

TEXTILE MARKET OF ARGENTINA

**U. S. DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE**

U. S. DEPARTMENT OF COMMERCE
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TEXTILE MARKET OF ARGENTINA

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FOREWORD

Argentine imports of textiles during the five years from 1926 to 1930 ranged in value from about \$125,000,000 to \$195,000,000 a year. The United States supplied roughly about 10 per cent of the total importation, in point of value, its shipments consisting mainly of cotton yarns and cloth and, until recently, fairly large quantities of silk hosiery. Argentina is the largest South American market for United States textile manufactures.

During 1930 and 1931 adverse economic conditions, combined with depreciated currency, tended to restrict sales of foreign textiles, including American goods, in Argentina. Moreover, during 1930 and 1931 the Provisional Government, in an effort to balance the budget and improve peso exchange, as well as to foster the domestic textile industry, increased tariff rates on a number of textile items—in some cases to levels which make competition by imported articles difficult. The country, however, is still far from self-sufficient in many textile lines, particularly cotton yarn and piece goods, and it is expected that, when economic conditions improve, sales of American textiles again will reach a substantial volume; although the trade in some lines, such as hosiery, may be lost to domestic manufacturers.

Trade Commissioner Thomas C. Ballagh, at Buenos Aires, has analyzed the market for various textile lines on the basis of six years' textile experience, including three in Argentina. His observations have been supplemented by preliminary export statistics of the United States for 1931 for the most important classes of goods shipped to the Argentine market. This report, therefore, gives not only a general background of market conditions but the latest statistical data available. It serves also as a handbook of basic information on Argentine production of wool, cotton, and other fibers, and on the local textile industry, which should prove valuable as reference material.

FREDERICK M. FEIKER, *Director,*
Bureau of Foreign and Domestic Commerce.

APRIL, 1932.

TEXTILE MARKET OF ARGENTINA

INTRODUCTION

Argentina is among the leading export outlets for United States textiles other than raw cotton, having ranked fifth from 1927 to 1929 and fourth in 1930. The value of shipments of textiles (exclusive of raw cotton) from the United States to Argentina, however, dropped from an annual average of \$14,772,000 for the five years 1924 to 1928, to \$13,974,000 in 1929 and to \$9,139,000 in 1930; while for the first half of 1931 such shipments were valued at only \$2,520,000.

The decline in the value of American textile exports to Argentina for 1930 and 1931 is considered to represent to some extent temporary losses attributable to unstable economic conditions in Argentina. The depreciated exchange value of the Argentine peso advanced the cost of all imported merchandise at a time when the purchasing power of the people had been lowered. Increased competition, however, was noticeable in some items from European countries as well as from local producers who were favored temporarily by the exchange and more permanently by duty increases.

The United States secured its important position in the Argentine textile market during the World War, when its share in Argentine imports of textile raw materials and manufactures rose from 1 per cent of the total tariff valuation in 1914 to 20 per cent in 1919. This proportion declined steadily thereafter to 8 per cent in 1924, increased slightly to 10 per cent the next year, and again fell to about 8 per cent in 1929, the latest year for which detailed statistics by countries are available. Values in the import statistics of Argentina are based upon a fixed customs valuation, which may be higher or lower than the current market prices. Since these valuations apply to goods from all countries, they afford a fairly accurate index of the relative share of each nation in Argentina's trade.

DOMESTIC AND FOREIGN COMPETITION IN TEXTILES

Argentina produces wool and cotton, but the local textile industry is confined largely to knitting establishments, cotton-duck mills, and numerous small shops making clothing from imported materials. Up to the present the bulk of Argentina's requirements of yarns, piece goods, and miscellaneous textiles has been supplied by foreign countries. Although the domestic textile industry is growing, it seems probable that for many years Argentina will provide an export sales outlet for American textiles.

The chief competition which American textiles must meet in the Argentine market comes from the British Empire and continental European countries. Following the war many European textile-manufacturing countries made successful efforts to regain their lost portion of the Argentine business. By 1923 Italy had won back its

TEXTILE MARKET OF ARGENTINA

pre-war share, while Germany and other countries procured increasing business, mostly at the expense of the United Kingdom, which is still the largest supplier, although its proportion of the trade has been pared down gradually from the pre-war figure of 43 per cent to 26 per cent in 1929, the latest year for which details by countries are

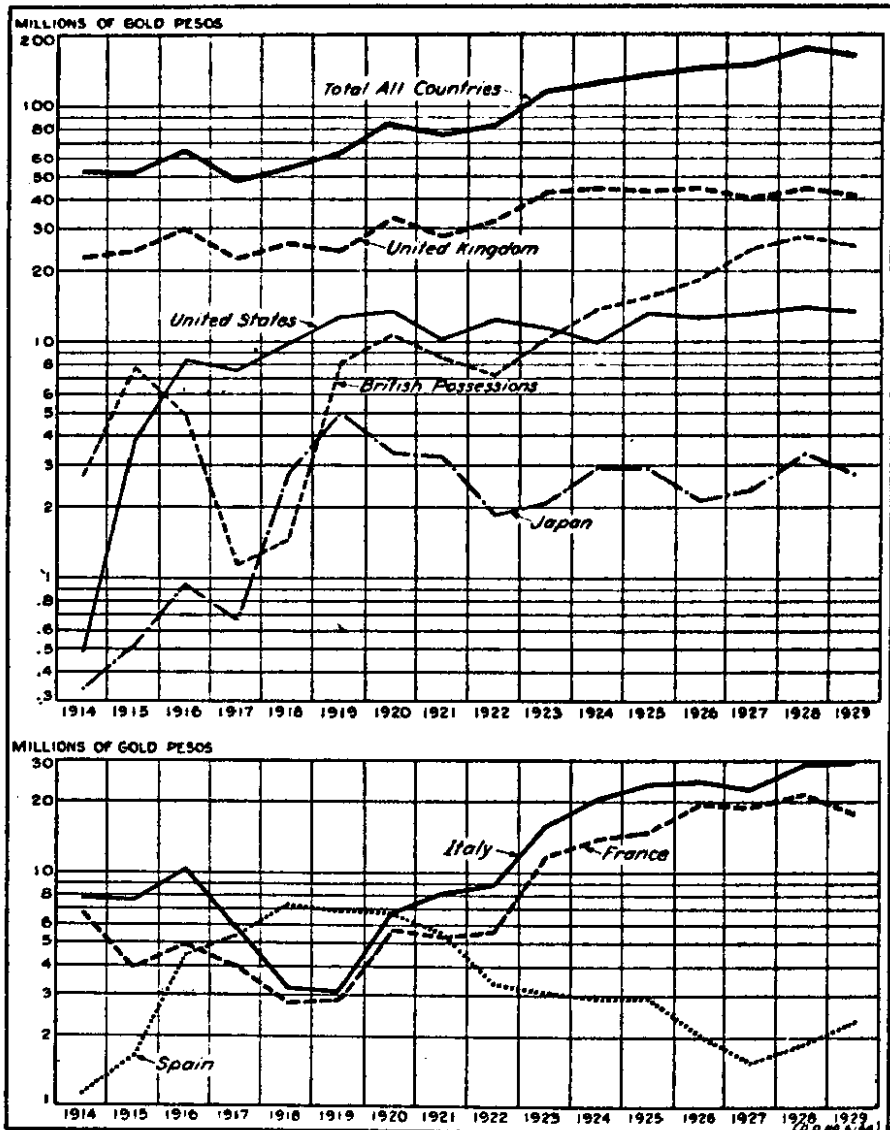


Figure 1.—Argentine imports of textiles, by countries, showing tariff valuation in gold pesos

available. Shipments from the rest of the British Empire, consisting mostly of jute burlap for grain bags, gradually increased until they comprised about 16 per cent of the textile imports in 1929. (See figs. 1 and 2.)

Argentina's imports of textile fibers and textile manufactures in 1930 had a tariff valuation of 126,363,000 gold pesos, compared with

160,196,000 in 1929 and 172,164,000 in 1928. (The peso equaled \$0.8351, United States currency, in 1930, \$0.9513 in 1929, and \$0.9648 in 1928, at average exchange.) The actual value of these imports in 1930, according to official estimates, was about 159,918,000 gold pesos, compared with 204,582,000 in 1929. The distribution of the trade is shown in the following table, which gives a comparison of the tariff valuation and the actual value of the various groups of

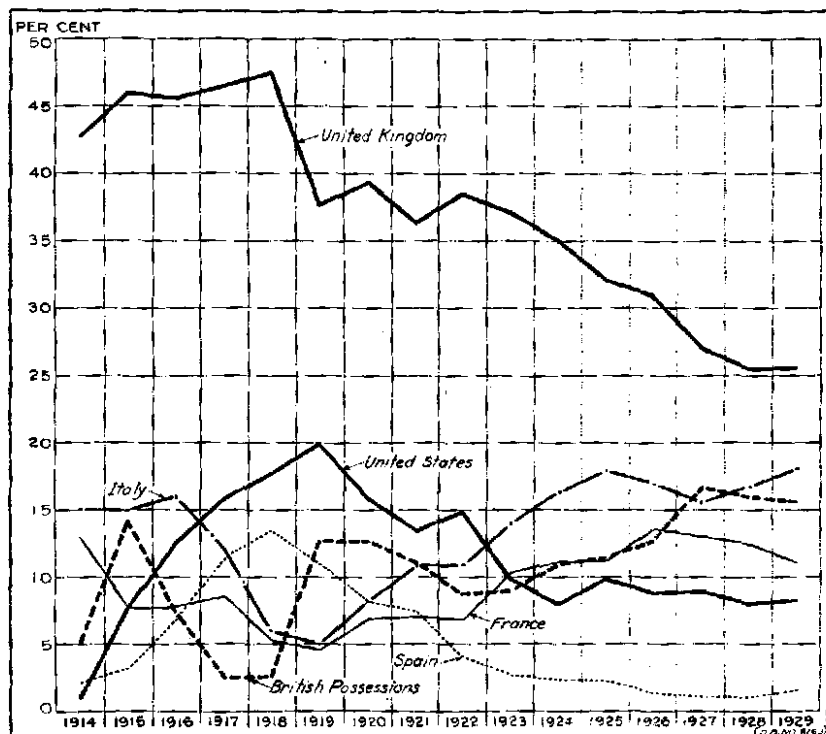


Figure 2.—Distribution of Argentine imports of textiles, by countries, based on per cent. of total tariff valuation.

textile commodities imported in 1930 and the first half of 1931, abstracted from official Argentine returns.

ARGENTINE IMPORTS OF TEXTILE FIBERS AND MANUFACTURES, 1930 AND JANUARY-JUNE 1931

[Values in thousands of gold pesos]

Textile fibers and manufactures	1930			January-June, 1931		
	Tariff valuation	Real value ¹	Per cent. change	Tariff valuation	Real value ¹	Per cent. change
Silk ²	15,691	7,630	-51.37	3,968	4,875	-51.07
Wool.....	20,948	39,836	+90.26	10,989	27,040	+146.06
Cotton.....	58,440	79,370	+36.67	22,678	30,468	+34.35
Flax.....	2,992	3,118	+4.21	1,102	1,216	+10.36
Jute, pita, hemp, and other fibers.....	28,293	29,444	+4.07	6,539	7,333	+12.15
Total.....	126,363	150,918	+26.55	51,271	70,932	+38.34

¹ "Real" values are values calculated by the Argentine statistical office on the basis of invoices and other market information concerning the principal articles of each class.

² In the Argentine tariff this classification includes both silk and rayon.

NOTE.—The exchange value of the gold peso in United States currency was \$0.8351 in 1930 and \$0.729 in the first half of 1931.

PLACE OF UNITED STATES IN ARGENTINE TEXTILE TRADE

The United States ranked third as a source of Argentine imports of cotton and cotton manufactures (principally yarn and piece goods) in 1929 (details by countries for 1930 are not available at this writing), having supplied 11.8 per cent of the total importation, as against 30.7 per cent from the United Kingdom and 29.1 per cent from Italy. These percentages are based on tariff valuations. In the group "Jute, pita, hemp, and other fibers and manufactures thereof," the United States portion of the 1929 imports was 8.8 per cent, while British possessions supplied 57.9 per cent and the United Kingdom 13.6 per cent. The United States gets a relatively small share of the Argentine import trade in the other textile groups as compared with the proportions supplied by European countries.

Despite recent declines, resourcefulness and initiative should enable United States textile manufacturers to increase their sales in Argentina. Greater attention to the changing conditions of the market, careful selection of capable agents and close cooperation with them, the manufacture of special goods when feasible, and the popularization of American textiles through advertising are factors demanding consideration in the attempt to expand American textile trade with Argentina.

Lists of present agents, prospective agents, importers, and textile mills have been compiled and can be furnished to American companies registered in the Exporters Index, upon application to the Commercial Intelligence Division of the Bureau of Foreign and Domestic Commerce at Washington, or to the bureau's nearest district office.

GENERAL BACKGROUND

If a map of the world were folded at the Equator and the southern Republic were moved slightly westward, Tierra del Fuego, the cold southern tip of Argentina, would extend up into Canada, while the warm northern Provinces would be down in the Gulf of Mexico. Argentina measures approximately 2,285 miles in length, but its greatest width is only about 930 miles; in area the country about equals that part of the United States east of the Mississippi River.

CLIMATE

The climate of Argentina ranges from subtropical to temperate and, except for the subtropical northern portion, is similar to that of the United States east of the Rockies and southern California. Buenos Aires, however, is about as far south of the Equator as Memphis, Tenn., is north, and, in general, the more populous area surrounding the Argentine capital has a climate not unlike that of the Carolinas and Georgia in the United States. The seasons are well defined, with summer temperatures running up to 100° F., and winter temperatures generally down almost to freezing. Buenos Aires may not see snow or experience freezing temperatures more than once in a decade, but because of the lack of heat in most houses the people dress warmly in winter.

HISTORY AND PEOPLE

Buenos Aires, which is older than any city in the United States, was founded in 1536 by the Spanish conquistadors, who named the city "Our Lady of the Good Airs," not as a compliment to the climate, but

port there. The growth of the city into one of the leading trade centers of the world has justified the optimism of its founders; and the wide Rio de la Plata (30 to 60 miles), as muddy as the Mississippi, has become indeed a "River of Silver" because of the wealth of Argentine products which annually leave the country by that route, even though it failed to lead the explorers who named it to fabulous silver deposits.

When Argentina declared its independence in 1810, the country had only 500,000 inhabitants. By 1930 the estimated population was slightly over 11,000,000, of whom 2,000,000 live in the city of Buenos Aires, the social, political, and commercial center of the country, where over 95 per cent of the import business is done. Rosario, a 4-hour ride by train from Buenos Aires, has half a million inhabitants. There are half a dozen other cities with a population of 100,000 to 200,000; namely, Cordoba, Sante Fe, Tucuman, La Plata, Bahia Blanca, and Mendoza. Three-fourths of the country's inhabitants live in a fan-shaped area extending 400 miles from its center at Buenos Aires.

Climatic and racial factors combine to make the Argentines an energetic and progressive people. Like the United States, Argentina was populated by immigration from Europe—mostly from Spain, but with an important proportion in later years from Italy. There are sizable groups from other European nations, and it is estimated that from 40,000 to 60,000 British have made their homes in Argentina. The American colony, which varies from 1,000 to 3,000, is constantly changing in membership. Although the amount of textiles and clothing which the American residents purchase is not large, these purchases help to introduce American goods, which are later bought by Argentines also.

PURCHASING POWER

Argentina boasts many millionaires, mostly large landowners who derive substantial incomes by renting to farmers and cattle raisers large tracts of land. These wealthy Argentines may have luxurious mansions on part of their land, but spend little of their time on their own estancias, and rarely see the lands they let. Instead, many of them are said to spend half the year in their palatial Buenos Aires residences, and the other half in Paris or other European cities.

Aside from the small wealthy class the purchasing power of the average Argentine is conceded to be much lower than that of the average person in the United States. The middle class is smaller and its wages lower, while the cost of living in Buenos Aires is higher. In the absence of actual figures on income or purchasing power ownership of automobiles and trucks will serve as something of an index. In 1931 Argentina had one automotive vehicle for every 29 inhabitants, thus occupying fourth place among world nations of equal or greater population in per capita ownership of automobiles. In the United States the ratio was 4.6 persons per car, Canada 8, in Australia 11, and in England 27. In this connection it must be remembered that in Argentina the purchase price and the maintenance cost of automobiles are nearly double such costs in the United States, because of freight and duty.

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in the Chaco, where, about 140,000 bales were produced in 1930. Yerba mate, the national "tea" of Argentina, is produced to some extent in Misiones. Tucuman is the center of the sugar production which supplies the whole country.

Livestock raising is the next to agriculture in importance; a census as of July 1, 1930, showed Argentina to have 32,000,000 cattle, 44,000,000 sheep, 9,800,000 horses, 5,600,000 goats, and nearly 4,000,000 swine. The cattle and horses are found in much the same areas as the grain belts, but sheep raising extends from Corrientes to Tierra del Fuego. Modern meat-packing plants, the majority of which are American owned, are located at various points, but especially near Buenos Aires. They slaughter annually from 3,000,000 to 4,000,000 cattle, 5,000,000 sheep, and from 300,000 to 500,000 swine. The bulk of the meat and other packing-house products is exported to Europe. The hides and skins make valuable by-products for export. Dairying and the production of butter and casein are increasing. Wool is another important product; the annual clip averages about 350,000 bales (Argentine bale equals 926 pounds), which is almost entirely exported, about one-tenth going to the United States.

PETROLEUM

The chief mineral wealth is petroleum, of which Argentina supplies about 70 per cent of its own needs. Most of the wells are in the south, at Comodoro Rivadavia, in Chubut.

MANUFACTURING

The principal industrial plants are those necessary to elaborate the agricultural and pastoral products previously mentioned, but Argentina has other factories of growing importance. Manufactured foodstuffs, leather, shoes, pharmaceutical and toilet articles, furniture, and cement are produced on an important scale. Many other products are made in smaller quantities, the work usually consisting of the assembly of imported parts or materials, rather than complete manufacture.

In textile lines the chief industry is making clothing from imported cloth, mostly in small shops instead of in large factories. However, there are five spinning mills with 45,000 spindles producing cotton yarn for duck weaving and for use in making wax matches. About 160 mills (large and small) knit hosiery, using imported yarns. Blankets and cheaper woolen cloths are made locally; but little cotton cloth (except duck), even less rayon, and almost no silk piece goods are woven. Locally made felt and straw hats supply most of the domestic demand. Industrial activity is largely centered in Buenos Aires.

TRANSPORTATION AND COMMUNICATION

While automotive transportation is handicapped by the lack of paved roads, railways radiate from Buenos Aires to nearly all parts of the country. With 24,533 miles of track, Argentina has more than any other South American country. The Republic has also more automotive vehicles (366,000 in 1931), and nearly as many telephones (239,000 in 1929) as all of the rest of South America put together. The only two subways on the continent are in Buenos Aires. Communications with other countries are also excellent. In 1930 there

were 297 sailings of steamers from the United States to Buenos Aires, half of them being ships of the seven American-owned lines. The fastest steamers from New York arrive in 17 to 18 days, while American airplanes take letters to Buenos Aires by either the west or the east coast of South America in 7 days. Cables require a few hours, and any telephone subscriber in the United States, speaking from his own office, can get Buenos Aires on the telephone in a few minutes.

