	Gross national product £ million	Annual increase £ million	per cent
1953	114.6	.....	.....	125.9	.....	.....
1954	127.7	13.1	11.5	139.5	13.6	10.8
1955	145.3	17.6	13.7	152.8	13.3	9.5
1956	166.7	21.4	14.8	166.7	13.9	9.1
1957	199.6	32.9	19.7	185.6	18.9	11.3
1958	207.0	7.4	3.7	191.7	6.1	3.3
1959	221.2	14.2	6.8	198.7	7.0	3.7
1960	240.8	19.6	8.8	211.1	12.4	6.2
1961	254.6	13.8	5.7	221.7	10.6	5.0
1962	260.0	5.4	2.1	.....	.....	.....

Source: Economic Survey—Jamaica 1962.

year compared with \$732.9 million in 1961, an increase of 3.4 per cent.

Manufacturing overtook agriculture as the largest contributor to the gross domestic product in 1960 and last year it maintained this lead. Exports of manufactured goods have increased steadily in recent years with the coming of new industries and accounted for most of the export gains last year—to \$12.9 million compared with \$8.7 million in 1961. Clothing accounts for just over 50 per cent of total receipts from sales abroad of manufactured goods, with tin cans, textile yarns and fabrics, footwear and dentifrices also figuring largely. (See Table II.) Jamaica sold \$4.97 million worth of clothing to the U.S. and as a

result the U.S. Government is taking action to restrict imports of cotton goods from Jamaica. This threatens to have a serious effect on Jamaican industry and negotiations with the U.S. are going on.

Income and Expenditure

National income in 1962 was estimated at \$675.3 million, compared with \$651.3 million in 1961. Per capita income was estimated at \$410.1, which was \$11.01, or 2.8 per cent, greater than in 1961 although the rate of increase was lower than the 4 per cent gain in 1961 over 1960. The trend should be reversed this year as government and private projects financed by loans obtained at home and

overseas get under way, and with militant trade unions pressing for higher wages.

Total personal spending on all goods and services increased by \$21 million, or 3.7 per cent over 1961, and totalled \$831 million. Expenditure on consumer goods and services rose by \$29.1 million with personal spending increasing by \$21.3 million or 3.7 per cent, and government purchasing by \$7.8 million or 10 per cent. Expenditure on capital goods fell by \$8.1 million to \$120.3 million, perhaps reflecting some uncertainty.

Balance of Payments

The over-all balance of payments presents a problem but Jamaica is a net earner of dollars. The rapid rise in imports over the past few years was associated with the inflow of capital for development. This, with the rising demand for consumer goods and a deterioration in the terms of trade, has resulted in a fairly large annual deficit in the current account with the rest of the world. During the past three years, however, export receipts have been rising faster than import values and the trade gap has narrowed from \$66.9 million in 1959 to \$39.3 million in 1962. It widened by about \$3.6 million in 1962 over 1961, with imports up by some \$12 million to \$239 million and exports at \$199.8 million only up by \$9 million. This trade deficit, however, is partially offset by receipts from the tourist trade.

The Bank of Jamaica report for the six months ended June 30, 1963, states that "some of the factors which have strengthened the balance of payments in recent years may be expected to continue in 1963 although some uncertainties remain."

Provisional data for January-June 1963 show the adverse trade balance for this period as some \$8.7 million less than for the corresponding period of 1962; imports were higher by \$1.5 million but exports rose by \$10.2 million. Exports of alumina and sugar accounted for

TABLE II
VALUE OF JAMAICAN EXPORTS OF CERTAIN MANUFACTURED GOODS

Commodity	1959 £	1960 £	1961 £	1962 £
Cosmetics	52,000	47,000	41,000	78,000
Medical and pharmaceutical products	11,000	22,000	24,000	22,000
Dentifrices	.....	.....	92,000	172,000
Paper bags, cardboard boxes, etc.	43,000	61,000	51,000	83,000
Textiles, yarns and fabrics	199,000	130,000	346,000	220,000
Buttons and studs	32,000	48,000	53,000	88,000
Footwear	122,000	167,000	191,000	251,000
Travel goods, handbags, etc.	84,000	71,000	37,000	16,000
Sports goods	.....	40,000	102,000	70,000
Clothing	325,000	991,000	1,423,000	2,201,000
Basketware	22,000	14,000	9,000	9,000
Furniture and fixtures	40,000	52,000	53,000	24,000
Phonograph records	5,000	15,000	15,000	12,000
Tin cans	125,000	233,000	283,000	694,000
Paints, enamels and varnishes	69,000	78,000	69,000	128,000
Glycerine	29,000	40,000	20,000	15,000
Portland cement	19,000	96,000	95,000	179,000
Textile machinery and accessories	.....	.....	49,000	16,000
Total	1,177,000	2,105,000	2,953,000	4,278,000

Source: Economic Survey—Jamaica 1962.

TABLE III
IMPORTS, EXPORTS AND VISIBLE TRADE BALANCE

Year	Imports	Exports				Visible Trade Balance
		(£ million)				
		Total	Domestic	Re-exports		
1950	22.4	15.2	14.8	0.4	-7.2	
1956	58.3	39.4	38.2	1.2	-18.9	
1957	66.7	50.4	49.5	0.8	-16.3	
1958	64.6	47.6	46.8	0.8	-17.0	
1959	68.6	46.1	45.3	0.8	-22.5	
1960	77.5	56.7	55.8	0.9	-20.8	
1961	75.4	61.5	60.6	0.9	-13.8	
1962	79.6	64.5	61.9	2.6	-15.1	

Source: Economic Survey—Jamaica 1962.

the greater part of the increase. Exports of bauxite were slightly lower in the first six months of 1963 compared with 1962, but with a new company about to begin operations and a large-scale expansion by one of the companies already operating, the prospects of increasing production and exports are good. Imports of construction materials and raw materials increased—an indication of a revival in the building and construction industry. Receipts from tourists are likely to improve this season, but remittances from migrants, which stood at a peak of approximately \$23.5 million in 1962, could decline this year because fewer people are emigrating to Britain.

Data available on capital account for 1962 indicate that capital inflows because of borrowing abroad by government and local enterprises and the establishment of new foreign firms in Jamaica were more than sufficient to finance the current account deficit and the net overseas liabilities declined. The Bank of Jamaica reports that net capital movements will probably again be favourable in 1963.

Foreign exchange reserves increased to \$125.1 million at June 1963 from \$100.2 million at the end of last year. Government loans and private inflows of capital from overseas accounted for most of the increase.

Five Year Plan Announced

In July the Government announced a Five Year Development Plan, 1963-1968, to cost an estimated \$274.2 million. The proposal is to finance it by obtaining \$53.1 million from general revenue, \$76.8 million from external loans, \$52.8 million from internal loans, and \$91.2 million from government-to-government soft loans and aid. It is termed a Five Year Plan within a long-term development program and it will be related to longer-term objectives. Each year it will be re-examined and modified if necessary and the expenditure rephased. The proposal is to spend \$149.7 million

Canada Is Leading Investor

JAMAICA has achieved a significant success in raising internal and external loans, a tribute to the island's stability. In its first year of independence it has raised \$12.3 million internally and \$7.5 million abroad—\$3 million in the United States and Canada and \$4.5 million in Britain. Both foreign loans were well received and all issues outstanding are at a premium. This pattern of loans is different from that of most newly independent countries, where borrowing from abroad is usually greater than money raised internally. This ability to obtain funds inside the country is also a good evidence of stability. For the Five Year Plan, the intention is to obtain \$53.1 million internally, a substantial figure when compared with the \$76.8 million to be raised externally.

With this good investment climate, the problem is to find new worthwhile issues into which to put money. Where bank deposits and withdrawals (loans) used to be fairly even, last year deposits exceeded withdrawals by \$45 million and at June 1963, total deposits were \$154.8 million and advances \$111.0 million. Obtaining loans abroad has not been difficult

and the response to internal loan-raising has been very good.

It is very difficult to discover how much foreign money is invested in Jamaica, but the best estimate is that Canadians have the biggest share and have invested about \$300 million. The Alcan operation is responsible for the major part of this, with assets estimated at \$125 million, but Canadian banks and insurance companies also contribute largely, as well as manufacturers of paint, brake linings, soaps, detergents, dentifrices, ballpoint pens, gelatine desserts, leather products, cleaning compounds, electric power equipment, electrical fittings, etc. These industries supply both the local and the export market.

Canadian firms thinking of investing in Jamaica should not overlook the substantial funds available within the island. A large British firm recently stated its policy of having local interests as equal partners in its venture. It put out 1,680,000 shares at approximately 37½ cents a share and these were heavily oversubscribed in a very short time. As a result over 2,500 Jamaicans hold shares in this company. It realizes that having local people with a stake in the business makes for good public relations.

on building roads, bridges, houses, schools, government buildings, hospitals, a dam, and drainage and reclamation works; \$52.2 million on agriculture, including agricultural credits, drainage and irrigation of land; \$29.4 million on water supplies; \$13.2 million on developing trade and tourism, and \$29.7 million on other projects.

Industrial Development

The Jamaica Industrial Development Corporation reports that 23 new manufacturing companies began operations in 1962 under the various incentive laws, compared with 13 in 1961 and 10 in 1960. The largest was a pottery firm said to involve a capital investment of \$1.5 million. Seventeen of these industries obtained concessions under

the Industrial Incentives Law (including the pottery firm).

Under the Export Industries Encouragement Law, five enterprises were set up in 1962. The largest is a textile factory, a subsidiary of a U.S. company, with a capital investment of \$6.0 million, and turning out a high-quality jute backing for rugs and carpets. Under the Pioneer Industries Law a new enterprise for producing corrugated paper and cardboard containers was established. Investment in these 23 companies totals \$10.65 million and they provide employment for about 1,460.

