

**OCTOBER 29. 66**

# **FOREIGN TRADE**

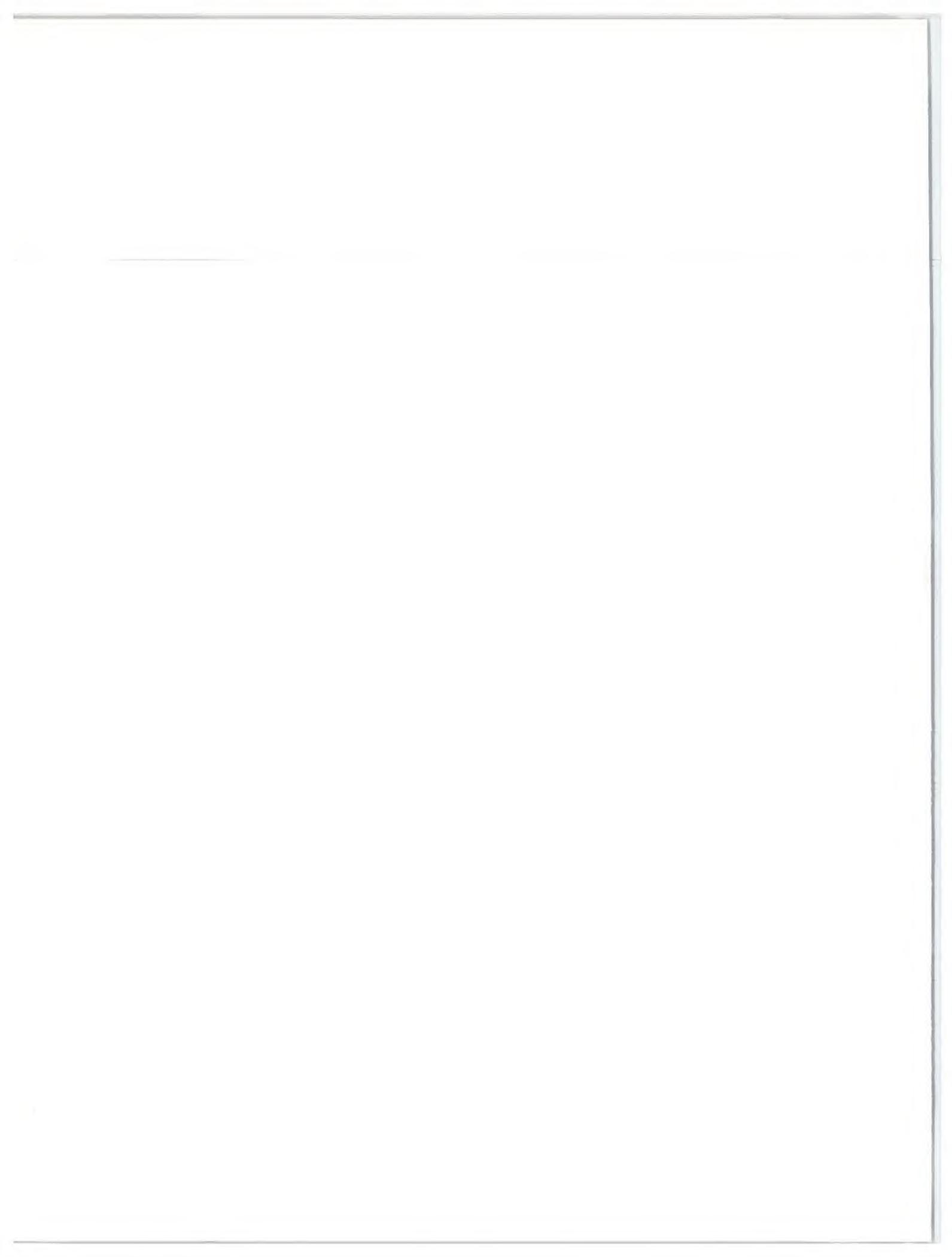
**DEPARTMENT OF TRADE AND COMMERCE, OTTAWA**

**Canada and the Commonwealth Caribbean**

**Jamaica Strengthens Its Economy**

**Trinidad Offers a Changing Market**

**The Bahamas Are Booming**



# FOREIGN TRADE

OCTOBER 29, 1966

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## Canada and the Commonwealth Caribbean 2

*Long-standing relationships between Canada and its Commonwealth neighbours in the Caribbean were discussed and updated when Canadian and West Indian government officials conferred in Ottawa in July. As an introduction to our special feature on the Commonwealth Caribbean countries, our mutual trade and future prospects are examined against the background of the Conference.*

## From the Kingston, Jamaica, Office

*Reports from the Trade Commissioners in Kingston show that pattern of our trade is changing as new and protected industries spring up, but Canadian sales are still rising. British Honduras is busy building a new capital, and the Bahamas are catering to even more tourists but not neglecting manufacturing.*

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*Low prices for exports, higher prices for imports have increased Trinidad's trade deficit but Canadian exports went up 23 per cent last year. In Leewards and Windwards, more tourists are expected and facilities are being improved, but smaller crops have cut down export returns. Barbados awaits independence at the end of November and Guyana, already independent, is pushing development.*

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COMING—A CANADIAN LOOKS AT MODERN SWEDEN, NOVEMBER 12 ISSUE

# Canada and the Commonwealth Caribbean

The Canada-Commonwealth Caribbean Conference that met in Canada in July took these steps in the trade and economic fields.

- Signed Protocol to 1925 Canada-British West Indies Trade Agreement. (See text of the Protocol on page 6.)
- Agreed to renegotiate or further amend the 1925 Agreement in the light of results of the Kennedy Round.
- Recognized that Part II of Trade Agreement relating to steamship services was no longer in effect.
- Waived direct shipment provision of Trade Agreement.
- Agreed upon new consultative machinery on industrialization measures which might substantially affect trading interests of the other parties.
- Incorporated specific provisions in Protocol covering wheat, flour, salted codfish, rum and bananas.
- Accepted Canadian Government proposal of duty-free quota for Commonwealth Caribbean raw sugar.
- Established Standing Committee on Trade and Economic Affairs.

C. L. BLAND,  
*Commonwealth Division.*

THE IMPORTANCE of the traditional ties between Canada and the Commonwealth countries of the Caribbean and the necessity to re-examine these was brought sharply into focus at the Commonwealth Caribbean-Canada conference held in Ottawa last July. Both sides recognized the need for this conference because the rapidly changing economic, political and social patterns had clearly dated the existing trading framework.

Canada and the Commonwealth countries of the Caribbean have enjoyed a long and mutually profitable trading relationship. Trade between the British North American colonies and the British colonies in the Caribbean began on a regular basis about

150 years ago. In the intervening century and a half, trade has expanded to the point where in 1965 the two areas exchanged goods valued at over \$170 million. Canadian exports to the area in 1965 totalled \$91 million and included wheat flour, fish, motor vehicles and parts, foodstuffs, fabrics, lumber, newsprint, furniture, tires and tubes, drugs and medicines, and an increasingly wide range of fully manufactured goods. In exchange Canada purchased \$81 million worth of products from the Commonwealth Caribbean last year. Main imports were bauxite and alumina, sugar, petroleum, molasses, citrus fruit juices, rum, coffee and selected foodstuffs.

A quick glance at Canada's major exports to the Commonwealth Caribbean last year indicates export gains for flour, motor vehicles and parts,

meats, tires and tubes, refrigerators, poultry feeds, iron and steel pipes and tubes, and aluminum bars, rods and sheets. Increased sales of these commodities more than offset marginal losses in exports of fabrics, footwear and several other manufactured lines.

Although Canada's exports to the Commonwealth Caribbean still include commodities which we have exported to that area for over 150 years—flour, fish and meats—our trade has been marked by the introduction of many new products. The active industrialization policies being pursued in the West Indies (particularly by Jamaica, Trinidad, Barbados, and Guyana) have opened up important markets for Canadian industrial raw materials, capital equipment, and semi-manufactured parts and components. The growing purchasing power



The Premier of the Bahamas, the Hon. Sir Roland Symonette, signs the Protocol to the Trade Agreement as Prime Minister Pearson looks on. The text of the Protocol appears on page six.

of the area—largely because of the substantial development of mineral and petroleum resources and ever-increasing tourist receipts—has also meant increased opportunities for sales of Canadian-produced consumer goods. In addition, Canadian products are accorded preferential tariff treatment throughout the West Indies.

### **Economies Developing**

The Governments of Jamaica and Trinidad are actively following Five Year Development Plans geared to modernizing the existing industrial framework and to broadening and diversifying the economic base. Projects for the building of dams, water-storage facilities, houses, schools, factories and roads offer opportunities for Canadian exporters. The significant expansion of the tourist industry throughout the Commonwealth Caribbean, including construction of hotels, harbour and airport facilities and attendant service industries, opens up additional markets for Canadian products and technical knowhow. Industrialization is proceeding apace and most of the Commonwealth Carib-

bean countries provide attractive incentives for investment, including tax holidays, special depreciation allowances for research expenditures, and duty-free import of certain machinery and raw materials.

The Commonwealth Caribbean countries have reached the stage where population is pressing hard upon local resources and a satisfactory rate of economic growth and employment depends to a major extent upon increasing industrialization. The size of local markets, however, often limits the possibilities for the establishment of economic and efficient industries. To provide a satisfactory basis for industrialization, Commonwealth Caribbean countries are depending to an increasing extent upon exports to open up markets and to earn the necessary foreign exchange to finance imports.

### **Canadian Companies Participate**

The encouragement actively extended to new industry by Commonwealth Caribbean Governments has resulted in an attractive investment climate for Canadian businessmen.

Canadian private investment has contributed considerably to the economic development of the area since the last quarter of the nineteenth century. Although Canadian investment has been concentrated mainly in the mineral extractive industry, banks, insurance companies, and the hotel and tourist industries, it is becoming much more diversified. Direct Canadian investment in the Commonwealth Caribbean now includes plants manufacturing food flavourings, chemicals, paints, soaps, shoes, switchgear, packaging materials, macaroni products, shirts and ties, metal furniture, television receivers and fruit juice concentrates.

The increased opportunities for enterprising Canadian businessmen have resulted in some replacement of Canadian exports by locally produced goods and this process is continuing. In addition, infant industries are often afforded protection through higher tariffs and other import restrictions. Among the varied list of products now being made in the West Indies or for which plans for early production are well under way are motor vehicles,

**CANADIAN IMPORTS FROM THE COMMONWEALTH CARIBBEAN**

	1964	1965	1965	1966
	(6 months)			
	(Can. \$'000)			
Bahamas	412	533	330	457
Barbados	3,851	3,041	847	1,169
Bermuda	190	403	71	415
British Honduras	1,859	1,235	645	589
Guyana	35,652	22,549	8,712	10,456
Jamaica	47,858	36,000	19,221	17,938
Leeward and Windward Islands	1,026	832	258	697
Trinidad and Tobago	20,738	16,670	7,164	7,771
<b>Total Imports</b>	<b>11,586</b>	<b>81,263</b>	<b>37,248</b>	<b>39,492</b>

**CANADIAN EXPORTS TO THE COMMONWEALTH CARIBBEAN**

	1964	1965	1965	1966
	(6 months)			
	(Can. \$'000)			
Bahamas	8,876	9,257	4,509	5,300
Barbados	6,922	6,826	3,146	3,263
Bermuda	6,399	5,984	2,793	3,343
British Honduras	973	1,065	515	429
Guyana	7,116	7,750	3,418	3,907
Jamaica	28,942	30,280	14,644	15,559
Leeward and Windward Islands	7,986	8,037	3,898	3,667
Trinidad and Tobago	17,791	21,532	9,562	10,583
<b>Total Exports</b>	<b>84,945</b>	<b>90,731</b>	<b>42,485</b>	<b>46,051</b>

**WHAT CANADA IS BUYING FROM THE COMMONWEALTH CARIBBEAN**

	1964	1965
	(Can. \$'000)	
Bauxite and alumina	47,007	43,781
Raw sugar	43,494	17,151
Crude petroleum	9,582	8,917
Molasses	3,213	2,359
Fruit juices	2,390	1,126
Rum	886	1,052
Coffee	478	398
Nutmegs and mace	264	375
Cocoa beans	157	281
Cucumbers, fresh	191	178
Lemon and essential oils	52	154
Liqueurs	150	151
Pimento	90	109
Cotton shirts and outerwear, not knitted	33	88
Bananas and plantains	68	84
Ginger	110	81
Cocoa butter	131	54
Mahogany	97	33
Salt for fisheries	61	21

**WHAT CANADA IS SELLING TO THE COMMONWEALTH CARIBBEAN**

	1964	1965	1965	1966
	(6 months)			
	(Can. \$'000)			
Flour	10,311	11,138	5,658	5,018
Fish, pickled, salted	7,791	7,204	3,970	4,246
Motor vehicles and parts	4,540	6,371	3,296	2,749
Meats	4,772	6,013	2,361	2,921
Fish, canned	3,315	3,734	1,668	1,959
Fabrics	3,071	1,908	907	746
Lumber	2,095	1,879	817	973
Newsprint	1,734	1,749	830	887
Furniture and fixtures	1,794	1,677	776	585
Tires and tubes	1,448	1,663	853	1,001
Milk powder	1,761	1,615	750	826
Drugs and medicines	1,163	1,329	686	1,109
Refrigerators and parts	994	1,268	484	624
Poultry feeds	378	1,189	619	740
Whisky	1,210	1,122	604	332
Soups	1,046	974	421	396
Potatoes	897	807	420	870
Footwear	1,024	788	348	183
Aluminum rods, bars and sheets	237	739	411	637
Iron and steel pipes and tubes	230	626	179	301

refrigerators, flour, apparel, paper products, furniture, jewellery, textiles, hosiery, and tires and tubes.

### Importance of Export Trade

The economies of the Commonwealth Caribbean countries, although industrializing rapidly, continue to be largely dependent on agriculture and mining. This is reflected in the continued importance of sugar, bauxite and alumina, crude petroleum, molasses, fruit juices and rum, which accounted for 92 per cent of Canada's imports from the area last year.

Exports play an important role in the formation of the Commonwealth Caribbean countries' gross national income. For example, in 1964 Jamaican exports amounted to 26 per cent of the GNP; the equivalent proportion in that year for Trinidad was 60 per cent and for Barbados 37 per cent.

The expansion of trade has been particularly pronounced in the industrializing economies of the Commonwealth Caribbean. Jamaica and Trinidad in 1964 together accounted for about 70 per cent of the imports and over 75 per cent of the exports of the Commonwealth Caribbean. Jamaican imports increased by 170 per cent from 1954 to 1964, and its exports expanded by 153 per cent in that period. The foreign trade of Trinidad increased more than that of other countries in the area, largely because of exports of petroleum products derived from the refining of crude imported from Venezuela and elsewhere. Trinidad imports increased by 190 per cent from 1954 to 1964; exports increased by 164 per cent. This is in contrast to the growth of foreign trade of other countries in the area which are not industrializing at the same rate. Barbados imports expanded by 127 per cent in the period under review and exports by 22 per cent. The trade of British Honduras, the Leeward and Windward Islands and Guyana shows a similar pattern to Barbados.

### Canada as a Market

Canadian imports have contributed to the growth of West Indian exports. For example, from 1954 to 1964 Canadian imports from Jamaica increased by 220 per cent and from Guyana by 80 per cent.

Canada is an important market for several key exports from the Commonwealth Caribbean. It took 62 per cent of Jamaican alumina exports, 28 per cent of Guyana's bauxite exports, 48 per cent of Guyana's raw sugar exports, and 39 per cent of Trinidad's crude petroleum exports in 1964, and 30 per cent of the area's total raw sugar exports in 1965. The West Indies also has a small but growing market in Canada for such products as ceramic tableware, cotton shirts, baseball gloves and buttons. Most Canadian imports of manufactured goods from the West Indies now originate in Jamaica, but other Commonwealth Caribbean countries, notably Trinidad and the Bahamas, are expanding their participation in the Canadian market.

### Political Developments

A significant development in the Commonwealth Caribbean in recent years has been the coming of independence to several territories in the region and substantial constitutional changes in others. Both Jamaica and Trinidad and Tobago gained independence in 1962. In May 1966 British Guiana became independent and is now known as Guyana. Barbados will proceed to independence on November 30, 1966. Six other islands (Antigua, Dominica, Grenada, St. Kitts, St. Lucia and St. Vincent) have now negotiated a special "Associate Status" with Britain which will give them an advanced form of self-government. In addition three countries—Guyana, Barbados and Antigua—have drawn up an agreement establishing a Caribbean Free Trade Area (CARIFTA) which is scheduled to be signed some time after November 30.

### Conference in Ottawa

Against this backdrop of evolving political development and expanding trade and financial ties with Canada, the Commonwealth Caribbean-Canada Conference was convened in Ottawa last July 6-8. Prime Minister Pearson stressed that Canada regarded the Conference as only the beginning of a process of even closer co-operation and consultation between the Commonwealth countries of the Western Hemisphere—the first stage in ensuring that relations between Canada and the West Indies are kept fully

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### For Further Reading

The following articles on the Commonwealth Caribbean have appeared in *Foreign Trade* in the last year:

#### Bahamas

"Find Opportunity on Paradise Island"  
May 28, 1966

#### Guyana

"Guyana—the New British Guiana—Becomes Independent"  
May 14, 1966

#### Jamaica

"Selling to Jamaican Hotels"  
Feb. 19, 1966

"Jamaican Bauxite Industry Offers Specialized Markets"  
Aug. 6, 1966

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relevant to the changing circumstances of our times. At the Conference, Antigua, Bahamas, Barbados, Canada, Dominica, Grenada, Guyana, Jamaica, Monserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent and Trinidad and Tobago were represented by the heads of government and British Honduras by the Minister of Natural Resources and Trade. Britain was represented by an observer and by special invitation the University of the West Indies was also represented.