WEIGHTS AND MEASURES

The metric system is used in Buenos Aires. Goods are bought and sold by the meter (39.37 inches) instead of by the yard. Duties are usually assessed by weight, at so many gold pesos per kilo.

CURRENCY AND EXCHANGE

The currency system is interesting, especially during times of abnormal exchange rates, as in 1930 and 1931. The gold peso, referred to by the customhouse and in Argentine Government reports, has a par value of \$0.96485, United States currency. Although the gold coins actually exist in amounts of 5 pesos and up, they do not circulate and are used only for international payments and as a guaranty for the paper money in circulation. The paper pesos are issued by the Argentine National Government only, and are worth 0.44 Argentine gold pesos, or \$0.4245, United States currency, at par. They are backed by a large gold reserve. The gold is deposited in the Argentine Conversion Office, which, by law, exchanges the paper money for gold at the fixed rate of 0.44 gold pesos for 1 paper peso, and conversely issues 2.27 paper pesos for each gold peso or its equivalent in foreign gold which is deposited with it.

In 1914, for fear of losing its gold reserves because of the World War, the Argentine Government "closed" the Conversion Office, or suspended the delivery of gold for paper currency. The office remained closed until 1927. During those 13 years the peso fluctuated, being well above par while Argentina was making heavy shipments of foodstuffs during the war. After the war exchange was unfavorable; while the par rate is 2.35 to the dollar, the average conversion rate of the paper peso in 1921 was 3.11 to the dollar, in 1923, 2.90, and in 1924, 2.91, with daily rates showing wider fluctuations.

Between 1927 (when the Conversion Office was reopened) and 1929, the peso was approximately at par; but in 1929 crop failures reduced exports, and imports were extremely heavy, with the result that much gold was shipped out of the country and the President again closed the Conversion Office on December 16, 1929.

As a result, the paper peso again became inconvertible paper money, the value of which during 1930 and 1931 fluctuated greatly. There was a gradual depreciation in the exchange value of the paper peso during 1930. By January, 1931, the importer had to pay as high as 3.35 paper pesos for every dollar of a New York draft. Thereafter exchange improved for several months, but by August, 1931, the conversion rate was 3.60.

At 3.60 pesos to the dollar, the cost of imported merchandise was 53 per cent more than normal, and, consequently, import orders were greatly reduced; but the low prices for Argentina's export products, and the resulting general depression, curtailed total consumption in

Argentina to such an extent that even domestic manufacturers felt the pinch.

The following table gives, for convenient reference, the average monthly exchange rates of the Argentine gold peso and paper peso in terms of United States currency. The gold peso is used for calculating duties, and the paper peso for the quotation of prices in Argentina.

DOLLAR VALUE OF ARGENTINE CURRENCY

(Monthly average exchange rates)

Month	Paper peso			Gold peso		
	1929	1930	1931	1929	1930	1931
January.....	\$0.427	\$0.402	\$0.307	\$0.971	\$0.913	\$0.697
February.....	.427	.381	.316	.971	.865	.719
March.....	.428	.377	.343	.973	.856	.780
April.....	.427	.390	.337	.972	.886	.765
May.....	.427	.384	.311	.972	.872	.707
June.....	.426	.371	.309	.969	.844	.703
July.....	.423	.361	.308	.961	.821	.699
August.....	.422	.363	.284	.959	.825	.646
September.....	.421	.360	.268	.957	.818	.597
October.....	.421	.343	.229	.956	.781	.520
November.....	.422	.343	.259	.958	.781	.588
December.....	.422	.332	.257	.958	.766	.585

NOTE.—For the first three months of 1932 the rates were as follows for the paper peso: January, \$0.257; February, \$0.256; March, \$0.257. The corresponding rates for the gold peso were \$0.533, \$0.532, and \$0.533.

Fortunately, lower prices for raw material in the United States enabled many American mills in 1931 to effect a reduction in their prices which helped offset the depreciation in exchange. There still remained, however, the hesitancy of the importer to order goods on the basis of drafts payable 60 or 90 days after sight, when he could not calculate his costs in advance because of fluctuating exchange; while to pay cash in advance or to buy future exchange to cover his needs might leave him with merchandise which had cost him more than that of his next-door competitor if the peso should have improved before he sold his goods.

CUSTOMS DUTIES

Import duties in Argentina are assessed both for revenue and for protection. As there is no income tax, about 50 per cent of the revenues of the Argentine Federal Government comes from import duties. The duties on textiles are in almost every case specific rather than ad valorem, and on the basis of weight. The Argentine system of calculating duties, however, resembles an ad valorem one in that the tariff assigns each type of goods an arbitrary and fixed tariff valuation, and then charges as duty a certain percentage of that tariff valuation, plus surcharges and additional for unloading, storage, etc. Any article not mentioned in the tariff paid 33.8 per cent of its actual c. i. f. value at the port of entry until October 9, 1931, after which the duty was increased to 43.8 per cent.

Any American firm can obtain details concerning the duties on any product by directing a request to the Foreign Tariffs Division, Bureau of Foreign and Domestic Commerce, Washington, D. C. In general, the duties on wearing apparel and knit goods are quite high, to protect local industry. As an extreme example, all women's silk dresses,

regardless of their invoice price, pay a duty of about 90 Argentine gold pesos. Duties on other wearing apparel may range from 25 to 300 per cent of its real value. Cotton piece goods pay fairly low duties, averaging around 15 to 25 per cent of their value. In December, 1930, the duties on silk piece goods and hosiery containing over 40 per cent silk were cut in half, but the general tendency is upward, as seen by increased duties on yarn, cotton duck, and cotton piece goods in February and September, 1931.

Care should be taken to mark cases with accurate weights, both net and gross, in kilos, as an error may be construed as an attempt to defraud the customs, and will result in heavy fines, the proceeds of which are shared by the customs official who discovered the discrepancy. The same holds true for accurate declaration of the weight of the cloth per square meter, or the percentage of silk or rayon content, as these affect the rates of duty to be applied—and errors mean fines.

UNITED STATES TEXTILE SALES TO ARGENTINA SUMMARIZED

As a foreign customer for United States textile products other than raw cotton Argentina ranked fourth in 1930, with purchases valued at \$9,139,000, and exceeded only by shipments of \$28,511,000 to Canada, \$12,989,000 to the United Kingdom, and \$14,301,000 to Cuba. United States exports of textiles exclusive of raw cotton to Argentina have declined steadily since 1928, when shipments reached a value of \$15,779,000. From this point they decreased to \$13,974,000 in 1929 and to \$9,139,000 in 1930. Figures for 1931 show total shipments amounting to only \$5,322,000 to Argentina. Increased competition from Europe has taken away from American mills a portion of the Argentine business, principally in cotton yarn and piece goods; and local manufacture of textile products, such as silk hosiery, has expanded. Some of the drop in United States sales during 1929 was attributable to the overstocked condition of the local textile market, and in 1930 and 1931 to unstable economic conditions.

No American cotton is exported to Argentina, as that country produces cotton, chiefly for export, domestic consumption being comparatively small. Cotton yarns comprise the largest item in United States textile sales to Argentina, having accounted for about 41 per cent of the total value in 1929 and 39 per cent in 1930. In the latter year shipments to Argentina represented about 42 per cent of the quantity and 36 per cent of the value of United States exports of cotton yarns to all countries. The United States formerly supplied the bulk of the cotton yarns imported into Argentina, but within the past two or three years Italy has cut heavily into American sales of carded yarn.

The other large group in these textile exports is cotton cloth, with values ranging from \$3,000,000 to \$5,000,000. More than \$1,000,000 worth of American silk hosiery, mostly women's full-fashioned, was shipped to Argentina in 1929; but in 1930 local mills began to make silk hosiery in quantity, and United States sales were cut in half. Other American textile sales to Argentina, representing roughly one-fourth of the total value, comprise a large variety of products. The more important items, ranging in 1929 and 1930 from \$100,000 to \$500,000 each, were binder twine, coated fabrics (such as linoleum, oilcloth, and artificial leather), high-grade felt hats, medicinal gauze, silk yarn, and bathing suits.

The following table shows the principal items in United States exports of textiles to Argentina during 1929 and 1930: Statistics for the textile group have not been tabulated for 1931 up to the time of writing, but the Textile Division of the Bureau of Foreign and Domestic Commerce has compiled preliminary totals for cotton yarn and piece goods, hosiery, and a few other items, which will appear in the appropriate sections.

UNITED STATES EXPORTS OF TEXTILES TO ARGENTINA

Item	1929		1930	
	Quantity	Value	Quantity	Value
COTTON SEMIMANUFACTURES				
Mill waste.....pounds..	75, 182	\$14, 885	40, 440	\$9, 094
Cotton yarn:				
Carded, not combed.....do..	9, 096, 330	2, 658, 742	4, 148, 262	1, 190, 314
Combed, mercerized.....do..	3, 924, 960	2, 987, 514	3, 199, 314	2, 330, 070
Combed, not mercerized.....do..	285, 247	137, 096	209, 296	103, 829
Other cotton semimanufactures.....do..	6, 408	804	2, 184	287
Total.....	12, 988, 167	5, 796, 981	7, 608, 500	3, 608, 534
COTTON MANUFACTURES				
Sewing thread.....pounds..	18, 484	22, 534	12, 210	14, 679
Twines and cordage.....do..	349, 571	144, 252	220, 791	81, 827
Cotton cloth, duck, and tire fabrics.....square yards..	23, 936, 208	4, 108, 754	16, 375, 381	2, 616, 337
Blankets.....pounds..	15, 444	18, 607	10, 420	10, 894
Damasks.....square yards..	18, 148	4, 788	563	343
Cotton fabrics sold by the pound.....pounds..	11, 394	4, 506	17, 666	10, 766
Cotton wearing apparel:				
Hosiery, women's.....dozen pairs..	3, 662	11, 821	1, 919	4, 794
Hosiery, children's.....do..	1, 785	3, 582	1, 282	2, 454
Men's socks.....do..	15, 210	46, 060	10, 356	30, 838
Knit underwear.....dozens..	9, 004	48, 386	5, 782	33, 870
Sweaters, shawls, and other knit outerwear				
.....number..	3, 263	6, 204	1, 366	720
Underwear, not knit.....dozens..	3, 005	18, 448	1, 548	9, 099
Other cotton clothing.....		76, 737		60, 698
Woven belting for machinery.....pounds..	13, 934	8, 758	14, 708	9, 805
Bags.....do..	206, 849	68, 914	328, 912	66, 353
Other cotton manufactures.....		47, 777		48, 096
Total.....		4, 636, 228		2, 908, 677
MANUFACTURES OF OTHER VEGETABLE FIBERS				
Flax, hemp, and ramie manufactures.....		20, 461		17, 499
Jute manufactures.....pounds..	5, 134	1, 368	2, 919	737
Cordage, except of cotton or jute:				
Binder twine.....do..	5, 511, 202	567, 212	3, 996, 136	436, 418
Manila cordage.....do..	31, 273	7, 442	32, 137	6, 219
Other cordage.....do..	19, 766	5, 733	4, 496	1, 357
Other vegetable fiber manufactures.....		10, 077		7, 282
Total.....		612, 283		498, 612
WOOL MANUFACTURES				
Fabrics wholly or chiefly of wool or mohair.....pounds..	18, 799	47, 028	3, 913	9, 241
Wearing apparel:				
Bathing suits.....dozens..	3, 618	115, 269	3, 102	106, 418
Men's and boys' overcoats, suits, and pants				
.....number..	9, 736	134, 377	3, 186	56, 346
Other.....		5, 588		6, 026
Other wool manufactures.....		27, 641		4, 134
Total.....		329, 908		182, 171
SILK MANUFACTURES				
Tram, organzine, hard twists, and spun silk.....pounds..	28, 697	179, 189	62, 222	320, 467
Sewing, embroidery, and crochet silk.....do..	2, 302	15, 340	8, 826	27, 968
Broad silks:				
Satins and other, for shoes.....yards..	6, 257	13, 078	9, 819	23, 518
Other broad silks.....do..	28, 352	31, 421	40, 964	56, 967
Wearing apparel:				
Hosiery, women's seamless.....dozen pairs..	8, 241	109, 836	101	899
Hosiery, women's full-fashioned.....do..	66, 072	840, 296	35, 789	410, 798
Hosiery, children's.....do..	12	132	200	1, 024
Men's socks.....do..	22, 445	135, 075	18, 179	81, 810
Other silk clothing.....		45, 541		34, 475
Other silk manufactures.....		12, 174		5, 406
Total.....		1, 362, 081		992, 274

TEXTILE MARKET OF ARGENTINA

13

UNITED STATES EXPORTS OF TEXTILES TO ARGENTINA—Continued.

Item	1929		1930	
	Quantity	Value	Quantity	Value
RAYON AND OTHER SYNTHETIC TEXTILES				
Yarn.....pounds.....	1,036	\$2,152	34,908	\$39,647
Woven and knit dress and piece goods.....square yards.....	29,797	9,918	23,626	8,073
Rayon wearing apparel:				
Hosiery, women's.....dozen pairs.....	1,894	8,109	2,150	8,872
Hosiery, children's.....do.....	178	739	163	599
Men's socks.....do.....	9,651	42,889	1,891	8,504
Knit underwear.....dozens.....	3,859	24,760	6,127	42,299
Other rayon manufactures.....dozens.....		5,696		1,913
Total.....		94,262		109,707
MISCELLANEOUS TEXTILE PRODUCTS				
Linoleum.....square yards.....	24,092	22,125	19,788	29,867
Felt-base floor coverings.....do.....	103,634	44,067	44,738	18,161
Oilcloth.....do.....	367,668	101,267	307,681	71,386
Window-shade and book cloth, coated.....square yards.....	16,259	3,095	66,570	10,424
Waterproof auto cloth, not rubberized.....square yards.....	157,572	81,981	104,815	50,185
Pyroxylin leather cloth.....do.....	102,806	68,416	66,874	39,507
Other leather cloth.....do.....	80,125	41,313	25,554	14,474
Waterproof outer garments.....number.....	5,524	7,602	8,297	12,874
Corsets, brassières, and girdles.....do.....	10,248	19,269	5,846	10,968
Hats and caps:				
Hats of straw, palm leaf, etc.....do.....	40,041	11,074	22,988	9,959
Men's and boys' fur-felt hats.....do.....	26,842	187,231	24,436	159,218
Wool-felt hats.....do.....	6,043	43,379	5,017	32,062
Other.....do.....	88,591	11,793	30,364	4,325
Absorbent cotton, gauze, and sterilized bandages.....pounds.....	365,241	276,050	333,561	227,041
Elastic webbing.....yards.....	508,926	35,291	338,877	21,386
Garters and arm bands.....dozen pairs.....	38,722	95,358	25,056	43,163
Other textile manufactures.....dozens.....		73,571		59,235
Grand total, all textiles.....		13,973,590		9,139,120

COTTON YARN AND CLOTH

COTTON YARN

As will be seen from the foregoing table, in 1930 the shipments of carded yarn fell off almost 50 per cent in quantity, partly on account of a 16 per cent decrease in total Argentine imports of cotton yarn of all kinds, receipts dropping from about 24,000,000 pounds in 1929, to 20,000,000 pounds in 1930. The chief cause of the decrease in American sales in 1930 was price competition from Italian carded yarn, which was felt even more strongly in 1931. (See p. 57.)

COTTON CLOTH

The great variety of cotton cloths supplied to Argentina may be seen from the following table of comparative exports and the supplementary comment.

UNITED STATES EXPORTS OF COTTON CLOTH TO ARGENTINA

Item	1929		1930		1931	
	Square yards	Value	Square yards	Value	Square yards	Value
Tire fabrics:						
Cord.....	1,513	\$560	5,855	\$1,776	490,163	\$182,180
Other.....	33,599	11,656	109,826	46,668	354,718	91,464
Duck:						
Heavy filter, paper dryer, hose and belting duck.....	45,691	14,890	29,536	8,857	1,465	609
Unbleached—						
Ounce.....	770,436	209,437	513,690	122,819	223,798	36,994
Numbered.....	189,976	80,032	157,807	59,766	37,472	9,075
Bleached.....	200,970	39,051	182,870	34,643	122,346	19,526
Colored.....	18,221	5,799	16,390	8,337	9,719	2,819
Other cotton cloth:						
Unbleached—						
Drills and twills.....	443,747	80,607	320,979	54,540	422,311	54,240
Sheetings—						
40 inches wide and under.....	2,612,900	212,854	1,384,396	100,782	1,653,813	100,436
Over 40 inches wide.....	164,637	21,561	57,913	8,820	78,725	8,595
Osnaburgs.....	35,268	5,748	60,097	6,027	104,965	9,777
All other unbleached.....	464,697	50,423	467,948	26,820	728,751	49,877
Bleached—						
Drills and twills.....	268,343	51,664	134,158	19,413	49,463	6,406
Pajama checks.....	1,548,053	166,382	1,471,573	163,695	818,456	61,808
Sheetings—						
40 inches wide and under.....	1,044,352	108,823	288,578	33,878	243,736	20,050
Over 40 inches wide.....	249,137	40,421	167,520	27,600	26,593	2,783
All other bleached.....	983,018	143,520	1,204,004	139,209	1,091,808	109,176
Colored—						
Voiles.....	1,706,768	262,510	2,580,424	318,964	2,611,656	401,519
Percales and prints—						
32 inches wide and narrower.....	149,465	17,629	234,112	28,018	286,336	26,842
Over 32 inches wide.....	610,118	141,104	439,304	52,886	377,665	46,791
Flannels and flannelettes.....	70,455	16,184	150,542	21,969	141,077	18,484
Khaki and fustians.....	166,162	30,233	81,137	13,171	124,023	16,285
Denims.....	243,600	50,618	199,144	32,134	149,693	20,231
Suitings (drills, etc.).....	2,748,001	411,004	1,314,356	202,303	1,197,513	148,039
Ginghams.....	891,420	64,935	198,805	18,481	70,620	5,069
Chambrays.....	49,268	5,217	89,420	8,131	107,907	8,237
All other printed fabrics—						
7½ and more yards per pound.....	1,987,044	487,497	1,054,553	293,361	833,002	220,358
Less than 7½ yards per pound.....	1,067,552	271,317	561,043	128,006	378,630	39,446
All other piece-dyed fabrics—						
5 and more yards per pound.....	947,572	168,779	461,239	79,302	267,839	32,004
Less than 5 yards per pound.....	1,123,447	169,933	548,176	72,090	330,641	30,540
All other yarn-dyed fabrics.....	1,471,369	214,777	746,371	136,388	337,953	32,538
Cotton and rayon mixture, cotton chief value.....	1,729,197	589,893	1,063,455	356,623	778,797	216,900
Total.....	23,936,208	4,108,754	16,275,381	2,616,327	14,451,614	1,994,149

Duck.—Cotton duck is an important item, and one in which the United States furnishes a large part of Argentina's imports, with recent competition from Spain. The Argentine duck-weaving industry is very large and supplies much more of the domestic consumption than do imports. Most of the local product is coarsely woven and is used for canvas shoes.

Unbleached and bleached goods.—In unbleached goods the United States has been losing trade to Italy and Japan in recent years, but it still sells fair quantities. An important item in the bleached-goods trade is American pajama checks, used for athletic underwear. In narrow bleached goods, called sheetings, several numbers are sold, but in goods actually used for sheets (wide sheetings), American mills seem unable to meet competition from British and Italian mills.