Among the major manufacturing enterprises on which work was started in 1962 were a cigarette factory and a 30,000 barrel per day oil refinery. Since the incentives

laws were passed seven years ago, over 100 industries have been established in Jamaica, manufacturing a wide range of products such as ready-to-wear clothing, furniture, chemical products, detergents, soaps, fabricated aluminum and steel products, sporting goods, and so on.

Jamaica prefers industries that use a good deal of labour but welcomes any industries that will provide jobs, especially those with high export revenue to improve the balance of payments. To protect its industries, it restricts imports of products that are now made locally and this has had some effect on Canadian trade with the island.

After a year of comparative inactivity in construction, there are signs of a pickup, with the Government taking the lead in low-cost housing and capital works projects costing about \$30 million. These represent a combination of government and private efforts, with AID assistance from the U.S. and World Bank long-term loans. Some of these projects, such as water schemes, will be up for tender and we shall try to keep Canadian companies informed of them.

Agricultural Progress Good

Agriculture is still the largest employer of labour in Jamaica with approximately 37 per cent of the labour force, but the number working on farms declined by over 37 per cent between 1954 and 1961. Its contribution to gross domestic product at factor cost increased from \$67.8 million in 1953 to \$94.8 million in 1962 (at current values), but its share of total product fell from 21.2 per cent to 12.4 per cent.

Food imports into Jamaica have been running at about \$43.5 million since 1959 and increased to \$48.6 million in 1962, or about 20.3 per cent of total imports. Much has been said about the need for increasing output of vegetables, beef and pork products and other processed and canned goods, but it is estimated that local production could probably replace only \$10 to \$12 million worth of imported



This herd of Brahman cattle is pastured on land owned by Alumina Jamaica. Bauxite companies must put land that has been mined back into production or pay compensation; much of it they use for raising beef cattle (as here) or citrus fruit.

foodstuffs. The total land area is approximately 2.8 million acres and surveys show that less than one-third of this is suited to continuous cultivation and 25 per cent is suitable only for woodland. Arable land totals approximately 1.7 million acres.

The number of farms and farm acreage in every size group except 500 acres and over has decreased sharply since 1954 but the average size of farm has increased. Some 113,239, or 71 per cent, of the total number of farms (158,941) in 1961 were small uneconomic units of 4 acres or less covering 201,093 acres, or about 12 per cent of the total 1.7 million acres. In 1954 about 47 per cent of farms were owned outright; in 1961 the percentage was 76.

Livestock production has made good gains in recent years, but milk supply still lags far behind demand although efforts are being made to correct this situation.

Sugar is the traditional crop; last year saw a record sugar crop of 436,791 tons, all of which was mar-

keted, and this figure rose further in 1963 under the impetus of high world prices for sugar to 477,765 tons.

Bananas are an important export, with 10 per cent of the growers producing 90 per cent of the crop. Panama disease and leaf spot cut production from 64 million stems in 1954 to 42 million in 1961, but the Government is introducing a new variety by spending \$1.4 million to replant with disease-free seedlings and thus try to increase the yield per acre. The United Fruit Co. has re-entered Jamaica as a banana grower and plans to invest some \$2 million in its plantations to raise output by some two million stems a year.

The bauxite companies are big agricultural producers, using land that they have acquired for mining and also the land which has been mined. (They must put this land back into production or pay compensation to the Government.) Their interests lie mainly in livestock and citrus and one company operates a meat packing plant. A

good part of the land they own is rented out to small farmers at reasonable rates.

In July the Government passed an enabling act to set up an Agricultural Marketing Corporation to be responsible for providing and maintaining an efficient organization for marketing agricultural produce.

Mines Are Leading Exporters

The bauxite industry is the largest investor in Jamaica, with Alcan, Kaiser and Reynolds coming into production at various times since 1952 and Alcoa expecting to begin its bauxite mining operation shortly. These companies have poured millions of dollars into the mining and processing of bauxite (Alcan is the only company producing alumina) and are constantly expanding.

Mining is now the largest contributor to Jamaican exports, accounting in 1962 for just under 50 per cent of the total by value. Income tax and royalties paid by the bauxite companies in 1962/63 reached approximately \$22 million, or about 18 per cent of the Government's current receipts and royalties. This figure should rise rapidly when the new plant gets into production and the expansion of existing plants is completed.

Tourist Income Down

Tourism is now the third largest dollar-earning industry in Jamaica. However, partly because of international tension in the Caribbean, the net income from tourists dropped from \$36.0 million in 1961 to \$32.7 million in 1962; the number of visitors fell from 224,492 in 1961 to 206,830 last year, or about 8 per cent. It is hoped that the Government's efforts to promote tourism will bring the desired results.

Guest capacity by the end of 1962 reached 7,471 beds, an increase of 579 over the previous year. Jamaica is well served by airlines and the Government has established a national airline in partnership with the BOAC-Cunard-BWIA group, with the primary objective of reducing air fares between

Britain, North America and Jamaica. An internal air service is now operating between the main towns and Kingston.

The Jamaican economy seems poised for an advance over the past 18 months, which has been a period of uncertainty and almost stagnation. Money is available from overseas and internal sources for government and private projects. In the private sector the problem will be to find sound issues in which to

invest, but there are opportunities in manufacturing and food processing, aided by generous tax incentives. The tourist industry will have to make substantial gains before there is any real need for an increase in current capacity for handling visitors.

Good prices for sugar and bright prospects for larger exports of bauxite and manufactured goods augur well for Jamaican prosperity in the year ahead. ●

Bahamas

- Economy based on tourist industry; flow of visitors increasing.
- Islands depend almost entirely on imported goods; demand high.
- Canadian share of market, 6.8 per cent in '62, could be improved.

R. W. BLAKE, *Commercial Counsellor, Kingston.*

PRINCIPAL source of income for the Bahamas is the tourist industry and because it continues to thrive, the islands' economic prospects are good. Business did slow down considerably in 1962; many of the large construction projects were completed and there was hesitation over proceeding with new construction and investment because of uncertainty over the effect of tax changes made by Britain and the United States. The British tax law was amended to make immovable assets outside Britain liable for death duty, and the 1962 United States Revenue Act contains provisions that nullify to some extent the value of offshore companies. However, the tax changes may not be as damaging as was first feared—a bank report states that there are signs of increased building activity.

Speculation over the outcome of the election last November also caused some holding back in business. Victory was predicted for the Progressive Liberal Party, which is

more representative of the coloured section of the population, especially as women were voting for the first time. However, the winner was once again the United Bahamian Party whose members are mainly white business and professional men. This experienced party is expected to conduct the affairs of the colony in a businesslike way, and the political situation seems to be stable; the radical element is small.

The Bahamas will attain internal self-government on January 1, 1964, with a two-chamber legislature, a prime minister, and at least eight cabinet ministers.

Tourist Industry Growing

The number of visitors to the Colony is increasing each year—a tribute to the excellent advertising and promotion campaigns abroad carried out by the Development Board. It is estimated that a record 500,000 tourists will visit Nassau in 1963; during the first six months the number of visitors increased by 13



One of the main assets of the Freeport development on Grand Bahama Island is the harbour pictured here, which is attracting more and more shipping.

Freeport—Grand Bahamas' Industrial Project

GRAND BAHAMA FREEPORT is expected by many to become the largest industrial development in the Bahamas. Created by special legislation of the Bahamas Government in 1955, Freeport, including 50,000 acres for industrial development, is located on Grand Bahama Island, 145 miles from Nassau, 102 miles from Miami, and about 80 miles from Palm Beach. A private organization, the Grand Bahama Port Authority, operates the harbour and airport, grants licences to manufacturers and businessmen, provides roads and utilities, sells real estate to developers and individuals,

and generally supervises or promotes the cultural, civic and administrative functions of the community.

Some light industry has already been attracted to the island and the Port Authority is developing a commercial and industrial centre and offering tax advantages. Licencees located within the area are guaranteed freedom from taxes on income, capital gains, real estate and personal property for a period of 35 years from August 1955. For a period of 99 years from the same date, they are guaranteed freedom from customs duties (except on imports for per-

sonal use or consumption), excise taxes and stamp taxes. The licencees' individual employees who ordinarily reside in Freeport are exempt from income tax on their salaries for the 35 years referred to above.

Currently, the largest project in Freeport is the construction of a \$50 million cement plant by the United States Steel Company, which is expected to be in production by late 1964 or early 1965.

Plans for creating a "New World Riviera" of fine homes and luxury hotels on Lucaya Beach are well under way. Lots on paved streets are ready for buyers and a golf course will soon be in use. A 250-room luxury hotel with a casino is expected to be completed by Christmas, and if it is successful, more will probably be built. It is reported that the Grand Bahama Development Company proposes to spend over \$100 million in the next five years to complete the first phase of the Lucaya real estate project.

The harbour at Freeport is being dredged to 42 feet, which will make it the deepest port on the eastern seaboard and permit it to take the largest ships. The offshore bunkering facilities are already handling over 150 ships a month, providing them with fuel oil and other services, and the accommodation will be increased. The bunkering station's gross volume of business, now worth \$28 million a year, is steadily rising.

If all, or even some, of the plans envisaged for Freeport materialize there should be a good demand for white goods and other products homeowners need. Consumption of foodstuffs, all of which have to be imported, will go up.

Most of the Nassau agents for Canadian firms have exclusive rights for distribution throughout the Bahamas but many of them do not visit Freeport. They should be pressed to do so. ●

per cent to 213,228 from 188,777 in 1962, and the number going to the Out Islands went up even more—15 per cent. Hotels and golf courses are still being built or are planned for various parts of the Bahamas.