The agenda for the three-day meeting covered the full range of subjects of interest to both sides, including virtually all aspects of Canada-West Indies relations—trade, aid, transport and communications, migration, cultural relations and other economic questions of common interest, both bilateral and multilateral in nature. Among the results of the Conference in the trade and economic fields were the following:

**Aid**—A substantial increase in the amount of aid provided to the Commonwealth Caribbean countries by Canada was announced. The 1966-67 allocation was increased to \$13 million—up 30 per cent over 1965-1966—and in addition, the level of Canadian aid for the Commonwealth Caribbean is to reach at least \$13 million a

## Protocol to the Canada-West Indies Trade Agreement

"Recognizing the important changes which have taken place in their trade and commercial relations since the negotiation of the Canada-West Indies Trade Agreement of 1925;

"Recognizing the desirability of close co-operation and collaboration in the development of their respective economies in order to facilitate the most efficient utilization of resources and the maximum development of mutually advantageous trade;

"Taking into account the urgent economic development needs of the Commonwealth Caribbean countries and the key importance of trade to the raising of their standards of living and the progressive development of their economies;

"Taking into account the common interest of the Commonwealth countries of the Caribbean and Canada in ensuring a fair and remunerative return at stable prices for exports of primary products of particular interest to them and the urgent need of these countries to diversify their exports:

"Antigua, the Bahamas, Barbados, British Honduras, Canada, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts-Nevis-Anguilla, Saint Lucia, Saint Vincent, Trinidad and Tobago agree as follows:

1. "To examine the 1925 Canada-West Indies Trade Agreement in detail with a view to its further amendment or renegotiation in the light of the results of the Kennedy Round of trade negotiations under the General Agreement on Tariffs and Trade;
  2. "To continue the Canada-West Indies Trade Agreement of 1925 in force, ad interim, subject to the following:
    - i) to the extent that it may be necessary in order to avoid conflict between the provisions of the Agreement and the provisions of the GATT, the obligations of the Agreement, after consultation, may be waived.
    - ii) Canada will consult with the Commonwealth countries of the Caribbean before concluding any agreement in the Kennedy Round which would have the effect of reducing margins of preference bound under the Agreement and to take such reductions into account in any renegotiation of the Agreement.
    - iii) The direct shipment requirements of Article VII are waived.
    - iv) Part II of the Agreement relating to steamship services is recognized as being no longer in effect.
  3. "To consult upon request with respect to measures to encourage economic development which might substantially affect the trading interests of the other parties, with a view to avoiding possible damage to those trading interests and to achieving the best use of resources, taking into account the scope for regional co-operation.
  4. "To consult and co-operate on tourism and in establishing or improving transportation, communications and other facilities designed to promote mutually beneficial trade and other exchanges.
  5. "To work together in international commodity discussions and arrangements, and particularly to seek to secure and maintain an appropriate and effective price range under a new International Sugar Agreement which will be remunerative to producers and equitable to consumers.
  6. "To endeavour to revive the banana trade and to bring about increased sales of bananas to Canada from the Commonwealth countries of the Caribbean.
  7. "To seek to secure acceptable conditions of access for wheat in world markets in order to bring about increased trade at prices which will be remunerative to efficient producers and fair to consumers, taking into account world food needs.
  8. "The Commonwealth countries of the Caribbean undertake in the development of local flour mills to provide fair and equal opportunities for the Canadian industry to participate in their development and for Canada to have a fair and equal opportunity to supply the wheat requirements of such new mills.
  9. "The Commonwealth countries of the Caribbean undertake to ensure that Canadian exporters of salted cod are given a fair and equal opportunity to supply the market requirements at prices which will be remunerative to efficient producers and fair to consumers.
  10. "To accord fair and equitable treatment to individuals and enterprises of the other parties.
  11. "Canada undertakes to require that the origin and Canadian content of any rum marketed in Canada be clearly marked and to use its good offices with the provincial authorities to facilitate the marketing of rum from the Commonwealth Caribbean countries.
  12. "In pursuance of the foregoing to establish a Commonwealth Caribbean-Canada Trade and Economic Committee to consult on trade, financial and related matters, which shall meet from time to time at ministerial or senior official level as may be appropriate.
- "In respect of those territories for which the United Kingdom Government has a responsibility in these matters, this Protocol is being signed with the authority of the Secretary of State for the Colonies."

year for the next five years. Canada also pledged \$5 million to the University of the West Indies over the next five years and \$1 million to the University of Guyana over the next three years.

**New Protocol to Trade Agreement—**As the Prime Minister announced in his opening address to the Conference, the Canada-British West Indies Trade Agreement had been signed exactly 41 years ago to the day. The Conference reviewed a wide range of trade and commodity problems in the light of the 1925 Agreement and also other economic developments since that time. Perhaps the most important single achievement of the Conference was the drawing-up of a Protocol amending the Trade Agreement which was signed by all participating countries.

The Conference recognized the contribution which the Canada-West Indies Trade Agreement had made to the development of trade. This Agreement provides essentially for the exchange of preferential tariff treatment. However the extensive changes which have taken place in the trade and in the economic structure of the countries involved indicated the need for a review of the Agreement. Accordingly the Protocol provides, among other things, that the existing Trade Agreement be continued in force in the interim but that it be reviewed or renegotiated in the light of the results of the Kennedy Round.

In addition, several provisions were incorporated into the Protocol to help bring the Agreement more into line with present trading circumstances and requirements. Important among these was the agreement to consult regarding industrialization measures which affect the trading interests of the other countries. It is intended that this provision will lead to much closer co-operation between the Commonwealth Caribbean countries and Canada in the development of industrialization programs and the effect of these on established patterns of trade and on Canadian participation in the West Indian economies.

The direct shipment provisions of the existing agreement were terminated. This means that goods exported to Canada by the West Indies

and vice-versa no longer need to be shipped direct to claim preferential access.

### Conclusions

An important feature of the Conference was the careful consideration given to ways and means of following up the initial talks effectively. It was agreed that a Standing Committee on Trade and Economic Affairs be established which would meet at ministerial or senior official level from time to time as appropriate. It is expected that the first meeting of this committee will be held in the new year.

In reviewing a Conference which attempted to do so much in such a short time, it is important not to lose sight of the guidelines which were

laid down for the future rather than to concentrate solely on its immediate results. It is expected—to return to the original theme—that the Conference will be the first of a series and represents but an initial step in a new process of co-operation and consultation much closer and more significant than before. Our traditional and mutually profitable relationship with the West Indies needs no emphasis. Concrete steps have now been taken to cast the old relationship in a new mould more suitable to changing economic, political and social conditions in both the Commonwealth Caribbean and Canada today. Broader trade and economic benefits are expected to flow from this new relationship, to the mutual advantage of both sides. ●

## Jamaica's First Steel Mill

THE NEW steel rolling mill in Jamaica, although comparatively small by world standards, is the island's first major breakthrough into heavy industry.

Jamaica, though well known for its agriculture and particularly for sugar and bananas, is industrializing at a fairly rapid pace. Indicative of this is the beginning of operations this month of a \$3.5 million steel mill, Jamaica's first. The mill, which is owned by the Caribbean Steel Company Ltd., will produce initially reinforcing bars and such items as small angles, flats, and similar structural shapes but the range of products is expected to broaden.

The basic raw material for the new plant will be scrap iron and there is enough of it on the island to ensure production for some time. If and when production requirements exceed the amount available locally, scrap or ingots which can be handled by the mill will be imported from abroad. The plant's new melt shop will have a capacity of about 30,000 tons a year and the rolling mill a capacity of 50,000 to 70,000 tons, depending on the type of product being rolled.

Under Jamaica's Industrial Incentive Laws, the Caribbean Steel Co. Ltd. has received tax, duty and other concessions for the establishment of the mill. It has been guaranteed protection against imports of steel products of the type it will manufacture, provided it can supply such

steel within certain price ceilings stipulated by the Government and within a reasonable length of time. Reinforcing bars were also placed under import control in March of this year. The Caribbean Steel Company Ltd. has also been promised that, unless Jamaican authorities are convinced that there is room for two such mills in the country, no other operator will be granted industrial incentives to manufacture the range of steel items it produces.

The market for the mill's products is good. Last year, Jamaica imported 34,000 tons of reinforcing bars, joists, shapes, sections, etc. With construction running at a high level, demand for these products is expected to continue expanding.

Operation of the new steel plant marks one further important step in the country's industrialization and will bring many benefits. First, it will mean an estimated \$1.5 million saving in foreign exchange. Second, the Caribbean Steel Company Limited plans to extend its market and develop export demand for its products. Third, with the new steel mill and the well-established cement-producing facilities, Jamaica's two main construction materials are being provided entirely within the country. The hope is that eventually the local supply of merchant mill steel products will attract other industries to Jamaica.

—L. D. BURKE,  
*Commercial Secretary, Kingston.*

# Jamaica Strengthens Its Economy

Production rose in most sectors last year, but imports also rose in value and export prices dropped, increasing the trade deficit. Canadian sales up in 1965; promise well in 1966.

L. D. BURKE,  
*Commercial Secretary, Kingston.*

BUSINESS CONDITIONS, generally speaking, were good in Jamaica in 1965. Production was up in all major industries, external trade increased, and the domestic sector showed further growth. Jamaica still has to sell many of its products on world markets, however, and persistently low prices for two of these last year—particularly sugar and bananas—held down foreign exchange earnings. But Canada was able to increase its exports to Jamaica and the prospects are good for larger sales again this year.

The major crops produced in Jamaica—sugar, bananas, and citrus fruits—all showed increases last year. Production of sugar reached 506,000 tons, the highest ever achieved, and 424,000 tons were exported compared with 417,000 in 1964. Banana production totalled 15.6 million stems, an increase of 1.5 million over the previous year. Output of fresh citrus fruits and citrus products also rose. It is particularly significant that production of foodstuffs for local consumption increased by about 14.4 per cent between 1964 and 1965.

## **Bauxite and Alumina**

Jamaica is the largest bauxite producer in the world and the leading exporter of alumina. This industry has benefited from continued investment and expansion. There are four firms currently active here, three of which mine and export bauxite (Reynolds, Kaiser, and Alcoa Minerals, a subsidiary of Aluminium Co. of America) and one (Alcan Jamaica Ltd.) which mines bauxite and processes it

into alumina. All of these companies are in the midst of expansion programs. Reynolds is building a new conveyor system and additional mining and storage facilities to permit it to double shipments of ore from its mines in Jamaica. The Kaiser Bauxite Co. is now completing an expansion program that comprises the creation of a new port, pier, railway, and storage facilities on the north coast of the island. Alcan Jamaica Ltd. has been steadily increasing its output of alumina in Jamaica and at present is undergoing a \$37 million expansion designed to increase its projected production of alumina to 1.2 million tons a year.

In addition, what has been described as a breakthrough in the bauxite industry here was recently announced. Three companies, two of which are already operating in Jamaica (Reynolds and Kaiser), plus Anaconda, have indicated that they will spend nearly \$190 million to establish a second alumina operation here. The plant which they propose to build will be the largest outside the United States, will have an initial capacity of 875,000 tons, and will eventually double Jamaica's present alumina capacity.

Some 8.5 million tons of bauxite were mined in 1965, 9 per cent more than in 1964 and the largest tonnage in the history of the Jamaican industry. Output of alumina, at 741,000 tons, remained approximately the same as for 1964.

## **Incentives for Industry**

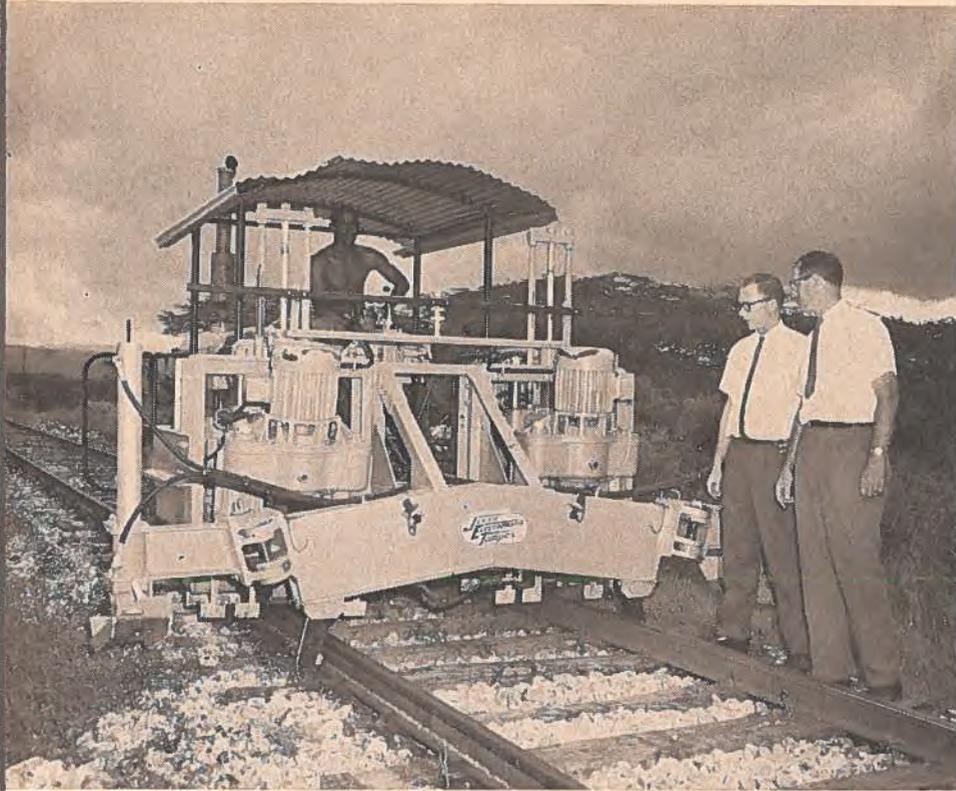
The Government of Jamaica is doing everything it can to stimulate industrialization. The two main methods which it is using are industrial incentives (special depreciation al-

lowances, duty concessions, tax-free holidays of up to 15 years) and import controls, and it has achieved a marked degree of success. Twenty-three new industries were established with incentives in 1965 and there are now 124 firms in Jamaica operating under incentive legislation. Thirty-two new factories are scheduled to begin operations in 1966. These include an \$8 million plant which is designed to produce ultimately all domestic requirements of tires and tubes, Jamaica's first steel mill (see article on page 7), and a 50,000-ton plant for the manufacture of fertilizers. Construction is also due to begin on a \$5 million flour mill and animal feed mixing plant.

Government controls over imports have been steadily intensified as a means of encouraging the establishment of manufacturing industries and stimulating agricultural production. The following are among the products that have recently been placed on import licensing:

- refrigerators
- electrical switchgear
- costume jewellery
- cosmetics
- wooden furniture
- plastic products
- hosiery
- jams and jellies
- soups
- fresh and frozen vegetables
- fruit juices
- confectionery
- biscuits
- pork products.

As of August 1, 1966, there were 124 items in Jamaica subject to import control, but the severity of control on these varies. In some instances quotas have been established ranging



To maintain its rail lines in Jamaica, Alcan Jamaica Limited recently purchased an electromatic tamper made in Canada. Looking at it are (left) Douglas Ditto, Assistant Commercial Secretary in Kingston, and George Grinton (right), of Canada Iron Foundries Tamper Division. The picture was taken at Port Esquivel on Jamaica's south coast.

from 30 to 100 per cent of the previous level of imports. In others, there is practically complete prohibition. The aim is to give the local manufacturer already in operation or about to go into operation a measure of protection against imports. These import controls adversely affected Canada's trade with Jamaica in 1965.

### **Petroleum Refining Begun**

A local refinery began production in Jamaica in March 1964 and is turning out several petroleum products for both the local and export markets. In 1965, its first full year of operation, production reached 328 million gallons, of which nearly 20 per cent was exported. The refinery's operations have already cut Jamaica's net expenditure on mineral fuels, lubricants and related products.

### **Tourist Trade Booming**

With the continued growth in numbers of visitors and tourist income, Jamaica has developed into one of the fastest growing travel areas in the world. Some 317,000 people visited the island in 1965, a 39 per cent increase over 1964, and income from

tourists rose from \$47 million in 1964 to \$70 million in 1965. Because it uses a good deal of labour, tourism could help to solve the chronic unemployment problem here. It has been estimated that every 10,000 additional visitors attracted to Jamaica create employment for 1,800 Jamaicans in the hotel trade and supporting industries. With air fares going down and travel on the increase, prospects for this industry in Jamaica look bright. On May 1, 1966, the national airline, Air Jamaica, began operations on routes to Miami and New York. This additional service should help to meet the travel needs of an increasing number of tourists and publicize Jamaica abroad.

