

relations with Hong Kong's trade interests, combined with excellent air and sea transport facilities, offer a sound assurance that the trade with this vital and growing consuming and transit area will progress.

Canadian trade with the former French Colonial territory of Indo-China--now the three newly constituted states of South Vietnam, Cambodia and Laos (excluding the Communist-controlled area of North Vietnam)--has never been large nor capable of clear definition. In the absence of direct shipping facilities the trade has passed through French and other European ports and through Singapore and Hong Kong. Such shipments have accordingly, in many instances, lost their destination identity. It is probably for this reason that the available figures of Canadian trade with the Indo-China States are so small. With no present indication that shipping facilities will improve quickly, the outlook for important developments is not very encouraging. However, some benefits are likely to accrue from current American rehabilitation expenditures and resulting efforts towards greater output and improved living standards.

SECOND LARGEST

Many Canadians may be surprised to know that the Republic of the Philippines is Canada's second largest export market in the Far East. Even with its traditional associations with the United States and the substantial, if declining, tariff preferences on imports of many United States goods, the Philippines continues to be a valuable market for Canadian flour, newsprint and other papers, fertilizers and a variety of machinery and industrial equipment. Recent sales of Canadian-made aircraft and parts suggest further developments in this trade as well. With the eventual disappearance of tariff preferences in favour of United States imports, the Philippine market for Canadian exports may be expected to improve progressively.

Thailand offers a more important market than Canadian exporters generally realize. The country has large and valuable resources, is soundly governed, and its industry, agriculture and foreign trade are old-established. The tin, lumber, rice and rubber trades are examples. The production of numerous consumer goods is developing and, with expected economic progress, the country's foreign trade seems likely to improve and to feature to an increasing degree the purchase of industrial equipment and materials.

Singapore and the present Federation of Malaya (the latter is to acquire Dominion status in 1957) forms the southernmost and one of the wealthiest areas of the continent of Asia. Singapore is not only a cross-roads of air and sea lanes but is a busy centre of distribution. It also controls the export from the Malayan peninsula and adjacent territories of vast quantities of tin, rubber, oils,

spices, lumber and many other goods in world-wide demand. It is small wonder, then, that Singapore and the Malayan Federation make up the second most important source of Canada's imports from the Far East. Rubber, tin, palm oil, pepper and latex are outstanding in the trade. As an outlet for Canadian exports, the territory is less important but, despite current import controls, it is still a regular consumer of flour, motor vehicles and parts, paper, asbestos, engines, and a varied range of consumer goods.

An increasing number of reports in *Foreign Trade* of recent months have referred to economic developments in the British Borneo colonies of North Borneo, Sarawak and Brunei. Canada has to date carried on only a limited trade with these territories directly--most of it has been arranged and routed through Singapore and in recent times through Hong Kong as well. The development of latent resources in the form of oil, timber, bauxite, power and agricultural lands promises increased consumption of imported goods and despite the comparatively low figures of current trade, it is safe to predict interesting developments in the reasonably near future.

INDONESIA

Canadian trade with Indonesia is in a state of suspended animation. The country has made great strides in overcoming the disasters of war years and in working out many of the problems involved in self-government. Yet its overseas trade must of necessity remain, to a large extent, under stringent controls governing the composition of import and export business and the earning and conservation of foreign exchange. The Canadian-Indonesian trade picture accordingly remains one which is coloured largely by inevitable obstacles but seems likely to improve.

Summing up the outlook for our trade in the Far East and South-East Asia, there are on the one hand such deterrent factors as lack of supplies or non-competitive prices for various goods which are in keen demand in several of these markets. There are, at the same time, the insuperable obstacles of tariffs and trade controls, and competition from European countries and from within the area itself is increasing. The pertinent figures, however, indicate a satisfactory position in both our import and export relationships with the territory as a whole, and no occasion for anything but an optimistic view of the future.

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FOUNDATION STONE: The foundation stone of the Stratford Shakespearean Festival's new permanent theatre is being laid by Rt. Hon. Vincent Massey, Governor General of Canada, at Stratford, Ontario, on January 26. The theatre, which will replace the former theatre tent for the 1957 drama season, has been under construction since last September. The structure will cost \$1,500,000.