Rice mills, sugar refineries, and other food-processing plants operate in the cities of Panama and Colón, which are the chief industrial areas. Small factories and shops produce cement, pottery, clothing, furniture, shoes, soap, soft drinks and alcoholic beverages. People in country areas use wood, leather, gourds and fibrous materials to make useful articles such as saddles, mats, baskets, and kitchen utensils and containers.

The chief woven products are hats, but these are not the hats that people in other countries call "Panama hats"—those are made in Ecuador! The Panama hats of Ecuador received their name because men found them for sale in Panama as they travelled across the country on their way to California during the gold rush of 1849. Hats woven in Panama are called sombreros de Penonomé, or hats of Penonomé (a country town) and are distinguished by woven designs or stripes. Panama hats from Ecuador, which are still sold in Panama, have no such decorations.

TRADE

The chief exports of Panama are bananas, shrimp, and refined petroleum products. Other commodities shipped abroad are coconuts, cattle hides, cacao, and abaca. Aside from lumber, forest products for export include sarsaparilla, a pungent extract from the root of the smilax plant, and rotenone, an insect poison made from the root of the cube plant.

Imports include petroleum (for refining and transshipment as well as for domestic use), manufactured goods, food, beverages, and small amounts of raw materials. The United States buys more than 90 per cent of Panama's exports, and supplies more than 60 per cent of the country's imports. Panama usually imports much more than it exports. But the money that tourists and the people of the Canal Zone spend there makes up the difference between exports and imports.

TRANSPORTATION

Several airlines serve the Republic. A government-owned railway 106 miles long links the chief cities of western Panama. Panama has the beginnings of a fine highway system, but the country still needs many roads to bring farm products to market. Trucks, buses and automobiles travel on more than 1,400 miles of public roads. The 50-mile-long highway between Panama and Colón has been called the world's shortest transcontinental...
highway. The Pan American Highway enters Panama at the southwestern border and extends about 340 miles to Chepo. Thatcher Ferry Bridge, one of the world's longest steel arch bridges, spans the Panama Canal, linking Balboa and the city of Panama.

Panama's merchant marine is one of the largest in the world—about 700 ships fly the Panamanian flag, although most of these vessels are owned by shipping lines of other countries. These companies register their vessels in Panama, because that country allows them to pay lower wages and levies lower taxes than do most other nations. Cristóbal and Balboa are Panama's chief ports.

THE PANAMA CANAL COMPANY

The Panama Canal Company, a United States government corporation, operates and maintains the Panama Canal. It also manages port facilities in the Canal Zone towns of Balboa and Cristóbal, and a steamship service between New Orleans and Panama. The Company owns all the houses and apartments in the Canal Zone and rents them to Canal employees. It also operates the Zone's telephone, electricity, power and water systems, as well as stores for the people who live in the Canal Zone. The

Open fields, the forest and the sea form the surroundings of Panama City. The race track, in the middle, is easy to reach via buses and automobiles that travel on new roads and highways.
71,310,000 tons of cargo pass through its locks each year.

The Panama Canal forms a vital link in the defense of the Western Hemisphere. During World War II and the Korean War, millions of tons of war material and thousands of servicemen passed through the Canal on their way to the fighting fronts.

The piers at Cristóbal provide Panama and the Canal Zone with the finest docking facilities south of the United States.
PANAMA and the CANAL ZONE

in pictures

You may know that Panama hats do not come from Panama—but can you name something that does originate there? Everyone knows of the Panama Canal, but how many are acquainted with its fascinating history? You can find out in this book what hats made in Panama are called, along with a compact coverage of the land, history, government, economy and people of the Republic of Panama and the Canal Zone.

A complicated and delicate relationship exists between the Republic and the United States, which governs the Canal Zone and operates the Canal. The full background of Panama’s present difficulties and of its origin as a separate nation is not generally well understood. In this book you will find a concise account of both, as well as a description of the daily life of people in and out of the Canal Zone, ranging from the gaily-dressed San Blas Indians, who pursue an existence little changed from pre-Columbian days, to the 20th-century residents of the bustling cities of Panama and Colón.

The story of Panama is intimately linked with its unique geographical location—a narrow land bridge between North and South America, separating the Atlantic and Pacific Oceans. Almost since the first European set foot there, men dreamed of a Canal connecting the two oceans. Here is the story of how that dream was realized.

This book, with its 100 photographs, will help student, tourist, and armchair traveller to comprehend both the achievements and unresolved problems relating to this small but vital Latin American nation.

Front cover photograph shows Our Lady of Mt. Carmel Church in Panama City, courtesy of the Panama Government Tourist Bureau; back cover photograph shows a head-on view of the S.S. San Juan Prospector passing through the Pedro Miguel Locks of the Panama Canal, courtesy of the Panama Canal Company.