### **Returns from Exports Down**

Although Jamaica exported 7,000 more tons of sugar in 1965 than in 1964, returns from the sale of the crop because of depressed prices were \$12 million less than in the previous year (\$47 million vs. \$59 million). Much the same was true of bananas. Exports were up by 15 per cent but cash returns were only 1 per cent above 1964 (\$18.3 million vs. \$18

million). Nearly all of Jamaica's bananas go to Britain. The problem in selling to Britain in recent years has been the over-supply of fruit from Jamaica and other Caribbean producers and the resulting low prices. Exports of fresh citrus and citrus products were higher in value last year but exports of the other main agricultural products (coffee, cocoa, ginger, and pimento) declined because of lower prices and smaller crops.

Jamaica exported a number of new manufactured goods for the first time last year, (telephones, switchgear, drugs, high-fashion garments) but the earnings from these were not sufficient to offset the decline in sales of other finished goods, particularly cotton clothing. Exports of manufactured goods dropped in value, therefore, from nearly \$20 million to \$16 million.

For bauxite and alumina (up \$4 million), mineral fuels and lubricants (up \$5 million), and citrus products (up \$2 million), export earnings increased. These gains were not large enough, however, to compensate for the loss in returns from the sales of sugar and manufactured goods. As a result, export earnings were down

slightly from \$239 million in 1964 to \$236 million in 1965.

### Imports Up Slightly

With expansion of the economy and increased demand, Jamaican imports in 1965 rose from \$302 to \$316 million, or approximately 5 per cent. Imports of manufactured goods have traditionally been large and these rose moderately to \$83 million in 1965. Larger purchases of construction materials (reflecting the near boom conditions in the building industry) accounted for most of the increase in this item. Imports of machinery were also larger, resulting from the growth of the industrial sector. As a result of import restrictions and the stimulus given the local production and processing of food, imports of food-

stuffs, however, declined slightly last year but one fifth (or approximately \$61 million in 1965) of Jamaican imports still consist of foodstuffs.

### Payments Deficit Last Year

Jamaica had a current account deficit in 1965 of \$39 million, about the same as for 1964. With imports up and the value of exports down, the situation would have been much worse had it not been for greater receipts from tourism. The current account deficit was financed by borrowing by the banks, the Government, and the private sector, and by a slight drawing down on external reserves. The balance-of-payments deficit, high unemployment, and continued low prices for its principal agricultural products remain Jamaica's main problems. Certainly until world prices for sugar, bananas and citrus improve the only solution is increased production of both agricultural and manufactured goods for local consumption.

### Canada-Jamaica Trade

Canada's exports to Jamaica last year increased from \$28.9 to \$30.3 million. The five leading commodities sold to Jamaica were flour (\$3.8 million), salt codfish (\$3 million), automobiles (\$2.7 million), canned sardines (\$1.2 million), and newsprint (\$900,000). Sales of automobiles rose by \$800,000. The margin of preference we enjoy on automobiles is important and Canadian cars, particularly compacts, have been gradually winning a larger share of the Jamaican market. Sales of aluminum bars and shapes used in the local manufacture of roofing and siding rose by \$300,000 and those of canned sardines, pickled mackerel and flour were also larger last year.

Our over-all exports would have been much larger had it not been for a substantial drop in sales of codfish (down \$700,000). Imports of codfish from Canada virtually ceased in the last quarter of the year as negotiations took place between Jamaican importers and Canadian suppliers on increased prices for codfish. Import controls, which have been used more and more here, also had an adverse effect on our trade last year and depressed our sales of cotton fabrics, switchgear, canned vegetables, and jewellery in particular. Products of

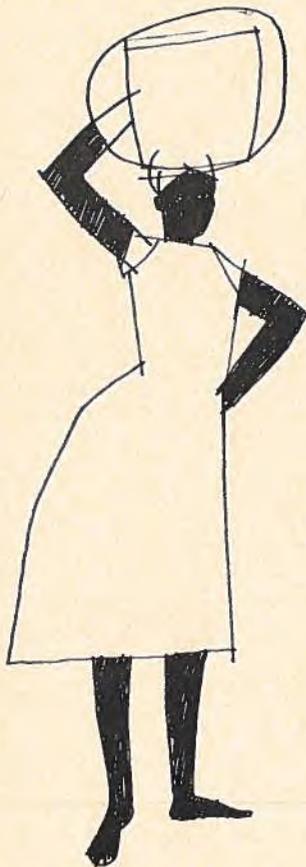
importance to Canada likely to be affected by restrictions in 1966 include ladies' hosiery (sales of this item in 1965 from Canada amounted to \$377,000), confectionery and jewellery.

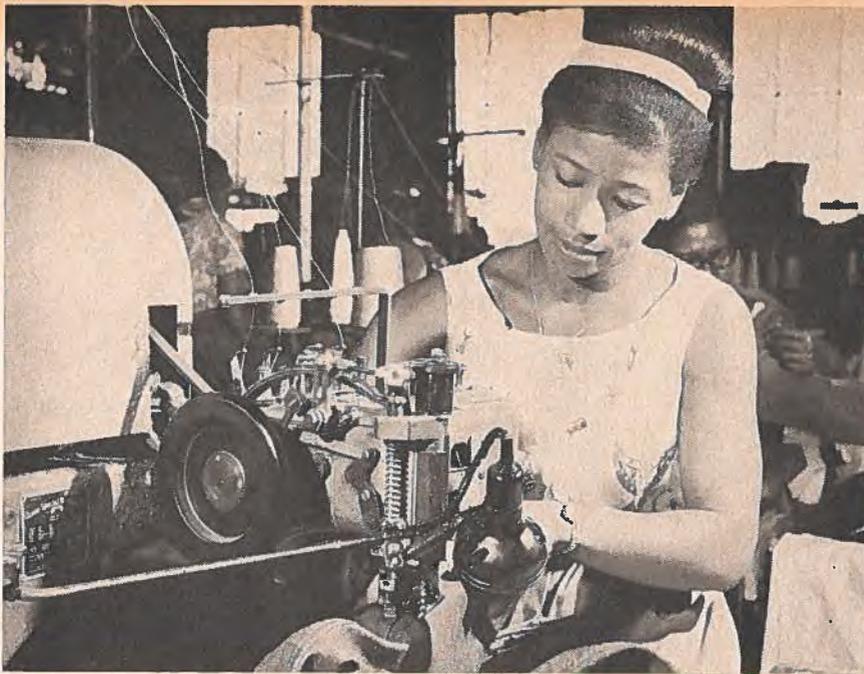
Canada's imports from Jamaica dropped in value last year from \$48 to \$36 million, almost entirely because of declines in the value of our purchases of sugar, alumina, and citrus concentrates. Nonetheless, Jamaica still had a favourable balance of trade with us in 1965, as it has had for a number of years.

### Current Sales Prospects

Prospects are good for the sale of Canadian products in Jamaica. The high level of economic activity should continue throughout this year and demand for imports will consequently remain strong. Canadian exporters enjoy a margin of preference on most items ranging from 5 to 10 per cent. Shipping services to Jamaica are adequate and the recent West-Indies/Canada Conference in Ottawa created a great deal of goodwill.

Goods that it should be possible to sell here in increasing quantities include foodstuffs, (particularly for the institutional and hotel trade), construction materials, electrical and plumbing fixtures, chemicals and chemical products, medical supplies and, most important, the material and equipment required by the growing manufacturing sector in Jamaica. In this category the following are among the fastest developing industries in this country—furniture manufacturing; food processing; manufacture of plastics, clothing, packaging and cosmetics; shoe manufacturing and manufacturing of metal products. If your company is able to supply raw materials, equipment, sub-assemblies or components for any of these industries, you might well find an outlet for your lines in Jamaica, because the island must import most of the materials and equipment its manufacturing industries need. If Canadian firms are able to establish themselves as suppliers to local factories, therefore, this could mean important and continuing business.





*In the capital, Belize, a British Honduras girl operates a machine in a clothing plant.*

## British Honduras Builds for the Future

THE twin objectives of the Government of British Honduras—complete political independence and economic viability—are nearing realization. Economic self-sufficiency as a prerequisite to independence must be derived mainly from exports of agricultural products, particularly citrus, sugar, and beef. Meanwhile, however, preparations for independent nationhood, possibly by 1968, are going forward and plans for the building of a new capital are being prepared.

Fifty miles inland from the present capital of Belize, a new city will be erected near the monuments of the ancient Mayan civilization. It will not have the grand design of Brasilia but will serve adequately as the country's administrative centre and, unlike the coastal capital of Belize, will be well protected from the hurricanes that have ravaged British Honduras frequently in the past. Construction of 70 houses for labourers and artisans and of seven houses for foremen began in June, and will provide a boost for commerce and the building trade.

The new capital will be built in two stages. Stage one will include administrative offices, schools, a hospital, post office, police and fire stations, and basic utilities and should be completed by 1970. It will cost about \$13 million, of which nearly \$11.5 million will come from British Government loans and

grants. A \$3 million British Honduras government loan fund has been allocated for housing government personnel and an estimated \$1.5 million from private sources will be needed for commercial buildings. Stage two should begin by 1970 and will provide additional facilities for an expected population of 5,000 by 1974. A technical college and additional housing, plus such amenities as a town hall and sports stadium, will be built when the money is available and the need apparent.

For the project's first phase, the Crown Agents for Overseas Governments and Administrations in London will be issuing and receiving tenders for the construction. Supplies of goods and services, however, will be restricted to companies from Britain and British Honduras, unless firms outside these two countries can show that their participation would reduce construction costs considerably. The Crown Agents have already appointed the consulting engineers to prepare designs and bidding documents for phase one, and tenders were called on the general contract in September. The main contractor, however, will not be chosen until late in December. The following British consulting engineers have contracts: Scott Wilson, Kirkpatrick & Partners, consulting civil and structural engineers, and leaders of the consortium

of engineers; Norman & Dawbarn, architects and town planners; Preece, Cardew & Rider, electrical and electronics engineers; Widnell & Trollope, quantity surveyors. Already one subcontract has been let to a Jamaican firm and presumably other firms outside of Britain and British Honduras may be considered for further engineering and construction subcontracts.

Not only is this construction about to boost the economy of British Honduras, but a recently enacted land utilization law should spur agricultural production. Of the close to two million acres of unused arable land, increasing acreages will be put into growing citrus and sugar and raising cattle. Beef cattle production is increasing and hopefully beef will achieve its expected role as a major export item. The Government's dairy herd, meanwhile, is being built up to supply a proposed dairy which will meet the needs of Belize and most of the country. A \$22.3 million program to expand sugar production is under way and the country's record 1965 sugar output of 37,300 tons is expected to be exceeded by a 42,000-ton crop in 1966. Citrus production is also rising but, as in the world sugar market, prices are low. Rice, corn, and red kidney beans are being grown for local consumption but British Honduras is still not self-sufficient in these and most other foodstuffs.

Canada traditionally supplied foodstuffs to British Honduras and should continue to sell substantial quantities of flour, soups, and canned goods. Canadian manufactured products are also selling well there and Canadian manufacturers of textiles, paper products, machinery, appliances and hardware should be able to capture a larger share of the market—a market which is growing. In 1964 imports rose 23 per cent over the previous year and with increased activity in agriculture and construction, this growth will probably be sustained. Of total 1964 imports of nearly \$25 million, however, Canada supplied only 4 per cent. The United States obtained 38 per cent of the sales, Britain 25 per cent, and the Netherlands 5 per cent.

British Honduras, although it is a relatively small market, does import a variety of products. Canadian businessmen who are interested in it should first write to our office in Kingston about the products they have available for export. We will carry out a preliminary market survey and later, if sales prospects look bright, recommend a visit to the country. This can be readily included in a sales trip to Central America or to the southern U.S., because there are frequent flights from Mexico City and Miami.

—D. I. DITTO, *Assistant Commercial Secretary, Kingston.*

# The Bahamas Are Booming

Buoyant business conditions in the islands are bringing an increase in both public and private capital projects and larger consumer spending. Canadians, if they are willing to make personal visits, can sell everything from shoes to engineering supplies.

P. HO FATT, *Commercial Assistant, Kingston, Jamaica.*

SUN, SAND AND SEA are the principal products the Bahamas have for sale and they sell these very well indeed. The tourist industry remains the most important factor in the economy and has been the main contributor to the buoyant business conditions.

## Hotel Construction

In 1965 over 720,000 tourists visited the Bahamas compared with 650,000 in 1964—an increase of 19 per cent. With the considerable growth in tourist traffic and the necessity for more accommodation, local building activities have received a great boost. In 1965 the Bahamian Government, under the Hotels Encouragement Law, concluded 19 agreements for the building of new hotels or the extension and improvement of existing ones. Since the beginning of 1965 nearly 2,000 additional hotel rooms have been built in the Bahamas—approximately 800 in Nassau and New Providence and 1,050 in Freeport, Grand Bahama Island. By the end of 1967, planners expect that at least another 1,000 rooms will be added, including 600 on Paradise Island. In addition, two schemes for

building luxury apartments in Nassau at a total cost of over \$3 million have just been announced.

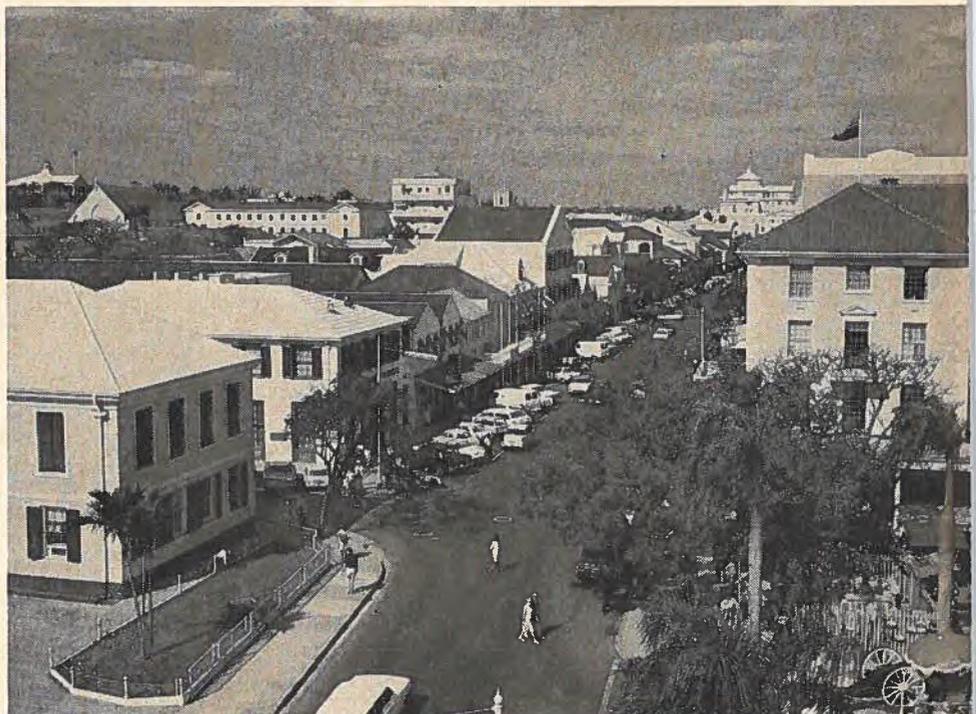
## Major Government Projects

As a result of the general increase in economic activity, government revenue in 1965 exceeded expenditure by \$6 million. Encouraged by the financial outcome of 1965 and the general confidence in the economy, the Bahamian Government has decided to implement its plans for the following three major development projects, estimated to cost a total of about \$55 million:

- A \$20 million improvement program for Nassau harbour. Financing for this project, primarily from government sources and private institutions in the United States, is completed. The contract for construction has also been signed and work is now under way.

- An expansion of the telecommunication system which is expected to cost \$31 million over the next 10 years. Negotiations for the funds for this project are already well advanced and the source of financing will no doubt determine the suppliers of equipment. A U.S. firm which has had long-standing connections with the telecommunication system in the

This is Bay Street in Nassau, where banks, government offices, and commercial establishments are grouped together. The Royal Bank of Canada is the Bahamas largest and oldest bank.



Bahamas has been appointed to provide the managerial and technical expertise for an initial period of five years. A wholly owned government corporation (the Bahamas Telecommunication Corporation), whose directors are prominent Bahamian businessmen, has now taken over the operations of the former Telecommunications Board.

• A \$5 million extension to the water distribution system. This is directly linked to the new developments on Paradise Island (see article on the Paradise Island scheme in the May 28, 1966, issue of *Foreign Trade*) and to the future building activities in New Providence. The project is now being examined by consulting engineers.

### Other Industries

Although tourism remains the major industry in the Bahamas, efforts to diversify the economy are increasing. Manufacturing is becoming important, especially in Freeport where a plant to produce furniture has just been established and construction has begun on a \$5 million pharmaceutical plant. In addition, a world-famous brand of gin will soon be produced in Freeport, primarily for export markets. In New Providence a plastic pipe factory is now in production. The internationally known firm of Bacardi has completed a rum distilling plant in Nassau, from which it is exporting to countries all over the world. Sales of rum to Canada increased from Can. \$13,000 in 1964 to Can. \$53,000 in 1965.

Agriculture is expanding in the out islands; dairy farming and poultry raising are prominent in Eleuthera. The Bahamas are expected to join the ranks of sugar-producing countries shortly as the Government has recently signed an agreement with a U.S. firm which will invest \$12 to \$14 million on the island of Abaco for the planting of sugar cane and the putting up of a refinery to produce sugar, primarily for the U.S. market.