Dress goods.—In the dress-goods trade, printed cotton and silk mixed crêpe (containing less than 40 per cent silk) was the largest seller in 1929 and 1930. In 1931 a tendency to return to voiles was noticed.

Staples.—For some years American suiting drills were sold in very large quantities. They are still quite important, even though reduced to a third of the former volume by competition from European gabardines, coverts, and cottonades. The gains of the European suppliers are attributed to lower prices, larger variety

of patterns, and small minimum requirements. *Hollandas* and wash suitings (*brin lavado*) are sold for dusters, though in decreasing quantities since the recent and rather startling adoption by Argentine workmen of striped poplin pajama coats, instead of dusters, for summer street wear. The poplin used in them is European. American khaki shirting is one of the few khaki cloths imported. Certain other American shirtings are sold despite local preference for shirts of European striped poplin. Some denims, as well as chambrays and other cloths, are sold.

OTHER TEXTILE PRODUCTS

As seen in the table on page 12, American textile manufacturers sell to Argentina relatively smaller amounts of a very large number of products besides cotton yarn and cotton cloth; the principal items are as follows:

Cordage.—The largest item in cordage is binder twine, used principally in agricultural machinery for harvesting grain. Annual sales have averaged recently about \$500,000, and much of the business is handled through firms selling agricultural machinery.

Coated fabrics.—The large and increasing number of automobiles, trucks, and busses used in Argentina has stimulated the demand for waterproof automobile cloth, leather cloth or artificial leather, upholstery cloths, and cotton covers. With an estimated 366,000 automotive vehicles in 1931, Argentina ranked seventh among nations of the world and is one of our largest automobile markets, as 96 per cent of the vehicles are American. The aforementioned cloths are also used in the local furniture industry. Although Great Britain supplies most of the linoleum, felt-base rugs are principally American.

Gauze.—Although practically no absorbent cotton is imported into Argentina, because of local manufacture, the United States sells large quantities of medicinal gauze, and has the bulk of the business. Bandages, however, are usually imported from Great Britain.

Hosiery and underwear.—As Argentine knitting mills produce most of the country's requirements in cotton and wool hosiery and in knitted underwear of cotton, wool, and rayon, American sales are confined largely to silk hosiery. As shown in the table on page 12, however, certain amounts of high-grade hosiery and underwear of other materials are sold to the best shops in Buenos Aires by active agents.

Hats.—Argentina produces most of its requirements of men's felt hats from local materials and exports rabbit and nutria fur to American hatters. However, one or two brands of widely advertised American hats are selling in Argentina in increasing quantities (reaching a value of approximately \$100,000 a year) on the basis of superior quality, despite duties. A few American straw hats are bought, but most of the straw hats worn in Argentina are made locally, as are cloth caps and women's hats.

Other wearing apparel.—In other wearing apparel heavy protective duties permit Argentine manufacturers to supply almost the entire local demand. In general, the cloth is imported at a low rate of duty and is cut up and sewed locally into garments, such as collars and cuffs, shirts, underclothes, women's and children's dresses, men's work clothing, uniforms, and similar articles. Duties are usually specific, and range as high as 90 gold pesos for a silk dress, regardless of its cost. For this reason, imports are limited to relatively small quantities of high-grade articles for the better Buenos Aires retail stores, with the support of adequate advertising.

Despite the duties, various articles have been successfully sold, and others could be introduced. A striking example is men's high-quality ready-made wool suits, which few people thought could be sold in Buenos Aires until an enterprising American retailer introduced them. Although sold principally to American residents, they also competed with Argentine tailor-made suits, since local production of ready-made suits is confined to the cheaper qualities. Men's American-made garters are another item which competes with local products.

American bathing suits have become popular in the past few years, and in 1930 Argentina was the second largest foreign market. The American bathing suits have set the style for local manufacturers, but these products are not yet equal in quality to the American article.

Other textiles.—American manufacturers of textile products, other than those mentioned, sell small quantities of a large variety of goods, in which the value of exports ranges from several hundred dollars up to nearly \$100,000 a year.

Some of the sales are of textiles in which the United States is considered to be out of line in price, compared with quotations on these products by other countries from which Argentina buys up to 95 per cent of its requirements in these goods. Typical of this group are woolen piece goods (supplied mostly by England, France, and Italy), rayon yarns (Europe), jute burlap for grain sacks (India), cotton thread (England), wool rugs (England and Germany), certain kinds of cotton cloth, silk piece goods, and other textiles. In some of these, prospects of securing a sizable business are not considered bright, but in others increased study and sales effort might produce more orders.

This statement appears to be especially true with reference to silk piece goods, which the United States produces in excellent qualities and design and which should compete with the better-grade French materials, even if not with the cheaper plain silks from Japan.

UNITED STATES IMPORTS OF ARGENTINE TEXTILE FIBERS AND FURS

The textile trade between Argentina and the United States is reciprocal. While the value of our total sales of all products to Argentina each year is nearly double that of our purchases from that country, the interchange of textiles is more evenly balanced. Thus, of \$210,000,000 worth of goods shipped by the United States to Argentina in 1929, about \$14,000,000 represented textile products. The textile trade in 1930 fell considerably below the previous 5-year average, textiles accounting for about \$9,000,000 of the total United States exportation of all classes of merchandise, valued at \$129,000,000, to Argentina. Textile exports consisted principally of cotton yarn, cotton cloth, and miscellaneous textile manufactures, usually of cotton, to a less extent of silk, and very infrequently of wool.

Argentina's textile exports to the United States are practically limited to unmanufactured fiber of animal origin—namely, wool and animal hair. Although furs are not included in the textile group in United States statistics, they will be considered along with wool and hair in this report. Large quantities of Argentine furs are shipped to the United States. Thus, of approximately \$118,000,000 worth of Argentina's exports of all classes of merchandise to the United States in 1929, wool amounted to \$12,000,000, hair to somewhat under \$1,000,000, and furs to about \$4,000,000. With the exception of jute burlap, imports of which were valued at more than \$300,000, receipts of other textile products from Argentina were negligible, being a little more than \$5,000. In 1930 total imports of merchandise into the United States from Argentina declined to about \$72,000,000, of which wool accounted for more than \$6,000,000, animal hair for over \$500,000, furs for approximately \$2,000,000, and textiles (other than wool and hair) for \$37,000, of which jute burlaps represented \$30,000. The jute burlap shipped from Argentina is undoubtedly of foreign origin, as none is woven locally.

ARGENTINA FROM A TEXTILE VIEWPOINT

TEXTILE FIBER PRODUCTION IN ARGENTINA

Wool, cotton, and hair are the principal textile fibers produced in Argentina. Small amounts of *Phormium tenax* are raised, but the production of flax, ramie, and silk has been limited largely to experimental work. No rayon or other synthetic fibers are spun in Argentina, no mohair is produced, and the clip of hair from such animals as the llama and alpaca is a negligible factor.

WOOL

For perhaps a century or more the United States has imported Argentine wool in varying quantities. The Yankee clipper ships, which sailed from Boston and Philadelphia loaded with American goods, brought back from Argentina the hides and wool which helped to make those cities the principal leather markets of the United States; and to-day American steamers which bring automobiles to Argentina make up their return cargoes partly of Argentine wool and hair.

In 1930 Argentina ranked first as a supplier of wool to the United States, although in 1929 its shipments were less than those of China, the United Kingdom, and Australia. From the Argentine standpoint, the United States (in 1929 and 1930) was the fifth largest market for wool; its purchases were exceeded by those of the United Kingdom, Germany, France, and Belgium in the latter year.

UNITED STATES IMPORTS OF WOOL FROM ARGENTINA, 1928 AND 1929

Item	1928		1929	
	Pounds	Value	Pounds	Value
Carpet wool:				
On the skin or in the grease—				
Free.....	669,499	\$151,737	3,361,482	\$783,438
Dutiable.....	7,724,770	1,895,236	19,669,768	5,223,499
Washed or scoured—				
Free.....	490,148	116,219	49,798	13,523
Dutiable.....	292,767	82,190	1,029,258	349,709
Clothing wool:				
In the grease and washed (dutiable)—				
Actual weight.....	2,027,901	746,482	1,747,249	587,063
Clean content.....	1,252,423		1,121,245	
Scoured (dutiable).....	38,300	15,030	68,272	27,202
Combing wool:				
In the grease and washed—				
Actual weight.....	11,242,124	4,068,276	14,382,623	5,015,136
Clean content.....	7,239,827		9,817,279	
Scoured (dutiable).....	380,120	148,975	75,280	28,095
Total.....	22,865,629	7,225,045	40,383,730	12,027,725

UNITED STATES IMPORTS OF WOOL FROM ARGENTINA, 1930 AND JANUARY-JUNE, 1931

Item	1930		January-June, 1931	
	Pounds	Value	Pounds	Value
Carpet wool, without merino or English blood:				
In the grease—				
Free.....	1 262, 845	1 874, 090	302, 938	916, 426
Dutiable.....	1 19, 613, 652	1 3, 741, 678	13, 554, 265	1, 296, 713
Other—				
Dutiable.....	1 574, 134	295, 785	2, 305, 990	233, 203
Carpet wool, n. e. s., not finer than 40s:				
In the grease—				
Dutiable—				
Actual weight.....	1 449, 949	1 54, 155	3, 580, 526	391, 342
Clean content.....	1 269, 933		2, 201, 032	
Other—				
Dutiable—				
Actual weight.....	1 43, 045	1 8, 921	102, 330	16, 989
Clean content.....	1 36, 430		90, 212	
Clothing wool:				
In the grease or washed—				
Dutiable—				
Actual weight.....	1 1, 793, 133	1 458, 008		
Clean content.....	1 1, 019, 810			
Scoured, dutiable.....	1 35, 396	1 12, 099		
Clothing wool, 40s to 44s:				
In the grease, dutiable—				
Actual weight.....	1 100, 314	1 19, 827	226	34
Clean content.....	1 64, 219		158	
Other, dutiable—				
Actual weight.....			22, 642	4, 915
Clean content.....			19, 156	
Clothing wool, finer than 44s:				
In the grease, dutiable—				
Actual weight.....	1 33, 038	1 7, 255	118, 306	17, 829
Clean content.....	1 24, 485		67, 710	
Other, dutiable—				
Actual weight.....	1 90, 335	1 12, 159		
Clean content.....	1 45, 199			
Combing wool:				
In the grease or washed—				
Dutiable—				
Actual weight.....	1 6, 594, 654	1 1, 519, 865		
Clean content.....	1 3, 654, 891			
Scoured, dutiable.....	1 12, 826	1 3, 274		
Combing wool, 40s to 44s:				
In the grease—				
Dutiable—				
Actual weight.....	1 447, 454	1 94, 736	40, 374	3, 684
Clean content.....	1 302, 441		27, 937	
Other—				
Dutiable—				
Actual weight.....	1 11, 704	1 2, 656	9, 290	1, 104
Clean content.....	1 9, 746		7, 228	
Combing wool, finer than 44s:				
In the grease—				
Dutiable—				
Actual weight.....	1 132, 675	1 22, 837	1, 256, 459	178, 444
Clean content.....	1 96, 775		745, 230	
Other—				
Dutiable—				
Actual weight.....	1 85	1 30		
Clean content.....	1 50			
Wool, carbonized, dutiable.....	1 10, 490	1 4, 091		
Total (actual weight).....	31, 495, 799	6, 391, 449	21, 163, 264	2, 152, 574

1 Includes wool on the skin, prior to June 18, 1930.

2 June 18-Dec. 31, inclusive.

3 Jan. 1-July 17, inclusive.

Argentina is one of the great wool-producing countries of the world. With approximately 44,000,000 sheep, its flocks took fourth place in 1930 among those of other nations, following Russia with 112,000,000, Australia with 106,000,000, and the United States with 51,000,000. Up to 1900 wool was the chief export product of Argentina. A fairly large part of the Argentine clip is shipped to the United States, particularly Boston. For this reason the First National Bank of Boston, which has a branch in Buenos Aires, has made a very close study of the wool production of the country, and, in the absence of official Argentine figures on production, estimates of the First National Bank of Boston are generally regarded as the most reliable. Acknowledgment is made to this source for much of the following data on wool.

NUMBER OF SHEEP

The Argentine Government census figures on the number of sheep in Argentina showed 54,000,000 in 1869 and 57,000,000 in 1875. By 1895 the flocks had reached the peak of 74,000,000, according to Government estimates. At this time, however, Argentine farmers began to turn their attention more toward the production of wheat and grain, and the sheep were pushed off the more fertile lands of the pampas in central Argentina. By 1908 the flocks had decreased to 67,000,000, by 1914 to 43,000,000, and by 1922 a Government estimate credited the country with only 36,000,000. Since that time, however, sheep raising and wool production have taken an upward trend, and the official census of July 1, 1930, gave the number of sheep in the country as 44,413,221.

ANNUAL WOOL PRODUCTION

The estimate of the First National Bank of Boston, representing an average of the opinions of a score of the leading wool-export houses, places the production during the wool year October 1, 1930, to September 30, 1931, at 360,000 bales (bale equals 420 kilos, or 926 pounds) or 333,000,000 pounds, which, for comparison with Government export figures, may be converted into 151,000 metric tons of 2,204.6 pounds each. Estimates of production for the past eight years are shown in the following table:

ESTIMATED ARGENTINE WOOL PRODUCTION

Year	Bales	Pounds	Year	Bales	Pounds
1923-24.....	320,000	295,000,000	1927-28.....	350,000	324,000,000
1924-25.....	340,000	314,000,000	1928-29.....	370,000	342,000,000
1925-26.....	345,000	319,000,000	1929-30.....	350,000	324,000,000
1926-27.....	390,000	363,000,000	1930-31.....	360,000	333,000,000

DOMESTIC CONSUMPTION AND EXPORTS

Domestic consumption of wool in 1930 was estimated at 28,600,000 pounds (about 30,000 bales). Official Argentine export statistics show the following shipments from Argentina to the principal markets.

TEXTILE MARKET OF ARGENTINA

ARGENTINE EXPORTS OF WOOL, BY COUNTRIES, 1927-1930

[In metric tons]

Item	1927	1928	1929	1930 ¹
Grease wool.....	148,990	117,631	120,202	129,418
Washed wool.....	1,665	2,487	2,694	3,821
Clean wool, packing-house type.....	6,244	5,285	6,098	8,074
Total.....	156,940	125,403	128,994	135,010
Exported to--				
Belgium.....	14,444	18,105	22,370	20,643
France.....	28,122	26,138	21,107	23,123
Germany.....	45,403	32,551	30,030	30,627
Italy.....	8,127	8,801	10,101	8,344
Netherlands.....	752	521	792	798
Spain.....	320	736	296	494
Sweden.....	178	547	344	307
United Kingdom.....	32,201	22,923	32,677	32,682
United States.....	11,925	11,690	17,552	13,419
Other countries.....	5,467	3,303	3,696	5,527

¹ Preliminary figures.

TYPES OF WOOL PRODUCED

The principal types of sheep raised in Argentina are "criolla" (native sheep), merinos, and crossbreds, the last-named predominating. The criolla, or native sheep, of Argentina are now only a small proportion and are confined to the Provinces of Santiago del Estero, Santa Fe, Cordoba, and San Luis, in the north-central section of Argentina (see fig. 3). The introduction, many years ago, of the Rambouillet merino resulted in a predominance of this type in the Territories of Rio Negro and Chubut, and in its being crossed with the native sheep to form the fine crossbreds. The fine crossbred predominates in the Provinces of Entre Rios and Corrientes, in the north, and in the Territories of Santa Cruz and Tierra del Fuego, in the far south. The later introduction of the English Lincoln sheep proved so successful that Lincoln or coarse crossbreds are now in the majority in the Province of Buenos Aires and in the Territories of La Pampa and Neuquen. Although there is some concentration of sheep in the southern part of the Province of Buenos Aires, and to a less extent in Entre Rios, the rest of the sheep are scattered throughout the other Provinces mentioned.

ARGENTINE WOOL PRODUCTION OF VARIOUS GRADES,¹ 1927-28 TO 1929-30

Item	1927-28	1928-29	1929-30
Coarse crossbreds.....	<i>Per cent</i> 22	<i>Per cent</i> 31	<i>Per cent</i> 30
Medium crossbreds.....	22	25	21
Fine crossbreds.....	30	29	30
Merinos.....	16	15	14
Total.....	100	100	100

¹ The production of "criollo," or native wools, is considered by the trade to be less than 2 per cent of the total clip, for which reason it has not been separated in the above estimate.

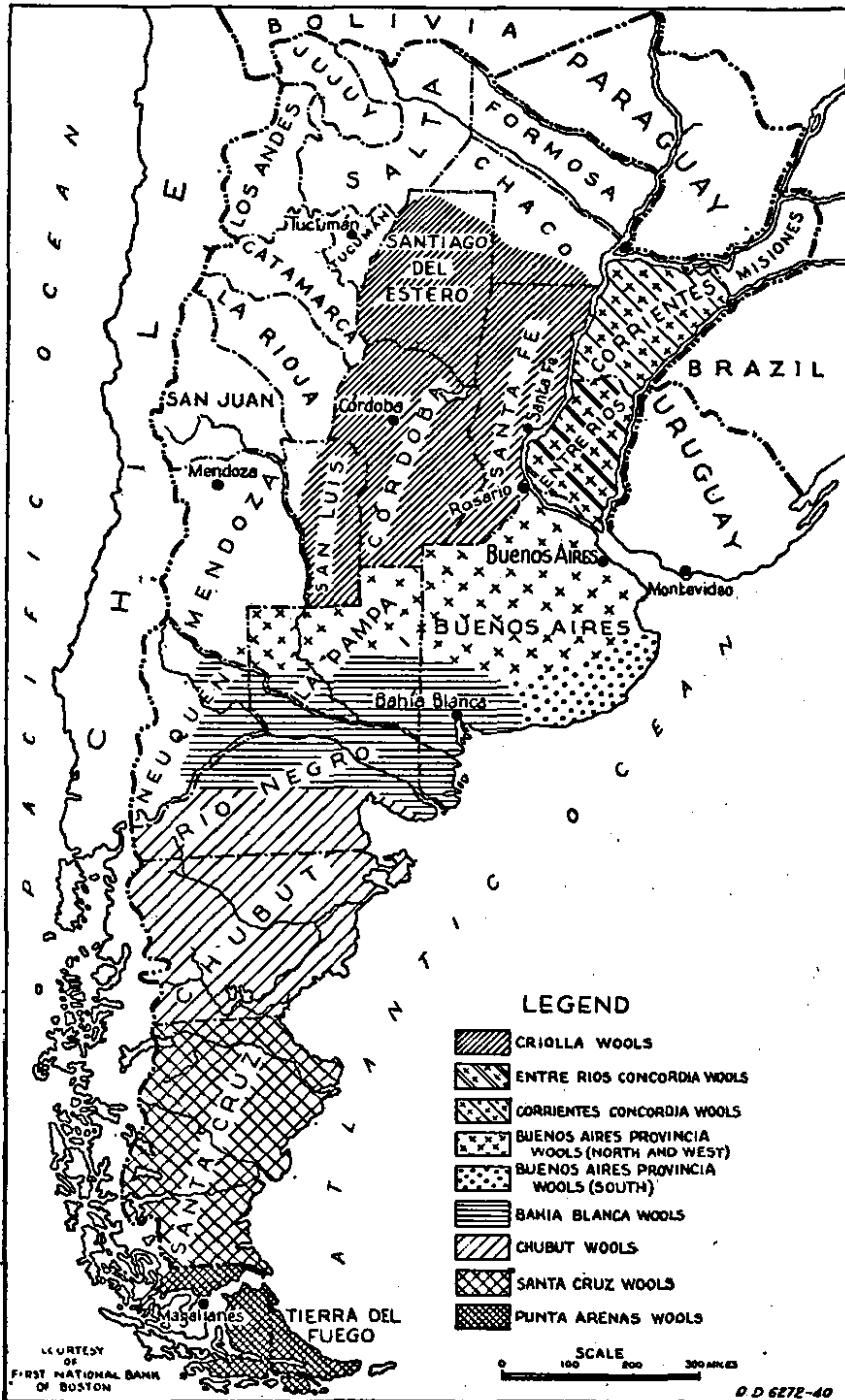


Figure 3.—Origin of Argentine wool, by districts

SPINNING AND WEAVING CHARACTERISTICS

The spinning and weaving characteristics of wool from different parts of the country depend not only upon the breed but upon the climatic condition of the producing area. For this reason Argentine wools are generally divided by Buenos Aires wool merchants into nine classes, according to districts, as shown in Figure 3, published through the courtesy of the First National Bank of Boston.