When I visited Nassau a year ago, the merchants were bemoaning the fact that the days of the big spenders were gone. They pointed

out also that the reduction in the amount of duty-free purchases that U.S. tourists are allowed to take home with them had resulted in a demand for cheaper goods. This complaint is borne out by the figures for 1961 and 1962: 364,500 visitors to the Bahamas in 1961 spent \$33 million*, but 444,800 visitors

*All dollars quoted are Canadian.

in 1962 spent \$31 million. Nevertheless, I noticed several smart new restaurants and stores in Nassau and others being expanded.

Exports and Imports

Bahamas' exports increased during 1962 to £2,013,778 compared with £1,706,429 in 1961. The largest shipments went to the United States, Canada, Jamaica,

Britain and Puerto Rico. The main products were:

	1961	1962
	£	£
Crawfish	159,707	135,591
Lumber	2,898	625
Salt	256,630	245,453
Straw and shell work	1,555	3,020
Raw tomatoes	115,797	5,256
Pulpwood	996,148	1,296,706
Total	1,532,735	1,676,651

With the exception of a few agricultural products grown in some of the Out Islands and sold in Nassau, nearly all goods consumed in these islands are imported. This makes for a high cost of living, but tax advantages offset it to some extent. Imports into Nassau declined during 1962 to approximately \$73.5 million compared with \$91.2 million in 1961. The largest decrease (\$14.5 million) was in manufactured goods (including gasoline and oils), as the following figures show:

	1961	1962
	(millions Can.\$)	(millions Can.\$)
Food, drink, tobacco	25.9	23.4
Raw materials and articles mainly manufactured	3.0	1.9
Articles wholly or mainly manufactured	62.4	47.9

The Nassau market is fairly small; its 50,000 people want the cheapest goods they can get. Those who want to pay more can easily shop in Miami, where there is a much wider range of products than the Nassau merchants can afford to stock.

Canada's Place in Market

Canadian sales to the Bahamas in 1962 rose to about \$5 million or 6.8 per cent of the market, compared with \$3.8 million or 4 per cent in 1961. The United States was the main supplier last year with \$39.75 million or 54 per cent of the market (1961, \$58 million or 63.5 per cent). Britain came second with \$12.2 million or 16.6 per cent (\$14.1 million or 15.4 per cent), and other major suppliers were Jamaica, New Zealand, France, Trinidad, Aruba, Denmark, Germany, the Netherlands, Switzerland.

In the foodstuffs, drink and tobacco class, Canada ranked second with shipments valued at \$3.38 million, supplying 15 per cent of the market (1961, \$3 million and 11.6 per cent). The United States led with sales of these products valued at \$12 million or 51 per cent of the market. Britain came a close third with \$3.22 million or 13 per cent. U.S. and British sales were slightly smaller than in 1961.

Comparing Canadian and U.S. sales of foodstuffs, we find that the two countries supplied roughly equal amounts of cheese and canned fish, but that Canada led in exports of dried fish, flour and evaporated milk. On the other hand, the U.S. sold more fresh fruits, fresh meats, feedstuffs, bacon, ham, poultry, meat, onions, canned fruits and vegetables, cigarettes, cigars and tobacco.

Canada came a poor third after the U.S. and Britain in sales of most products in the articles mainly manufactured class, but did well with exports of cars, trucks and tires. And, as the result of an agent's visit to the National Canadian Samples Show in Toronto last April, Nassau is importing Canadian instead of U.S. television sets. Value of total sales by these three leading suppliers in 1962 and the portion of the market they held are (1961 figures in brackets): United States \$25.7 million, 53.6 per cent (\$40.1 million, 64 per cent); Britain \$9 million, 18.8 per cent (\$10.6 million, 17 per cent); Canada \$1.6 million, 3.3 per cent (\$1.4 million, 2.24 per cent).

Most of the Bahamas' \$1.9 million worth of imports in the raw materials class consisted of lumber and shingles from the United States. Canada sold about \$20,000 worth.

Meeting U.S. Competition

One of the main reasons why U.S. suppliers enjoy such an overwhelming share of the market in the Bahamas is, of course, the proximity of Nassau to Miami. U.S. firms treat this market as part of their domestic territory; their salesmen can go over

in an hour or two and telephone orders for quick delivery. U.S. firms have two other advantages: their press, radio and television advertising has great impact in the Bahamas, and they can use regular transportation services.

Canadian exporters have the advantage of a favourable exchange rate and the preferential tariff. As for transportation, trucking facilities are available from Canada to United States east coast ports and a ferry service operates from Port Everglades or Miami. Shipping services from the St. Lawrence Seaway and Atlantic ports are fairly good, and air freight is often cheaper than it appears. Most Canadian goods for Freeport, the large industrial complex on Grand Bahama Island, are transhipped at Nassau or shipped across from Port Everglades. The Transportation Division, Department of Trade and Commerce, can supply further information.

The business is here if Canadians will come and look for it. Personal contact with both businessmen and agents in the Bahamas is very important. One of the leading agents for pharmaceutical products told me that he believed Canadian drug manufacturers were losing out on the Out Island trade because they are shipping direct to retail stores in Nassau instead of appointing agents for the Out Islands. He quoted one doctor's requirements at more than \$1,200 a month, and this figure would be many times larger if multiplied by the number of doctors in the Islands.

When you are competing against a large and active trader who is sitting right on the doorstep of the market, personal visits are essential. And they can do a great deal to overcome the criticisms of Canadian suppliers that we often hear—lack of attention to correspondence, failing to mail documents early enough to ensure their arrival before the goods are on the dock, and the suspicion that the difference in exchange is going into Canadian pockets instead of being passed on to the importer in lower quotations. ●

British Honduras

- Beef cattle, citrus production to be stressed.
- Damage from 1961 hurricane largely repaired.
- Inexpensive consumer goods, light industrial equipment sell well.

R. H. M. CATHCART, *Assistant Commercial Secretary, Kingston.*

ECONOMIC PROGRESS in British Honduras suffered a severe setback two years ago, when Hurricane Hattie devastated the country. Now, however, it has completely recovered. Homes and buildings have been rebuilt, agricultural production has expanded dramatically, and several large new industries have been established. This expansion in agriculture and industry was particularly marked in the first six months of this year.

Some Problems Continue

In spite of these heartening developments, there are some basic problems that will be difficult to overcome. One of the major ones is the limited domestic market; although the country has an area of 8,867 square miles (making it roughly twice the size of Jamaica) it has a population of only 93,000 compared with over 1.75 million in Jamaica. In addition, it is off the beaten track for most of the shipping lines in that area, and because it is underdeveloped, there are few adequate roads for reaching the potentially rich farm lands in the interior. There is no natural port at Belize and vessels must anchor off shore and transfer their cargoes to lighters. This is cumbersome and slow, and also makes for high shipping costs.

British Honduras has a chronic unfavourable balance of merchandise trade which will not be corrected in the near future. The latest figures are for 1961 and they show that \$17.16 million* worth of goods were imported and \$9.37 million

worth exported. This trade deficit has been increasing over the years, although there may be some improvement in the terms of trade this year. Private investment and, in particular, British Colonial Development and Welfare loans have made up for this trade deficit. The Colonial Development and Welfare loans will be needed for some years to come and the present Government believes it should not ask for complete independence until the economy is viable.

Citrus Packing and Resin

British Honduras Fruit Co., a subsidiary of Salada Foods Limited of Toronto, rushed to completion its factory for making frozen orange concentrate by late March of this year. To date, the firm has made substantial shipments to its associated company in Florida for re-packaging and re-export to Canada. This company was able to pay the citrus growers much higher prices than before because of the worldwide citrus shortage occasioned by crop losses through frost in the United States and Spain. Salada Foods, through its subsidiary company, has purchased large tracts of land on which it will plant citrus groves. These, it hopes, will enable British Honduras to double its citrus production over the next five to seven years.

The other major factory which recently began operations is a resin extraction plant built by Hercules (B.H.) Limited, a subsidiary of Hercules Powder Co. of the United States. The factory came into production early in January and by the end of April had exported almost

\$500,000 worth of resin powder to its parent company's main plant in Mississippi. The raw material used for the extraction of resin is the pine stumps found in great numbers in the Stann Creek district of southern British Honduras, where most of the pine-cutting operations were located some years ago. The company feels that it has a reserve at the present rate of production sufficient to supply the plant for 20 years. However, this reserve will be extended almost indefinitely as more and more stumps become suitable for resin extraction through the aging process.

Government consultants have prepared plans for a new capital to be located 50 miles west of the present one, Belize, with the objective of putting it sufficiently far away from the low-lying coastline to avoid damage from hurricanes. So far the British Government has committed \$4.5 million for the building of the new capital but it is estimated that \$17.4 million will be needed for government buildings and housing developments. The government consultants for this project have submitted detailed plans and a table model. Construction should go forward next year if the Government approves the plans and the expenditure this fall.

A few manufacturing and processing plants are in the planning stages—in particular, a brewery and an abattoir. In addition, an industrial expert sent down with the United Nations economic research team has suggested about 30 types of small and medium-size industries that might be developed. Two factors that work against any extensive industrial development are the small internal demand and the high shipping costs if raw materials had to be imported.

Prospects Best for Agriculture

British Honduras has the greatest potential for expansion in agricul-

*All values are in Canadian dollars.

ture. This was substantiated by the UN economic research team which recently submitted a six-part report on economic prospects; the majority of this dealt with agriculture. The report emphasized the potential for the expansion of beef cattle herds, especially in the Western Cayo district. It estimated that the present 23,000 head could quite easily be increased to 100,000 by 1970 and to 200,000 by 1975. This, of course, would depend upon heavy investment from abroad.