### Canada-Bahamas Trade

Canada continues to get a fair share of the market in the Bahamas and in 1965 our sales rose to \$9.3 million from \$8.8 million in 1964. With the present high level of economic activity in the Bahamas and indications of

### LEADING CANADIAN EXPORTS TO THE BAHAMAS

	1964	1965
	(Can.\$'000)	
Automobiles and chassis	1,186	1,652
Milk, evaporated	806	766
Whisky	688	657
Wheat flour	615	657
Sausage, fresh or cured	335	390
Sugar	669	370
Trucks and chassis	188	289
Insulated wire and cable	73	212
Potatoes, fresh	109	172
Soups, canned, mixes	199	153

greater expansion, the prospects are good for increased exports from Canada to the islands. The substantial investments being made by the Government and the steady inflow of private capital should create more

favourable opportunities for Canadian firms, particularly in foodstuffs, consumer goods (such as footwear and wearing apparel), building materials, hardware, furnishings, and communications and engineering supplies and equipment.

Canadian exporters should try to visit the Bahamas more often in view of the strong competition from other countries, especially the U.S. Miami jobbers are very active in the islands and have, among other factors, the advantage of the proximity of the U.S. mainland and the overnight shipping services between Florida and the Bahamas. Canadian firms interested in selling to the Bahamas should also pay close attention to the requirements of the market. This office is willing to assist them in every possible way.



### Jamaica's Northwest Coast Gets a Face Lift

A \$30 million development scheme is planned for Jamaica's tourist centre on the northwest coast, Montego Bay. After years of discussion and plans by local and foreign businessmen, a three-stage construction program taking 12 years to complete is about to begin.

The heart and first phase of the development scheme, due to start this year and scheduled for completion by 1968, is the construction of a deep-water harbour. The project will cost some \$4 million and will entail the reclamation of 180 acres of land. In addition to the building of the harbour, the plan calls for additional port facilities to accommodate both passenger and cargo vessels of all but the very largest sizes.

The agreement to complete the first phase was recently signed between a local company, Montego Freeport Limited—a firm mainly financed by U.S. and Jamaican sources—and the Jamaican Government. The development of the project will be directed from Montego Bay.

Besides stimulating the tourist trade by providing docking facilities for cruise ships and by offering additional shops, hotels, and beaches, the planned indus-

trial complex will also help diversify the tourist and farm-oriented economy of the western part of the island. The deep-water pier will enable imports to be brought directly into Montego Bay and will eventually replace much of the overland transshipping that is now being done from Kingston.

This development should create a second major urban region in Jamaica and help to relieve population pressures in the Kingston area. Jamaicans, particularly in the western region, are hopeful about the boost the development will give to the economy and the change it will make in the face of the northwest coast.

Canadian producers of building supplies and construction equipment manufacturers should investigate the sales possibilities on this project. Specific inquiries by interested Canadian firms should be directed to the Commercial Secretary, Office of the High Commissioner for Canada, P.O. Box 225, Kingston, Jamaica.

—D. I. DITTO,  
Assistant Commercial Secretary,  
Kingston.

# Trinidad Offers a Changing Market

As local manufacturing expands, Canadian producers will find this market altering but not necessarily diminishing. Government is now taking some steps to cushion the effects of the import substitution drive on certain Canadian exports.

Independence Square in Port-of-Spain gets the modern look, with a new office building to the right and the Scotia Bank's main Eastern Caribbean branch to the left. The statue is of Capt. A. A. Cipriani, who worked for Trinidad's independence.

DAVID H. CLEMONS, *Assistant Commercial Secretary, Port-of-Spain.*

THE PACE OF DEVELOPMENT in Trinidad and Tobago slowed down last year from the rate first achieved in the late 1950's. Conscious of certain economic problems, the country is striving to overcome these and is making some progress. Among these problems are the rapid increase in population of 3 per cent a year and insufficient employment.

Production of crude oil has again begun to rise and since June of this year the yield has been a record one. In mid-year, the General Motors agent delivered the first locally assembled cars to customers here and a \$3 million BMC-Rootes-Ford assembly plant to turn out 4,000 cars per year will be started before the end of 1966. Trinidad Flour Mills began to deliver counter flour to the trade in February and now is offering high-grade bakers' flour. Packaged all-purpose flour is expected to go on sale shortly.

Output of sugar is expected to reach only 209,000 tons in 1966, compared with 226,000 in 1964 and 250,000 in 1965. The largest refinery, Usine St. Madeleine, is improving its crushing machinery at a cost of \$6 million. It will then become the largest sugar refinery in the Commonwealth,

with a production of 280,000 to 300,000 tons a year. A phased mechanization of sugar production has also been approved, though this may have a bad effect on the employment situation.

## Oil Industry Expanding

Capacity for refining oil is increasing and so is petrochemical production. Texaco Trinidad has embarked on a \$36 million expansion program for this year, \$15 million of which will be spent on drilling. Production of crude oil, however, seems to be reaching a plateau and the cost per barrel recovered is rising because of the expensive secondary methods of recovery in use. Some 60 per cent of the work force is engaged in crude oil production so that the shift away from exploration and the increased marginal cost of crude oil production will probably mean a levelling-off or a decrease in employment in this industry. The Government is looking to the building-up of industry and diversification of agriculture to take up the slack.

## Industrial Progress Stressed

Already small but encouraging gains have been made in sales of light



manufactures to neighbouring islands, especially by the garment industry. A U.S. shirt factory to employ 400 people initially is to be built within the next year. Trial shipments of shirts have already gone to Canada and attempts will be made to step up this trade substantially.

Ansa Industries, a locally financed firm, has set up a large modern factory to make refrigerators, television sets, radios, phonographs, stoves, and eventually other electrical and gas appliances. Another factory of this type on a smaller scale is in the planning stage and soon Trinidad and Tobago should be able to supply the household appliances market entirely.

### **Agriculture Has Problems**

The agricultural development program, in which Canada is participating through the Commonwealth Caribbean Assistance Program, is running into problems but is well under way. Two meat-packing plants will be built; Canadians will be participating in one of them. Pork output is going up rapidly and prospects for imports of Canadian swine are encouraging. The Industrial Development Corporation is making strong efforts to persuade a major food processor to can locally grown vegetables and to process them into soup here on the island. If this effort succeeds, it should expand local production of cash crops.

### **Tourism Needs Encouragement**

To encourage the flagging tourist industry, a harbour for cruise ships is being planned at Chaguaramas, when the U.S. naval base there closes in 1967. A large hotel with an adjacent yacht basin at Scotland Bay announced last year has made slow progress, though a major development of this sort is badly needed. Promotion tours in North America under the auspices of the Tourist Board and advertising at Expo 67 in Montreal next spring should help.

### **Financial Situation**

Last year Trinidad had one of the largest trade deficits of the last ten years. This deficit will be repeated in 1966 because of the general price rise in North America and Europe,

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### **Trinidad Changes Passport Requirements**

THE TRINIDAD GOVERNMENT has announced that, effective December 1, 1966, Canadian, United States and British tourists will have to have a valid passport to enter Trinidad and Tobago. Since 1947, these tourists have been able to enter the islands without passports or other identification papers.

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the continuing low prices for the island's major exports, and the smaller sugar crop expected. Higher prices for imports have already raised the cost of living in Trinidad and the Government has introduced price controls on a wide range of basic food products to protect lower income groups. These controls are not expected to affect the terms of trade nor imports from Canada because their objective is primarily to eliminate differences in retail markups on the island.

To maintain the development and welfare programs, the Government passed in July a much-discussed Finance Act to give it greater revenue. It provided for a tax on capital gains, a rise in the corporation tax to 44 per cent, a withholding tax on dividends accruing to non-residents of 30 per cent, plus several other adjustments and changes in business and personal taxes. An Insurance Act was also passed to formulate some much needed ground rules for companies operating in the island.

### **Canadian Sales Rising**

Canadian exports to Trinidad and Tobago rose over 23 per cent to TT\$42 million c.i.f. in 1965 (Can.-\$21.5 million f.o.b.). Canada thus held 10 per cent of the market compared with 9.3 per cent a year earlier. In the first quarter of 1966, sales increased 25.5 per cent over the first quarter of 1965. This growth rate may not be maintained but the good performance of a wide range of commodities from Canada augurs well.

Among the products making significant gains were meat, both frozen

and cured; wheat, flour, and poultry feeds; whole dried peas; mutilated newsprint, corrugated container board; inedible tallow; barytes; iron and steel welded pipes and tubes; aluminum sheet; basic hardware; pumps and pumping systems and parts; general-purpose machinery; passenger cars and trucks, tires, and washing machines. A few of these products are likely to suffer from the campaign for import substitution.

The Trinidad flour mill is expected to supply 60 to 75 per cent of the domestic market by the end of this year, and will be able to expand to 100 per cent of the market with little difficulty. Although we expect to sell the new mill some wheat, we are concerned that such sales will not offset entirely the loss of traditional flour exports. Poultry feeds also are being made locally and it may be only a matter of time before these imports too are curtailed. And once the second automobile factory comes into production the island should be virtually self-sufficient.

Consultative procedures on import restrictions designed to lessen their impact on Canadian exporters were proposed at the Canada-West Indies Conference in July. The Government of Trinidad is now formulating a quota system for selected imports which should help to alleviate the problems caused by import substitution.

### **Outlook Is Good**

There are still interesting opportunities for a wide range of Canadian products in Trinidad; almost 50 new types of products were sold there in 1965 alone. With the highest per capita income in the Caribbean outside of Puerto Rico, consumers are looking more and more for beauty products, household utensils and appliances, automobile accessories, and more expensive food products. In addition, Canada is becoming a competitive supplier of many sub-assemblies for local factories.

In short, industrialization is proceeding apace in Trinidad and although some import substitution is to be expected, there are good opportunities for Canadian exporters who remain alert to the changing requirements of consumers here. ●

# Leewards and Windwards

The economy of these islands, mainly the agricultural sector, is vulnerable to crop failures and any decreases in export sales. But the tourist trade is looking up and the opportunities for selling consumer goods continue to be promising.

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

MAJOR DEVELOPMENTS in the Leeward and Windward Islands during the past year have been mainly political. Following its decision to grant independence to Barbados, the proposed capital of a "Little Seven" federation, the British Government offered the Leeward and Windward Islands full internal self-government, headed by a Premier or Prime Minister. Under this arrangement, Britain will look after their external affairs and defence and the islands have the right to amend their constitution and to declare independence. The immediate attainment of independence by any of them, outside a Federation and without dependence upon assistance from richer countries, is very doubtful.

The signing of a Caribbean Free Trade Area Agreement (CARIFTA) by Antigua, Barbados and Guyana has more immediate trading implications, although not all the signatory governments have yet ratified it. St. Vincent has also expressed interest in becoming a member of this group but has taken no specific action. The agreement calls for freeing of trade among the members in their products (with an escape clause for countries afraid of damaging competition from another member island); prior consultation on any incentive legislation in member islands; a time-table for reduction of internal tariffs to zero by January 1, 1971, with special consideration for a list of sensitive products.

The economies of the Leeward and Windward Islands, which range in population from 14,000 to 95,000, depend mainly upon agriculture and, especially in the Virgin Islands, on

tourism. Because of the small domestic markets, development of manufacturing industries is moving forward slowly. A few of these islands still depend on grants from the British Treasury to balance their budgets.

## Agricultural Production Down

**Sugar**—Production of the 1965-66 crop in Antigua is expected to total only 7,700 tons as a result of dry weather. The two sugar factories, beset by labour problems and uneconomic operations, have decided to close down after grinding of the present crop. Production in St. Kitts fell from 38,450 tons in 1965 to 37,926 this year. In Grenada, the only other sugar-producing island, production reached approximately 800 tons.

**Bananas**—Cultivation of this crop is confined to the Windward Islands of Dominica, Grenada, St. Lucia, and St. Vincent. High winds in January/February this year damaged 20 to 25 per cent of the crop in Dominica. As a result, the January-July export figures for Dominica totalled 2.13 million stems (25,658 tons) compared with 2.32 million stems (28,321 tons) for the same period last year. Exports from the four-island group for January-July totalled 8.3 million stems (98,135 tons) as against 8.5 million stems (107,187 tons) for the same period last year.

Prices received by growers, averaging about WI4½ cents per pound, are considered fair. However, because of the possible entry into the Common market of Britain, (virtually the only buyer), and the potential loss of preferential tariff treatment, the future of the Windward Islands banana industry

appears uncertain. Other export markets are being investigated; Canada is one.

**Spices**—Grenada has benefitted from the lower production in South East Asia as shown by the large increase in nutmeg and mace exports. Nutmeg exports jumped from 12,402 cwt. (WI\$1.9 million) in 1964 to 28,533 cwt. (WI\$4.4 million) in 1965. Mace exports also increased from 2,366 cwt. (WI\$614,212) in 1964, to 3,712 cwt. (WI\$1 million) in 1965. Unfortunately, because of adverse weather, the current crop is expected to be well below that of last year.

**Arrowroot**—Production of arrowroot in the last few years in St. Vincent (the world's largest producer) has led to chronic oversupply. At the end of April this year, with grinding operations in progress, stocks on hand totalled 66,000 barrels (200 pounds each) and only 22,000 barrels were committed on forward contracts. However, production is being controlled by the Government at declining levels (1964—59,500 barrels; 1965—37,184 barrels; 1966—26,000 barrels). To increase sales and correct the oversupply, an improvement program has been undertaken. A more attractive package is being planned, plus increased advertising in the Eastern Caribbean and other markets.

**Cocoa**—1965 cocoa production in Grenada was up slightly, with exports valued at WI\$2.2 million. Production for 1966 is estimated at 80 per cent of last year's level.

**Sea Island Cotton**—With the price for cotton the highest since 1919, production has risen substantially. Unfortunately, insect infestation, competition from synthetics, and high costs

# Face Problems



This young Montserrat consumer is sampling some of the limes that grow on her native island. Bananas are the leading fruit raised but citrus also flourishes.

of harvesting pose a serious threat to the future of this crop.

## Tourist Business Encouraging

This industry continues to prosper throughout the Leeward and Windward Islands, especially in the British Virgin Islands. Construction of hotels and retirement homes continues to increase. Airports in St. Lucia, Antigua and Montserrat are being improved and extended to handle jet aircraft in an effort to increase their share of the tourist income.

## Development Projects Mushrooming

An 11,000 barrel-a-day oil refinery in Antigua, owned by West Indies Oil Co. Ltd., should be completed next month. In the meantime, an increasing number of ships are already making use of a bunkering service introduced by the company at its marine terminal in mid-March this year.

In Dominica, a factory producing refined coconut oil began operation in March and laundry soap will shortly be produced. A small poultry feed mill with a capacity of 1,500 tons a year currently under construction is expected to go into operation in November/December. The mining of pumace under Pioneer Industry Status was also begun earlier this year by the Dominica Mining Company and it is being shipped via Puerto Rico to the U.S. The company intends to construct later a permanent jetty for shipments to the United States.

St. Vincent is also planning to produce coconut oil from copra next year and laundry soap somewhat later. In St. Lucia, a milk reconstituting plant with a capacity of 600 gallons per day went into operation at the end of May.

## Trade with Canada Good

Canadian exports to the Leeward and Windward Islands increased by only \$51,000 in 1965 to a total of Can.\$8.0 million. Flour is still the largest single item, with shipments valued at \$2.3 million. Salt fish worth

TABLE I  
PRINCIPAL CANADIAN EXPORTS TO LEEWARD  
& WINDWARD ISLANDS

	1962	1963	1964	1965
	(Can. \$ '000 f.o.b.)			
Wheat flour, n.e.s.	1,824	1,993	2,280	2,301
Salt fish	954	1,130	1,113	1,190
Lumber	450	447	533	441
Passenger autos and chassis	46	78	139	252
Bedsprings, mattresses and furniture (all types) .....	107	107	202	230
Canned sardines	138	124	198	214
Sugar n.e.s.	77	292	321	194
Poultry feeds	69	83	164	182
Skim milk powder .....	86	86	73	148
Passenger car, truck and bus tires	14	51	110	121
Broad-woven fabrics, cotton, n.e.s.	127	79	131	97
Boots and shoes, women's and children's, last-made	56	92	136	96

Can.\$1.2 million is second and lumber at \$441,000 is third. Passenger cars jumped to fourth place in 1965, at \$252,000. Sales of women's and children's shoes declined, partly because of competition from Britain, from \$136,000 in 1964 to \$96,000 in 1965. Broad-woven cotton fabrics also dropped from \$131,000 to \$97,000. Table I shows changes in sales of our major commodities between 1964 and 1965.

### Difficult Times Ahead?

Because of crop failure or want of markets, the Leeward and Windward Islands may be headed towards more

difficult times. It is hoped, however, that the increasing income from an expanding tourist industry will offset the major part of any loss. No significant drop in Canadian sales to the islands is anticipated.

Canada has always been looked upon by the Leeward and Windward Islands as a "big brother". And since the successful conference recently held in Ottawa, there is an even greater awareness of Canada's part and interest in their aid program and problems. This has created a genuine feeling of friendliness towards Canada and Canadians. This goodwill helps in maintaining and increasing

Canadian market penetration in these islands and Canadian manufacturers might consider taking advantage of this favourable climate for business.