For the benefit of those interested in the details of the spinning characteristics of Argentine wools from different districts, the following is quoted from Wool Production in Argentina, issued by the First National Bank of Boston:

(1) *Corrientes wools*.—Because of the warm climate in this region sheep bearing fine and fine crossbred wools are mainly grown. The animals are small compared to the Lincoln crossbred, and the fleeces light in weight. Their chief characteristic is softness. *Corrientes* lambs' wool has special qualifications of softness and silkiness. The wool of this region has one fault, in that it never scours perfectly white because of a permanent light stain in the fiber due to the presence of an excess of natural oil which is "baked" into the fiber by the hot sun. The finest and best wool in *Corrientes* is derived from the Curuzu-Cuatia section in the north central part of the Province. *Corrientes* wools are not ordinarily used alone by manufacturers, but are blended with wools of other sections and other countries.

(2) *Entre Rios wools*.—Although the Provinces of *Corrientes* and *Entre Rios* comprise a fine crossbred district producing what are known as "Concordia wools," the *Entre Rios* product, particularly from Gualaguaychu, is materially different from *Corrientes* wools. *Entre Rios* wools are less soft, are darker in hue, longer in staple, and somewhat coarser in fiber. They sometimes contain burrs, while *Corrientes* wools are practically all superior. *Entre Rios* wools, however, give a better scoured product. The annual production of the Concordia district, in comparison with other wool regions in Argentina, is uncertain as to quantity. The hot climate renders the sheep there below average in vitality. When the flocks are attacked at times by serious diseases, the mortality is apt to be extremely heavy.

(3) *Northwest "criolla" district, carpet wools*.—The Provinces of Cordoba, Santiago del Estero, Santa Fe, and San Luis principally constitute this region. The land available here for sheep raising is for the most part barren and offers little grazing food. The annual production of about 4,000 bales is derived from unimproved sheep bearing, as stated previously, a coarse, hairy fiber. Cordoba, or "criolla" wools, as they are interchangeably termed, are satisfactory as raw material in the manufacture of carpets.

(4-5) *Province of Buenos Aires, "provincia" wools*.—This Province, comprising two of the nine districts, as shown in Figure 3, is still the country's leading sheep and wool region. The Lincoln crossbred is grown almost exclusively there and is bred chiefly for its mutton, rather than for quality of fiber. These large-frame, heavy animals require abundant natural feed. When this is inadequate, the physical condition of the fleeces as well as the quality of their fiber suffers more readily than is the case with fine wool sheep, bred exclusively for their wool. Hence, since pasturage varies from year to year, according to the timeliness of the rains, "provincia" wools are likely to vary rather widely each year in quality and condition.

All but a small part of the production is medium to coarse crossbred, and possesses special qualities of length and strength not found in any other part of the world for these low grades. From the standpoint of the United States manufacturer the disadvantage of these wools is their content of various kinds of burrs. Some are comparatively harmless, while the presence of other species is detrimental. The burr content varies from season to season. "Provincia" wools are known by their origin within the Province as northern, western, and southern wools. The southern wools, comprising the bulk of the production, are largely coarse crossbreds. They have a long staple and a minimum of softness, in contrast to the wool from the northern and western sections. The quantity of northern "provincia" wools is unimportant to-day. Wools from the western districts are of firmer quality than the southern wools; they have a shorter staple and are less harsh to the touch. The western and northern "provincia" wools are apt to contain the large burr (*abrojo grande*) which, however, is far less harmful than the "mestizo" burr found farther north.

(6) *Bahia Blanca wools.*—Wools of this region, including southwestern Buenos Aires Province and part of Neuquen, Rio Negro, and Pampa Territories, are very different from those of the northern Provinces. In the eastern part the product is slightly brighter in appearance than that of the rest of the Province of Buenos Aires, but is poorer in quality, harsher, and “spins downward”—that is, tends to produce not more than the minimum amount estimated. The wools of the eastern section frequently contain much foreign matter, especially burrs. The Pampa district, northwest of Bahia Blanca, is generally considered to produce a wool of great length, strength, and softness, but much of the wool there, in the opinion of one authority, is brashy—that is, delicate and easily broken down. Pampa wool is, in general, a fine crossbred, semielastic in nature. The scoured product is very white. Farther west the wools of Neuquen (Cordillera wools) are found, which range from a short merino to a fine crossbred.

(7) *Chubut and southern Rio Negro wools.*—Chubut Territory produces chiefly a fine merino wool, a small proportion being fine crossbred. In southern Rio Negro, on the other hand, the wools are largely fine crossbred with a fair proportion of merino. Chubut merino wools are classed largely as “clothing” to “French combing.” While some lots of wool from Chubut are frequently found exceptionally soft to the touch, the average production of the region has a fair softness and scours very white.

(8) *Santa Cruz wools.*—The northern part of Santa Cruz near the Chubut boundary produces a wool somewhat like that of southern Rio Negro, while the southern part, including regions in the vicinity of the ports of San Julian, Rio Gallegos, Camarones, and Deseado, produces a fine crossbred wool similar to northern “provincia” wools. Santa Cruz wools possess, however, greater density and greater softness. They are considered good combing wools and have length, elasticity, and bulkiness of staple. As a rule they “spin upward” and produce a soft, attractive white yarn, which is employed chiefly in the manufacture of hosiery and underwear. Owing to the high prevailing wind in this section, a dry sand is blown into the fleece, causing the natural oil to be absorbed, resulting in dryness and a tender staple. In Santa Cruz the pasturage is too scanty to support a dense sheep population. There is often a scarcity of water, while during the winter months there are heavy snowfalls. All these factors help to produce tenderness of staple. This, however, does not constitute a serious disadvantage, since the characteristic sought by manufacturers using these wools is elasticity rather than strength.

(9) *Punta Arenas wools (including Tierra del Fuego).*—This region bears fine crossbred sheep almost exclusively. The wool is similar to that grown in southern Santa Cruz, but is superior to it, having greater elasticity and fluffiness. Also, the fleece grown is denser and has great softness and length. The region, particularly Tierra del Fuego, is ideal sheep country with fine pasturage, and there is less wind prevailing than in Santa Cruz. Punta Arenas wools (referring to all wools originating south of Santa Cruz) are superior in every way to those grown farther north and, therefore, enjoy a big demand from underwear and hosiery manufacturers.

COUNT OF WOOLS

Estimates of Argentine wool production by fineness, or count (the count indicating the number of hanks of 1,000 yards each obtained from 1 pound of clean wool of the type mentioned), from the bank's publication follow:

Concordia:	
5 per cent total sheep in district.....	64s.
60 per cent total sheep in district.....	60s to 56s.
25 per cent total sheep in district.....	50s to 48s.
10 per cent total sheep in district.....	46s to 40s.
Provincia:	
West and south.....	50s to 44s.
South.....	44s to 40s.
Bahia Blanca.....	56s to 48s.
Chubut (including southern Rio Negro and southern Santa Cruz).....	70s to 60s.
Santa Cruz:	
Region Puerto Deseado and San Julian.....	60s to 56s.
Region Puerto Gallegos.....	56s to 50s.
Punta Arenas and Tierra del Fuego.....	58s to 50s.

TEXTILE MARKET OF ARGENTINA

MARKETING THE ANNUAL CLIP

Shearing usually begins between September (in the north) and December (in the far south), and the bulk of the year's wool is clipped at this time. There is a small second clip, however, about March or April, which may range from about 20,000 to 80,000 bales, depending principally upon wool prices but also to some extent upon climatic conditions. Although there has been an increasing tendency among Argentine wool producers to grade their fleeces before offering them for sale, much of the wool is sold in the natural unclassified state to the local broker. A number of Argentine firms engage in buying and exporting wool, there being 30 or more concerns in Buenos Aires, but it is claimed that approximately one-third of the export is controlled by one firm. Perhaps a third of the clip is offered at the Buenos Aires Central Produce Market, and smaller amounts in



Figure 4.—Grading wool at Buenos Aires

other cities. The sheep raiser sends the clip to a consignment broker at the market, where the exporter inspects it and judges how it will classify and grade. Thus, if the exporter has an order from an American firm for 200 bales of a certain type and grade of wool, he may have to buy 350 bales of unclassified wool in order to get that quantity. The price he offers depends upon his estimate of the percentage of wool he wants, and what he can do with the rest. Such an exporter sells to firms in the United States, either by direct contract or through a sales representative in some American city, usually Boston or Philadelphia. Formerly many of the exporters acted as agents for American consumers and made their purchases on a commission basis. At present, however, the general rule is for the exporter to buy for his own account and sell to the American importer at the best price he can secure. It is partly because of the difficulty in buying unclassified wools and grading them, and the experience

necessary to do so at a profit, that few, if any, American consumers have their own salaried buying representatives in Buenos Aires.

HAIR OF ANIMALS OTHER THAN SHEEP

GOAT HAIR

Although Argentina has some 5,000,000 goats, there is no mohair to speak of produced in the country, as these Argentine goats are of the short-haired creole breed, which are raised for their skins. The United States buys some \$2,000,000 worth of these goatskins, and they are usually shipped with the hair on the skin. In the United States the hair is taken off and used for plastering and felts, in much the same way as cattle body hair. Thus the United States import figures show no mohair imports from Argentina; and the imports of hair of other animals, such as alpaca, were valued at only \$314 in 1929, and none was received in 1930.

HORSE AND CATTLE HAIR

The United States is Argentina's largest customer for animal hair of all kinds, taking in 1929 about one-fourth of the total exports. The United States finds in Argentina its largest foreign source of supply of horsehair, slightly less than half of the quantity of the 1929 and 1930 imports coming from that country. China is the other large supplier, and the remainder comes in small lots from various other countries. Very little cattle body hair is imported as such from Argentina; United States import returns show purchases from Argentina in 1929 and 1930 as being less than one-half of 1 per cent of the total quantity, the bulk coming from Germany and Canada. A much larger amount of body hair is brought in on the cattle hides which are imported in large quantities from Argentina. Of "Other animal hair," Argentina supplied in 1929 about 5 per cent of the total United States importation, and a smaller proportion in 1930; the big shippers were India and Germany, and smaller quantities came from Canada and France. The Argentine shipments of "Other animal hair" are mostly cattle tails and long cattle hair.

UNITED STATES IMPORTS OF HAIR

United States imports of hair from Argentina have been decreasing, as shown by the following table.

UNITED STATES IMPORTS OF ANIMAL HAIR FROM ARGENTINA, 1928-1930

Item	1928		1929		1930	
	Pounds	Value	Pounds	Value	Pounds	Value
Hair of the Cashmere goat, alpaca, and other like animals.....	9,991	\$2,618	1,742	\$314		
Horsehair, tails or manes.....	2,069,865	867,753	1,598,974	616,611	1,585,130	\$464,655
Cattle body hair, ordinary.....	81,620	22,295	38,929	14,543	12,370	877
Animal hair, n. e. s., including switches and long hair.....	371,371	165,369	449,666	178,168	145,550	57,714

United States imports of animal hair (exclusive of hair of the Angora and Cashmere goat, alpaca, and other like animals) from Argentina were valued at \$523,000 in 1930, as against \$809,000 in 1929 and

\$1,055,000 in 1928, of which "Horsehair, tails or manes" represented approximately 89 per cent in 1930, 76 per cent in 1929, and 82 per cent in 1928. The business is largely in classified manes and short tails, called quarter tails, with a length running up to 18 inches. Such hair is used for curled-hair upholstery filling and mattress stuffing.

A small amount of "medium tails" (18 to 30 inches long) and "long tails" (more than 30 inches long) is bought for the manufacture of haircloth for interlining. Hard and loose matted horsetails also are produced, but are not usually bought by the United States. Imports of cattle body hair from Argentina have been declining steadily and were insignificant in 1930. The long cattle hair also is used for upholstery, felts, etc., while the short hair is used for similar products of lower grade. Practically all the cattle hair is shipped to the United States in its natural state, the longer hair used for upholstery being curled after its receipt in this country. Imports of other animal hair, including switches and long hair, into the United States from Argentina declined in value from \$178,000 in 1929 to \$58,000 in 1930.

ARGENTINE PRODUCTION OF HAIR

Argentina is one of the principal world producers of horsehair and cattle hair. Horses numbered 9,858,111 in the 1930 official livestock census, and cattle, 32,211,855.

Official production figures are not available, but local hair-exporting firms estimate the 1930 production at 10,000 bales, or about 4,000 metric tons (8,800,000 pounds) which they believe to be practically the same as that of 1929.

TYPES OF HAIR

Local export houses estimate the classification of the crop as follows for 1929 and 1930, data for the 1931 crop, which was clipped between June and August, not being available at the time of writing.

ESTIMATED CLASSIFICATION OF ARGENTINE HAIR CROP, 1929 AND 1930

Item	1929		1930		Item	1929		1930	
	Per cent	Per cent	Per cent	Per cent		Per cent	Per cent		
Classified horse manes.....	42	38	Hard matted tails.....	3	3				
Short tails (up to 18 inches long).....	28	29	Loose matted tails.....	3	4				
Long tails (more than 30 inches long).....	3	2	Unwashed cattle hair.....	8	10				
Medium tails (18 to 30 inches long).....	3	2	Washed cattle hair (trigorifico).....	7	6				
Inferior manes.....	3	6	Total.....	100	100				

EXPORTS OF ANIMAL HAIR

About 80 to 90 per cent of the annual production of animal hair is exported, the official statistics giving the following shipments for recent years (in kilos): 1925, 3,005,192; 1926, 2,858,130; 1927, 3,043,763; 1928, 3,096,270; 1929, 3,483,774; and 1930, 2,927,371.

The United States was the largest purchaser of Argentine hair from 1927 to 1929, the latest year for which official statistics show countries of origin, and unofficial trade statistics for 1930 indicate that the United States maintained its position as the principal market.

ARGENTINE EXPORTS OF ANIMAL HAIR, 1927-1930

Country	1927	1928	1929	1930 ¹
	<i>Metric tons</i>	<i>Metric tons</i>	<i>Metric tons</i>	<i>Bales</i>
Belgium.....	429	496	532*	1,152
France.....	193	318	396	1,006
Germany.....	613	517	793	1,327
Italy.....	247	220	197	500
United Kingdom.....	398	448	643	1,494
United States.....	1,116	1,038	876	1,622
Other countries.....	61	59	47	659
Total.....	3,044	3,096	3,484	7,700

¹ Unofficial trade statistics. The weight of the bales varies from 280 to 430 kilos, depending upon the kind of hair. Preliminary official returns show total shipments of 2,927 metric tons in 1930 but do not give details by countries.

Horsehair is cut during the winter, which in Argentina is June, July, and August. The horsehair is sent to the various markets, in much

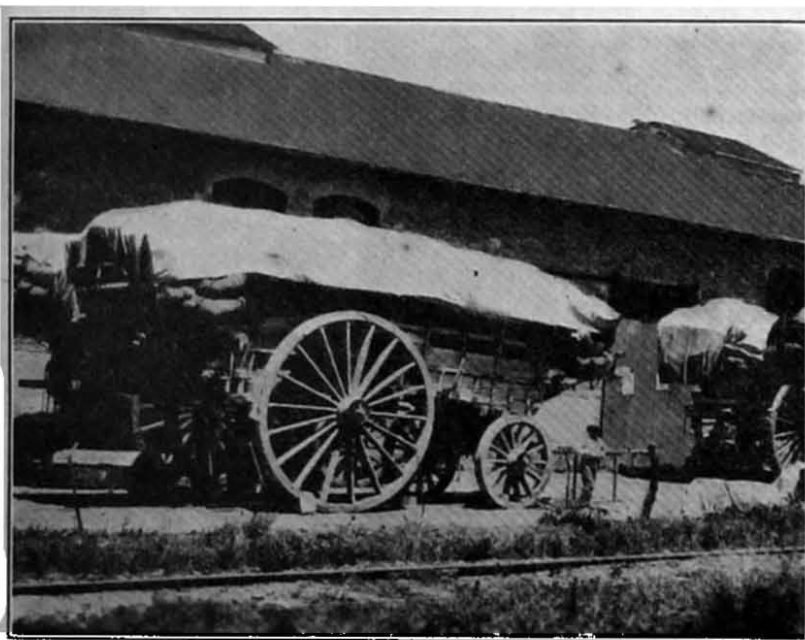


Figure 5.—Huge old-fashioned wagons still bring loads of wool and hair to Buenos Aires

the same manner as wool, a good part of it coming to the central market in Buenos Aires. Various local firms buy the hair at the market and classify it, after which they sell it to about half a dozen hair-exporting firms which also deal in packing-house by-products, hides, or wool. Cattle hair is usually shipped by the meat-packing plants (called "frigorificos," because a large part of their production is frozen meat.)

LLAMA, GUANACO, AND VICUÑA HAIR

The llama, guanaco, and the now almost extinct vicuña exist in Argentina, but their hair is not offered commercially. Instead, the hair is utilized by those who raise the animals, principally Indians

in the northern part of Argentina and in the southern part of Patagonia. Blankets, rugs, belts, and other articles, are made of llama and guanaco hair, and occasionally find their way into the hands of tourists. The vicuña produces a very fine hair, tan or light-brown in color, which is woven into shawls and poncho blankets used by Argentines for traveling. Vicuña shawls and blankets are so very thin and light in weight that they can be folded up and almost put in one's pocket, but they are reported to have the warmth of a thick blanket and also to be waterproof. The lack of heat in Argentine trains and hotels has fostered their use in the past.

FURS

Argentina is a fairly important supplier of furs to the United States, but the value of such shipments has declined steadily in recent years. United States import statistics show a total of \$1,874,000 worth of Argentine undressed furs received in 1930, a considerable decrease compared with the \$3,855,000 worth imported in 1929 and \$4,423,000 in 1928. In 1930, "Fox, other than silver or black," accounted for \$729,000, or slightly less than half the value of 1929 shipments (\$1,474,000) of this class. Imports of guanaquito fur from Argentina dropped from \$1,343,000 in value in 1928 to \$300,000 in 1929 and to \$287,000 in 1930.

