

operate in Chile including Citibank, Chase Manhattan, Bank of Boston, Banco de Brazil, Banco de Espana, and Bank of Tokyo. No Canadian banks have local operations in Chile.

Transportation and Communications

Chile's two international airlines, LANChile and LADECO, offer internal services; the former to all main centres and the latter to northern towns. Domestic travel within Chile is well organized and relatively inexpensive by bus, rail or ship. Express coach services link the main towns and are generally to be recommended. Express trains operate on the Santiago-Puerto Montt line and a Japanese train service links Santiago and Concepción. There is a railcar service between Santiago and Valparaiso with departures three or four times a day.

Local port facilities are equipped to handle containers, unload bulk cargoes and handle large vessels. There is adequate security, fast turnaround service and port clearance procedures are efficient. Principal ports are Valparaiso, Talcahuano, Antofagasta, San Antonio and Punto Arenas. Telephone and telex communications with Canada are normally good.

Foreign Investment and Joint Ventures

The general trend in Chile toward foreign investment is liberal. The government encourages foreign investment because of the importance the private sector has and will have in the country's economic development. Experience shows that overall expansion is accompanied by industrial progress. Both require substantial investment and available funds are scarce in Chile. This explains the need for foreign capital. Industrial progress further depends on the incorporation of new technology, which in turn also requires the aid of foreign investment.

There is no legal provision allowing the operation of a joint venture. However, the Chilean Tax Bureau has authorized joint ventures in certain cases. The basic concept is that the participants of a joint venture contribute to the expenses in an agreed percentage, distribute the product in kind and offset against their