Usually, any consumer product which is being exported to the more wealthy neighbouring territory of Trinidad can also be sold in the Leeward and Windward Islands. If you are now selling to Trinidad, why not examine sales possibilities for your products in the islands? K. G. Ramsay, Commercial Counsellor, P.O. Box 1246, Port-of-Spain, Trinidad, will be pleased to assess potential for you and to advise the most effective method of penetrating the market. ●



## Canadian Holsteins Lead the Way

CANADIAN HOLSTEIN FRIESIAN cattle have been successfully introduced to another export market—Barbados.

Dairying is not new to this Caribbean island, but it has always been on a relatively small scale with very limited distribution. However, increasing world pressure on sugar producers caused by the present low world price and pessimistic outlook has led the Barbados Government to intensify its program of agricultural diversification. Dairying is its first major effort.

This island is fortunate because its sugar holdings are in small units and thus there are many planters with enough capital and land to consider the establishment of dairy herds. Where sugar is grown on plantations (as it is in many Latin American and Caribbean countries), the number of potential investors with sufficient management capability, capital and land to undertake this business is severely limited.

The Department of Trade and Commerce sponsored a visit to Canada by seven representatives of Caribbean islands—including Barbados—in 1965. As a direct result, 126 head of Canadian Holstein-Friesian cattle were purchased by the Barbados Ministry of Agriculture in that year. These animals were sold to individual planters whose cash crop of sugar had been letting them down and who had marginal land they were willing to turn over to this experimental

project. Some animals are also kept at the Government Livestock Station.

Early indications of the production which could be expected from the Canadian cattle under Barbados conditions were highly favourable, and interest among planters in Barbados has been growing rapidly.

In March 1966, a price was fixed for top-quality milk in Barbados which enabled farmers to consider dairying as a serious business and a worthwhile alternative to sugar.

The market for locally produced milk in Barbados is remarkably strong, despite the low per capita income. The tourist industry and supermarkets are expected to be large consumers of fresh pasteurized milk, but reconstituting fluid milk from imported powder and butter oil will be necessary for some time while local production of milk rises.

The Government of Barbados has formed an Agricultural Development Corporation to lead the way in creating a diversified and economically viable agricultural economy for the island. Planners foresee an efficient dairy farm of approximately 240 head, together with pig rearing, fruit and vegetable growing, and possibly feed processing, using local substitutes for imported grains. Plans for the purchase of Canadian Holstein cattle have already been made by the Corporation and officials

of the Department of Trade and Commerce are following the matter up closely.

In addition to the market for live cattle and perhaps feed pre-mixes for the burgeoning dairy feed industry, there is a market for frozen semen for artificial insemination. The Ministry of Agriculture of Barbados has been examining the semen question with Canadian exporters and it is expected that buying arrangements will be made shortly. Equipment for dairy farms and milk handling will be required as the industry grows and Canadian manufacturers would be wise to appoint suitable representatives immediately.

This successful approach to the Barbados market must be viewed as part of a new trend in Canadian trading relations with the Caribbean. These islands have expressed their need to develop and to industrialize, and Canada has recognized their need in its offers of assistance presented at the recently concluded Canada/West Indies Conference. It is inevitable that with the industrial development of these islands, the market for many finished products will diminish as import substitution takes place. Canadians must gain a firm foothold now through the provision of equipment, raw materials and breeding stock in order not to lose our share of these growing markets in the future.

—DAVID H. CLEMONS, *Acting Commercial Secretary, Port of Spain.*

# Barbados Makes a Strong Start

At the end of November, this small island becomes independent. Drive to decrease dependence on sugar, diversify agriculture, build up industry, and increase tourist trade promises well for future.

DAVID H. CLEMONS, *Assistant Commercial Secretary, Port-of-Spain.*

BARBADOS, the fourth country to achieve independence in the British Caribbean, looks like a strong starter. Its phenomenal annual growth rate, averaging 12½ per cent for 1960 to 1965, has resulted from several factors, outlined below.

The staple crop of the island throughout its history, sugar, still earns the largest share of its foreign exchange—WI\$33 million in 1965, but expected to be lower in 1966. Because it is the largest employer, the bonus wage system, coupled with recent low world prices (which are expected to continue) has spelled weakness in low-income consumer demand. Nevertheless, the industry survives and will provide the basis of the economy for many years to come.

Many planters have turned marginal lands over to livestock, chiefly cattle but also pigs, in response to a government drive. The new Pine Hill dairy started accepting 600 gallons of fresh milk per day early this year and will raise that amount as supply warrants. Canada is the island's major supplier of purebred cattle; 45 head were delivered recently (126 in 1965) and continuing sales of cattle and possibly frozen semen are in prospect. (See article on page 18.) Although there is no meat packing, butchers are carrying on a growing business and meat imports may be affected. Trial shipments of pawpaw, canteloupe and avocado to New York and to Canada have been made to assess



The outdoor pottery market near Chamberlain Bridge, Barbados, is supplied by local craftsmen.

the island's export potential in these fruits.

### Industry Expands Slowly

With no resources to speak of, Barbados must concentrate on a narrow range of manufacturing establishments. It has attained a good deal of success, apparently because of an easily-trained work force. A United States shoe manufacturer established there will start exporting one or two styles of men's and women's loafers to the mainland this year, taking advantage of the low labour costs in Barbados. Firms making men's, women's and children's outerwear, sleepwear, and underwear have had surprising success in exports to the neighbouring islands and cannot produce enough to fill the demand. Other plants making furniture, aluminum doors, windows and store fronts, garden hose, and other products have found buyers.

### Tourist Trade Vital

By far the most impressive growth has been in the tourist trade (up 18.8 per cent in 1965) and this is expected to continue for some time. The number of visitors rose from 40,515 in 1960 to 88,188 in 1965 and the early part of 1966 also showed a rise over the similar period of 1965. The summer season was particularly good last year, with visitors in July only three fewer than in February. Over 15,000 Canadians were included in the 88,000 visitors in 1965—a gain of 39 per cent.

To ensure the growth of this industry the Premier, accompanied by representatives from the Tourist Board and the Development Board, toured Canada and the United States in January. Then Bonanza '66—a lengthy promotion tour of Canada made by several Board members, airline representatives, tour operators and manufacturers—took place in March, shortly after a brief U.S. tour by Tourist Board officials. The Tourist Board has hired a consultant to look into the island's hotels, assess their efficiency and recommend improved procedures.

### Imports Rising Fast

Imports into Barbados continue to expand rapidly. In 1965 they totalled

WI\$114.1 million c.i.f. (provisional) compared with WI\$108.9 million in 1964. First-quarter 1966 imports were up almost 16 per cent over the same period in 1965. Aside from continuing growth of imports of food and manufactured goods (partly for sale to tourists), the rapidly increasing imports of building materials reflect the quickening development of the island. Cement imports rose from 461,000 cwt. in 1961 to 500,000 in 1964 and 633,000 in 1965. Imports of bricks and tiles increased from 51,500 dozen in 1961 to 58,000 in 1964 and 90,800 in 1965. Because cement-faced hollow clay tile or cement block walls are the most common type of construction, these figures show clearly the rapid rise in the building of hotels and other commercial structures.

TABLE I  
IMPORTS INTO BARBADOS  
(by SITC sections)

	1964	1965
	(WI\$'000)	
Food	29,031	31,721 <sup>P</sup>
Beverages and tobacco	2,129	2,105 <sup>P</sup>
Raw materials	3,546	3,960 <sup>P</sup>
Mineral oils	11,271	11,198 <sup>P</sup>
Other oils and fats	568	805 <sup>P</sup>
Chemicals	8,576	8,152
Manufactures classified by materials	20,948	22,888 <sup>P</sup>
Machinery and equipment	18,069	18,816 <sup>P</sup>
Miscellaneous manufactures	10,976	11,249 <sup>P</sup>
Miscellaneous transactions	3,760	3,966 <sup>P</sup>
<b>Total Imports</b>	<b>108,874</b>	<b>114,856<sup>P</sup></b>

<sup>P</sup> Provisional.

TABLE II  
LEADING CANADIAN EXPORTS  
TO BARBADOS

	1964	1965
	(Can.\$'000)	
Lumber	335	572
Wheat flour	401	463
Fancy meats, cured	437	408
Cod, salted	17	381
Sardines, canned	223	274
Beef, cured	133	235
Poultry feeds	69	190
Broad-woven fabrics	187	178
Footwear	232	144
Tallow, inedible	74	119

DBS figures.

Barbados is encountering some problems in balancing its external accounts. Rapid increases in imports have led to a large deficit on the balance of trade of WI\$50.4 million in 1965. Although earnings from tourists went some distance to cover this deficit (accurate statistics not available), imports of capital have been necessary to balance the external account. But Barbados will need to take care that the external account does not get out of line, especially with the fluctuations which can be expected in its major exports.

### Trade with Canada

Canadian sales to Barbados fell slightly in 1965 (Can.\$6.8 million f.o.b. 1965 from Can. \$6.9 million f.o.b. 1964). Smaller sales of canned salmon, potatoes, cornmeal and flour, salted cod, lumber, and particularly refined sugar (from Can.\$129,357 in 1964 to only \$8,567 in 1965) were mainly responsible for this loss. Some lines of garments and furniture also suffered because of competition from Barbados manufacturers.

Purebred cattle, cured beef, sardines, flour, poultry feeds, inedible tallow and insulated wire and cable were among the products with increased sales. These were not large enough to counter the losses, however. In 1964, moreover, Barbados made a number of non-recurring purchases of large equipment. Recent attempts have been made to sell hotel furnishings and builders' hardware but the drive for import substitution, coupled with the use of British standards and stiff competition, continues to hamper Canadian sales. Some new food lines have been introduced.

### Trade Prospects

The outlook in Barbados is, on the whole, promising. Although 1965 brought some setbacks, only those resulting from greater domestic manufacturing can be considered permanent. The failure of the Barbados lumber mill should increase our sales of lumber substantially and the influx of more tourists cannot but help our sales of all products.

The establishment of a flour mill is being considered. This is causing some concern in Canada because of the ef-

fect on our flour sales of \$460,000 in 1965. We can, however, expect to provide some of the wheat that the new mill will need.

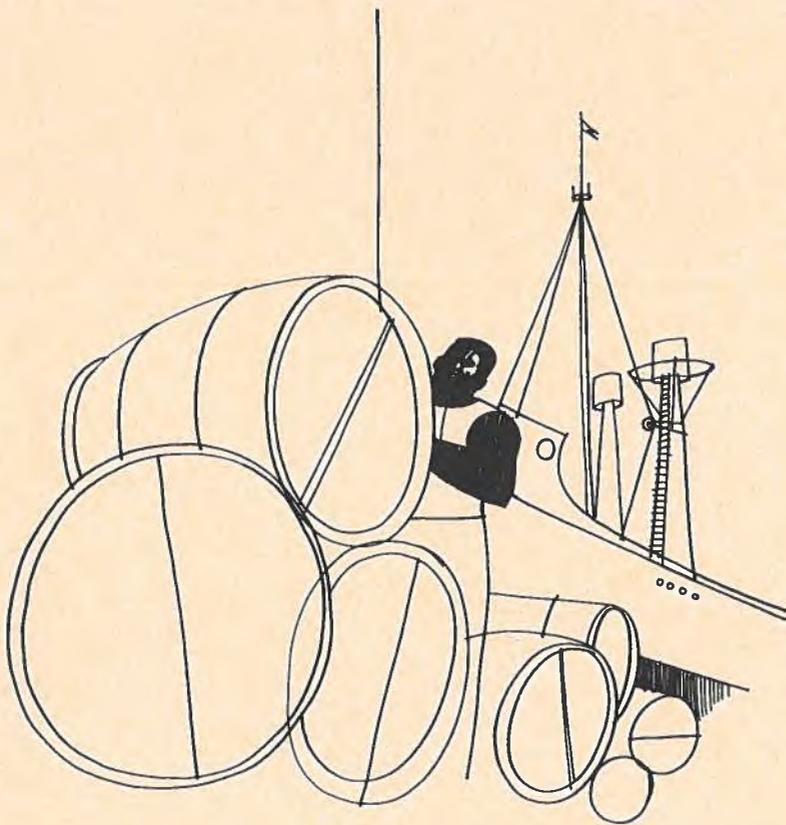
Canadians have had little success to date in supplying raw materials to Barbados industry but this situation may change. Strong efforts are being

put forth to get Canadian standards for building products and electrical materials accepted and a few breakthroughs have already been made.

If you feel your product might sell in this market, why not arrange a short holiday in the sun this winter? The Trade Commissioner in Trinidad

will be glad to make appropriate contacts on your behalf, which you can follow through. Alternatively, descriptive literature and c.i.f. prices would help him in a direct approach by mail to prospective agents and make possible a frank assessment of the potential of your product. ●

## Selling Consumer Goods in the West Indies



CANADIAN SALES of a wide variety of small household articles to the Eastern Caribbean are rising impressively. Small kitchen appliances, plasticware, cleaning and polishing preparations and beauty products are finding more customers than ever before, and Canada is sharing in this expanding market, partly because it benefits from Commonwealth preference.

Reasons for the rise in consumption include an expanding population, a steadily rising per capita disposable income, and the influx of U.S. advertising through television and imported magazines.

Within the last few years the Eastern Caribbean countries of Trinidad and Tobago, Barbados and Guyana have become style and fashion conscious, creating greater demand for all beauty products. A Canadian brand of hair spray has captured the largest share of the Trinidadian market only three years after its introduction. Canadian costume jewellery, cosmetics and hair accessories are popular, with 1965 sales totalling \$192,274, up 14 per cent over the previous year.

Other successful Canadian products in this area are household cleaning and polishing preparations with sales of \$131,346 in 1965, (up 18 per cent over 1964), bedding, including blankets and bedspreads, \$115,105 (up 11 per cent) and tablecloths, washcloths, etc., \$52,983 (up 36 per cent). Much greater demand for Canadian plasticware as well as blister-packed and racked merchandise has resulted from the introduction of non-food items into supermarkets.

Competition in many fields will increase as the area develops import substitution industries. The Canadian appliance and electrical equipment industries are already feeling this pressure, but many have switched from the sale of end products to components and to manufacturing under licence. However, there is still a large potential for selling those consumer goods not suited to small-scale manufacturing. ●

Over 500 ships a year from all over the world sail up the Demerara River to dock at Mackenzie, site of the Demerara Bauxite Company Ltd.'s facilities in Guyana. The company is prepared to build a local smelter if it can find cheap power.



## Guyana Is Expanding Rapidly

Imports from Canada increased by 9 per cent in 1965, with salted fish, split peas and canned sardines topping our export list. With its plans to develop the mineral and forest resources, Guyana's future looks bright. Canada, Britain and the United States are contributing to its development program.

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

ON MAY 26, 1966, British Guiana achieved independence as Guyana—Land of Water—and elected to stay within the British Commonwealth. Politically, the country has advanced rapidly during the past two years under the Burnham Government and has achieved a seat in the United Nations. The two major races—Negroes and Indians—are living in peaceful coexistence, and trade ap-

pears to have recovered from the disturbances of 1962 and 1963. With its vast potential in minerals and forest resources, Guyana looks forward to a bright future.

### Current Development Aid

The United States, Canada and Britain are assisting in the development of Guyana with grants, soft loans and technical assistance. The

United Nations through its Special Development Fund is also contributing substantially and has already undertaken two surveys costing over Can.\$3 million. One survey will attempt to determine the extent and nature of the forests and will study and make recommendations on timber extraction and marketing and feasible forest product industries. The second survey covers hydroelectric power development and will determine the feasibility of installations on the Demerara and Mazaruni Rivers.

Construction of the U.S.-financed 50-mile Atkinson-Mackenzie Highway, resurfacing of Atkinson airfield, and construction of a new terminal building costing over Can.\$10 million are also under way. It was announced recently that the United States has agreed to hand over its air and naval bases, leased in 1941. As a result, Guyana expects to receive further financial assistance from this source.

The telecommunications system is also receiving attention and a program which would link Guyana with the rest of the world in two years at a cost of Can.\$2.5 million is expected to start shortly.

Under the Commonwealth Caribbean Assistance Program, Canada is also supplying roadbuilding equipment costing Can.\$500,000 and for the fiscal year 1966-67 is contributing Can.\$2 million for technical assistance, capital assistance to the University of Guyana, aid to the New Amsterdam vocational school, provision of a twin Otter aircraft, and participation in a topographical survey. Canada has also agreed to provide the university with Can.\$1 million in grants over three years.

### **New Development Plan**

Earlier this year, the House of Assembly approved a Seven Year Development Plan prepared by United Nations personnel. It calls for a total investment of Can.\$180 million, beginning in 1966, of which \$150 million is to come from grants and loans and the remainder through the local sale of government securities. This investment will be aimed at promoting economic development through making untapped resources accessible and creating a suitable infrastructure on which private and public enterprise can build.

### **Exploiting Mineral Resources**

Bauxite and alumina are the chief dollar-earners for Guyana and in 1965, it is estimated, accounted for over 18 per cent of the Can.\$206 million Gross Domestic Product. In 1965 exports of dried bauxite jumped to 881,240 long tons from 532,900 tons in 1964. Exports of calcined bauxite also increased to 485,953 tons in 1965 from 462,982 tons the

previous year. Exports of alumina, however, dropped slightly to 274,662 tons in 1965 from 291,575 tons in 1964. Export figures for January-May 1966 show that dried bauxite (418,624 tons) is up 45 per cent and calcined bauxite (207,623 tons) up 4 per cent over the corresponding period in 1965. January-May 1966 exports of alumina, at 125,391 tons, increased by only three tons over the corresponding period in 1965.