UNITED STATES IMPORTS OF UNDRESSED FURS FROM ARGENTINA, 1928-1930,
AND JANUARY-JUNE, 1931

(Both quantity and value in thousands)

Item	1928		1929		1930		January-June, 1931	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Beaver..... number	1	\$3						
Coney and rabbit..... pounds	102	127	122	\$131				
Fitch..... number	4	13	1	6	1	\$2		
Fox, other than silver or black..... do	263	1,227	374	1,474	247	729	33	\$63
Guanaquito..... do	342	1,343	116	300	216	287	83	86
Hare..... pounds	390	481	306	402	125	90	29	17
Lamb, kid, sheep, and goat..... number	550	471	1,114	901	1,102	564	390	166
Marmot..... do	4	1	(¹)	(¹)				
Marten..... do			2	7				
Monkey..... do	(¹)	(¹)	(¹)	(¹)				
Muskrat..... do	30	9	2	2	(¹)	(¹)		
Nutria..... do	9	59	8	44	3	25	1	7
Opossum..... do	98	51	62	36	12	5		
Otter..... do	17	197	16	168	4	33	4	24
Skunk..... do	39	28	35	31	3	2		
Wolf..... do	(¹)	1	2	6	2	2	(¹)	2
All other undressed furs.....		412		347		135		\$63
Total.....		4,423		3,855		1,874		427

¹ Less than 500.¹ Includes tails, paws, and pieces.

United States shipments of furs and fur manufactures to Argentina amounted to only \$77,000 in 1930 as against \$216,000 in 1929 and \$295,000 in 1928.

UNITED STATES EXPORTS OF FURS AND FUR MANUFACTURES TO ARGENTINA, 1928-1930 AND JANUARY-JUNE, 1931

Item	1928		1929		1930		January-June, 1931	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Furs, undressed:								
Fox.....number.....	601	\$26,969	84	\$3,736	27	\$2,594		
Other.....do.....	9,893	12,949	161	1,618	3,717	2,649		
Furs, dressed on the skin:								
Fox.....do.....	4,168	168,925	2,452	141,386	1,232	52,102	963	\$33,506
Other.....do.....	21,119	54,507	14,871	40,200	3,069	8,479	434	1,085
Fur wearing apparel, except fur-felt hats.....number.....	37	3,860			1	87		
Fur waste, including pieces.....pounds.....	3,294	12,980	585	1,376	709	1,536	905	5,513
Other fur manufactures.....		14,524		28,000		9,126		
Total.....		294,714		216,316		76,573		40,104

Many fur-bearing animals are indigenous to Argentina, which extends from about 22° to 55° south latitude, or approximately 2,000 miles. The country consequently has great variations in climate within its borders. Argentina is the world's principal source of supply for guanacito fur (the pelt of the young guanaco). The guanaco belongs to the camel family and looks much like the llama, except that its hair is of a pale reddish-brown color, with a gray underfur. Guanacos live in the southern part of Argentina, in Patagonia, and are found as far south as Tierra del Fuego. Guanacito fur is used principally for collars, cuffs, and other trimmings on women's coats.

Chinchilla skins are scarce and can be exported only when licensed. The viscacha, belonging to the chinchilla family, is said to be found exclusively in Argentina. Considerable quantities of these furs are exported to the United States. Argentina is one of the three main sources of United States imports of nutria fur, but supplies are becoming scarce and shipments to the United States are decreasing. Nutria is being bred in captivity near Buenos Aires, and live animals as well as the skins are exported. Fox was the principal class of undressed fur shipped to the United States in 1930. There are various types of Argentine foxes, but gray and red predominate. A decree of the Provisional Government as of December 3, 1930, prohibited the killing of guanaco and foxes for three years beginning January 1, 1931.

Furs are exported usually by firms in Buenos Aires which deal only in furs, and which sometimes import those not indigenous to Argentina. A few exporters of wool, hides, and packing-house by-products also handle furs.

ARGENTINE EXPORTS OF FUR SKINS,¹ 1927-1929

Item and country	1927	1928	1929	Item and country	1927	1928	1929
Chinchilla, total.	<i>Kilos</i> 11	<i>Kilos</i> 350	<i>Kilos</i>	Nutria, total.	<i>Kilos</i> 64,538	<i>Kilos</i> 35,679	<i>Kilos</i> 12,706
France.....		360		Germany.....	50,046	22,471	10,708
Other countries.....	11			United Kingdom.....	4,424	2,433	510
				United States.....	8,540	360	825
Fox, total.	125,551	178,875	177,441	Other countries.....	1,528	9,418	917
France.....	5,090	7,171	2,142	Viscacha, total.	110,831	54,827	66,478
Germany.....	55,465	61,873	54,842	France.....	699	8,182	6,201
United Kingdom.....	15,237	29,348	35,274	Germany.....	86,767	47,123	44,707
United States.....	59,285	68,094	81,333	United Kingdom.....	6,208	2,373	876
Other countries.....	474	2,391	3,850	United States.....	16,914	1,169	682
				Other countries.....	153	500	4,947
Guanaquito, total.	173,807	156,171	73,989	Weasel, total.	74,271	73,063	66,974
United Kingdom.....	15,816	6,480	5,586	France.....	6,658	4,990	7,430
United States.....	152,256	142,069	64,198	Germany.....	40,885	43,918	28,269
Other countries.....	5,735	6,592	4,206	United Kingdom.....	6,697	2,184	17,867
				United States.....	16,417	15,551	4,440
Hare, total.	194,304	296,104	177,534	Other countries.....	3,624	5,020	8,022
Germany.....	40,639	60,238	1,872	Wolf, total.	6,686	1,636	2,010
United States.....	151,123	230,693	175,610	United States.....	5,984	1,386	1,926
Other countries.....	2,542	4,173	52	Other countries.....	662	250	684
Mountain cat, total.	28,046	11,591	15,263				
United States.....	27,040	9,671	13,643				
Other countries.....	1,006	1,920	1,620				

¹ Details by countries for 1930 were not available at the time of writing, but the totals for the various classes were as follows: Fox, 108,967 kilos; guanaquito, 94,965; hare, 52,704; mountain cat, 20,072; nutria, 8,649; viscacha, 7,348; weasel, 29,014; wolf, 1,144; and chinchilla, none.

COTTON

Cotton ranks second in importance among textile fibers produced in Argentina, where it is grown in small but increasing quantities. The fiber is said to be more or less similar in staple to American cotton, but rather lower in grade. The 1930 estimated production of about 140,000 bales might be regarded as small when compared with that of the United States, which is usually between 10,000,000 and 15,000,000 bales, but Argentina's production is large enough to supply all its present domestic needs of raw cotton and still leave an excess for export amounting to about 80 per cent of the crop.

The importance of the increasing cultivation of cotton in Argentina is not the possibility of its offering serious competition to American cotton in European markets in the near future. Its chief significance lies in the possibility that before many years have elapsed Argentina may become self-sufficient not only in the matter of raising its own cotton but in spinning and weaving locally the yarns and cotton cloth which it now imports in large quantities from the United States and other countries. Argentine imports of cotton yarn in 1929 amounted to more than 24,000,000 pounds (half of it from the United States) with a tariff valuation of 7,250,000 gold pesos (gold peso equals \$0.9513, United States currency, at average exchange in 1929), while other cotton textiles imported had a tariff valuation of 63,740,000 gold pesos.

FACTORS AIDING CULTIVATION

The commercial cultivation of cotton in Argentina began during the United States Civil War, between 1862 and 1865, although cotton is said to have been raised in Argentina prior to that time. It is said that the Manchester Cotton Supply Association encouraged Argentine production and purchased its first export shipment of 16 bales in 1863. The development, however, of the present cotton district (the Chaco) is said to date from 1890. The Argentine Ministry of Agriculture has interested itself in the cultivation of cotton, especially in the years 1903, 1910, and since 1924. In 1924 two American cotton experts, Dr. Nathaniel E. Winters and Mr. Ernest L. Tutt, were brought down to head the cotton section and experimental farm of the Ministry of Agriculture. As a result better types of American cotton were introduced and plans for improved merchandising of the crop were developed.

In general, it is stated that the cost of production of cotton in Argentina is lower than in the United States. Although labor, especially for picking, was felt to be more costly and less effective than in American cotton fields, this was more than offset by the cheaper land and the fact that fertilizers were unnecessary in Argentine cotton areas. However, it is believed that the expenses and profits incident to getting the cotton to European markets absorb a large part of the difference, as the cotton is sold in Liverpool at prices which are nearly the same as those of American cotton of similar grades. Since 1924, it is said locally, there has been much improvement in Argentine cotton merchandising, so that the Argentine product continues to compete at the lower prices now prevailing in world markets.

ARGENTINE COTTON BELT

Cotton is grown in the warm northeastern part of Argentina. It is planted in September and October and picked during the period from March to June. In the absence of recent official statistics on acreage, the Argentine publication *Gaceta Algodonera* estimated the area planted to cotton in the crop year of April, 1930, to March, 1931, at 171,395 hectares (423,345 acres), divided as follows, according to Provinces and Territories: Chaco, 157,495 hectares; Corrientes, 10,000; Santiago del Estero, 2,650; Formosa, 1,000; and other Provinces, 250. The amounts under "other Provinces" include isolated bits planted to cotton in the Provinces of Entre Rios, Santa Fe, Jujuy, Catamarca, and La Rioja. All these are in the general area through which cotton growing may possibly expand in future years; there are said to be about 10,000,000 acres suitable for cotton in these areas, as indicated by small experimental cultivation.

Most of the cotton is grown on land which is still Government property but which has been taken up by settlers who are paying for it in installments. Some of these settlers are colonists who have come to Argentina from European countries as organized groups.

LOCATION OF GINNERIES

In the cotton year 1927-28 official figures showed 63 cotton ginneries in Argentina, of which 50 were in operation. These were distributed as follows: Chaco, 44; Corrientes, 9; Santiago del Estero, 3; Formosa, 4; Catamarca, 2; and Jujuy, 1. Those in Catamarca

and Jujuy did not operate in that year. In 1930-31 trade statistics gave the number of cotton ginneries as 74, of which 60 were located in Chaco, 9 in Corrientes, 2 in Santiago del Estero, 2 in Formosa, and 1 in Catamarca. The cotton ginning machinery in use is principally American.

ACREAGE AND PRODUCTION

The acreage and production of cotton in Argentina in recent years have been as follows, according to statistics issued by the Argentine Ministry of Agriculture up to 1928 and trade estimates thereafter.

COTTON ACREAGE AND PRODUCTION IN ARGENTINA, 1914-15 TO 1930-31

Crop year	Acreage		Ginned cotton		
	Hectares	Acres	Metric tons	Thousand pounds	Bales ¹
1914-15.....	3,790	9,361	792	1,745
1922-23.....	22,804	56,474	12,759	28,069
1923-24.....	62,658	154,765	5,630	11,239
1924-25.....	104,513	258,147	14,455	31,801
1925-26.....	110,058	271,843	31,300	68,860
1926-27.....	71,746	177,212	13,101	28,822	58,284
1927-28.....	85,000	210,000	24,855	54,661	108,302
1928-29.....	103,710	256,103	29,000	64,000	128,000
1929-30.....	134,480	332,165	33,000	72,600	143,000
1930-31.....	171,395	423,345	27,000- 30,000	59,400- 66,000	117,000- 130,000

¹ Bales range from 220 to 280 kilos each, but average 230 kilos (510 pounds).

² Trade estimates of the *Gaceta Algodonera*.

DOMESTIC CONSUMPTION

While no official figures are available on domestic consumption, the difference between production and exports, if it could be adjusted for the carry-over, would give the domestic consumption. The excess of production over exports in the 6-year period from 1923 to 1928 averaged 5,450 metric tons a year. The consumption in 1930 was estimated at about 6,000 tons, but in 1931 the trade felt that takings of local mills would drop to about 5,800 tons.

EXPORTS

Argentine exports of cotton, according to official statistics, reached in 1928 a total of 17,911 metric tons, valued at 5,068,413 Argentine gold pesos; increased in 1929 to 23,598 metric tons, valued at 7,188,900 gold pesos; and in 1930 to 27,597 metric tons valued at 8,611,924 gold pesos. (At average exchange rates the gold pesos equaled \$0.9648 in 1928, \$0.9513 in 1929, and \$0.8351 in 1930.)

Most of the cotton is shipped out of Buenos Aires (16,195 tons in 1930), followed by Barranqueras (4,845), and Santa Fe (4,321); that shipped from Barranqueras, however, is transhipped at Buenos Aires or Santa Fe. The principal customers for Argentine cotton are the United Kingdom, Germany, Spain, and France.

ARGENTINE EXPORTS OF RAW COTTON, 1927-1930

[In metric tons]

Destination	1927	1928	1929	1930
Belgium.....	706	1,541	3,021	1,989
France.....	600	1,229	2,713	4,411
Germany.....	2,139	2,368	2,268	1,141
Italy.....	822	521	1,238	1,310
Netherlands.....	165	-----	70	777
Paraguay.....	4	-----	25	20
Spain.....	2,092	1,626	3,020	(¹)
Sweden.....	17	-----	-----	(¹)
United Kingdom.....	2,683	10,616	11,245	11,842
Uruguay.....	18	9	(¹)	(¹)
Other countries.....	1	1	-----	6,127
Total.....	9,247	17,911	23,598	27,597

¹ Not available at time of compilation of this report.² Less than one-half of a metric ton.

TYPE AND GRADES OF ARGENTINE COTTON

Argentine cotton is generally classified as one type, "Chaco," consisting of a mixture of a number of varieties of American upland cotton. Formerly the allegedly poor mixture was said to be one of the drawbacks of Argentine cotton, but local organizations have encouraged greater uniformity until now the Chaco cotton is said to run fairly even both in staple length and in character. One of the varieties brought to Argentina by Doctor Winters, the "Acala," is now said to be planted in increasing quantities because of its being well adapted to the country, also because of its superior quality and larger yield per acre. In 1930-31 it was estimated by the trade that about 10 per cent of the acreage was Acala. Exporters pay slightly higher prices for this type of cotton. Local exporters say that during the years 1924 to 1931 Argentine cotton increased in average staple length, but became lower in average grade because of careless cultivation, bad weather, and insect pests.

Most of the cotton is bought by large general exporting houses either as seed cotton which they gin in their own ginning mills, or as fiber from other gins. The exporter in turn sells to his customers in Europe either by sample or by his own private grades, because, owing to the relatively small supply, Argentine cotton is not quoted on the Liverpool cotton market.

Sales in Buenos Aires and local purchases by the exporter, however, are said to be made in accordance with six standard grades of fiber established by the Buenos Aires Cotton Chamber. Of these, grade 3 (primera) is said to be almost the same as or slightly less than the American middling. While the other grades do not coincide, some of the Argentine classifications previously mentioned are considered by local exporters to embrace two American classifications, as indicated below. In the absence of official or semiofficial estimates there is some diversity of opinion (see A and B in the following table) among local cotton merchants as to the percentage of the 1930 crop corresponding to each grade.

COMPARISON OF ARGENTINE AND AMERICAN COTTON GRADES

Grade of Argentine cotton	Percentage of crop, 1930 (trade estimates)		Estimated corresponding American grade
	A	B	
	Per cent	Per cent	
Superior.....	5	3	Strict good middling to good middling.
Primera superior.....	15	12	Middling to strict middling.
Primera.....	40	40	Slightly less than middling.
Medio.....	20	25	Strict low middling.
Segunda.....	12	12	Low-middling to strict good ordinary.
Inferior.....	8	8	Good ordinary.

In 1931 one Italian and two American manufacturers of automobile tires established branch factories in Argentina. Although in that year the cord fabric was imported, local cotton growers and merchants became interested in the possibilities of raising the long-staple American Pima cotton for the future use of these factories. Although importation of cottonseed has not been allowed for some time, there seems a possibility of some change in the future which may permit, first, experiments and then commercial cultivation of long-staple cotton.

In June, 1931, about 4,200 colonists (many of German-Argentine nationality) who were raising grain and livestock on Government land in the south-central territory of La Pampa in Argentina found it unprofitable and moved in trainloads to the Chaco district. There they secured Government lands, for which they will pay in installments and on which they are expected to raise cotton.

Low prices for cotton caused a decrease in Argentine acreage in 1926 and may prevent the expansion which would otherwise be expected in 1932. It seems likely, however, that Argentine cotton cultivation will increase. Cheap virgin land and improved methods of cultivation seem to offer means for low-cost production. At the same time, quality of product and efficiency of merchandising are said to be improving. The gradual expansion of Argentine manufacture of cotton textiles under the protection of import duties seems likely to provide a larger home market for domestic cotton in the future. There are some who believe that cotton may some day become one of Argentina's leading crops.

OTHER VEGETABLE TEXTILE FIBERS

FLAX

Large quantities of flax are grown in Argentina for grain (flaxseed, or linseed) and numerous attempts have been made to utilize the straw in the production of textile fibers, but with little success owing to the fact that flax grown primarily for its seed is not of a sufficiently high grade to be used for anything but the coarsest twines and bagging. In the past several small factories and one large one have been established in Argentina to produce twine from flax straw. Each of them so far, however, has apparently found the work unprofitable and has had to suspend operations. The largest of these plants was Fibrilino, S. A., which invested about \$600,000 in machinery and buildings for the plant at Esperanza, Province of Santa Fe. Whereas most of the previous attempts had been to separate the fiber by the

bacteriological process of wet retting, the Fibrilino factory used a combined mechanical and chemical process, which was thought to be more successful. By this method the factory claimed to secure 20 per cent fiber, by weight, out of each lot of straw. This fiber has been spun into yarn as fine as 16 lea (16 hanks of 300 yards to each pound). The manufacturers believed that with better equipment and with skilled labor, they could spin yarn as fine as 30 lea. Operation of the 1,700 spindles in the plant with two working shifts was stated to give the factory a production of 3,700 kilos of yarn a day. The plant, however, was in operation only from July, 1929, to February, 1930, at which time it ceased work and was offered for sale.

NEW ZEALAND FIBER

The cultivation of New Zealand fiber (*Phormium tenax*) and the extraction of its fiber for making twine and rope is being carried on in small but increasing quantities on the islands of the delta of the Rio de La Plata, near Buenos Aires. About 2,000 hectares (a hectare equals 2.47 acres) are now under cultivation. The industry is comparatively young, having been started less than 10 years ago. Four varieties which are given Argentine names are planted; these could be translated as "Bronzed," a medium quality; "Green Common," said to have a hard fiber; "Disciplined," apparently the best grade; and the "Fallen Leaf," also a medium quality. One factory is said to control most of the business of extracting the fiber and making rope from it. It seems likely that Argentine ropemakers will continue to buy most of the local production for some years.

RAMIE

Some experiments have been made in raising ramie (also known as rhea, or China grass) in Argentina, but there has been no commercial production. The principal plantation is said to have had in 1931 about 250 hectares under cultivation in the Province of Tucuman. The land in this Province, now mostly devoted to raising sugarcane, is said to be very well suited for ramie. Smaller plantations are reported to exist in the Territory of Misiones and the neighboring Republic of Paraguay, but these are generally considered to be in small lots of 1 to 5 hectares.

SILK

Silk is not produced in Argentina in commercial quantities. Several unsuccessful attempts have been made to foster the planting of mulberry trees and the raising of silkworms. Encouragement was offered by the Argentine Ministry of Agriculture and by the principal local silk piece-goods factory, S. A. Industrial Serica Argentina, Buenos Aires. The latter is said to have manufactured in 1930 about 500,000 yards of silk cloth, but it used imported yarn entirely. Although young mulberry trees have been supplied to farmers free, little interest seems to have been displayed by the Argentine in planting and using them. The general custom of sowing large areas to grain or some other single crop, rather than of diversified farming on small plots, is said to discourage the raising of mulberry trees and silkworms. The recent growth of the silk-hosiery industry in Argentina, dating from 1929, may revive some interest in silkworm raising.