At present the export income of British Honduras is derived from unrefined sugar, citrus and lumber, in that order. Lumber used to be the leading export but has declined over the years as the economically useful stands have been gradually depleted. In fact, it is estimated that within a few years there will not be enough pine lumber for export. With this in mind, greater production of sugar and citrus for the export market is being stressed, and of beef cattle, fruit, rice, beans and other vegetables for the domestic market. Eventually, it is hoped, the larger output of these products will enable British Honduras to export to neighbouring countries.

This year's production of sugar cane reached 27,840 tons, the highest ever, exceeding the record pre-hurricane production in 1961 of 27,577 tons. A total of 25,412 tons were available for export, which met the quota of 25,000 tons established under the Commonwealth Sugar Agreement; however, the 10,000-ton U.S. quota will again not be filled. Production of cane sugar is severely limited at present because there is only one small sugar-cane processing plant. If British Honduras could obtain guaranteed markets through the increase of quotas from the present 35,000 tons to 50,000, investors would consider this incentive enough to expand the present plant.

There are no recent statistics on citrus production but with the world-wide citrus shortage and the expanded production through the Salada Foods subsidiary, exports

should set a record this year. There is every indication that the 1963 orange harvest will surpass the record crop in 1961 and should reach one million boxes. The figure should rise in subsequent years as the planting of new trees increases yields.

It was announced recently that Butland Industries Limited of Toronto has set up a subsidiary, Butland International (B.H.) Limited, to grow, process and export fruits, vegetables, spices and cotton. The products will be grown by the Mennonite farmers who left Canada in 1948 for Mexico and a few years later settled in British Honduras.

Political Developments

British Honduras will achieve full internal self-government on January 1, 1964, as decided at the London constitutional conference in July of this year. The Governor's powers will be much smaller and will be limited chiefly to external affairs and the general security and defence of the country. The First Minister will take over most of the Governor's powers and a Ministry of Home Affairs will be created. With a virtual monopoly in the legislature, the First Minister, Mr. George Price, and his Peoples United Party have free rein to institute whatever government programs they wish. Although Guatemala has protested Britain's rôle in the constitutional talks on British Honduras, which the Guatemalan Government considers to be an integral part of its territory, the protests are not expected to mean much more than the breaking off of diplomatic relations.

Trade Policy

There have been no important changes in the trade policy of British Honduras for a number of years. Tariffs have remained virtually unchanged and only a few restrictions or prohibitions have been placed on a small number of items; these have not affected Canada's traditional trade with the country. However, in April the Government passed legislation under the Supplies Control

Ordinance for the control of imports. The legislation was intended principally to give it powers to place price controls and quota restrictions on commodities when such controls appear to be needed. Commonwealth goods have a substantial preference and are, generally speaking, subject to a tariff of 15 per cent ad valorem as opposed to 27½ per cent ad valorem for non-Commonwealth countries.

Trade Prospects

Canada's share of this market is extremely small. In 1961 it amounted to only 2.97 per cent compared with 45.91 per cent for the U.S., 28.90 per cent for Britain, 5.44 per cent for the Netherlands, and 4.13 per cent for Trinidad. Between 1961 and 1962 we expanded our exports of a wide range of goods from \$599,717 in 1961 to \$834,653 in 1962. Total imports into British Honduras in 1961 were valued at \$17,167,599. Total imports for 1962 are not yet available.

Canada's imports from British Honduras declined between 1961 and 1962 from \$700,909 to \$628,832 because no citrus was imported following the 1961 hurricane.

We Exported to British Honduras

	1961	1962
Total exports	\$599,717	\$834,653
Of which:		
Power boilers, equipment and parts		102,770
Cotton fabrics	78,995	99,571
Wheat flour	52,596	80,508
Passenger autos and chassis	16,499	61,122
Conveyor and conveyor systems	760	48,063
Sardines, canned	26,041	27,341
Soups and soup mixes	16,375	24,796
Paper bags	15,850	23,534
Chain saws and parts	9,735	16,594
Transformers and parts	17,788	5,708

We Imported from British Honduras

	1961	1962
Total imports	\$700,909	\$628,832
Of which:		
Raw sugar	476,306	499,589
Orange juice	133,523	Nil
Mahogany	52,066	86,679
Bananas	10,493	18,076
Chicle	19,377	13,689

There are definite opportunities for increasing our exports of a broad range of inexpensive consumer goods and of light industrial equipment. The following suggestions may be useful to Canadian manufacturers who want to do business in British Honduras.

- When making a trip through Central America or the Caribbean, add a day or so to your itinerary and visit Belize. There are frequent

flights out of Miami to Belize connecting with flights to Jamaica as well as Honduras and Guatemala. We suggest a stop-off at Belize because local firms frequently complain that they often see U.S. and British businessmen but never any Canadians.

- Answer all correspondence promptly and fully by airmail. It is often helpful to acknowledge pending correspondence, even if you are

awaiting the calculation of your prices for that market.

- If at all possible, quote prices in Canadian dollars, c.i.f. Belize.

With a direct shipping service from Eastern Canadian ports, a preferential tariff and the lower value of the Canadian dollar, Canadian exporters should investigate more closely the possibility of sales in British Honduras. ●

Cayman Islands

This island colony lives mainly on the earnings of its seamen and on the tourist industry. Nearly all products used are imported, but opportunities for Canadians are few because shipping services favour the United States and Jamaica.

R. W. BLAKE, *Commercial Counsellor, Kingston.*

THE three Cayman Islands (Grand Cayman, Cayman Brac and Little Cayman) lie in the Caribbean Sea south of Cuba and west of Jamaica. The land area totals about 100 square miles and the islands have beautiful white sand beaches. The population numbers about 9,000. The daily flight from Miami to Kingston calls at Grand Cayman and other flights stop there. There are reasonably good shipping services between Tampa, Florida, the Cayman Islands and Jamaica, and less frequent calls from Miami and elsewhere. The climate is equable and the temperature ranges from 60 to 85 degrees F., with an average annual rainfall of about 50 inches. There are some excellent hotels offering good accommodation and meals; the main tourist attractions are swimming and deepsea and spear fishing.

There is no income tax, company tax, death or estate duty in the Caymans and the major part of the government's revenue comes from import duties and the sale of post-

age stamps. There are several incentive laws to encourage industry but so far with few results.

The Cayman Islanders are a seafaring people and the economy depends heavily on remittances from sailors employed in American-owned ships flying flags of convenience. Over 1,000 seamen, away for a year or more at a time, regularly send part of their wages back to their families. This results in a surplus of dollar exchange. Revenue for the six years 1955/60 has exceeded expenditure, except for 1957/58.

The relatively high wages of the seamen and the shortage of able-bodied labour because of their absence has the effect of raising wages in the Colony, which makes for a higher standard of living than anywhere else in the West Indies. There is no real poverty.

In order of economic importance, the industries on the islands are the tourist trade, which is expanding, the manufacture of thatch rope, fishing for turtles and sharks, and the

sale of coconuts and copra. There is little agriculture because the men would rather go to sea than farm. Good quality vegetables could be raised and an effort is being made to encourage farmers to work the land to produce vegetables on a modest scale and cut down costly imports. The colony has about 2,000 head of cattle and a strain may be improved to permit greater milk production.

All foodstuffs have to be imported and customs duties are high because of the need to raise revenue in the absence of income and other taxes. Most of the foodstuffs are imported from the United States and Jamaica, with probably a few products from Canada transhipped from Jamaica. The basic imports are flour, cornmeal, sugar, coffee, rice, salt meat, beans, condensed milk, textiles, and oil products. In 1961 (the last year for which figures are available) imports totalled about \$2.4 million. Exports totalled less than a million dollars and consisted mainly of turtles and turtle meat, conch meat, turtle and shark skins, and rope.

The lack of direct shipping services from Canada to the Caymans makes it difficult for Canadian suppliers to enter this market and they must rely mainly on the business that their agents in Jamaica can obtain for them. ●

What's current in commodities?

Household Furniture

Trinidad—Canada holds 25 per cent of market for imported furniture, despite high freight costs; chrome and bronze dinette sets are best sellers. Demand will increase as new housing built.

C. J. ST. PIERRE, *Assistant Commercial Secretary, Port-of-Spain.*

TRINIDAD is a prime market for Canadian furniture; our sales of furniture there last year reached \$281,000, or 18 per cent of our total exports of household furniture. And yet Trinidad has a population of only 900,000, living on an island approximately three times the size of the island of Montreal.

Types Sold

Chrome and bronze dinette sets are our best sellers and account for 60 per cent of our sales in this market. It is well to remember that Trinidad, despite a per capita income of U.S.\$580, (the highest in the Caribbean) is still considered an under-developed country. As such, its people cannot afford high-grade furniture and the demand is for medium to cheaper grades of traditional living-room and bedroom furniture.

In the past year there has been a decided trend towards lighter living-room furniture, probably because of the popularity of the Scandinavian type. Canadian manufacturers familiar with the hot and humid Trinidad climate will appreciate the need for such products here, where mildew is a constant menace. A Canadian manufacturer making light chairs and sofas with plastic foam cushions and washable covers could do well in this market. He would certainly do a brisk trade if he could ship his furniture knocked down, to be assembled by

furniture dealers on arrival. Freight costs from Canada to Trinidad (sometimes as high as 80 per cent of the f.o.b. value) represent a significant percentage of the landed price of furniture and often determine the competitive position of our products in this market.

Will Sales Continue?