To step up its production of bauxite further, Demerara Bauxite Co. Ltd. is currently expanding its facilities at a cost of nearly Can.\$23 million. Reynolds Metal Company, the other bauxite producer, is constructing a new calcined bauxite plant with a rated capacity of 400 tons per day. It should be in operation in January 1967.

One of the world's largest producers of bauxite, Guyana is hopeful that enough cheap hydroelectric power can be developed to allow an aluminum smelter to be established. Demerara Bauxite Company, Alcan's subsidiary, has already indicated its willingness to establish a smelter, provided a cheap source of electricity is found.

### **New Industries Established**

In July a canning and packing company with a capital investment of Can.\$60,000 commenced operations. This firm plans to produce canned fruits, vegetables, pickles and fruit juices, curried and stewed beef, pineapple jam and mango slices, plus chicken and pork products at a later stage. During the year, pioneer industry status was also granted to firms manufacturing glass containers, beds and mattresses, toilet paper, and other consumer products. Several of these plants are already functioning.

### **Sugar Crop Vital**

Sugar is Guyana's second largest export. Production, which rose to 309,445 tons in 1965, dropped by 5,000 tons this year and it is estimated that there will be some 291,900 tons available for export. For the period January-November 1965, some 267,000 tons of sugar were exported compared with 235,000 tons for the whole of 1964. Because of the prevailing low world price for sugar, however, earnings totalled only Can.

\$27.3 million as against \$37.8 million for 1965. Canada, the second largest buyer of sugar from Guyana, purchased 93,411 tons in the period January-October 1965 and it is hoped that the proposed removal of the 29 cent duty per 100 pounds as a result of the recent Canada-West Indies Conference in Ottawa will help this industry.

Rum production, an important by-product of the sugar industry, is also increasing. In 1965, 3.64 million proof gallons were distilled, representing a 20 per cent increase over the previous year.

### **Other Crops and Cattle**

The diversification of crops and the expansion of the beef cattle industry are also receiving government attention. Experimental lime and orange growing in a 450-acre plot on the Mabaruma Hills is proving successful and may lead to the cultivation of citrus in the Northwest District. Last year, 1,600 barrels of limes and 100,000 oranges were reaped from this experimental planting. Coconut cultivation is being encouraged and in January-March more than 81,600 seedlings were distributed. In 1965 production of copra reached 4,636 tons. Guyana is a net importer of edible oil and it is hoped that in time oil produced from copra will supplant imports. The experimental thousand-acre banana project by the Government and Elders & Fyfe is also making good progress, with trees reported to be in good condition. This crop is expected to be reaped early in the new year.

The vast Rupununi Savannah in the interior of Guyana is home to large herds of beef cattle and the recently established Rupununi Development Co. plans to graze about 2,000 head of stock on an area of about 200 square miles on the border between Surinam and Brazil.

### **Imports are Rising**

Imports into Guyana are rising steadily and reached a high of Can.\$94.4 million in 1964. For the first ten months in 1965, imports totalled Can.\$87.4 million, an increase of approximately 14 per cent over the \$77.7 million during the corresponding period in 1964. However, mainly as a

result of the low world price for sugar, the value of exports is declining. In 1963, they reached a high of Can.\$110.1 million but dropped to Can.\$102.6 million in 1964 and for the first ten months in 1965 totalled \$81.3 million. For January-October 1965, Guyana had an adverse balance of trade of Can.\$6 million, compared with a surplus of Can.\$700,000 in the ten months of the previous year. It should be borne in mind, however, that Guyana's imports are reported on a c.i.f. basis and exports on an f.o.b. basis.

### Imports from Canada Up

Canada's exports to Guyana in 1965 totalled Can.\$7.750 million, representing an increase of Can.\$635,000 or 9 per cent over 1964 figures. Substantial gains were made in cured beef, split peas, canned tomato juice, knitted fabrics and refrigerators, but we lost on salted fish, onions, tobacco, newsprint, and mining and quarrying machinery. Our principal exports in 1965 were salted fish, split peas and canned sardines. (See Table I.)

TABLE I  
WHAT CANADA SELLS TO GUYANA

	1964	1965
	(Can. \$ f.o.b.)	
Salted fish	642,756	596,413
Peas, split, dried	377,297	410,081
Sardines, canned	256,543	296,200
Beef, cured, including salted	35,748	211,159
Knitted fabrics	73,896	193,440
Broad woven fabrics, cotton n.e.s.	105,575	167,604
Fancy meats (edible offal), cured	136,476	152,619
Newsprint paper	190,185	150,142
Mining-quarrying machinery and parts n.e.s.	464,971	140,970
Refrigerators & freezers household size	33,528	134,788
Lumber, white pine	99,594	134,113
Wheat flour n.e.s.	100,122	132,073

Source: DBS.

As a result of increasing industrial development and greater government expenditure, production in Guyana has been rising over the past two

years by about 8 per cent a year. The gross domestic product at factor cost in 1963, 1964 and 1965 was estimated at Can.\$174.7 million, \$190.1 million and \$205.9 million respectively. Per capita income is also rising and is estimated at Can.\$270.

Guyana, with its improving economy, is an interesting market with excellent potential for forward-looking Canadian manufacturers and exporters. A visit there could well result in continuing and worthwhile export business. ●

## Reading Up on the Commonwealth Caribbean?

YOU may find these books and articles helpful in broadening your knowledge of the area. Please note that *Foreign Trade* unfortunately cannot undertake to supply any of these books or copies of the articles mentioned. We suggest that you try the public library.

### Books—General

Demas, W. G. *The Economics of Development in Small Countries*, with special reference to the Caribbean. (Keith Allard Lectures, Series 1.) Montreal, 1965. 150 pp.

Fodor's *Guide to the Caribbean, Bahamas and Bermuda*. New York, 1966. 600 pp.

Thomas Skinner & Sons. *West Indies and Caribbean Year Book 1966*. London, 1966. 1,009 pp.

United States, Department of State. *Islands of the Caribbean*, Geographic report No. 9. Washington, 1965. 26 pp.

Great Britain, Colonial Office. *Proposals for a Federation of East Caribbean Territories*; documents published. London, 1965. 35 pp.

United States, Economic Research Service. *Summary and Evaluation of Jamaica, Trinidad and Tobago, Leeward and Windward Islands, Barbados and British Guiana*: projected levels of demand, supply and imports of agricultural products to 1975. Washington, 1966. 50 pp.

### Articles—General

*West Indies*. Feature Report. *Financial Post*, December 4, 1965.

*Hand across the Gulf Stream—Canada and the Caribbean*. *The Economist*, July 23, 1966.

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*U.S. Mission Reports from Caribbean on Guyana, Surinam, Netherlands Antilles*. *International Commerce*, June 13, 1966.

### Bahamas

Etienne Dupuch Jr. and S. J. Perfetti, *Bahamas Handbook and Businessman's Annual*. Sixth Edition. Nassau, 1966. 550 pp.

*The Bahamas—a Challenge to British Exporters*. *Board of Trade Journal*, July 29, 1966.

### Barbados, Leewards and Windwards

*Supplement on Barbados, Leeward and Windward Islands*. *The Times*, London, February 7, 1966. viii pp.

### Guyana

*British Guiana*. The Chase Manhattan Bank. New York, 1965. 8 pp.

*Guyana, a Special Survey*. *Financial Times*, London, May 26, 1966.

### Jamaica

Jamaica, Central Planning Unit. *Economic Survey*, 1965. Kingston, 1966. 112 pp.

*Supplement on Jamaica*, *The Times*, London, February 21, 1966. viii pp.

### Trinidad and Tobago

*The Trinidad and Tobago Year Book, 1964/65*. Port-of-Spain, 1965. 474 pp.

O'Halloran, J. H. *Trinidad and Tobago*. *International Trade Forum*, December 1965.

*Trinidad's Economy Expands Moderately*. *International Commerce*, May 2, 1966.

*Basic Data on the Economy of Trinidad and Tobago*. U.S. Department of Commerce, Overseas Business Reports. December 1965. ●

## Shipping Services from Canada to the Commonwealth Caribbean

TO:	From Pacific Coast	From Great Lakes	From St. Lawrence and Atlantic
<b>BAHAMAS</b>		Canada West Indies Reefer Line <i>(Protos Shipping Ltd., Toronto)</i>	Canada West Indies Reefer Line, <i>(Protos Shipping (Quebec) Ltd., Montreal)</i>  Saguenay Shipping Ltd., <i>(Saguenay Shipping Ltd., Montreal, Halifax; A. O. Minshall Co. Ltd., Toronto, Hamilton)</i>
<b>BARBADOS</b>		Great Lakes Transcaribbean Line <i>(Protos Shipping Ltd., Toronto)</i>	Booth Line <i>(March Shipping Agency Ltd., Montreal, Toronto, Hamilton)</i>  Great Lakes Transcaribbean Line <i>(Protos Shipping (Quebec) Ltd., Montreal)</i>  Royal Netherlands Steamship Co., <i>(Montreal Shipping Company Ltd., Montreal, Toronto, Halifax)</i>  Venezuela Line <i>(Montreal Shipping Co. Ltd., Montreal, Toronto, Halifax)</i>  Saguenay Shipping Limited,
<b>BRITISH HONDURAS</b>	"K" Line <i>(Johnston Walton Steamship Ltd., Vancouver)</i>		Canada Jamaica Line <i>(Kerr Steamships Limited, Montreal, Toronto, Halifax, Saint John)</i>
<b>GUYANA</b>			Booth Line  Saguenay Shipping Limited
<b>JAMAICA</b>	"K" Line  Grace Line <i>(C. Gardner Johnston Ltd., Vancouver)</i>	Great Lakes Transcaribbean Line  Saguenay Shipping Limited <i>(A. O. Minshall Co. Ltd., Toronto, Hamilton)</i>  Canada West Indies Reefer Line	Canada Jamaica Line  Great Lakes Transcaribbean Line Canada West Indies Reefer Line Saguenay Shipping Limited
<b>LEEWARD AND WINDWARD ISLANDS</b>			Saguenay Shipping Limited
<b>TRINIDAD AND TOBAGO</b>	"K" Line  Grace Line	Great Lakes Transcaribbean Line	Booth Line  Great Lakes Transcaribbean Line Royal Netherlands Steamship Co.  Venezuela Line  Saguenay Shipping Limited.

# Ireland's Pulp and Paper Industry

Five plants today turn out many types of paper and paperboard; newsprint is still largely imported from Canada and Finland. So is chemical pulp; Canada also shares in this market.

TABLE I  
REPUBLIC OF IRELAND IMPORTS OF NEWSPRINT

From	1963		1964		1965	
	Quantity (Cwt.)	Value £	Quantity (Cwt.)	Value £	Quantity (Cwt.)	Value £
Britain	45,841	135,519	23,076	67,133	11,298	33,237
Northern Ireland	429	740	.....	.....	.....	.....
Norway	3,299	9,538	2,364	6,246	16,857	43,112
West Germany	1	8	.....	.....	394	1,010
Austria	389	1,385	.....	.....	776	2,823
Sweden	95,478	255,000	114,714	295,637	102,711	266,776
East Germany	1,064	2,699	.....	.....	.....	.....
Finland	307,974	810,182	366,658	935,112	328,293	844,798
Canada	243,604	678,372	284,133	799,252	215,376	578,019
<b>Total</b>	<b>698,079</b>	<b>1,893,443</b>	<b>790,945</b>	<b>2,103,380</b>	<b>675,705</b>	<b>1,769,775</b>

TABLE II  
SULPHITE PULP IMPORTS

From	1965	
	Quantity (Cwt.)	Value £
Denmark	472	745
Norway	20,860	49,801
Sweden	38,843	101,590
Finland	43,258	112,330
United States	466	1,445
Canada	15,040	35,896
<b>Total</b>	<b>118,939</b>	<b>301,807</b>

SULPHATE PULP IMPORTS

From	Quantity (Cwt.)	Value £
Norway	24,484	79,667
France	6,420	16,422
Sweden	282,810	712,025
Portugal	11,000	28,599
Spain	2,000	4,130
Finland	85,846	220,201
Basutoland, Bechuanaland and Swaziland	16,081	35,378
United States	36,563	92,286
Canada	4,973	12,771
<b>Total</b>	<b>470,177</b>	<b>1,201,479</b>

W. G. HUXTABLE,  
*Commercial Secretary, Dublin.*

IRELAND had at the beginning of this century five pulp and paper mills in operation. Competition from imported papers, particularly British, had closed down a number of others established earlier. To counter this, the Irish Government in the 1930's adopted a protectionist policy and this is credited with stimulating the modernization and expansion of three of the older mills and the establishment of two new ones. These five today constitute the Irish paper and paperboard production industry. They are:

**Clondalkin Paper Mills Limited**—Products: groundwood (mechanical) pulp; wrapping and bag papers, printing (including newsprint) and writing papers; wallpaper base and manila envelope papers; waxing base. Fibrous raw materials: chemical pulps (imported) and groundwood pulp.

**Swift Brook Paper Mills Limited**—Products: mainly fine papers, including writing, bond and ledger papers and also printing papers. Fibrous raw materials: chemical pulps (imported).

**Kilcenn National Paper Mills Limited** (two mills)—Products; coarser wrapping and bag papers, fluting medium, and seventeen classes of paperboard, boxes and paper bags. Fibrous raw materials: waste paper and (imported) chemical pulps.

**Jefferson Smurfit and Sons Limited**—Products: four classes of paperboard; boxes. Fibrous raw materials: waste paper.

Though it was an Irish-Canadian, Charles Fenerty of Sackville, New Brunswick, who is considered to have discovered in 1844 the first practicable method of making paper from

groundwood pulp, the production of mechanical wood pulp was not undertaken in Ireland until 1956. The 12,000 long tons of groundwood pulp made annually by Clondalkin Paper Mills Limited using native timber goes almost entirely to newsprint production. Irish-made newsprint supplies about one quarter of total consumption. Canada is the second most important offshore supplier, ranking after Finland (See Table I.)

### Chemical Pulp Imported

The industry still imports all of its chemical pulp and other raw materials such as dyestuffs, sizing and loading. Imports of chemical pulp dropped in 1965 because of a pro-

longed printing industry strike, but this year should total about 40,000 long tons, one-third higher than ten years ago. Sulphite and sulphate pulp imports for 1965 are shown in Table II.

The Irish industry supplies all of the writing, bag and wrapping papers and the bulk of the paperboard consumed here, plus most of the paper for wallpaper and the board for plaster board. About half of the printing papers, other than newsprint, used are Irish made and an important export trade has developed in wrapping papers and board and in finished containers. Most of the newsprint is, however, still imported. The board manufacturers operate integrated con-

tainer-making plants which consume a portion of their output.

For many years the Irish Government has been adding to the size and plantings of state-owned forests. The wooded and planted areas in the state-owned forests now exceed 400,000 acres and have been increased in recent years by about 25,000 acres per year. In addition, there are several large (by Irish standards) privately owned woods and plantations. An inventory has been made and a Canadian consulting engineering firm is currently studying it to determine the best policy for development and exploitation, reconciling the interests of sawmillers and of the paper industry. ●



## Trade Commissioners on Tour

### Temporary Duty in Ottawa

*The following officers will be on temporary duty in Ottawa. Anyone who wishes to see them should contact the Trade Commissioner Service, phone: 992-9930.*

**R. D. Lee**, Assistant Commercial Secretary in Karachi, Pakistan, December 20-January 3. Mr. Lee will be posted to Philadelphia as Vice Consul and Assistant Trade Commissioner.

**J. H. Nelson**, Commercial Secretary in Guatemala City, November 28-December 9. Mr. Nelson will be posted to Liverpool, England, as Trade Commissioner.

### In Territory

**Afghanistan**—W. J. Jenkins, Commercial Counsellor in Rawalpindi, Pakistan, will visit Afghanistan October 31 to November 4.

**Communist China**—R. G. Woolham and J. M. Fraser, Trade Commissioners in Hong Kong, will visit Peking and other cities December 9-22.

**India**—R. R. Parlour, Commercial Counsellor in New Delhi, will visit Calcutta November 15-18, and Bombay December 12 to 15.

**Indo-Chinese States**—A. Blum, Assistant Trade Commissioner in Hong Kong, will visit South Vietnam, Cambodia, and Laos November 18 to December 2.

**Italy**—C. E. Rufelds, Consul and Assistant Trade Commissioner in Milan, will visit Turin November 8-10.

**New Zealand**—R. H. Gayner, Commercial Secretary in Wellington, will visit Auckland November 21-25, and other North Island centres November 28 to December 2.

C. D. Caldwell, Assistant Commercial Secretary (Agriculture) in Wellington, will visit Nelson, Greymouth, Invercargill, Dunedin, and Christ Church, South Island, October 30 to November 13.

**Norway**—D. B. Browne, Assistant Commercial Secretary in Oslo, will visit Kristiansand, Stavanger, and Bergen November 7-12, and Trondheim November 21.

**Taiwan**—E. L. Bobinski, Consul and Assistant Trade Commissioner in Manila, Philippines, will visit Taipei December 5-10.