ARGENTINE TEXTILE INDUSTRY

While the textile industry in the Argentine Republic is still comparatively small, it is nevertheless the largest of the young industries in that essentially agricultural country. Statistics published by the Argentine National Department of Labor gave the number of employees in the textile manufacturing industry in Buenos Aires (where it is centered) as 13,759 in August, 1930. Persons employed in the clothing industry were reported as 11,190 at the same time. These figures were larger than those reported for any other class of industrial or commercial activity with the exception of transport and communications. Local textile-mill owners, however, say that the above figures are conservative and believe that a more exact classification would reveal the number of employees in textile mills (other than clothing factories) to be closer to 20,000 or 25,000. The last complete industrial census made by the Argentine Government was in 1914. Among both official and trade organization sources there is a lack of statistics on the textile industry, either published or in private files. The only recourse left to the investigator is to obtain estimates on the number of spindles and looms, and output of different types of articles from the individual mills (which are frequently unwilling to give exact figures) or to obtain estimates from firms dealing in machinery, yarns, cotton, and other textile products. The information contained hereinafter is the result of such an investigation, and most of the figures quoted are subject to some elasticity.

COTTON SPINNING AND WEAVING

Spinning of Argentine cotton is carried on in six mills, which were estimated to have 54,000 spindles installed up to September, 1931, and 13,000 more on order and under process of installation, and an additional 10,000 or 15,000 under consideration. Thus far only one of the mills spins exclusively for sale; the others use almost all their production. The 13,000 spindles on order are intended for producing yarn for sale, as are the projected 10,000 or 15,000 spindles for another mill. Cotton weaving is said to be done in about 29 or 30 mills, among which are some 2,500 to 3,500 looms. Most of the looms are concentrated in five or six large mills which make principally cotton duck and, to a lesser extent, drills, sheetings, and ticking. Turkish towels are made in a number of the smaller mills. Absorbent medicinal cotton is produced in four or five factories. Local mills supply the bulk of the domestic demand for duck and practically all the demand for towels and medicinal cotton; but only a negligible proportion of other cotton cloth is made locally.

KNITTING MILLS

There are about 150 to 170 mills making knitted goods, principally hosiery, underwear, and outerwear, in the order named. Many mills make all three types, while others specialize. Most of the factories use cotton, rayon, and wool interchangeably, the quantities consumed being approximately in the order named. Silk hosiery was made in only seven or eight mills up to 1931. The number of installations of tubular knitting machines for seamless hosiery is variously estimated between 4,000 and 6,000 and of tubular machines for underwear between 1,000 and 1,500, while the number of full-fashioned hosiery

machines is estimated at 138. The product of this equipment is said to supply the bulk of the local demand for knit goods.

WOOL SPINNING AND WEAVING

The Argentine woolen manufacturing industry is estimated to embrace 80,000 spindles and from 2,000 to 3,000 looms, scattered in approximately 22 mills in or around Buenos Aires, of which about 6 are of a fairly large size. Argentine wool is spun in the coarser numbers, and imported woolen yarns are also used. The local production consists principally of the cheaper woolen suitings, in which local mills supply the bulk of the domestic consumption. Most of the woolen blankets used in Argentina are manufactured locally, as is also a large proportion of low-grade and medium-grade felt.

SILK WEAVING

No silk yarn is produced in Argentina, although there is a small but growing weaving industry. The largest mill (La Serica Argentina), which devotes itself to manufacturing silk piece goods, had 105 looms in 1930, and there were said to be about 25 more in other factories. In 1931 about 60 more looms were said to be on order for various mills. Local silk weavers produce various types of silk goods, but so far their total output is considered negligible, compared with the large imports.

RAYON WEAVING

No rayon yarn is manufactured in Argentina. The rayon piece-goods industry is quite small, but the trade reports that perhaps 75 looms in 1931 were being used to make rayon piece goods. Most of these looms are in one or two large mills which also make knitted wear. Local production is limited to a few cloths, ribbons, and bedspreads, which form a very small proportion of the total demand.

JUTE SPINNING

Jute spinning is carried on in three mills of importance which use the yarn principally for making the soles of alpargatas, or canvas footwear. Braiding machines are used for this purpose, but there is no jute-weaving industry, as the principal jute cloth (burlap for grain sacks) is imported duty free. The bags, however, are made locally in numerous factories of various sizes.

LINEN

No linen yarn is spun locally. Several mills make linen goods, especially two owned by Belgian interests (La Flandria and Gratry). Most of their product is linen-mixed mattress ticking. Attempts to extract flax fiber from the straw of Argentine flax are said to have been made, the fiber being spun into yarn for twine, but so far with little success.

HEMP CORDAGE

No hemp cloth is woven locally. Hemp twine and rope are made from imported fiber by several mills. Two of these (Alpargatas and Manufactura Algodonera) make cotton duck and other textiles. Another (Formio Argentina) makes cordage exclusively, and also makes twine from *Phormium tenax*, or New Zealand fiber, produced locally.

WEARING APPAREL

As distinguished from wearing apparel made from imported cloth, knit goods and hats (felt and straw) are two important items in which most of the manufacturing processes are done locally. Argentina is a large producer and exporter of rabbit and nutria fur for hatters and uses fair proportions of these products for making felt hats locally. The bulk of the demand for men's felt hats is supplied by Argentine factories, and felt is not imported for this purpose. Some felt for women's hats, however, still is bought abroad. Men's plain straw hats are made locally from imported braid, while women's cloches, or unformed hats, are frequently imported. The local directory lists 32 factories making men's hats; in addition there are many small milliners.

In other kinds of wearing apparel made of cloth, the materials are imported and cut and sewn locally. Only a small quantity of high-grade imported goods is sold in the retail stores. Most of the wearing apparel is made, not in large factories, but in small shops, which are often attached to the department or chain store or other retail outlet which disposes of the finished product.

The distribution of sewing machines in clothing factories will give some idea of the prevalence of small shops rather than large factories. Local houses selling sewing machines estimate that there are only six or eight clothing firms in Buenos Aires which operate over 100 sewing machines in their own factories, the largest being one with about 300 machines working on Government uniform orders, followed by the Government's own uniform factory with about 250 machines.

Men's suits and women's dresses of medium and high quality are usually made to order by the many small tailors and dressmakers. Department stores frequently stock only a few dresses of each design in one or two sizes, and make duplicates of the proper size for the customers who choose that model.

In some other types of clothing, however, a considerable number of firms of fair size import cloth and cut it up, and sell the finished product at wholesale. Thus, a local textile directory (*Anuario Textil*) lists the following number of manufacturing wholesalers of clothing in the city of Buenos Aires, where the largest of these firms are centered: Shirts and collars, 81; neckties, 21; corsets, 15 (plus innumerable small corset shops which make the garment to order); cheap dresses, cloth underwear, children's clothing, etc., 75; men's cheap clothing, 166. Many of these firms, however, maintain only half a dozen sewing machines and operate on a system of cutting up large quantities to give out each day to women to take to their own homes to sew up as piece work.

PRODUCTION COSTS

In the absence of actual figures on production expenses, the general opinion in the trade is that the cost of the local textile product is higher than that of the same article in the principal exporting countries, chiefly because most of the materials and the machinery must be imported and must pay duties, and also because the factories are smaller and the labor is considered less efficient. The skill of local textile millworkers, however, is said to be steadily improving, one example being given of the careful work of operators of the full-fashioned hosiery machines. These operators were trained by Ger-

man workmen brought over for the purpose. The higher cost of the locally produced merchandise absorbs a large part of the difference in price allowed by the protective duties on some cloths, and in other cloths makes it unprofitable to manufacture them locally.

Wages vary according to the mill, but between 1928 and 1931 local knitting-mill owners say that they paid as follows in Argentine paper pesos (par value \$0.42½, United States currency) per 8-hour day for various textile employees: Girls for sewing buttons and general work requiring little skill, 2.40 paper pesos; sewers, 5 to 6 pesos; knitters, 6.50 pesos (10 pesos for those who finish the toes of the hosiery); cotton spinners, 3 to 4 pesos per day; and weavers, from 6 to 7 pesos. One mill reported that wages amounted to about 10 to 15 per cent of the cost of the manufactured goods for winter knit underwear, and 15 to 20 per per cent for summer goods.

Electric power is said to be used in about 90 to 95 per cent of the textile mills; most of the remainder use fuel oil for generating steam, and a few use coal. Electric power costs depend upon the arrangement between the individual mills and the different electric companies, but were said in 1931 to average about 0.05 paper pesos per kilowatt hour (2.125 cents, United States currency at par) for fair-sized mills. Fuel oil produced in Argentina or imported, was worth about 32 pesos (\$9.08 at the average exchange rate in August, 1931) per metric ton. Coal must be imported (from England, Germany or the United States) and was quoted in August, 1931, at the equivalent of \$7.30 United States currency per metric ton. Most of the electricity used in Buenos Aires is produced by generating plants operating on coal.

MACHINERY

Carding machinery in the mills is to some extent American, some is British, and some is from other countries. Spinning machinery is principally British, while the winding equipment is largely American. Looms are chiefly British, French, or German; there are almost no American looms in use. A very modern cloth-printing machine of American manufacture was recently installed in the Alpargatas mill, and is the only one of its capacity in Argentina. Tubular knitting machines for hosiery are principally American, while most of those for knitting underwear are German. The machinery for manufacturing full-fashioned hosiery is almost exclusively German; no American machines have (up to the time of writing) been sold because of their higher prices. In general mill equipment the American manufacturers, who are represented by local machinery and hardware houses, secure a fair percentage of the business.



Figure 6.—Silk winding in new hosiery mill in Buenos Aires

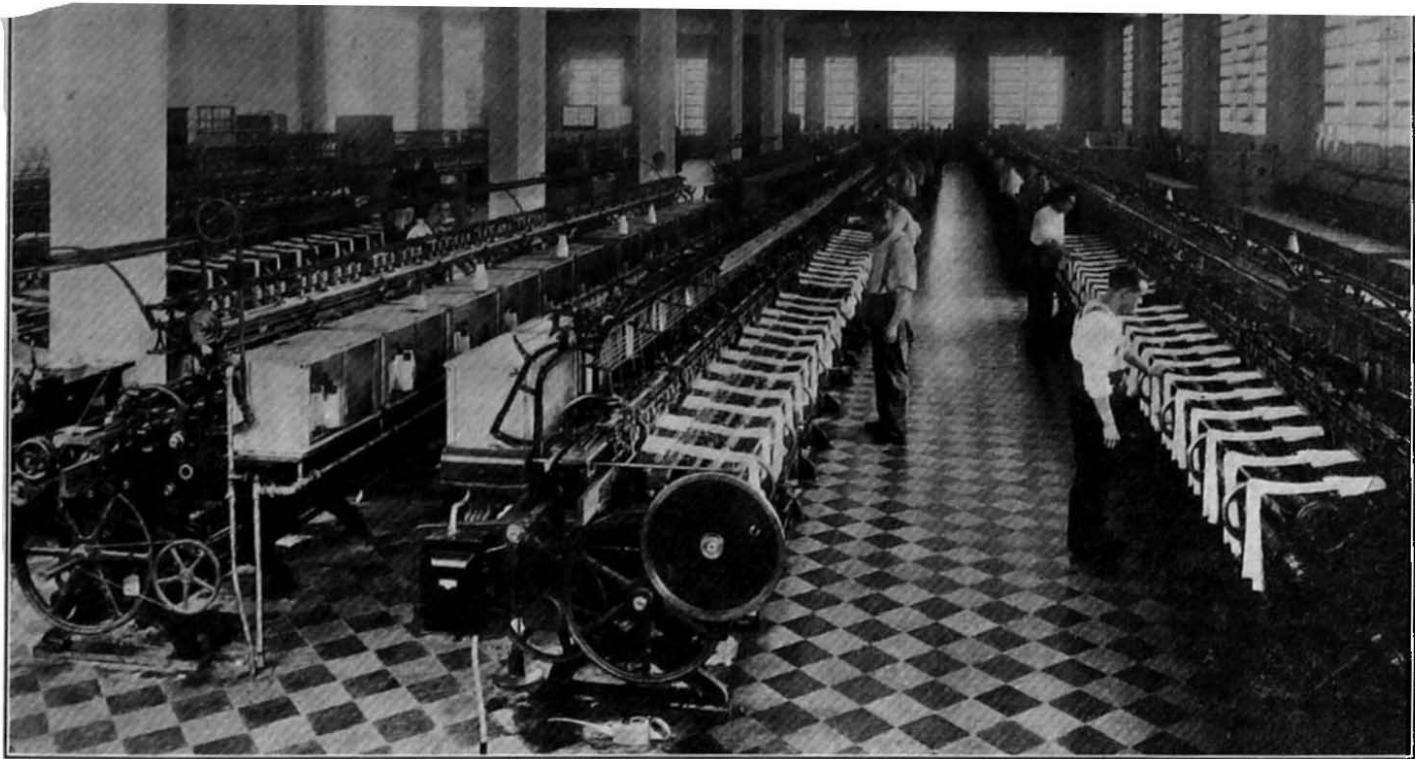


Figure 7.—Argentine mill with modern machinery for making full-fashioned hosiery

ARGENTINA AS A TEXTILE MARKET

The tariff valuation of imports of textile into Argentina in 1930 was more than double that of 1914, the actual figures being 52,517,000 gold pesos in 1914 and 126,363,000 gold pesos in 1930. The values published in Argentine import statistics are not taken from invoices but are arbitrary valuations fixed on each type of article imported for purposes of assessing duty. These fixed valuations, moreover, are subject to revision. No changes were made from 1906 to 1922 and from 1924 to 1930. In 1923, however, the tariff valuations were raised 60 per cent, except on certain items, to which the increase was not applied until 1931. A few articles are excepted and pay duties on a basis of their declared or invoice value. (See fig. 1.)

IMPORT TRADE IN TEXTILES

Once every two or three years the statistical department calculates for the larger groups of articles an estimated "real" value. There is wide disparity (which fluctuates with changing prices) between these estimated real values and the tariff valuations, as indicated by the next table. (Refer also to the table on p. 3.) Textiles of silk or rayon (except yarns) are classified together in the import statistics, as the Argentine tariff charges the same duty on rayon goods as on those of silk.

ARGENTINE IMPORTS OF TEXTILE FIBERS AND MANUFACTURES, BY PRINCIPAL GROUPS, 1927, 1929, AND 1930

(In millions of gold pesos; 1 gold peso equals at par \$0.9048, United States currency)

Textile fibers and manufactures	1927		1929		1930	
	Tariff valuation	Real value ¹	Tariff valuation	Real value ¹	Tariff valuation	Real value ¹
Cotton.....	62.8	80.0	71.0	97.0	58.4	79.9
Wool.....	22.9	26.6	26.0	40.4	21.0	26.9
Silk and rayon ²	16.8	11.7	16.6	9.4	15.7	7.6
Flax.....	(7)	(7)	3.2	3.1	3.0	3.1
Jute, pita, hemp, and other fibers.....	44.0	63.8	43.4	54.7	28.3	29.4
Total.....	146.5	192.1	160.2	204.6	126.4	159.9

¹ "Real" values are values calculated by the Argentine statistical office on the basis of invoices and other market information concerning the principal articles of each class.

² In the Argentine tariff, the classification "Silk" includes both silk and rayon.

³ Included in "Jute, pita, hemp, and other fibers."

The following table compares the tariff valuations with the estimated real value of total textile imports for the period 1923 to 1930, and also shows the exchange fluctuations of the gold peso, the weight of the textile imports, and value, from United States export statistics, of shipments of textiles to Argentina.

ARGENTINE IMPORTS OF TEXTILES, 1923-1930

Year	Total textile imports			Exchange value of gold peso in United States currency	United States textile exports to Argentina (millions of dollars)
	Weight in metric tons	Tariff valuation	Real value ¹		
		Millions of gold pesos			
1923	172	114	274	\$0.786	15.5
1924	163	125	220	.782	13.0
1925	164	133	(?)	.914	15.6
1926	196	143	183	.921	14.0
1927	208	146	192	.963	15.4
1928	245	172	(?)	.965	15.8
1929	225	160	204	.951	14.0
1930	(?)	126	160	.835	9.1

¹ "Real" values are values calculated by the Argentine statistical office on the basis of invoices and other market information concerning the principal article of each class.

² Not available.

FOREIGN COMPETITION IN TEXTILE TRADE

The United Kingdom was the largest source of Argentine textile imports in 1914, having been credited with approximately 43 per cent of the total tariff valuation, and an additional 5 per cent came from British possessions. In 1929 the United Kingdom's share was about 26 per cent, but shipments from British possessions (mainly jute burlap for grain bags) accounted for almost 16 per cent. The tariff valuation of imports from the United Kingdom, however, rose from 22,442,000 gold pesos in 1914 to 41,065,000 in 1929, indicating that Great Britain had approximated its pre-war volume of trade but had failed to keep pace with the increase in the total importation. The tariff value of receipts from British possessions in 1929 (25,171,000 gold pesos) was almost ten times that of 1914 (2,657,000 gold pesos).

The United States greatly improved its position in the Argentine market during the war, when supplies from other sources were difficult to obtain. Argentine official statistics show textile imports from the United States with a tariff valuation of 13,206,000 gold pesos in 1929, as against only 489,000 gold pesos in 1914. The tariff valuation for imports from France, Italy, Spain, Belgium, Germany, and Japan in 1929 was considerably higher than in 1914. The proportionate share of each in the total imports, on the basis of tariff valuation, however, showed the following changes: France, from 13 per cent in 1914 to 11 per cent in 1929; Italy, from 15 to almost 18 per cent; Spain, from 2 to 1.5 per cent; Belgium, from 3.7 to 6.4; Germany, from 15 to 7; and Japan, from 0.6 to 1.7 per cent.

Figure 2 shows the fluctuations, in terms of percentage of tariff valuation, of the share of important suppliers of Argentine textile imports from 1915 to 1929. Figure 1 shows the trend of the import trade on the basis of tariff valuations, no allowance being made for fluctuations in the exchange value of the Argentine gold peso nor for changes in arbitrary values fixed for each article.

SUPPLIERS OF PRINCIPAL TEXTILE GROUPS

An analysis of the tariff valuations of Argentine imports of cotton textiles from 1925 to 1929 shows that the United Kingdom was the principal supplier, having furnished, on an average, about one-third of the total. Italy ranked second in this trade, with an annual average of about 27 per cent of the total for the 5-year period; the United States was third, its share averaging about 16 per cent yearly; and was followed by Belgium with 7.6 per cent and France with 6.5 per cent. The portion from Germany ranged between 4 and 5 per cent during the 5-year period, that from Japan and Spain averaged about 2 per cent each, and numerous other countries shipped small amounts of cotton textiles to Argentina. While the proportions of the total imports from the various supplying countries show slight fluctuations from year to year, no marked shifts in trade are apparent, although countries of continental Europe have made small gains at the expense of the United States and the United Kingdom.

