

## SOME OPENINGS IN SOUTH AMERICA

## Countries on North-West of Continent Offer Good Field for Canadian Business

IN looking abroad for foreign markets, Canada has devoted due attention to Brazil and Argentina, on the east coast of South America. There is now a Canadian trade commissioner in each of these countries. There are also trade possibilities on the western coast, now that the Panama Canal makes communication easier. This has been pointed out by E. C. Austin, who has spent twelve years in South America, in an interview with *The Monetary Times*. Three years of this time were spent in Colombia and Venezuela, and Mr. Austin expects to make another business trip to these countries at an early date. "South America," he says, "is so frequently referred to as though it were one country, that, in any remarks about it, it is necessary to draw attention to its political division into ten independent states, each with a republican form of government, and all occupying large territory, with immense undeveloped natural resources. Spanish is the language of all of these countries, with the exception of Brazil, where Portuguese is spoken. A good deal has been said and written about Brazil and the Argentine, situated farthest from Canada, and the two most progressive states, but it now seems opportune to draw attention to countries nearer to the Dominion, less developed, but offering important trade advantages and opportunities.

"Venezuela and Colombia come foremost in order of proximity, while Ecuador, Perú, Bolivia, and Chile have been made much more accessible by the opening of the Panama Canal. Venezuela has a peculiarly advantageous geographic position as regards nearness to both Europe and North America, while the neighboring republic of Colombia is in the line of both Atlantic and Pacific steamer traffic, being also immediately adjacent to the Panama Canal. Venezuela has an area about equal to that of British Columbia, with a population of two and a half millions, and Colombia, with a territory of 440,000 square miles, is rather larger than Ontario, and has a population of five millions. Thus in a bee-line distance from eastern Canada of about 2,500 miles, markets exist for Canadian manufactures, in two only of the ten South American states, having a combined population equal to that of the whole Dominion.

## Trade Conditions Reversed

"World events have stirred these countries into unusual activity, and, in 1917, Venezuela became, for the first time in its history, an exporting country. The combined annual imports of Venezuela and Colombia are in the neighborhood of \$33,000,000 (from statistics 1914-15), of which the principal items are: Cotton textiles, machinery, flour, agricultural implements, mining tools, paper, drugs and chemical products, canned goods, rubber goods, glass, porcelain, china, vehicles and accessories. Of export trade, the main items are coffee, cocoa, bananas, hides, petroleum, asphalt, rubber, gold, silver, copper ore, vegetable ivory, fustic, divi divi pods (used for tanning), tobacco, hats, platinum and pearls.

"Of late there has been considerable progress in road building in Venezuela, and automobile service is now available from the principal port, La Guaira, almost to the Colombian border, a distance of five or six hundred miles. Caracas, the capital, with a population of 100,000, has (in 1917) 600 automobiles, and the number is constantly increasing. The building of bridges in mountainous districts calls for a large quantity of structural iron and cement. There is a great field, both in Colombia and Venezuela, for electrical development in towns and villages yet without lighting systems, and small independent plants are much in demand.

"Small steamers and motor launches are needed for coastwise and river traffic, and that the latter is not inconsiderable may be gathered from the fact that in Venezuela there are 60 rivers with a total navigable distance of over 10,000 miles, while in Colombia the Magdalena River in its course of about 1,060 miles (of which 930 are navigable), traverses nearly three-fourths of the central part of the republic, and by means of its tributaries taps many of the

most thickly populated of the agricultural and industrial regions. Windmills and machines for drilling artesian wells enter Venezuela free of duty. In view of the frequent difficulty in securing uncontaminated surface water, there should always be a steady demand for these goods.

## Inland Transportation

"In regard to railways, Venezuela and Colombia have each a total railway mileage of only about 600 miles. That this is a serious handicap to agricultural and industrial development can easily be understood. In Colombia considerable extension work has been undertaken, which, however, has been much retarded by restrictions imposed by the war. New locomotives and general rolling stock are needed for the replenishing of existing material, and for the new lines in course of construction. The most important new line is that which will connect the capital, Bogotá, with Buenaventura, the principal port on the Pacific coast. When that is completed, there will be direct communication by river and railway, from the Atlantic to the Pacific, through the heart of the country.

"These and other projected lines will require rails and rolling stock that Canada should be as well able to supply as any other country. In both countries there is a great demand for drugs and medicines, the value of the combined imports of these goods at the commencement of the war being in the neighborhood of \$1,500,000 (1913-14). Other articles which Canada could supply are ironware for household use, enamelled ware, provisions as tea, biscuits, and canned fruits, also toilet requisites as perfumery, for which there is a great sale, soap, dentifrice, creams, hair oil, etc.

"Attention should be drawn to the opportunities for cattle ranching in the lower Magdalena valley in Colombia, as also in the 'Llanos' (plains) of the Orinoco region in Venezuela. As regards the former country, Mr. Milne, a British consular agent, reporting in 1914, said: 'In view of the constant reclamation of grazing areas for agricultural purposes in the United States and other countries, the land suitable for cattle breeding around the Caribbean sea will probably be developed in the next decade. An up-to-date refrigerating plant has been established at Puerto Cabello, Venezuela, and the first shipment took place in 1910. Packing houses are also being established on the Atlantic and Pacific coasts in Colombia.'

"In conclusion it is important to notice the various factors favorable to the development of Canadian trade with the countries under consideration. First may be mentioned the friendly feeling existing towards Great Britain and her colonies. This is especially noticeable in Colombia, which has not forgotten the valuable help given by the British legion, at the close of the Napoleonic wars, in gaining their independence from Spain. While British business methods have been somewhat slow and archaic in comparison with other countries, there is, throughout the whole of South America, absolute faith in the word of the Englishman, which is a solid foundation for the building up of new enterprise on the part of Britain's premier 'colony.'

"It should be further noted that Latin Americans are not wholly satisfied with a Pan-American idea which excludes Canada. 'La Nación' of Buenos Aires, as reported in the 'Literary Digest' of June 30, 1917, said: 'When the present war is over there can be no Pan-Americanism which will not include Canada and the other foreign territorial possessions existing on the American continent.' Another factor favoring trade between Canada and Venezuela and Colombia is that these, together with the Argentine Republic, are the three South American countries accorded most favored nation treatment in tariff matters by Canada. A further factor is the establishment of a branch of the Royal Bank of Canada at Caracas, Venezuela.

"Finally, and most noteworthy, are the recently improved transportation facilities provided by the Canadian Government Merchant Marine, operated by the Canadian National Railway Board. Two years ago, in an interview with the editor of *The Monetary Times* (published June 22, 1917) the writer advocated a 'triangle route' from Halifax or St. John to the countries around the Caribbean sea. Cuba and Jamaica might provide ports of call on the west side of