Canadian exports of furniture in 1961 to Trinidad represented approximately 25 per cent of all imports of furniture into the island. The immediate future may bring a decline in our volume of business because one Canadian manufacturer has established a plant here to make chrome and bronze dinette sets which he formerly shipped down. Another successful Canadian exporter of dinette sets is also planning to start manufacturing here in the near future.



Local production of living-room and dining-room furniture accounts for about one third of furniture sales in this market. Although the

Trinidad plants turn out good quality products, they cannot match the range of styles offered by imported products. In addition, many consumers prefer the North American designs.

The bright spot is the tremendous potential of this market. A few years ago, a housing survey in Trinidad showed that 43 per cent of all accommodation units are overcrowded and that 20 per cent of them have no separate room for use as a bedroom. Obviously in small and overcrowded quarters it is impossible to use the kind of furniture we have in Canada. The Trinidad Government is planning to embark on various housing projects to provide adequate accommodation for people living in crowded lodgings. On moving to larger quarters, these people will certainly need more furniture and this should help sales.

How to Export

Furniture is either imported through a commission agent or bought direct by some of the large retail furniture stores. It is preferable to quote c.i.f. prices because importers can then calculate their costs and retail prices more accurately.

Furniture manufacturers who are contemplating entering this market for the first time should realize that furniture is bought at Christmas time; consequently, it is necessary to ship in time for the Christmas trade.

We strongly suggest that prospective exporters write to our office in Port-of-Spain for information on possible agents, tariffs, licences, the best time to visit Trinidad, and so on. ●

SHIPPING SERVICES FROM CANADA TO THE BRITISH CARIBBEAN

FROM

TO:	Pacific Coast	Great Lakes	St. Lawrence and Atlantic
Bahamas		Carib Line <i>(Protos Shipping Ltd., Toronto)</i> Saguenay Shipping Ltd. <i>(A. O. Minshall Co. Ltd., Toronto)</i>	Carib Line <i>(Transocean Coal and Shipping Ltd., Montreal)</i> Saguenay Shipping Ltd. <i>(Saguenay Shipping Ltd., Montreal)</i>
Barbados		Michigan Ocean Line <i>(Protos Shipping Ltd., Toronto)</i> Saguenay Shipping Ltd.	Booth Line <i>(March Shipping Agency Ltd., Montreal and Toronto)</i> Michigan Ocean Line <i>(Robert Reford Co. Ltd., Montreal)</i> Royal Netherlands Steamship Co. <i>(Montreal Shipping Co. Ltd., Montreal and Toronto)</i> Saguenay Shipping Ltd.
Bermuda		Saguenay Shipping Ltd.	Saguenay Shipping Ltd. Royal Netherlands Steamship Co.
British Honduras			Canada Jamaica Line <i>(Kerr Steamships Ltd., Montreal and Toronto)</i>
British Guiana		Saguenay Shipping Ltd.	Booth Line Royal Netherlands Steamship Co. Saguenay Shipping Ltd.
Jamaica	"K" Line <i>(Johnson Walton Steamships Ltd., Vancouver)</i>	Carib Line Michigan Ocean Line Saguenay Shipping Ltd.	Carib Line Michigan Ocean Line Saguenay Shipping Ltd.
Leeward and Windward Islands		Saguenay Shipping Ltd.	Saguenay Shipping Ltd.
Trinidad	Mitsui Line <i>(Pacific Export Lines Ltd., Vancouver)</i> Moore-McCormack Lines <i>(Balfour, Guthrie (Canada) Ltd., Vancouver)</i>	Michigan Ocean Line Saguenay Shipping Ltd.	Booth Line Michigan Ocean Line Royal Netherlands Steamship Co. Saguenay Shipping Ltd.

What's New in Ghana?

CHOCOLATE—The £G2,340,000 chocolate factory at Tema will soon be in production. The factory is to be owned jointly by the Ghana Government and a West Germany firm for five years, after which the Government will take it over. Twelve Ghanaians are now taking technical courses in West Germany. Output will include cocoa butter, cocoa powder and chocolates—Accra.

COIR—A number of coir-processing factories will be built soon at a total cost of £G300,000, using Japanese equipment. Japanese technicians are already in Ghana training local technicians to use the machinery—Accra.

GLASS—Building of a £G3 million glass factory has begun in the Western Region of Ghana. It will employ 600 people initially and is being built for the Government by a West German firm. Output will include electric light bulbs, glasses and other types of glassware; it is estimated that 60 per cent of the raw materials can be obtained locally—Accra.

GOLD—An agreement is reported to have been signed under which the Soviet Union will supply a gold refinery plant with an annual capacity of 25 to 30 tons of ore—Accra.

LEATHER—A £G57,000 leather plant is being built in the Volta Region of Ghana to supply raw materials for the new shoe factory going up in Kumasi—Accra.

MATCHES—The Kade Ghana match factory will increase its production with the arrival this month of a new machine worth £90,000. Between January and June this year the corporation produced 99,078 gross boxes of assorted matches valued at £72,000. Matches are currently being exported to Nigeria, Malaya, West Cameroun and Singapore—Accra.

PAPER—Early next year the Ghana Paper Conversion Corporation will begin producing paper serviettes, and also polyethylene and paper bags for packing food-stuffs—Accra.

SALT—The Ministry of Industries has announced that a solar salt refinery, with a capacity of 120,000 tons of salt a year, is to be built on the Ada lagoon in the Eastern Region. Byproducts, including caustic soda and gypsum, will be refined there too—Accra.

TELEVISION SETS—The Government will take delivery of 500 television sets early next year to form the nucleus of Ghana's television service. The sets are part of a £3 million contract between the Government and Marconi. The company will also build three television transmitting stations—Accra.

TEXTILES—Two Japanese survey teams have investigated the possibilities of setting up plants in Ghana to make cotton blankets, towels and pencils—the outcome of a technical co-operation agreement signed last September between the two countries—Accra.

TRAWLERS—Ghana Fishing Corporation recently took delivery of two new fishing trawlers built in Britain. These are the first of a large number of trawlers ordered from various countries. The first three of 18 being built in the Soviet Union were expected to arrive in September; six others have been ordered from Norway and 12 from Japan.

Japan will supply ten stern trawlers (five of 1,850 tons and five of 1,200 tons) and two carriers (1,200 tons each) at a total cost of £5 million; the first two will be delivered in 1964, the rest by the end of 1967; payment will be extended over seven years—Accra.

Apples

BRITAIN—The estimated gross apple crop for 1963 in England and Wales is 3.9 million boxes higher than the 26.2 million of 1962 (one box=48 lb.). Although the first estimates are not in for Northern Ireland, 800,000 boxes of cooking apples is a possible figure. On the other hand, the estimated apple crop in Italy, France, West Germany and the Netherlands combined is 82.2 million boxes lower than the 486.3 million of 1962.

In 1962 Britain imported 4.6 million boxes from the Northern Hemisphere countries, with 1.03 million boxes coming from Canada, 1.8 million from Italy, 1.3 million from the United States, and 393,000 from other European countries—London.

Bowling Equipment

FRANCE—Interest in bowling has been slow to develop in France but recently this sport has shown signs of increasing popularity. There are seven or eight bowling alleys in France at present, most of them built quite recently, and four more are under construction. They are all the American ten-pin type and have been constructed and developed by two major U.S.

firms. All the material and equipment has been imported from the U.S., including automatic pinsetting machines, because no bowling equipment is manufactured in France. The alleys are well equipped and usually are associated with a restaurant and cocktail lounge. The French bowler pays an average of 2.50 francs a game during the daytime and 4 francs during the evening.

There seems to be considerable opportunity for expansion, and a local operator has reported that Paris alone could absorb at least four more 24-lane bowling alleys. However, Canadian firms interested in developing a market for bowling equipment, flooring, and other materials must be prepared to invest in the financing of new alleys—Paris.

Coffee

PERU—Exports of coffee during the ten months May 1962 to February 1963 amounted to 40,600 tons valued at U.S.\$27 million, compared with 6,592 tons in 1961 and 14,186 tons in 1960—Lima.

Cotton Yarn

CEYLON—The National Textile Corporation produced a record 1,147,215 pounds of cotton yarn during 1962, more than the planned output of one million pounds a year. The average monthly production for the year was about 95,600 pounds. Construction of buildings for the weaving and finishing sections is in progress and the Corporation's entire scheme is expected to be completed by the middle of next year—Colombo.

Diamonds

SOUTH AFRICA—It is expected that about \$12 million worth of diamonds will be recovered from the Vaal River bed at Windsorton, Northern Cape Province, when digging begins shortly. A one-mile canal is being built to divert the river and leave a large section of the riverbed dry—Cape Town.

Electrical Machinery, Equipment

PERU—Brown Boveri del Peru has inaugurated its new plant in Lima, built at a cost of about \$2 million. This new industry, established with Peruvian and Swiss capital, will in its initial phase manufacture transformers for electric central and sub-stations, instrument transformers, manual switches, section or isolating switches, cable terminals, control and distribution switchboards, etc.—Lima.

Maize

ANGOLA—Portuguese firms have been authorized to set up in Luanda a mill for the extraction of maize germ. Another factory at Lobito has also been authorized to produce semolina, flour, oil and oil cakes from maize. Investment in these two undertakings will total approximately Can.\$600,000 and \$1.3 million.

In accordance with the authority granted, these two enterprises are to be completed in two phases of one and a half years each—Lisbon.

Motor Vehicles

TURKEY—Austin Motor Company of the British Motor Corporation group will set up an assembly plant in Izmir, according to Austin representatives in the Aegean seacoast city. Izmir was chosen as the factory site because it provides construction facilities, power supply, and a convenient port for shipping exports to Middle Eastern countries.