France is the principal source of Argentine imports of silk and rayon textiles, its share representing about 40 per cent of the total tariff valuation of such imports during the period from 1925 to 1929. Italy ranked second, with a yearly average of about 16 per cent, and was followed by Germany with almost 14 per cent, the United Kingdom 9, Japan 7, and the United States 2; the remaining 12 per cent came from numerous other countries. In this trade France appears to have lost ground to Germany. The French portion dropped from 47 per cent in 1926 to 34 per cent in 1929, while Germany's share rose from 8 per cent in 1925 to 19.5 per cent in 1928, but declined slightly to 19.4 per cent in 1929. Japanese and British shipments also showed a tendency to decrease, while the proportions from Italy and the United States showed slight fluctuations from year to year.

In 1929 the United Kingdom supplied about 45 per cent (on the basis of tariff valuations) of the Argentine imports of wool textiles, and was followed by France, with approximately 22 per cent; Germany, with slightly less than 12 per cent; Italy, 9 per cent; and Belgium, 8 per cent. The United States' share was less than 1 per cent.

France and Belgium each furnished about 23 per cent of the Argentine imports of linen textiles in 1929; the United Kingdom, 19 per cent; United States, almost 16 per cent; and Germany, 9 per cent.

Jute burlap or crude pita sacking in 1929 represented about 63 per cent of the tariff valuation of Argentine imports of the group "Jute, pita, hemp, and other fibers and manufactures thereof." Receipts from British possessions, principally India, accounted for about 58 per cent of the total imports of the group and consisted mainly of jute burlap for bags. The United Kingdom supplied an additional 13.6 per cent, the United States about 9 per cent, and smaller portions came from continental Europe.

ARGENTINE IMPORTS OF TEXTILES, BY GROUPS AND PRINCIPAL SUPPLYING COUNTRIES, DURING 1929

Country of origin	Textile fibers and manufactures (tariff valuations in thousands of gold pesos)					Total
	Cotton	Wool	Silks and rayon	Flax	Other fibers	
Belgium.....	6,067	1,979	128	736	1,421	10,331
France.....	4,991	5,701	5,605	761	784	17,842
Germany.....	3,207	3,021	3,209	295	1,357	11,089
Italy.....	20,668	2,437	3,148	191	2,347	28,811
Japan.....	1,686	2	1,019	(¹)	30	2,737
Spain.....	1,663	208	87	72	300	2,330
United Kingdom.....	21,820	11,654	1,085	627	5,879	41,065
British possessions.....	18	31	(¹)	-----	26,123	25,170
United States.....	8,410	193	269	508	3,526	13,206
Other Countries.....	2,444	785	2,000	74	2,312	7,615
Total.....	70,992	26,011	16,550	3,264	43,379	160,196

¹ Less than 500.

TRADE BY COUNTRIES ANALYZED

United Kingdom.—The United Kingdom is the largest supplier of cotton and wool textiles to Argentina, being particularly strong in cotton piece goods, both unbleached and bleached, and dyed cloths of lighter weight, as well as colored striped shirting poplins and similar fine cloths with woven designs. In wool goods the United Kingdom supplies particularly men's suitings and overcoatings, as well as linings, and is also a fairly important source of imports of rayon yarns and better-grade rayon piece goods.

Italy.—Italy is the next strongest competitor in cotton piece goods and surpasses the United Kingdom in cotton-yarn shipments. Particularly in the heavy-weight cotton trouserings for men and in materials for work clothing Italy provides a large part of the goods consumed. Woolen cloth for men's wear, mostly of cheap quality, is being supplied in increasing quantities by Italy, which apparently is taking business away from the United Kingdom. Italy ships fairly large quantities of rayon yarn, mostly in cheaper qualities, and is perhaps the principal supplier of rayon piece goods. Italy also ships silk cloth in fairly large quantities.

France.—France, which largely controls the Argentine market for high-grade silk cloth, is also an important source of supply for finer quality cotton and wool textiles, particularly those dress materials which have been adopted in Paris as the latest style.

Other countries.—Belgium is especially strong in linen textiles, and also in wool materials. It ships smaller quantities of cotton textiles, in which men's suitings and colored duck are important. Germany sells some wool piece goods and yarns, supplies most of the demand for cotton-waste blankets, and provides various other textiles in small quantities. Spain ships certain amounts of cotton piece goods (mostly ducks) and yarns. Switzerland supplies finer cottons and linens. Czechoslovakia furnishes wool and rayon goods, as well as cotton-poplin shirtings. Japan is an important factor in the unbleached cotton piece goods and in the cheaper grade plain silks.

Nationality of consumers affects trade.—Foreign countries are aided to a certain extent by the fact that an important part of the Argentine

population is of European nationality or descent. Furthermore, many of the large wholesalers and clothing cutters are of Italian, Spanish, or British nationality, or controlled by the descendants of such founders, whereas there are no American wholesale houses and only one important American retail house in Buenos Aires. The participation of more Americans in the wholesale and retail textile trade, and in the manufacture of clothing in Argentina, probably would assist imports from the United States.

MERCHANDISING METHODS

Textiles from the United States destined for consumption in Argentina reach their destination through numerous channels of distribution, the three main ones being the exporter, the Buenos Aires sales force, and the importer. In each of these groups, however, the American manufacturer may choose from various types of organizations. Some of them combine the functions of exporter and local sales organization; others act as both importer and indent sales agent; and in rare cases the three activities are merged in a single unit.

IMPORTANCE OF SELECTING BEST DISTRIBUTION CHANNELS

The selection of the most satisfactory means of distribution is highly important, because of the extremely competitive condition of the Argentine textile market. Because Argentina imports a great variety of textile products and is about equidistant from the principal textile manufacturing centers of the world, a large number of sales representatives and exporters compete for the trade, thus enabling the importer to take advantage of the most favorable quotations. Moreover, there is a decided tendency to buy cheaper goods, despite inferior quality. In some cases better distribution facilities will help American mills, through reduced selling cost, to meet price competition. In other lines careful selection of sales organization, judicious advertising, and intelligent sales effort will increase business without the necessity of price reductions in articles of higher quality.

MANUFACTURER'S INDENT AGENT

Most American and European textile manufacturers who sell to Argentina are represented by a manufacturer's agent resident in Buenos Aires. The latter shows samples to numerous importers and forwards their orders direct to the factory or export house, which ships and bills the goods direct to the Argentine customer. The agent's commission ranges from 1½ to 10 per cent, depending on the kind of goods sold. Such an agent usually has the whole of Argentina as his territory, although nearly all his sales are made in the city of Buenos Aires. Many agents also cover the neighboring country of Uruguay, as sales there are similarly centralized in Montevideo, which is only one night's trip by boat from Buenos Aires. Although the agent is almost invariably the exclusive representative of the factory and receives a commission on all direct or indirect business from his territory, he usually handles a number of other noncompeting lines of textiles or other products.

ADVANTAGES OF MANUFACTURER'S AGENT

Although other distributor organizations have given excellent results in textile lines, as will be mentioned later, there are various reasons why the method of handling through an agent is usually the most satisfactory. A large number of importers want to buy direct and will not buy from another importer. Therefore, to confine the manufacturer's whole line to a single importing house generally means that the volume is restricted to its customers. As the most direct method of distribution is usually the most economical and the most satisfactory, the ideal arrangement would be for the manufacturer to maintain his own branch office in Buenos Aires. But in few lines, if any, is there yet enough volume to warrant a branch office, so the manufacturer's agent is intrusted with the work of selling as large and frequent orders to as many customers as may be possible or advisable, keeping the manufacturer informed of their financial position and of changing conditions in the market and protecting the interest of the manufacturer in claims, delayed payments, and refused merchandise.

CAREFUL SELECTION OF AGENT NECESSARY

Owing to the responsible position occupied by the agent, it is advisable that a careful investigation be made before appointing, in order to avoid the following obvious dangers: Inadequate results, due to inactivity or incompetence of the agent, who may be handling a large number of other lines, or may have accepted the agency to keep some one else from selling the product in competition with a line he already represents; careless sales to poor-paying customers; selling to too many importers, with the result that unnecessary competition may force the larger importers to drop the line; failure of the agent to protect the manufacturer's interest in claims, or actually sharing in the proceeds from unjust claims on merchandise made by importers; financial loss when cash or merchandise is intrusted to an agent who is either unscrupulous or in financial straits.

ADVANTAGES OF FACTORY EXPORT DEPARTMENT

Whenever the present or future volume of business seems to warrant it an export department in the factory presents obvious advantages. Consequently there is a growing tendency for export shipments of textiles to Argentina to be handled and financed directly by the manufacturer, or by the export department of the domestic sales agency of those piece-goods and yarn mills which do not even finance their domestic sales. With his own export department the manufacturer frequently takes a more definite interest in the Argentine market, learns more about it and the individual customers, keeps in closer touch with changing conditions, and avoids the risk of losing his place in the market through some break in a chain of intermediaries. He is also likely to secure the best type of agent in Buenos Aires, as such an agent wants to deal direct with the factory, because he feels that he is thus assured of the lowest price the manufacturer can offer, and that a factory large enough to maintain its own export department is probably big enough to compete in price, quality, and service with other manufacturers, both American and European. Also, the agent assumes that by shortening the chain of intermediaries, errors will be fewer, claims more promptly adjusted, and general

cooperation close. Furthermore, the direct connection removes the risk that he may lose the agency through no fault of his own because of some break between the factory and its export agent.

OTHER EXPORT ORGANIZATIONS

There are many lines, however, which are satisfactorily exported by other organizations than the factory export department. The combination export manager can perform a useful service for the factory which can finance export sales but does not have enough foreign sales or foreign experience to have an export department. The export houses (usually in New York) which finance sales to their foreign customers still have an important share of the cotton piece-goods trade with Argentina, although they seem to do less of that business than formerly. One such firm operates a branch in Buenos Aires, as well as in other Latin American markets, managed by one or two Americans of Spanish or Latin American descent. This firm secures a good proportion of the American sales to Argentina because it has an extremely large and complete line of cotton piece goods which it offers at prices competitive with quotations of other manufacturers, besides making special goods for the market. However, it is affiliated so closely with its supplying mills and has made some of the trade-marks under which it sells so well known in the market that it may be considered practically a manufacturer. Usually the export commission house is most successful when it has the exclusive export rights for Argentina (and other countries) of the manufacturers whose goods they handle. A small proportion of sales is made in New York to the branch offices of Argentine distributing firms or to buying offices of large Argentine importers. These two types of organizations usually pay for the goods in New York and attend to all details of the export shipments.

OTHER SALES METHODS IN BUENOS AIRES

Other sales arrangements which exporters to Buenos Aires avail themselves of to a lesser extent than the manufacturer's agent, include (a) traveling salesmen (used only in a few cases when the product is one which for trade-mark, patent, or other reasons has a small but steady demand, and needs only infrequent attention, as, for example, surgical gauze and bandages); (b) correspondence, which is sometimes resorted to instead of the use of salesmen, and also is used for those few goods easily sold by catalogue or small samples; (c) branch offices, which so far have been limited almost entirely to branches of export houses; and (d) exclusive distributors.

The exclusive distributors handle only a small proportion of the total textile business, but have proved satisfactory in certain lines where stocks must be carried in order to supply a number of small, frequent orders in a variety of patterns or colors—for example, linoleum, rugs, hosiery, artificial leather, and underwear. In cotton yarns and certain other products agents who do most of their volume business by indent orders for direct importers also carry small stocks to care for unexpected rush orders from customers. In piece goods, however, large wholesale importers usually are not granted the exclusive distribution of a manufacturer's complete line. Each important wholesaler has his own clientele of retailers, and to limit the sale to him usually means restricting sales to his customers, as the other wholesalers will rarely ever buy from him. Frequently one particular

cloth or pattern is confined to one wholesaler who offers an outlet for a large volume, but the remaining cloths of the same manufacturer are sold to other wholesalers.

TYPE AND LOCATION OF IMPORTERS

Yarns are imported direct by the mills knitting hosiery and underwear or weaving woolen fabrics, cotton duck, and a few other cloths. The cloth importers are principally wholesalers or manufacturers of clothing and other goods, but there are also some large retailers and department stores which import direct. Most of the wearing apparel required in Argentina is manufactured locally, so that imports of these goods (including hosiery) are usually limited to the better retail stores. Special textile goods, such as artificial leather and automobile cloths, are imported by wholesalers in those lines or by manufacturers of furniture and similar articles. There are also wholesalers dealing in textile notions, such as thread, braids, tapes, and laces.

Nearly all the importers are located in Buenos Aires. Many are of foreign nationality or descent, particularly of Spanish, Italian, and, more recently, of Syrian and Levantine origin. A few of the largest houses are German or British.

In recent years there has been a general tendency away from large import houses and toward direct importing by smaller firms which previously bought from the former. This trend has been aided by the growth of hand-to-mouth buying, and by the increasing ease of securing credit information which allows manufacturers to grant terms to small firms. The efforts of manufacturers' agents to secure increasing business have sometimes led to their going direct to smaller firms when the large wholesalers, for one reason or another, would not buy their merchandise in sufficient quantities. This tendency toward smaller buyers, however, has made the market more complicated. One result was that in 1930 and 1931 some of the large wholesale firms withdrew from the piece-goods field, alleging that they could no longer make the profits demanded by their heavy overhead expenses, because of the keen competition from smaller houses, principally Syrian and Levantine, which are said to operate on a closer margin.

Many of the larger importers have branches in the more important interior towns, such as Rosario, Cordoba, Tucuman, Mendoza, Parana, and Bahia Blanca. Others have traveling salesmen covering the various sections of the country; hence, they usually resent any effort of the manufacturer's agent to sell in the interior cities, except in Rosario. One British-owned department store has 17 branches in various cities of Argentina.

CREDIT TERMS

Quotations c. i. f. Buenos Aires are generally preferred, as the importer can more easily determine his cost and compare it with other merchandise. Prices f. a. s. New York are also acceptable, but quotations of f. o. b. factory at an interior American city are not desirable.

The credit terms extended to the importer vary, depending on his financial standing, the type of goods, and the competition. The most usual are 60 and 90 day sight drafts with documents attached. In some cases, principally involving yarns and piece goods, 120 days are allowed good customers. Some of the larger importers receive goods

on open account without drafts and remit 60, 90, 120, and 180 days after receipt of merchandise, as mutually agreed upon. Business is done on a cash basis with some of the well-capitalized firms, which prefer to take advantage of cash discounts, and with some of the smallest, which can not secure credit accommodations. But it is almost impossible for a new manufacturer to enter the market when he is willing to sell only on terms of payment in New York before shipment, irrevocable letter of credit, or sight draft against documents. A New York and a Boston bank both have large branches in Buenos Aires, and a number of other foreign and local banks handle collections for American shippers.

Credit information on most of the customers is readily available to American exporters through a number of sources. Besides the banks, one large American credit-information organization has a branch, and another an agency in Buenos Aires. There are also various local credit-reporting agencies and publications.

REVERSAL OF SEASONS IN ARGENTINA AN IMPORTANT FACTOR

The addition of six months to any date will give the corresponding season in Buenos Aires as compared with that prevailing in the southern part of the United States. This reversal of the seasons in the Southern Hemisphere is one of the features which makes Argentina a valuable market for American textile manufacturers. Mills in the United States weaving or converting summer dress materials, which may complete work for the domestic market by April or May, can continue activity as late as August on last-minute orders for Buenos Aires, 7,000 miles away.

From December to February (the Argentine summer) and continuing in diminishing quantities until June, import orders for goods for the following summer are placed. This is the most active season for American goods. Samples are sent to the Buenos Aires agent soon after they are prepared for the domestic trade—in August, September, and October.

Samples of no commercial value should not be forwarded by parcel post unless specified by the Buenos Aires agent, as in this way they must be cleared through the Argentine customhouse by the consignee or by a customs broker, and are subject to Argentine charges, always amounting to \$2 (United States currency), or more, even if they do not contain dutiable merchandise. Instead, they should be forwarded by the special service designed for them, namely, "sample post," registered but unsealed, and clearly marked "Muestras sin valor." The maximum weight per package of samples is 18 ounces, and the size must not exceed 18 inches in length, 8 inches in width, and 4 inches in thickness. Samples pay a lower rate of postage (1 cent for each 2 ounces), require no customs declaration, and are delivered direct to the agent's office unless they are considered by the Argentine post office to have actual value. Such would rarely be the case with the usual small sample book of piece goods, but very large samples of cloth, or hosiery and similar goods might be considered as having commercial value.

Catalogues and advertising matter, if consisting of one or two copies to take the place of samples or to supplement them, should be sent as printed matter, not parcel post, for the reasons mentioned

above. Larger quantities for distribution to customers are dutiable and should be sent by parcel post.

PACKING AND SHIPPING

The usual strong export cases and bales are used for shipments to Argentina. The excellent port facilities, warehouses, and rail transportation to nearly every part of the country make unnecessary the special small-sized packages and other requirements of certain other world markets.

The Munson (American), Prince (British), and Linea Sud Americana (Norwegian, carrying cargo only) lines maintain regular passenger, mail, and cargo service between New York and Buenos Aires, the time for a one-way trip being 18 days. American Republics (American), the Norton (American), and other lines operate cargo vessels from Atlantic ports of the United States to Buenos Aires and other Argentine ports; New Orleans and Gulf ports are served by the Delta Line (American), while the McCormick Steamship Co. (American) and the Westfal Larsen Line (Norwegian) serve the Pacific ports.

Parcel-post shipments to importers were formerly used with satisfaction in the case of small articles such as hosiery and bathing suits. Retail mail-order business, however, between the United States and private individuals in Argentina (not registered as importers) was handicapped by a 25 per cent surcharge on the duties. On September 21, 1931, this was made to apply to importers also, and the documentary charges were increased about the same time.

PLANNING A TRIP TO ARGENTINA

Although a resident agent is generally necessary, it is of much value to have the export manager or a member of the firm visit Argentina to study the market at first hand, soon after he has been convinced that a worth-while market for his products exists. In many cases it has also been found helpful to send a traveler to cover all of South America about once a year, to help the agents in each country at the beginning of the season. With his more intimate knowledge of the factory and of his own line, he can sometimes supply the agent with information which will enable him to get certain orders. Also he can personally inform the factory, on his return, of the changing conditions affecting the market, the customers, and the agent.

The best season for the trip is at the beginning of the buying season, as in January for summer goods. Traveling salesmen can secure more detailed information about planning trips to Argentina (and about the customs and other legal formalities) from the Bureau of Foreign and Domestic Commerce, Washington, D. C., or from the bureau's nearest district office. The Commercial Travelers' Guide to Latin America¹ contains this information for Argentina, as well as for other countries.

Briefly, however, commercial travelers are usually allowed to bring in, without duty charges, trunks of small sample books of textile piece goods. Nevertheless, duties might be assessed on pieces of cloth of larger size (a yard or more) and on complete cones of yarns

¹ Published by the U. S. Department of Commerce as Trade Promotion Series No. 122. For sale by the Superintendent of Documents, Government Printing Office. Price, \$1.50.

or on samples of wearing apparel. When the latter are mutilated they sometimes enter free of duty. Samples may be brought in and reexported in bond; but once the duties are paid, they can not be reimbursed.

Licenses (issued upon payment of fees ranging from a hundred to several thousand pesos a year) are required of commercial travelers as well as local agents, not only by the city of Buenos Aires, but also by each of the 14 Provinces and 10 Territories in Argentina. These are chargeable to salesmen who take orders with or without samples, although it is said that a traveler who simply arranges an agency without securing orders is not usually taxed. Travelers of manufacturers who already have a Buenos Aires agent, or who have close relations with a Buenos Aires importer, usually avoid license fees by arranging with the Buenos Aires firm to act as part of their staff while in Argentina, and to sell under the authority of the importer's or agent's license.