**Thailand**—J. H. Bailey, Commercial Counsellor in Singapore, will visit Thailand November 14-20.

Businessmen who would like these officers to undertake assignments for them should write to them at their posts as soon as possible.

# trade lines



**A new sugar factory in British Honduras** will permit a rapid expansion in sugar production. The Can.\$14 million plant, the first stage in Tate and Lyle Limited's Can.\$23 million expansion program, will be completed by the end of this year. It is estimated that sugar production in British Honduras will rise from 35,000 tons in 1965 to 160,000 tons in 1974—Kingston.

**The first meat packing plant in British Honduras** is under construction near the Belize International Airport. Beef and pork processed at the plant will be sold primarily in the domestic market. A contract has been negotiated with a U.S. firm for export of surplus production. Ancillary industries such as tanning, soap manufacturing and canning are expected to be set up as a result of the operations of the meat packing plant—Kingston.

**A tropical foods cannery is under construction in Montego Bay, Jamaica.** The plant, being built at a cost of over Can.\$50,000, will begin operations next month and will process Jamaican ackees, yams, nutmegs, and sauces, valued at approximately Can.\$240,000 a year—Kingston.

**An oxygen and acetylene manufacturing plant in British Honduras** was established recently at a cost of Can.\$375,000. Belize Industrial Gases Ltd., a subsidiary of world-wide Liquid Carbonic Corporation, will sell the products for medical (oxygen) and industrial purposes—Kingston.

**Commerce between West Germany and West Berlin is rising in both directions.** Berlin's sales to the remainder of the Federal Republic are up 7 per cent and West German deliveries to Berlin increased 5 per cent for the first six months of 1966 over the corresponding period last year. Deliveries by Berlin totalled DM 5,150 million and those to Berlin were valued at DM 5,370 million. The pace-setter in industrial goods supplied by Berlin was the electro-technical branch—Bad Godesberg.

**The Chilean Government recently passed a law creating a Department for Easter Island Affairs.** Over 70 government officials and their families sailed to the island last August to implement the new legislation.

They are to set up the machinery for civil government, including a registrar's office, a judicial service, police, a notary public, an agency of the central bank, and offices of the Chilean Government Development Corporation (CORFO), the Empresa de Comercio Agrícola (ECA), and the Ministries of Public Works and Agriculture. The ship carrying the officials also brought heavy machinery, building materials, prefabricated homes, foodstuffs, seeds, plants and fertilizers to the island. One of the prime projects is to be an aerodrome and radio beacon; next will come a number of public buildings as well as houses for civil servants. Water catchments will be enlarged and pipelines extended. A "ring-road" around the island is planned and existing tracks are to be improved. The building of a pier and adjacent installations to encourage and develop fishing activities among the island's 1,200 inhabitants is being studied—Santiago.

**A growing preference in Germany for prefabricated housing** is shown in the breakdown of last year's building permits. The figures show that out of every twenty new one-family houses under construction in 1965, one was prefabricated. According to orders received this year, sales of prefabricated homes increased further—Duesseldorf.

**European Economic Community (EEC) members are importing more from third countries** outside the Common Market than they export to them. Imports from outside the EEC were 13.5 per cent higher in the first quarter of 1966 than in the same period last year—Duesseldorf.

**The Danish electronics industry exported about D. Kr.450 million worth of goods in 1965,** according to a report from the Danish Radio Manufacturers' Association. Sales included radio and T.V. sets, recorders, etc., totalling D.Kr.50 million—Copenhagen.

**Ireland's population has increased by 2.25 per cent in the last five years,** reversing a 125-year decline. Southern Ireland's population had dropped from 6.5 million in 1841 to 2.8 million in 1961. The recent increase results from a 7.5 per cent rise in urban areas offset by a decline of 4 per cent in rural areas. Net emigration averages 17,000 a year compared with 45,000 a year in the fifties. Ireland is retaining three-quarters of its young people at home, as against less

than half formerly. The largest increase in population groups is among persons under 24 years of age. The marriage rate should rise sharply within the next few years and the market for domestic appliances, furniture and children's clothing should continue to increase—Dublin.

**Sulphur deposits have been found in Costa Rica;** reserves are estimated at 11 million tons. Studies are being made to determine what will be required to extract and process the sulphur—Guatemala City.

**South Africa's import bill was running 15.7 per cent below last year** during the first half of 1966. Exports rose by 8.1 per cent. Imports during June amounted to R126.6 million, bringing to R912 million the total imports during the first half of 1966.

Imports from European countries were valued at R409.9 million in the period January to June compared with R507.3 million in the first half of 1965. Imports from Asian countries fell by more than R20 million and those from the United States by more than R31 million—Cape Town.

**The number of companies registered in Britain during 1965 dropped to 36,315 from 48,315** in 1964, or approximately 25 per cent. Of the 519,000 (504,000 private) companies registered in Britain, 9,548 were dissolved or struck off the register and of the 7,084 winding-up proceedings begun, 834 were compulsory liquidations. More than one million public inspections of files were recorded in 1965 at the Companies Registration Office, more than double the inspections in 1955—London.

**Bulgaria has improved its shipping links with the Adriatic.** The *M/S Sopot* has opened a regular service between Varna and Burgas on the Black Sea and the Adriatic ports of Rijeka, Trieste and Venice. Goods destined for Bulgaria can be forwarded to an Adriatic port, offloaded, and reshipped directly to Bulgarian ports—Vienna.

**The East Pakistan Industrial Development Corporation has signed an agreement with a consortium of West German firms for plant and equipment worth Rs.60 million** (approximately Can.\$14 million). This will be used in the Corporation's Rs.80 million North Bengal paper mill to be set up at Paksey in East Pakistan. The foreign exchange cost will be met out of loans from West Germany, Italy and France.

This is the third paper mill to be set up by EPIDC and is expected to go into production in three years. It will produce 50 to 60 tons of high quality writing and printing paper per day, using bagasse from the

Corporation's sugar mills in North Bengal. Besides meeting the growing demand for paper, the mill will save in foreign exchange over Rs.30 million a year—Karachi.

**An estimated one million tons of high-grade iron ore from Australia will be transported to Rotterdam** for transshipment into British vessels carrying it to Wales. The program is due to start early in 1967. Because there are no ports in Wales capable of berthing large vessels, direct transport from Australia is not possible. The Rotterdam firm handling the ore has already procured new cranes—The Hague.

**Puerto Cortes, the most important port in Honduras, will be expanded and improved** with the aid of a \$4.8 million World Bank loan to the National Port Authority of Honduras (Empresa Nacional Portuaria—ENP). The loan will assist in the construction of two new deep-water cargo berths, a transit shed and a warehouse, all urgently required to look after the expanding Honduran foreign trade. The port handles over half of this and is the major center for the export of bananas, lumber, coffee and other products.

**Britain's imports of clothing are increasing again** after a brief decline in 1965. In the first six months of 1966, \$100 million worth of clothing entered the country, almost \$14 million more than in the same period in 1965. Most overseas suppliers shared in the rising market proportionately, but the largest increases were reported in shipments from Japan (up 77 per cent) and from the United States (up 31.5 per cent)—London.

**South Africa's first stainless steel manufacturing plant** is due to start production early next year. The R10.5 million plant, built in Middelburg, Transvaal, should reach full production of 25,000 tons a year by 1970—Cape Town.

**Long-staple cotton has been grown in Venezuela** on the banks of the Orinoco River in experiments by the Venezuelan Agrarian Research Centre. A crop of 80 tons was harvested last year and the hope is that Venezuela may become self-sufficient in cotton, including long-staple varieties. Venezuelan textile mills depend completely on imports for long-staple cotton, and these imports totalled 8,396 metric tons in 1964—Caracas.

**A pulp and paper plant in Honduras** will be established now that the Honduran Government has contracted with ADELA (Atlantic Community Development Group for Latin America) to act as financial agent. The plant will have an annual production capacity of

115,000 tons of pulp and 120,000 cubic meters of sawn timber. It is reported that ADELA will invest U.S.\$4 million out of a probable total cost of U.S.\$50 million—Guatemala City.

**The New Zealand Export Guarantee Office provided nearly Can.\$15 million of insurance coverage for exporters in its first full year of operation.** During that time it issued over 70 policies covering exports to more than 50 countries. Approximately half were for fully manufactured goods and the other half for primary produce. Most of the insured exports went to New Zealand's less traditional trading partners, such as Argentina, Brazil, Italy, Portugal, Taiwan and Thailand—Wellington.

**The Port of Singapore will be expanded and improved** with the aid of a World Bank loan equivalent to \$15 million. The port project consists of four additional deep-water berths with ancillary facilities; a new port engineer's plant yard and workshop; replacement of and additions to floating craft and cargo-handling equipment, and provision of data processing equipment. Because Singapore has an excellent natural harbour and lies on trade routes linking important areas of production in Southeast Asia, the new facilities should contribute to the prosperity of Singapore.

**Turkey's tire and tube output is to be further increased** by 1967 on completion of expansion programs in the country's three plants. Pirelli, which accounts for 36 per cent of total current requirements, is investing U.S.\$2.8 million to more than triple annual production from 120,000 to 400,000 units. Goodyear's second extension, with the help of a U.S.\$4 million AID loan, will raise output from 248,000 to 370,000 units a year. Under Turkey's quota restrictions, only special sizes and qualities not yet being manufactured in the country may be imported—Athens.

**Finland's Valmet Ab is negotiating with five car manufacturers** on the establishment in Finland of an assembly plant. Valmet, one of the two biggest engineering companies in Finland, is also continuing investigations into the feasibility of developing a Finnish car—one that could also be sold in markets outside Finland. The five manufacturers are Fiat, Renault, Ford, GM and BMC—Stockholm.

**Improvements to Spain's forest industry during 1965** included the planting of 249,000 acres with trees and the building of 360 miles of forest roads by the National Forest Service (Patrimonio Forestal del Estado). However, this did not reach the annual planting rate required by the Four Year Development Plan. Net

product of 14.8 million acres of woodland is calculated at almost Can.\$300 million. Spain's timber deficit is expected to increase by 30 per cent to 2.2 million cubic meters during the next decade. Last year more than Can.\$59 million was spent on imports of timber and timber products—Madrid.

**Output of diamonds from the seabed off the South West African coast** will increase this month when a new R1 million Dutch-built dredger goes into operation. The new dredger is owned by Terra Marina Mining Company and uses revolutionary methods to recover diamonds from gravel from the seabed. Terra Marina is the second company to start mining diamonds from the sea off South West Africa—Cape Town.

**Several German industrial firms are now constructing Europe's largest isochron cyclotron** on the grounds of the Nuclear Research Station at Jülich. The isochron cyclotron is an apparatus to aid research in nuclear physics and in the field of radioactive isotopes. In it, deuterons (nuclei of heavy hydrogen) are to be accelerated to energies of between 45 and 90 million electron-volts. Besides its significance for nuclear research, the apparatus will be able to produce radioactive isotopes that cannot be produced in nuclear reactors. The mechanical work on the cyclotron is to be completed by the end of 1966—Bad Godesberg.

**Brazil had a favourable balance of trade with Communist countries in 1965**, with exports totalling U.S.\$105.5 million and imports U.S.\$70.8 million. The largest buyer was the Soviet Union, with U.S.\$29.3 million worth of purchases; coffee, cotton, oticica, sisal, cocoa butter and tobacco leaves made up the major portion. On the other hand, petroleum made up 95 per cent of the value of Brazilian imports and zinc, aluminum, chemical products, machinery and equipment accounted for the remainder—Rio de Janeiro.

**Chances for expansion of U.S. exports to Finland look promising**, concludes the Interpublic Group of Companies which has spent two years studying the Finnish market. It has accordingly bought out the Liike-mainonta Group, the second largest group of advertising agencies in Finland—Stockholm.

**New Zealand's exports of forest products to Australia totalled N.Z.£8.9 million during 1965**, representing 53 per cent of all its exports to Australia. The main products shipped were newsprint, chemical pulp and timber; except for a few of the timber products, they were duty-free. The gradual phasing out of duties provided by the New Zealand-Australia Free Trade Association (NAFTA) will allow New Zealand to widen the

range of forest products exported and to expand its industry. Its share of the Sydney market, which traditionally imports large quantities of timber from the Pacific coast, is at present only 15 per cent and even a slight increase would represent a substantial gain—Wellington.

**Spain plans to invest more than one billion dollars in developing the steel industry** in order to make it self-sufficient within the next ten years. This is imperative in view of Spain's interest in eventually gaining entry into the Common Market. The hope is to achieve continued expansion by the "joint action" program for

industry, aimed at the amalgamation of steel mills, with state credits to help defray the cost. The success of this program will depend largely on foreign capital participation and to date sizable U.S. and German investments have been made in the industry.

Steel production in 1965 amounted to 3.5 million tons, leaving a deficit of 1.9 million (made up by imports of 2.8 million tons). Production in 1966 is estimated at 4.2 million tons with an estimated deficit of 2.3 million. Production of laminated steel totalled 2.5 million tons in 1964 and 3.5 million tons in 1965 compared with only a million tons in 1959—Madrid.

## foreign tariffs and trade regulations



### New Zealand

**CERTIFICATE OF VALUE AND ORIGIN**—Changes in the Preferential Tariff Certificate of Value and Origin (Form 57) have been announced. The old form may be used until March 31, 1967. Further details can be obtained from the Commonwealth Division, Office of Trade Relations.

### Sweden

**TEMPORARY EXEMPTION FROM IMPORT DUTY**—The Swedish Government has issued a list of items that will be exempt from import duty during the period of July 1, 1966, to June 30, 1968.

The major group included in this exemption is machinery, in particular:

(a) machines and apparatus for extracting synthetic or artificial fibres, for processing textile fibres, for spinning, doubling, rinsing, rolling or reeling of yarn and the like; looms for the manufacture of machine felt; knitting machines; machinery for the manufacture of tulle, lace, embroidery, etc.; washing machines for use in the textile industry; dyeing machines and machinery and apparatus for printing yarn fabrics or pressed felt; other machinery for the textile industry intended for bleaching, stiffening or other after-treatment of yarn, etc.

(b) sewing machines used in shoe manufacturing; machinery and apparatus for the preparation or processing of hides, leather or skins; shoemaking machinery.

(c) lathes, certain drilling and milling machines, circular saws, machinery for the production of spiral-welded tubes.

(d) machinery for the production of X-ray films, etc.

(e) certain alcohols, chemicals, poly-caprolactum intended for use in manufacturing textile fibres, sheets of polyvinylbutyral for use in manufacturing laminated safety glass, etc.

More detailed information may be obtained from the Office of Trade Relations, Department of Trade and Commerce.

### Uruguay

**IMPORT RESTRICTIONS**—Our Trade Commissioner in Montevideo reports that a Decree of September 22, 1966, lifts the import embargo from the following products which are subject to a surcharge of 90 per cent of c.i.f. value:

Calculating machines  
Accounting machines  
Duplicating machines  
Typewriters  
Cash registers  
Adding machines  
Mimeograph machines  
Office machine parts  
Cash register parts  
Cocoa  
Chickpeas  
Cashews  
Castor oil  
Soybean oil

# The Ocean Freight Market

THE DECLINE of rates in the dry cargo trades evident in the second quarter of 1966 continued throughout the third quarter. Average rates dropped below levels recorded in the third quarter last year. The average decline for heavy grain from the St. Lawrence was approximately 25 per cent and from the Great Lakes about 20 per cent.

Rates for grain from Pacific ports to Japan generally remained fairly steady at close to \$7.50 per ton, with

lower rates for movements in tankers and bulk carriers. Following the general downward trend of the market, rates for motorships on six-monthly charters dropped below levels of the previous quarter.

The average rate for black oil from the Caribbean to the United States North Atlantic ports did not change appreciably between the second and third quarters. Rate levels, however, were lower than those for the same period a year ago.

## CHARTER RATES—THIRD QUARTER 1966

The rates shown in column A are in sterling or U.S. dollars with the Canadian dollar equivalent in column B calculated at £ = \$3.00 and U.S. \$ = \$1.08. For comparison the rates a year ago are shown in column C with the Canadian dollar equivalent in column D calculated at £ = \$3.01 and U.S. \$ = \$1.08.