Production of commercial vehicles—trucks, jeeps and tractors—will begin this year. Spare parts will be produced by 1964, and by 1967, 70 per cent of the vehicles will be constructed locally—Athens.

Oil

AUSTRALIA—Australia's first commercial oilfield, at Moonie in Queensland, will begin commercial production in December. There are 15 producing wells. Installation of field production facilities, construction of storage tanks, gathering lines, etc., and laying of the 190-mile pipeline have begun. The pipeline is expected to deliver 350,000 gallons of crude oil daily from the pumping station on the Moonie field to Brisbane—Sydney.

Pulp and Paper

SPAIN—Production of pulp and paper in 1962 rose by 10.4 per cent and reached a value of 7,409 million pesetas. Following are the production figures for the different parts of the industry: mechanical wood pulp 82,000 metric tons; chemical wood pulp 60,000, (from straw) 63,000, (from waste paper) 138,000, (from rags) 8,000, (from esparto) 14,000; newsprint 65,000; printing paper 132,000; kraft 48,000; kraft and wrapping paper and cardboard 143,000. The market consumed 367,000 metric tons of domestic pulp and 108,000 metric tons of imported pulp last year—Madrid.

Ready-Made Clothes

ITALY—Total production of ready-made clothes reached a value of \$500 million in 1962, an average increase of 15 to 20 per cent over 1961. The greatest gains were made in men's suits, shirts and raincoats and women's suits, dresses and raincoats. Necktie production remained almost stationary. Exports of clothes totalled about \$72 million in 1962, compared with \$60 million in 1961, and imports were worth about \$8.1 million (\$6.3 million in 1961)—Rome.

Salt

JAMAICA—Through a contact made at the National Canadian Samples Show, a Canadian salt producer has established an agency in Kingston that has so far

imported up to \$7,000 worth of salt in 100-pound bags. The Jamaican firm feels that substantial business will develop—Kingston.

Textiles

BELGIUM—According to a recent study, there are about 2,000 firms in the Belgian primary textile industry, employing 149,000. The garment industry has 1,200 factories and retail outlets number 30,000 to 40,000.

With 3.5 million spindles and 40,000 looms, Belgian textile production in 1962 reached a record high (index 137.1, 1953=100). Exports, at over \$700 million, were 14 per cent larger than in 1961; imports, at \$550 million, were up 6.7 per cent. Principal markets for Belgian textiles are the Netherlands (\$226 million), West Germany (\$160 million), Britain (\$60 million), United States (\$60 million), France (\$50 million) and Italy (\$20 million)—Brussels.

NORWAY—Export figures for the Norwegian textile industry for the first four months of this year show an increase of 26 per cent over the same period in 1962—Norwegian kroner 51.3 million against 40.6 million (one krone=Can.\$0.1515). Knitting wool exports rose from kroner 1.5 to 4.1 million, woven materials from kroner 2.4 to 3.2 million, woollen stockings and socks from kroner 1.5 to 2.2 million, knitted outer garments from kroner 1.8 to 2.5 million, household textiles from kroner 650,000 to kroner 985,000, and ready-made clothing from kroner 6 to 7.6 million—Oslo.

SOUTH AFRICA—A textile factory is being built in the Cape at a total cost of over \$6 million. It will produce mattress ticking initially (five million yards are being imported a year), and later tapestry, patterned curtain material and similar textiles. This new industry is expected to save South Africa considerable amounts of foreign exchange—Cape Town.

WEST GERMANY—Imports in this field have been growing steadily and last year represented 11 per cent of the men's wear, 4 per cent of the women's wear and 8 per cent of the quality bed linen sold in Germany. Low-priced imports from Hong Kong, synthetics, and the increase in labour costs have all seriously affected the German industry. Nevertheless, turnover increased by 8 per cent last year.

German textile manufacturers hope to revive their sales by introducing coloured shirts for men, and even printed shirts. Up to now, however, most of their success has resulted from the introduction of no-iron poplin men's shirts which now account for one-fifth of output.

During the first three months of 1963, men's wear production dropped by 3 per cent compared with the

same period last year; women's lingerie production showed no change—Bad Godesberg.

Turbines

SWITZERLAND—The firm Escher Wyss of Zurich, with its associated company in Ravensburg, has delivered to Brazil four Kaplan turbines of 47,000 h.p. each for the Bara Bonita project and (with Andritz AG of Graz) two Kaplan turbines of 70,000 h.p. each for the Jurumirim power station. Also, as part of a Swiss-Italian consortium, Escher Wyss has obtained a contract for turbines of 140,000 h.p. each for Brazil's Urubupunga power station—Berne.

Wheat

URUGUAY—Brazil has signed an agreement to buy 40,000 tons of Uruguayan wheat. The first consignment of 1,500 tons was shipped from the port of Paysandú on July 27, and two further consignments of 5,000 and 1,500 tons have gone out from the port of Nueva Palmira—Montevideo.

Trade Commissioners on Tour

In Territory

M. R. BELL, Assistant Commercial Secretary in Oslo, Norway, will visit Trondheim in mid-November.

C. A. CARRUTHERS, Assistant Commercial Secretary in Wellington, New Zealand, will visit Fiji and Western Samoa during the last two weeks of November.

H. S. HAY, Assistant Commercial Secretary in Mexico City, will visit the states of Oaxaca, Chiapas and Tabasco, November 18-23.

GEO. HAZEN, Assistant Trade Commissioner in Singapore, will visit Rangoon, Burma, and Bangkok, Thailand, during the latter half of November.

R. K. THOMSON, Senior Trade Commissioner in Hong Kong, will visit Canton, Communist China, during the first week in November, accompanied by **N. R. GISH**, Assistant Trade Commissioner. **MR. THOMSON** and **P. M. ROBERTS**, Trade Commissioner, will visit Peking and Shanghai during the last two weeks in November.

W. R. VAN, Trade Commissioner in Liverpool, will visit Leeds, Bradford, Newcastle upon Tyne, and Sheffield, November 11-28.

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. Bell at Oslo; Mr. Carruthers at Wellington; Mr. Hay at Mexico City; Mr. Hazen at Singapore; Mr. Thomson, Mr. Roberts and Mr. Gish at Hong Kong, and Mr. Van at Liverpool.

Mexico's Dynamic Chemical Industry

Part II provides details and figures on five segments of the industry—inorganic chemicals, fertilizers, pesticides, petrochemicals, plastics and synthetic resins—and on possible imports.

H. S. HAY, *Assistant Commercial Secretary, Mexico, D.F.*

IN part one of this article (see October 5 issue of *Foreign Trade*) Mr. Hay described the remarkable expansion of Mexico's chemical industry and discussed the effect of present and planned production on Canadian sales today and on our future prospects. In the following paragraphs he provides more detailed information—output, demand, imports—on the various segments of the Mexican industry.

Inorganic Chemicals

Large-scale production of industrial chemicals in Mexico began with the exploitation of the Lake Texcoco alkaline deposits near Mexico City, which contain an estimated 100 million tons of sodium carbonate. Capacity of the one producer is 60,000 tons, and imports of 86,000 tons were necessary in 1962. However, two new plants are being built and this additional production should eliminate imports by 1966 when annual demand will reach an estimated 225,000 tons. At least ten firms produce caustic soda, both rayon and standard grades, all but one by the electrolytic process. Output is still less than two-thirds of the 134,000 tons installed capacity and imports of 18,000 tons were necessary last year, mostly solid caustic soda.

Mexico is or soon will be self-sufficient in most of the other basic alkalis and salts, such as sodium chloride, sulphates of sodium, aluminum, copper, magnesium and zinc, sulphides of sodium and antimony, chlorides of calcium and mercury, nitrates of silver and bismuth, and carbonates of calcium and magnesium.

The Isthmus of Tehuantepec's elemental sulphur deposits, worked by five companies, make Mexico one of the world's leading exporters. From this source and others, 13 plants have a sulphuric acid capacity of 300,000 tons a year, 60 per cent of which is used for fertilizers. Nitric, phosphoric and hydrochloric acids are also produced in sufficient quantities. Capacity for chlorine compounds is 26,000 tons a year and imports are small.

Mexico's principal imports of inorganic chemicals are listed in Table I.

Fertilizers

With the Mexican population approaching 40 million, there is an urgent need to step up the application of agricultural chemicals to soils and crops. In anticipation of the increased demand, production facilities for most fertilizers are now adequate or soon will be. Sales

opportunities for Canada are limited to raw materials not found locally, such as potash, or to demand created by shortfalls in local production. Competition for any business will be keen, especially from the United States and Europe.

Nitrogenous fertilizers are produced in the largest quantities because of the readily available natural gas supplies. Low-grade phosphate deposits exist in Zacatecas and elsewhere and may some day be exploited, but so far all phosphate fertilizers are produced from imported Florida phosphate rock. Consumption of potassium fertilizers is relatively low because potash must be imported.

Last year's fertilizer imports, worth \$13 million, were roughly one quarter of apparent consumption. More than half came from the United States and the rest from Japan, Chile, and Western Europe.

By the end of 1963, newly installed anhydrous ammonia capacity should eliminate all imports. Latin America's first urea plant was recently opened and soon will be joined by a second, putting Mexico

TABLE I
PRINCIPAL INORGANIC CHEMICAL IMPORTS

	1961	1962	Main Source
	(U.S.\$'000, c.i.f.)		
Freon gas	765	181	U.S.
Aluminum oxide	271	396	U.S.
Elemental phosphorus, white/yellow	3,398	4,188	U.S.
Calcium phosphate	298	344	U.S.
Manganese oxide	337	242	Britain
Soda ash	2,880	3,137	U.S.
Solid caustic soda	1,257	1,119	U.S.
Bicarbonate of soda	280	337	Britain
Bichromate of soda	441	369	Germany
Borax	513	513	U.S.
Calcined sodium sulphate	494	765	U.S.
Sodium sulphite	234	326	U.S.

TABLE II
IMPORTS OF FERTILIZER MATERIALS

	1960	1961	1962
	('000 metric tons)		
Sodium nitrate	8	8	8
Ammonium nitrate	5	12	1
Urea	24	24	27
Ammonium phosphate	15	12	17
Superphosphates	20	35	7
Potassium chloride	5	14	21
Mixtures and others	99	49	51
Organic fertilizers	1	1	1
	177	155	133
Anhydrous ammonia for fertilizers	62	64	35
Phosphate rock	6	66	128

in a position to export. Other plants under construction will add capacity for ammonium nitrate (66,000 tons), ammonium sulphate (30,000 tons), and superphosphates (50,000 tons), eliminating immediate need for imports.

See Table II for Mexico's imports of fertilizer materials.

Pesticides

Consumption of pesticides is also accelerating and several of the basic materials are produced locally in sufficient quantities. Nevertheless, imports are rising (see Table III), although much of the volume is on an intra-company basis between firms such as Shell, Bayer, Union Carbide, etc., and their local branches. Several major formulators produce most of the popular types. Prospects for supplying from Canada are limited to specialized raw

TABLE III
IMPORTS OF PESTICIDES*

	1960	1961	1962
	(metric tons)		
Organic mercury seed disinfectants	14	29	10
Copper arsenate or arsenite	5	.....	30
Aldrin	63	44	53
Chlordane	43	108	17
Dieldrin	187	129	166
Heptachlore	67	48	27
Benzene hexachloride, gamexane, lindane and BHC	614	1,546	718
Malathion	63	81	69
Parathion	1,292	1,966	2,819
Pyrethrum	4	7	2
Calcium arsenate or arsenite	.....	.....	47
Copper arsenate or arsenite	1	5	2
Magnesium arsenate or arsenite	.....	10	.....
Lead arsenate or arsenite	.....	8	.....
DDT, DDD and TDE, 70 per cent solution or less	481	298	167
DDT, DDD and TDE, more than 70 per cent solution	2,363	588	1,155
Rotenone	9	.....	8
Toxaphene	1,254	1,405	2,151
Zineb	10	3	2
Insecticidal preparations, other	1,964	2,483	3,863
Total	8,334	8,758	11,306

*Includes both basic materials and formulations.

materials or patented compounds for which a Canadian firm holds Mexican rights.

Petrochemicals

Petrochemical developments are the most spectacular in the industry at the present time and are in turn spawning a variety of derivative-producing industries. Within two or three years, investment in petrochemicals alone will reach \$300-\$400 million. Key to this growth is the comprehensive and ambitious program of Petroleos Mexicanos (PEMEX), the government petroleum monopoly. Begun only four years ago, it is now 65 per cent complete and to date has cost close to \$100 million. More than 20 basic items will be produced from

TABLE IV
PEMEX PETROCHEMICAL PROGRAM
(metric tons annual capacity)

	Total Output	Available to Industry and Agriculture
Ammonia* (3 plants)	66,000	66,000
Ammonium sulphide*	1,650	1,650
Benzene*	112,500	57,500
Toluene*	90,000	10,000
Orthoxylene*	12,800	12,800
Cumene*	15,000	15,000
Styrene monomer	15,000	10,000
Butadiene	30,000	.....
Synthetic rubber GRS	20,000	20,000
High index BMCI	24,000	24,000
Ethylene (3 plants)	14,000	.....
Meta-and para-xylene*	41,000	41,000
Ethyl chloride	15,000	.....
Ethylene dichloride	22,000	17,500
Ethylene dibromide	4,400	.....
Polyethylene—h. p.	10,000	10,000
Polyethylene and polypropylene—h. p.	10,000	10,000
Bromine	3,000	.....
Vinyl chloride	10,000	10,000
Elemental sodium	3,000	.....
Ethyl fluid	24,000	.....
Acetaldehyde	22,000	22,000
Dodecylbenzene*	14,800	14,800
Sulphur*	11,500	11,500
	11,500	11,500
	46,200	46,200
Tetraethyl lead*	20,000	20,000

*In operation.

which over 200 secondary items can be derived. (See Table IV.)

Almost all the basic petrochemical plants are adjacent to PEMEX refining sites at Reynosa, Tampico, Poza Rica, Minatitlán, Salamanca and Mexico City. A new refinery is projected for Rosario on the Lower California peninsula, which will also have an ammonia plant. Another ammonia plant is planned for Chihuahua in the north, the terminus of a natural gas pipeline. At Pajaritos, a site alongside deep water is being cleared for several new plants which, with those already established at nearby Minatitlán and Coatzacoalcos, will represent an \$80 million investment and probably be the largest single chemical complex in Latin America. Financing will be 30 per cent by PEMEX, 26 per cent by an Italo-American group, and 44 per cent by private Mexican investors.

Licensing arrangements and engineering contracts have been entered into with a number of well-known U.S., British and European petrochemical firms and engineers. Credits have been received from Europe, the most recent of which is part of a \$150 million loan from France. As a result, much of the new plant and equipment is of European origin.

The synthetic rubber complex, Latin America's second, is still in the negotiation stage. One third of the projected styrene production and all the butadiene output will be used. Both Mexico and Brazil, the other producer, hope to find new markets in other LAFTA countries; Brazil in fact expects to ship to Mexico until local production begins. Mexico has already eliminated the duty on synthetic rubber exclusively in favour of LAFTA suppliers.

Apart from the above program, PEMEX is building two carbon dioxide plants and has recently announced a \$12 million complex at Reynosa. It will consist of an ethylene unit and privately-owned plants to produce polyethylene, ethylene oxide, and polypropylene.

TABLE V

MAIN PETROCHEMICAL IMPORTS

	1960	1961	1962
	(in metric tons)		
Phenol	1,438	1,242	1,525
Methyl alcohol	3,859	4,423	4,857
Butyl alcohol	564	854	1,057
Polybasic alcohols	313	448	417
Ethylene glycol	796	611	762
Other glycols	1,273	1,754	2,110
Glycerol	3	104	691
Butyl acetate	837	1,007	780
Ethyl acetate	893	897	794
Vinyl acetate monomer	2,017	2,904	2,964
Phthalic esters	2,963	3,457	3,690
Esters, other	2,095	2,055	1,885
Tetraethyl lead	8,539	9,459	7,765
Ethylene trichloride	916	814	1,187
Acetone	3,291	3,153	2,751
Methyl-isobutyl-ketone	1,207	1,253	1,841
Methyl-ethyl-ketone	671	847	996
Vinyl benzene	4,434	5,029	4,914
Benzene	7,249	18,018	16,643
Toluene	17,634	19,809	14,361
Xylene	3,836	4,789	4,943

Other recent developments are a projected \$4.8 million plant to produce 15,000 tons of carbon black a year under licence from Phillips, and a \$10 million Pemex-Dupont tetraethyl lead operation. The substantial imports of both will be eliminated and up to 40 per cent of the production of the latter should be available for export.

First production of phenol began recently and will eliminate what might have been an interesting potential for Canada. Other new intermediates plants under construction will turn out benzenes, ethanalamines, glycols, phthalic anhydride, epoxy resins, monochloroacetic acid, etc.

Projected new petrochemical developments correlate closely with the more important products now being imported, as shown in Table V, and will eliminate many of these in the near future.

Plastics and Synthetic Resins

In Mexico, as in other developing countries, consumption of plastic products and materials is increasing rapidly. There are now over 300 firms in the industry and

TABLE VI

IMPORTS OF SYNTHETIC RESINS

	1960	1961	1962
	(metric tons)		
Urea resins	97	80	6
Phenol resins	241	195	328
Styrene and polystyrene resins	1,661	2,116	1,119
Solid synthetic resins with a base of cellulose, urea, maleic carbonic and sebacic acids, polyamides and other synthetic products	13,653	15,051	14,037
Vinyl gases for synthetic resins	4,702	4,552	6,720
P.V.A. emulsions and solids	82	168	422
P.V.C. emulsions and solids	1,273	2,724	983
Alkyd resins	118	64	34
Silicone resins	.....	35	110
Other resins	25	64	80
	21,852	25,049	23,839

imports of finished articles are small.

Up to the present, almost all plastic raw materials except formaldehyde have had to be imported. However, the current petrochemical expansion will end most of this. Synthetic resin production predictably will increase considerably in the next few years.

PEMEX's new ethylene, polyethylene, styrene, and vinyl chloride facilities, together with new privately-owned epoxy resin, phenol, urea and acrylic materials plants, will probably result in export capacity.

Production of polyvinyl chloride is already sufficient to meet local demand, except for special types; polystyrene capacity is adequate, again except for special types, and self-sufficiency in phenolic resins has been attained. (Import figures are given in Table VI.)

Synthetic Fibres

Local production of acetate, nylon, and rayon meets most of the demand and in 1961 was as follows: (metric tons) continuous filament 10,920, cut filament 7,530, cord 2,947, nylon 1,257, waste 960.

Nylon capacity is being enlarged to 3,400 tons a year and a new polyester fibre plant is being set up.

TABLE VII

IMPORTS OF SOME SYNTHETIC FIBRE RAW MATERIALS

	1960	1961	1962
	(metric tons)		
Cellulose pulp for synthetic textiles	16,871	16,171	15,367
Cellulose acetate and salts	9,392	7,964	9,195
Caprolactum	.....	.....	2,360
Acetone	3,921	3,153	2,751

Both rayon and nylon tire cord are made locally.