### TIME CHARTERS

The classes of ships indicated have been selected as representative for the purpose of illustrating time charter rates. Average rates per deadweight ton per month for the third quarter of the year were as follows:

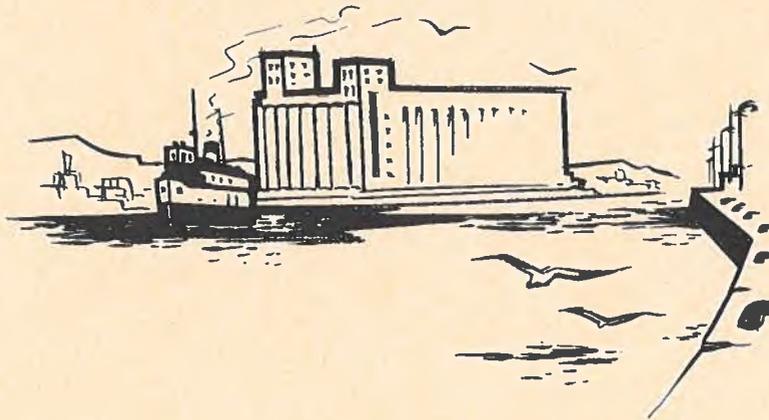
	1966		1965	
	Third Quarter		Third Quarter	
	A	B	C	D
	£ or U.S.\$	Can.\$	£ or U.S.\$	Can.\$
<b>General Trading (approximately 6 months)</b>				
Motorships 11,000-12,999 dwt. 13-14.9 knots .....	3.53	3.81	4.13	4.46
Motorships 13,000-14,999 dwt. 13-14.9 knots .....	3.43	3.70	3.98	4.30
Steamships 9,000-10,999 dwt. 9-10.9 knots .....	2.32	2.51	20s. 4d	3.06

### TRIP CHARTERS

Average rates for the third quarter of the year were as follows:

	1966		1965	
	Third Quarter		Third Quarter	
	A	B	C	D
	£ or U.S.\$	Can.\$	£ or U.S.\$	Can.\$
<b>Heavy Grain (per long ton)</b>				
St. Lawrence to Britain .....	28s. 6d	4.28	43s. 2d	6.50
St. Lawrence to Belgium/Holland .....	3.19	3.45	4.98	5.38
St. Lawrence to Denmark .....	.....	.....	6.25	6.75
St. Lawrence to France .....	6.00	6.48	.....	.....
St. Lawrence to West Germany .....	6.42	6.93	3.83	4.14
St. Lawrence to East Coast of India .....	77s. 9d	11.66	98s. 1d	14.76
St. Lawrence to West Coast of India .....	74s. 6d	11.18	.....	.....
St. Lawrence to Italy .....	5.69	6.15	8.05	8.69
St. Lawrence to Japan .....	10.50	11.34	12.22	13.20
St. Lawrence to Poland .....	3.49	3.77	4.12	4.45
Churchill to Britain .....	46s. 1d	6.91	.....	.....
Churchill to Belgium/Holland .....	4.18	4.51	5.40	5.83
Churchill to Poland .....	5.38	5.81	.....	.....

	1966		Third Quarter 1965	
	Third Quarter		C £ or U.S.\$	D Can.\$
	A £ or U.S.\$	B Can.\$		
Great Lakes to Britain .....	60s. 5d	9.06	72s. 6d	10.91
Completing St. Lawrence .....	29s. 6d	4.43	39s. 5d	5.93
Great Lakes to Belgium/Holland .....	7.45	8.05	9.09	9.82
Completing St. Lawrence .....	3.25	3.51	4.89	5.28
Great Lakes to Denmark .....	8.50	9.18	9.84	10.63
Completing St. Lawrence .....	4.00	4.32	6.13	6.62
Great Lakes to France .....	8.38	9.05	11.26	12.16
Completing St. Lawrence .....	5.21	5.63	5.75	6.21
Great Lakes to West Germany .....	7.25	7.83	9.83	10.62
Completing St. Lawrence .....	3.25	3.57	5.63	6.08
Great Lakes to Italy .....	10.60	11.45	13.70	14.80
Completing St. Lawrence .....			9.00	9.72
Great Lakes to Venezuela .....	11.00	11.88	10.50	11.34
Great Lakes to West Coast of India .....	107s. 6d	16.13		
Completing St. Lawrence .....	75s. 0d	11.25		
British Columbia/North Pacific to Japan .....	7.39	7.98	8.39	9.06
British Columbia to the Philippines .....	8.07	8.72	9.75	10.53
British Columbia to Venezuela .....			9.13	9.86
British Columbia to Communist China .....	32s. 6d	4.88	50s. 9d	7.64
British Columbia to East Coast of India .....	72s. 6d	10.88		
<b>Coal (per long ton)</b>				
Hampton Roads to Belgium/Holland .....	16s. 0d	2.40	26s. 10d	4.03
Hampton Roads to Japan .....	6.46	6.98	8.00	8.64
British Columbia to Britain .....	3.75	4.05		
<b>Lumber and General Cargo (per long ton)</b>				
British Columbia to Britain .....			16.35	17.16
British Columbia to Australia .....			18.10	19.55
<b>Oilseeds (per long ton)</b>				
British Columbia to Japan .....	6.09	6.58	8.84	9.55
<b>Scrap Iron or Steel (per long ton)</b>				
U. S. Atlantic to Japan .....	10.50	11.34	14.08	15.21
California to Japan .....	7.18	7.75	9.47	10.23
Great Lakes to Japan .....	14.00	15.12		
<b>Ammonium Sulphate (per long ton)</b>				
British Columbia to East Coast of India .....	12.00	12.96		
<b>Oil Black (per long ton)</b>				
Venezuela to Portland, Maine .....	.95	1.03	1.28	1.38
Persian Gulf to Portland, Maine .....	2.85	3.09	3.55	3.83
Venezuela to Montreal .....	1.35	1.46	2.00	2.16



# Foreign Exchange Rates

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

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

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

For conversion of column one to the U.S. dollar equivalent, *multiply* by .92. To convert column two, *divide* by .92.

Country and Currency	Value of		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units at Oct. 14		Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units at Oct. 14
<b>Algeria</b> Dinar	.2185	4.58	<b>Dominican Republic</b> Peso	1.079	.92
<b>Argentina</b> Peso (free)	.0050	200.00	<b>Ecuador</b> Sucre (official) (free)	.0599 .0545	16.72 18.35
<b>Australia</b> Dollar	1.20	.8333	<b>El Salvador</b> Colon	.4315	2.32
<b>Austria</b> Schilling	.0417	23.98	<b>Fiji</b> Pound	2.714	.37
<b>Bahamas</b> Dollar	1.054	.9523	<b>Finland</b> Markka	.3371	2.97
<b>Belgium and Luxembourg</b> Franc	.0216	46.25	<b>France, Monaco, etc.<sup>4</sup></b> Franc	.2185	4.58
<b>Bermuda</b> Pound	3.012	.33	<b>Franco-African Republics<sup>5</sup></b> Franc	.0044	227.79
<b>Bolivia</b> Peso	.0911	11.01	<b>French Pacific<sup>6</sup></b> Franc	.0120	82.64
<b>Brazil</b> Cruzeiro (official free)	.0005	2,053.39	<b>Germany</b> D Mark	.2708	3.69
<b>Britain</b> Pound	3.012	.33	<b>Ghana</b> Cedi	1.255	.80
<b>British Honduras</b> Dollar	.7530	1.33	<b>Greece</b> Drachma	.0360	27.86
<b>Burma</b> Kyat	.2265	4.43	<b>Guatemala</b> Quetzal	1.079	.92
<b>Ceylon</b> Rupee	.2259	4.43	<b>Guyana</b> Dollar	.6275	1.59
<b>Chile</b> Escudo (bank rate) (free)	.2541 .2224	3.94 4.52	<b>Haiti</b> Gourde	.2158	4.65
<b>Colombia<sup>1</sup></b> Peso (free)	.0666	15.02	<b>Honduras</b> Lempira	.5394	1.85
<b>Congo, Republic of<sup>2</sup></b> Franc	.0072	139.50	<b>Hong Kong</b> Dollar	.1883	5.33
<b>Costa Rica</b> Colon	.1628	6.15	<b>Hungary</b> Forint (official)	.0921	10.86
<b>Cuba<sup>3</sup></b> Peso	.....	.....	<b>Iceland<sup>2</sup></b> Krona (official)	.0251	40.00
<b>Czechoslovakia</b> Koruna	.1498	6.68	<b>India</b> Rupee	.1429	7.02
<b>Denmark</b> Krone	.1563	6.41	<b>Indonesia<sup>7</sup></b> Rupiah	.....	.....

Country and Currency	Value of		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units		Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
	at Oct. 14			at Oct. 14	
<b>Iran</b>			<b>Peru</b>		
Rial	.0142	70.02	Sol (free)	.0402	24.94
<b>Iraq</b>			<b>Philippines</b>		
Dinar	3.021	.33	Peso (free)	.2770	4.41
<b>Ireland</b>			<b>Poland</b>		
Pound	3.012	.33	Zloty (fixed basic rate)	.2697	3.72
<b>Israel</b>			<b>Portugal &amp; Colonies<sup>8</sup></b>		
Pound	.3596	2.78	Escudo	.0375	26.66
<b>Italy</b>			<b>Sierra Leone</b>		
Lira	.0017	581.86	Leone	1.506	.66
<b>Japan</b>			<b>South Africa</b>		
Yen	.0030	335.37	Rand	1.506	.66
<b>Lebanon</b>			<b>Spain &amp; Dependencies</b>		
Pound (free)	.3470	2.87	Peseta	.0180	55.55
<b>Malaysia</b>			<b>Sweden</b>		
Dollar	.3524	2.84	Krona	.2085	4.79
<b>Mexico</b>			<b>Switzerland</b>		
Peso	.0863	11.61	Franc	.2488	4.01
<b>Morocco</b>			<b>Syria</b>		
Dirham	.2158	4.64	Pound (free)	.2824	3.54
<b>Netherlands</b>			<b>Thailand<sup>2</sup></b>		
Florin	.2980	3.39	Baht (free)	.0521	19.25
<b>Netherlands Antilles</b>			<b>Tunisia</b>		
Florin	.5720	1.75	Dinar	2.066	.49
<b>New Zealand</b>			<b>Turkey</b>		
Pound	3.001	.33	Lira	.1199	8.35
<b>Nicaragua</b>			<b>United Arab Republic</b>		
Cordoba	.1541	6.50	Pound (official)	2.481	.40
<b>Nigeria</b>			<b>United States</b>		
Pound	3.012	.33	Dollar	1.079	.92
<b>Norway</b>			<b>Uruguay</b>		
Krone	.1510	6.64	Peso (free)	.0158	63.29
<b>Pakistan</b>			<b>Venezuela</b>		
Rupee	.2259	4.43	Bolivar (official free)	.2403	4.16
<b>Panama</b>			<b>West Indies</b>		
Balboa	1.079	.92	Dollar <sup>9</sup>	.6275	1.59
<b>Paraguay</b>			Pound <sup>10</sup>	3.012	.33
Guarani (free)	.0086	116.27	<b>Yugoslavia</b>		
			Dinar (official)	.0863	11.63

1. The fixed rate is no longer in effect, as of August 22, 1966.
2. Additional rates are in effect.
3. There is no trading in Cuban pesos in U.S. or Canadian banks at present.
4. Franc is also used in French Guiana, Guadeloupe and Martinique.
5. 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.
6. New Caledonia, New Hebrides, French Polynesia.
7. As Indonesia is no longer a member of the IMF, a realistic rate is not available.
8. Approximately same rate for Portuguese territories in Africa.
9. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
10. Jamaica.

# Marketing Data Sheet

## JAMAICA

### Area

4,411 square miles.

### Climate

Tropical climate, with mean sea level temperature of 78.7°F., mean minimum of 71.0°, and mean maximum of 87.6°. There is sunshine nearly all year, with rainy seasons in May and October. There are no violent temperature fluctuations throughout the day or night or between seasons. Rainfall varies throughout the island; Kingston has an annual rainfall of 30 to 35 inches. Fahrenheit scale is used.

### Population

Mid-1966 population totalled 1,811,000.

### Households

Total family groups, 401,771.

### Income

National income for 1965 Can. \$780 million; per capita income Can. \$435.

### Bank Accounts

In mid-1966, there were 838,000.

### Motor Vehicles

In 1966 there were 45,976 passenger, 11,587 commercial, and 4,754 motorcycles and scooters registered.

### Telephones

29.5 telephones per 1,000 persons.

### Radio and Television

Approximately 89,900 radios and 35,000 television sets are in operation. One private and one government station provide radio broadcasts. The single TV station (625 lines per picture, modified RTMA) is publicly owned and operated.

### Water Supply

In Kingston and larger towns, the water is safe to drink; in smaller areas, drinking water should be boiled. Pressure varies in the Corporate Area (Kingston/St. Andrew) from 25 to 70 pounds. Mineral content and hardness vary according to area.

	Rennock Lodge (both in Corporate Area)	Constant Spring
Permanent hardness	197	72
Temporary hardness	207	20
Total	404	92

### Electric Power

50 cycle a.c., 110/220 volts, with 220, 400 and 2,300 volt power for industrial purposes. There is about 5 per cent variation in voltage. One- and three-phase power is available for domestic and for commercial use and three-phase only for industrial use. There are separate rates for residential, commercial and industrial service and cost of service drops as demand goes up. A grounding conductor is required for kitchen appliances used in houses. In other situations the use of this type of cord is not legally required but it is desirable from the point of view of safety. The distribution system has a ground wire. National capacity is 110,000 kw. A \$110 million expansion program now under way will increase capacity to 252,000 kw. by 1970.

### Coal

Jamaica has no coal deposits.

### Gas

Only L.P.G. is available, of which 80 per cent is propane and 20 per cent butane; daily production totals 12,600 gallons. Thermal content of propane is 91,500 BTU/gallon; butane is 103,500 BTU/gallon. There is no underground distribution system. Cylinders are used domestically and bulk tanks commercially and industrially. Domestic customers, numbering 25,000, pay 3/3 per gallon; the commercial and industrial customers pay on a sliding scale, averaging 2/6 per gallon. Consumption is increasing annually at a rate of 10 to 12 per cent.

### Petroleum Products

Crude oil is imported and refined locally. Premium (octane 95) and regular (octane 83) gasolines are available, as well as kerosene, diesel and Bunker C fuels, asphalt and a full range of lubricating oils. The refinery capacity is 26,000 barrels a day of crude oil.

### Weights and Measures

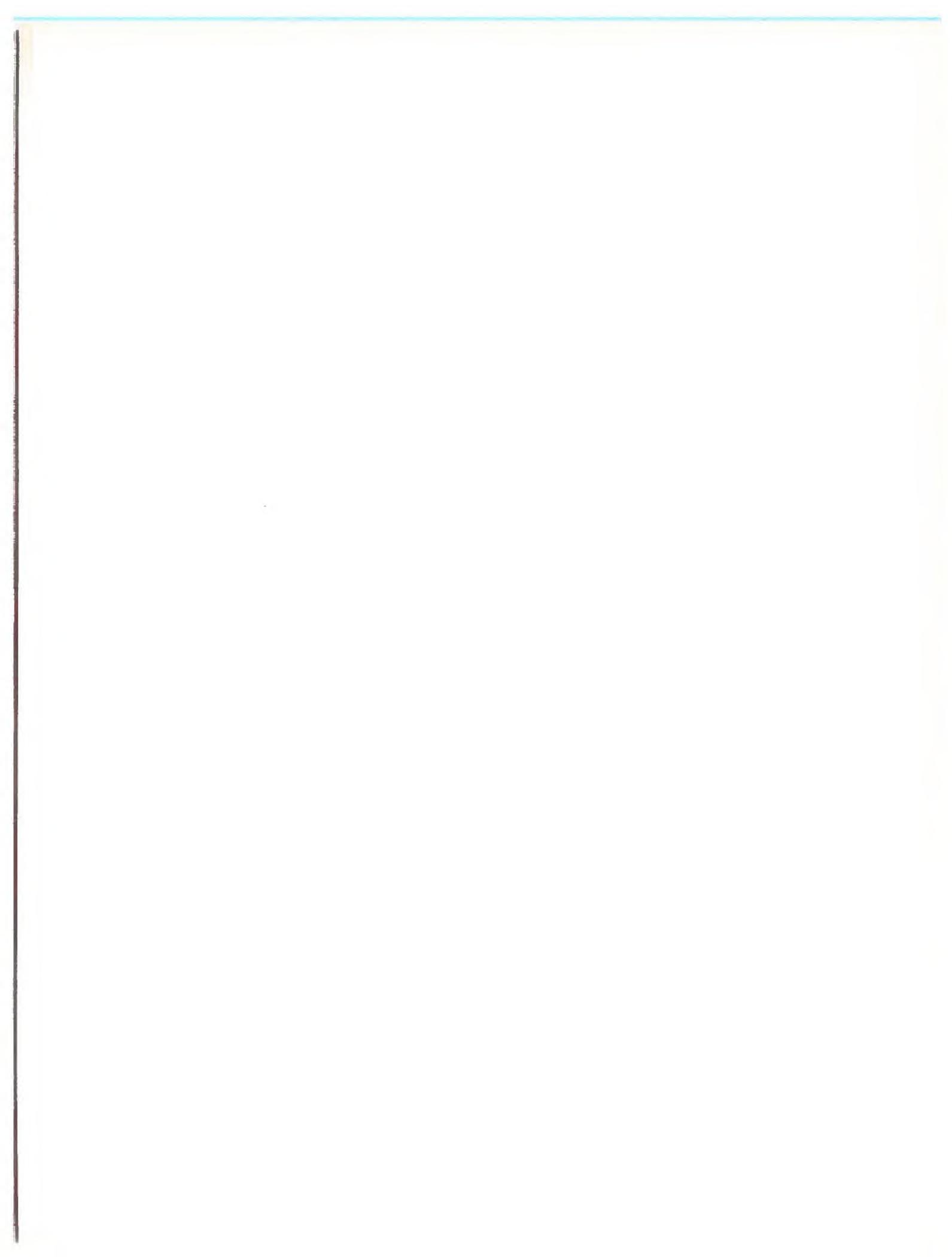
Imperial standard but metric system is also used to a limited extent in the pharmaceutical and chemical industries.

### Screw Threads

Both British and North American right hand screw threads are used.

### Standards

There are no official standards for electrical appliances.



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