Most of the raw materials are still being imported (Table VII), although acetone and caprolactum will soon be available in sufficient quantities locally. Canada's largest single chemical export to Mexico is cellulose acetate. This item has just been placed under import control even though no plans to produce it locally are known.

For further information on the market for individual chemical products in Mexico, contact the Chemicals Division, Department of Trade and Commerce, Ottawa, or the Commercial Division of the Canadian Embassy, Apartado 25364, Mexico 5, D.F.

For Want of a Screwdriver . . .

THE BATTLE lost for want of a nail may have a modern counterpart in the United States market, where the battle for satisfied buyers can revolve around a screw. Square recess screws, widely used in Canada for furniture, appliances and electrical wiring, are not generally used in the United States. When crates assembled with these screws have to be dismantled, when legs and cabinets have to be assembled or repaired, frustration and dissatisfaction result because square-headed screwdrivers are hard to find, according to our Trade Commissioner in New York.

One solution is the use of regular straight slotted screws on goods for export. However, one successful Canadian furniture exporter uses the square recess screws but supplies an inexpensive square-headed screwdriver with each crate. A high fidelity phonograph manufacturer ensures that each dealer and factory-authorized service shop handling his products is equipped with them.

This problem can also crop up in Europe and other countries, and with other types of screws requiring special screwdrivers.

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

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

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

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the 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 .92807.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Oct. 21	Units per Canadian dollar	Notes (see below)
Argentina	Peso	Free .....	.007340	136.24	
Australia	Pound .....	.....	2.4120	.4146	
Austria	Schilling .....	.....	.04170	23.98	
Bahamas	Pound .....	.....	3.0150	.3317	
Belgium and Luxembourg	Franc .....	.....	.02157	46.36	
Bermuda	Pound .....	.....	3.0150	.3317	
Bolivia	Peso .....	.....	.09093	11.00	
Brazil	Cruzeiro .....	.....	.001766	566.25	
		Official Free			
		Special Category	†	†	
Britain	Pound .....	.....	3.0150	.3317	
British Guiana	Dollar .....	.....	.6281	1.59	
British Honduras	Dollar .....	.....	.7538	1.33	
Burma	Kyat .....	.....	.2263	4.42	
Ceylon	Rupee .....	.....	.2261	4.42	
Chile	Escudo	Bank rate .....	.5516	1.81	
		Free .....	.3574	2.80	
Colombia	Peso	Certificate .....	.1197	8.35	
Congo, Republic of	Franc .....	.....	.02157	46.36	
Costa Rica	Colon .....	.....	.1626	6.15	
Cuba	Peso .....	.....	†	†
Czechoslovakia	Koruna .....	.....	.1496	6.68	
Denmark	Krone .....	.....	.1559	6.41	
Dominican Republic	Peso .....	.....	1.0775	.9281	
Ecuador	Sucre	Official .....	.05986	16.71	
		Free .....	.05710	17.51	
El Salvador	Colon .....	.....	.4310	2.32	
Fiji	Pound .....	.....	2.7162	.3682	
Finland	Markka .....	.....	.3367	2.97	
France, Monaco, etc.	Franc .....	.....	.2198	4.55	(1)
Franco-African Republics, etc.	Franc .....	.....	.004396	227.48	(2)
French Pacific	Franc .....	.....	.01209	82.71	(3)
Germany	D Mark .....	.....	.2709	3.69	
Ghana	Pound .....	.....	3.0150	.3317	
Greece	Drachma .....	.....	.03591	27.85	
Guatemala	Quetzal .....	.....	1.0775	.9281	
Haiti	Gourde .....	.....	.2155	4.64	
Honduras	Lempira .....	.....	.5388	1.86	
Hong Kong	Dollar	Free .....	.1880	5.32	*Oct. 11
		Official .....	.1884	5.31	

†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 date.

Country	Unit	Type of Exchange	Can. dollar equivalent Oct. 21	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02506	39.90	(4)
India	Rupee		.2261	4.42	
Indonesia	Rupiah		.003421	292.34	(4)
Iran	Rial		.01422	70.30	
Iraq	Dinar		3.0170	.3315	
Ireland	Pound		3.0150	.3317	
Israel	Pound		.3592	2.78	
Italy	Lira		.001731	577.70	
Japan	Yen		.002993	334.11	
Lebanon	Pound	Free	.3461	2.89	
Malaysia	Straits dollar		.3520	2.84	
Mexico	Peso		.08620	11.60	
Morocco	Dirham		.2155	4.64	
Netherlands	Florin		.2989	3.35	
Netherlands Antilles	Florin		.5714	1.75	
New Zealand	Pound		2.9944	.3340	
Nicaragua	Cordoba		.1539	6.50	
Nigeria	Pound		3.0150	.3317	
Norway	Krone		.1506	6.64	
Pakistan	Rupee		.2261	4.42	
Panama	Balboa		1.0775	.9281	
Paraguay	Guarani	Free	.009698	103.11	
Peru	Sol	Free	.04016	24.89	
Philippines	Peso	Free	.2764	3.62	
Portugal & Colonies	Escudo		.03748	26.68	(5)
South Africa	Rand		1.5075	.6633	
Spain and Dependencies	Peseta		.01796	55.68	
Sweden	Krona		.2074	4.82	
Switzerland	Franc		.2497	4.00	
Syria	Pound	Free	.2809	3.56	
Thailand	Baht	Free	.05258	19.02	(4)
Tunisia	Dinar		2.6076	.3835	
Turkey	Lira		.1197	8.35	(4)
United Arab Republic	Pound	Official	2.4783	.4035	
United States	Dollar		1.0775	.9281	
Uruguay	Peso	Free	.06053	16.52	
Venezuela	Bolivar	Controlled market rate	.3215	3.11	
		Official Free	.2374	4.21	
West Indies	Dollar		.6281	1.59	(6)
	Pound		3.0150	.3317	(7)
Yugoslavia	Dinar	Official	.001437	695.89	

Notes

1. 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 and Tobago, Leeward and Windward Islands.
7. Jamaica.

Where in the World

Where in the World

Where in the World

Beaver Byproduct, Far East

CANADIAN beaver contribute to the perfume industry in foreign countries? Sounds unlikely, but it's true. The dried perineal glands of the beaver, known as castoreum, are used in India and Far Eastern countries in the making of perfume. The orange-brown castoreum pods, with their peculiar clinging odour, become a fixing agent or base for the better-quality perfumes. Each beaver provides a pair of pods that vary in size but on the average weigh slightly less than one ounce when dried. Prices for castoreum range up to seven dollars a pound.

The best fixing agent for perfume is musk from the musk deer of Tibet, but the quantity is limited. Even castoreum can't meet the demand and muskrat glands are now being tested to see whether they could be used by the industry. ●

Ore-Handling Equipment, Mauritania

THE Republic of Mauritania, in West Africa, recently issued a 200-franc postage stamp that has a connection with Canada. The stamp commemorates the opening of the new Port Etienne, where ore from a \$195 million iron ore development in the Sahara is shipped abroad. One side of the stamp shows ore-handling equipment (a giant ore stacker and other machinery) built in Belleville, Ontario, by Stephens-Adamson Mfg. Co. of Canada Ltd. The firm won this \$800,000 order from Mines de Fer de Mauritanie in competition with ten other international producers of bulk-handling equipment. ●

Canned Chicken, British Guiana

DOWN in the jungles of British Guiana, a research team will be dining one of these days on Canadian chicken canned in British Columbia by Bonus Foods Ltd. Among the supplies packed by the Bangor Expedition to Guiana, a biological research group sponsored by University College of North Wales, is a small supply of processed chicken. Expedition members, familiar with this Canadian-canned chicken because of its wide sale in Britain, asked the Canadian firm for a donation, after testing the product for its ability to stand up to South American jungle conditions. ●

Paper Mill, Pakistan

THE nine-million-dollar expansion of a newsprint mill in East Pakistan means months of work for three Canadian firms. Sandwell and Company of Vancouver, which designed the mill at Khulna some

years ago, supervised its construction, and has continued to manage it for the East Pakistan Industrial Corporation, will supply the design and engineering services; Canadian General Electric Company and Dominion Engineering will manufacture the necessary equipment. These contracts are being financed under a long-term credit granted by the Export Credits Insurance Corporation of Canada. ●

Aircraft, Australia

FIFTEEN million dollars' worth of aircraft—eighteen *Caribous*—will be turned out by de Havilland Aircraft of Canada, Limited, for use in Australia. Purchased by the Australian Government, they will be used by the Royal Australian Air Force. The first *Caribous* will arrive in Australia in December 1963 and the complete order will be filled within a year. ●

Diesels, New Zealand

A SECOND contract for ten diesel locomotives is worth \$2.07 million to General Motors Diesel Limited of London, Ontario. Last year the firm shipped ten diesels to New Zealand and it is now busy executing the new order. Two factors, lowest price and shortest delivery time, helped GM Diesel to compete successfully for this business. ●

Refrigeration Equipment, Britain

CANADIAN, American and West German interests have formed a new corporation to market food-store refrigeration equipment in Britain. The new company, Hill-Linde Commercial Refrigeration Limited, is owned jointly by the Hill Corporation through its subsidiary, C. V. Hill of Canada, Limited, and by Ges. fur Linde's Eismaschinen A. G. of West Germany. It will warehouse and distribute food-store refrigerated display fixtures shipped from Hill's Canadian plant at Barrie, Ontario, as well as Linde equipment made in West German plants. ●

Laminated Beams, Holland

A filtration plant at a paper mill in Velzen, about twelve miles from Amsterdam, will have roof frames made of glued laminated beams made by Glulam Products of New Westminster, B.C. The beams were loaded for shipment to Holland early in June. ●

Roger Duhamel
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