GOVERNMENT PURCHASES OF TEXTILES

Various departments of the Argentine national, provincial, and municipal governments place orders for textile products each year or so. The principal of these among the National Government departments are the army (25,036 men and officers in 1929), navy (9,100 men and officers in 1930), State railways, post office, public works, fiscal oil wells. The next in importance are probably orders placed by the city of Buenos Aires, particularly for the hospitals and asylums. Several of the provincial governments also require smaller quantities of textile products. The 1929 budget of the navy had an item of 2,687,731 paper pesos (about \$1,450,000 United States currency, at par) for cloth, clothing, and footwear. The expenditures of other departments, however, did not classify clothing separately.

Some of the principal items purchased from the United States by Argentine governmental bodies are unbleached sheetings for sheets, bleached and unbleached twills for work and dress uniforms, colored drills for marine uniforms, cotton duck and mail bags, cotton yarns for hosiery, and medicinal gauze.

BIDDING ON GOVERNMENT REQUIREMENTS

There is no central purchasing office for the National Government, but each department or bureau is authorized to make calls for bids for the goods already covered in its annual budget. The calls for bids for National Government departments appear with other official decrees in the Boletín Oficial (official bulletin), published daily at Bolívar 65, Buenos Aires. The easiest way, however, to keep in touch with national, provincial, and municipal calls for bids is through their publication in the Diario de Licitaciones (a daily newspaper devoted entirely to such bids), published at Defensa 168, Buenos Aires, and sent to subscribers for 36 paper pesos per year (1 paper peso equals 42½ cents United States currency, at par).

The published notices usually mention only the most important features of each purchase, the rest of the details being included in an official printed call for bids which can be secured from the department issuing the call. In some cases there are charges for this service. As the time limit for most bids is generally 30 days after publication, and as the newspaper may not reach the United States under 20 to 28

days, it is usually necessary for the American company to have its agent in Buenos Aires read the publication or otherwise keep informed and wire his company for quotations.

PRESENTING BIDS THROUGH LOCAL IMPORTERS

Some departments require that bids be presented through a local firm (of Argentine or other nationality) already authorized to do business in Argentina. This provision aims to give the Government more control over the supplying firm in the event of noncompliance with the contract. Even if the call for bids does not require this, it is usually advisable for the following reasons: Most bids are required to be quoted in Argentine paper pesos, either laid down in Buenos Aires with duties paid, or c. i. f. port of entry, according to circumstances; a small deposit is usually required from every bidder, which is reimbursable if the bid is not accepted; from the successful bidder a very substantial increase in the deposit is demanded as a guaranty of compliance, which may be forfeited or diminished by any complete or partial failure in delivery. This deposit on national bids is usually made in Argentine Government bonds or in "cedulas" (Government mortgage loan certificates); cash deposits are acceptable, but bank guaranties or bonds issued by private companies are not.

A large number of import houses devote special attention to Government bids and are in a position to keep in close touch with them. To them the Buenos Aires agent of the American company offers a sample and the factory's best quotations. The importer then figures the price in pesos, plus whatever charge he feels it necessary to add to cover handling and to cover any difference between the time he must pay the factory and the time he receives payment from the Government department. Fluctuations in exchange, such as occurred during 1930 and 1931, add to the risk of making a fixed quotation in pesos.

PREFERENCE FOR LOCAL PRODUCTS

During 1931 many of the Government departments adopted the attitude that local industry should be favored whenever possible, and one provincial government stated that orders for textiles would not be given to foreign firms unless it were proved that local mills did not manufacture the goods or were unable to do so. Practically all the wearing apparel and uniforms have for many years been made by local factories, including the uniform factory operated by the Argentine Army. Except for cheaper qualities of woolen piece goods, however, most of the cloth is imported.

MARKET FOR SPECIFIC TEXTILES

COTTON YARN

Argentina is the best export outlet for American cotton yarn, but its share of the total shipments declined steadily from about 45 per cent in 1929 to 42 per cent in 1930 and to 35 per cent in 1931.

UNITED STATES EXPORTS OF COTTON YARN TO ARGENTINA, 1926-1931

Year	Carded, not combed		Combed				Total cotton yarn	
	Thou- sands of pounds	Thou- sands of dollars	Mercerized		Not mercerized		Thou- sands of pounds	Thou- sands of dollars
			Thou- sands of pounds	Thou- sands of dollars	Thou- sands of pounds	Thou- sands of dollars		
1926.....	9,294	3,167	12,865	12,026	(1)	(1)	12,130	3,203
1927.....	11,830	3,795	3,357	2,789	583	323	15,776	6,006
1928.....	8,388	3,136	3,890	3,144	622	376	12,909	6,655
1929.....	8,098	2,656	3,925	2,988	285	138	12,307	5,781
1930.....	4,143	1,160	3,199	2,330	309	164	7,652	2,694
1931.....	2,495	540	2,215	1,325	317	120	5,027	1,990

¹ Combed yarn, mercerized and nonmercerized.

² Not separately shown.

COUNTS PRODUCED LOCALLY

Argentine production of cotton yarn from locally grown cotton, according to trade estimates, approximated 10,000,000 pounds in 1930. The country has six mills spinning cotton, five of which have weaving departments, which consume nearly all the yarn they produce. The other mill formerly was part of a match factory but was separated in 1929. Most of its output is offered for sale. Local industrialists estimated that in August, 1931, cotton spindles already installed numbered 54,000, while 13,000 more were on order and the purchase of 10,000 additional spindles was under consideration.

Domestic production of cotton yarn is reported to be confined to carded yarns, principally for use in weaving duck and to a lesser extent for consumption by knitting and woolen mills. Small quantities are also used in the manufacture of matches. The principal counts of yarn spun locally are said to be as follows: For weaving, chiefly 8s to 12s and some 16s, all 2-ply; for knitting, 10s to 30s, single; for wool mills, 20s, 22s, 24s, and 26s, all 2-ply; and for matches, 12s, single. Local mills are reported to bleach some imported yarns for their own use. In 1928 and 1929 a local mill imported combed yarn and mercerized it in Argentina, but its monthly production was said not to have exceeded 25,000 pounds, and the work was abandoned in 1930.

IMPORTS

Domestic mills at present supply about one-third of the country's yarn requirements. The development of the Argentine textile industry, particularly the knitting branch, is reflected in imports of cotton yarn, which increased steadily from 1918 to 1929, with the single exception of the year 1924. Imports of cotton yarn amounted to approximately 10,800,000 pounds in 1918 and to 24,122,000 in 1929. In 1930 receipts dropped to 20,151,000 pounds, of which the United States supplied 37 per cent, compared with 51 per cent in 1929. A further decrease in Argentine imports of cotton yarn was recorded in the first six months of 1931, when receipts totaled 7,964,000 pounds, as against 11,333,000 in the corresponding period of 1930.

TYPES IN DEMAND

Argentine import statistics do not show separately the types of yarn imported, except whether they are gray or colored. From United States export statistics and from trade opinions it seems evident that carded yarn is the largest item, a small proportion of which is wool spun yarn. In combed yarn, up to the time of writing, the largest proportion is mercerized. In 1931 the United States shipped slightly over 300,000 pounds of combed unmercerized yarn, compared with more than 2,000,000 pounds of the mercerized product in the same year. The amounts of combed yarn coming from other countries are thought by the trade to be somewhat greater than those from the United States.

In 1931 local mills, in an effort to reduce production costs, began knitting larger quantities of underwear in which they used combed yarn, unmercerized, instead of mercerized yarns; consequently local agents express the opinion that the current year will show some increase in imports of combed yarn. Gassed yarn is used in almost negligible quantities at present, because the high grade of American mercerized yarn (not gassed) makes local knitters feel that it is unnecessary to pay the higher price for gassed mercerized yarns, which usually are ordered only in 70/2 to 120/2, for very high-grade hosiery and underwear.

Argentine official import statistics show that 17 per cent of the 1930 import was dyed, compared with 14 per cent in 1929, the balance in each year consisting of gray and bleached yarns. Although official figures do not separate them, local yarn agents estimate that the proportions in the total importations are likely to be about 80 per cent unbleached, 5 per cent bleached, and the remainder colored. Imported yarn is used principally for knitting rather than for weaving, since in Argentina weaving is by no means as highly developed as the knitting industry.

ARGENTINE IMPORTS OF COTTON YARN, BY CLASSES, 1928-1931

(In thousands of pounds)

Cotton yarn ¹	1928	1929	1930	First six months--	
				1930	1931
Gray.....	20,430	20,718	16,680	9,959	5,432
Colored.....	3,003	3,404	3,471	1,373	3,532
Total.....	23,433	24,122	20,151	11,332	7,964
Cotton yarn for matches.....	340	182	185	99	80

¹ The official returns classify these yarns as weaving yarns, but trade information indicates that it includes yarns for knitting as well as for weaving.

COUNTS USED IN KNITTING AND WEAVING

An analysis of Argentine yarn requirements, representing estimates of local yarn agents, indicates that the range of counts in demand is approximately as follows: Carded yarns, 10s to 34s, single, and 8s to 28s, 2-ply; mercerized yarns, 60s to 140s, single, 22s to 120s, 2-ply, and 100s to 120s, 3-ply; combed yarns, not mercerized, 18s to 34s, single, and 36s to 60s, 2-ply.

COUNTS OF COTTON YARN IN DEMAND IN ARGENTINA

Item	Principal counts and the ply	Secondary counts
Carded yarn:		
Weaving.....	8/2, 10/2, 12/1, 12/2, 14/2, 20/2, 28/2	16/2, 8/3, 7/4
Knitting.....	10/1, 12/1, 16/1, 20/1, 30/1	14/1, 18/1, 24/1, 28/1, 34/1
Mercerized yarn:		
Weaving.....	None	50/2, 60/2, 70/1, 100/1, 120/1, 140/1
Knitting.....	26/2, 30/2, 32/2, 40/2, 30/2, 60/2, 70/2, 80/2, 60/1, 70/1	22/2, 24/2, 26/2, 45/2, 100/2, 120/2
Combed yarn, not mercerized:		
Weaving.....	None	Negligible
Knitting.....	18/1, 20/1, 24/1, 30/1, 50/2, 60/2	24/1, 26/2, 40/2

FOREIGN COMPETITION IN ARGENTINE COTTON YARN TRADE

In 1929, the latest year for which detailed statistics are available, the United States supplied 51 per cent of the 24,122,000 pounds of cotton yarn imported into Argentina. Italy ranked second in that year, with 27.5 per cent, and was followed by the United Kingdom, with 11 per cent; the Netherlands, about 5 per cent; and Belgium, 3 per cent. The small remainder came chiefly from other countries of continental Europe.

The distribution of the trade is reported to have changed radically since 1929. In the absence of official Argentine import statistics by countries, the following figures from official export returns of the various supplying countries indicate the present general trends in the Argentine cotton-yarn business: United States shipments to Argentina declined from 12,307,000 pounds in 1929 to 7,552,000 in 1930; Italian, from 7,260,000 pounds to 6,617,000; British, from 2,761,000 pounds to 1,873,000.

Unofficial trade figures for the first 10 months of 1931 show total Argentine receipts of foreign cotton yarns amounting to 36,683 bales and cases, a decrease of 11,164 compared with imports for the corresponding 1930 period. A comparison of the returns for the first 10 months of 1931 with those for the 1930 period reveals a decrease in receipts from every country except the United Kingdom, with the losses particularly marked in the case of the United States and the Netherlands. Official export data apparently confirm the foregoing statement. United States shipments of cotton yarn to Argentina declined from a total of 7,552,000 pounds in 1930 to 5,027,000 in 1931, while British exports increased from 1,873,000 pounds to 2,164,000. Italian figures for 1931 are not yet available, but statistics for the first eight months of these years show a decline from 4,280,000 pounds in 1930 to 3,442,000 in 1931.

EXPORTS OF COTTON YARN TO ARGENTINA FROM PRINCIPAL SUPPLYING COUNTRIES, 1928-1931

[In thousands of pounds]

Year	From the United States			From Italy		From the United Kingdom	
	Carded	Combed		Nonmercerized	Mercerized	Gray	Bleached and dyed
		Mercerized	Nonmercerized				
1928.....	8,388	3,899	622	5,124	94	1,941	175
1929.....	8,096	3,925	285	7,184	76	2,667	98
1930.....	4,143	3,199	209	6,547	70	1,774	99
1931.....	2,495	2,215	317	(1)	(1)	2,029	125

¹ Not available at time of preparation of this report. Statistics for the first 8 months of 1931 show shipments to Argentina of 3,328,000 pounds of nonmercerized and 114,000 of mercerized, compared with 4,218,000 of nonmercerized and 64,000 of mercerized in the corresponding period of 1930.

Since 1928 Italian mills have been securing more and more Argentine orders for carded yarns, which formerly were placed with the United States. Lower prices form the basis of Italian competition. Local mills say that the Italian yarn has improved, both in quality and in its put-up on cones, and some firms even claim that it is now as good as the American. Various local underwear mills, moreover, say that they prefer the softer twist of the Italian yarn to the harder American carded, which they consider more appropriate for hosiery than for underwear. Some Buenos Aires yarn agents believe that the American product is still slightly better, and hope that when general commercial conditions improve there will be a tendency for the mills to revert to the American yarns. Others state that Italian spinners are making such progress in quality and quoting such consistently low prices, that American mills are in danger of losing the carded yarn market permanently unless they meet Italian competition. The American mills, however, still have the advantage of much prompter deliveries.

It was largely because of the Italian competition that the American share in the Argentine market for cotton yarn fell from 66 per cent in 1927 to 51 per cent in 1929, 37.5 per cent in 1930, and 27.4 per cent in the first six months of 1931. Most of this decline in United States shipments has been in carded cotton yarn, although both Italian and British competition has been felt in mercerized yarns, particularly in 1931. In the absence of Argentine import figures showing what proportion of the imported yarn is mercerized, trade opinion seems to be that the United States still supplies the bulk of the mercerized yarn, with smaller amounts coming from the United Kingdom, Italy, and other countries of continental Europe. The foregoing table shows (in a footnote) a substantial gain in Italian shipments of mercerized yarn to Argentina in 1931.

BRITISH YARN SHIPMENTS

An analysis of British exports of cotton yarn to Argentina from official returns, as shown in the following table, indicates that the bulk of the shipments consists of gray yarns in counts under 40s, with only small quantities of 40s to 79s. Exports of bleached and dyed yarns are comparatively unimportant.

BRITISH EXPORTS OF COTTON YARN TO ARGENTINA, BY COUNTS, 1926-1930

(In thousands of pounds)

Item	1926	1927	1928	1929	1930
Unbleached cotton yarns:					
1s to 30s.....	1,639	2,049	1,888	2,559	1,601
40s to 70s.....	61	33	41	100	151
80s to 110s.....	(¹)	(¹)	(¹)	(¹)	(¹)
120s and over.....	(¹)	(¹)	(¹)	(¹)	(¹)
Bleached and dyed cotton yarns:					
1s to 30s.....	99	82	95	46	43
40s to 70s.....	21	50	68	33	51
80s to 110s.....	9	6	11	14	4
120s and over.....	(¹)	(¹)	(¹)	(¹)	(¹)
Cotton yarns, not classified.....	13	17	13	9	23
Total quantity.....	1,842	2,237	2,116	2,761	1,873
Total value in pounds sterling.....	165,555	182,439	177,876	215,514	141,439
Total value in thousands of dollars.....	804	887	866	1,047	683

¹ Shipments, if any, included in the amounts not classified.

METHOD OF QUOTING PRICES

Prices normally have a very great influence on yarn sales, and orders are sometimes gained or lost by a difference of a quarter of a cent per pound on yarns of the same quality. Quotations are made by cable and fluctuate daily, depending upon cotton prices, as in the case of yarns for the consumers in the United States. Large orders cause active bargaining.

The following paragraph presents opinions of local agents on the general comparison of prices during much of 1931:

The price of Argentine yarn was reported by local agents to vary, depending upon the customer and the quantity. It is alleged that on large orders for responsible customers when local mills wanted the business they figured their quotation to be slightly under the lauded cost of American yarns on that day. Local spinners, however, are said to be able to obtain better prices on sales to the smaller knitting mills which may be unable to secure credit from American shippers. Furthermore, in times of fluctuating exchange, as in 1931, some of the more responsible knitting mills are willing to pay a few cents more to local spinners in order to avoid the risk of exchange fluctuations which might make the imported yarn cost more in pesos than they had anticipated.²

OTHER FACTORS AFFECTING YARN SALES

Quality is another important competitive factor. Certain countries or mills spin qualities superior to those produced elsewhere; therefore, they secure a higher price. German yarns, usually fancy and generally colored, are cited as an example. The German black yarn is supposed to be particularly good for men's high-grade black socks. Similarly, the British sell the high-count mercerized yarns, and certain yarns come from France and Switzerland.

Another motive for purchasing yarns from a given country is a patriotic feeling among its nationals engaged in business in Argentina. This tendency is strengthened further when there are actually financial or commercial affiliations between the European spinners and the Argentine textile mills. These factors are said to account for purchases of large amounts of British carded yarn by three local mills with British affiliations. Likewise, Belgian yarn, according to reports, figures to a very slight extent in the general yarn market, as it is shipped direct by Belgian spinners to a Belgian textile mill in Buenos Aires. In the case of Italian yarns, many local knitting-mill owners are of Italian nationality or descent, and, hence, favor Italian yarns even in the rare cases where American mills offer equal quotations. Only one local hosiery mill is owned by Americans.

DISTRIBUTION

American and European yarn spinners usually handle their business in Argentina through indent agents in Buenos Aires, who submit samples and secure orders from the mills, transmitting the orders by cable. The usual terms of credit are said to be 90 days after sight, or 120 days after date. There are apparently no special requirements for branding, labeling, or packing yarns. The American cones are used widely and are regarded as standard.

² For details regarding comparative prices of American and other imported cotton yarns in Argentina, refer to the Commerce Department's weekly Commerce Reports, issue of Dec. 28, 1931, pp. 716-719.

SUGGESTIONS FOR MAINTAINING AMERICAN POSITION

It is evident that the United States has been losing carded-yarn business in Argentina, principally because of price differences compared with Italian yarns. The commendable effort of American mills to bring their prices within closer range of Italian quotations undoubtedly saved them many orders in 1931, and the continuance of this policy will be an important factor in future business.

Exporting firms should follow very closely the changing conditions in the Argentine textile market. The choice of a capable agent, with a good personal and commercial acquaintance with the buyers in the one hundred and sixty and odd textile mills in Argentina is likewise important, particularly because of frequent changes in the credit standing of customers. Occasionally, in competitive orders for large responsible buyers, agents demand the utmost cooperation from mills in quoting at the commencement of the bargaining the lowest price at which they are willing to take the business, rather than holding off until the order goes elsewhere.

The marketing of American yarn by the different mills under special trade-marked brands is said to be more satisfactory than selling unbranded yarns. It is possible that consumer advertising of American yarn and the supply of special labels might be worth considering, as Argentines respond readily to advertising.

The quality of American yarn and the promptness with which shipments are made are highly appreciated in Argentina and should be maintained. During times of hand-to-mouth buying, as in 1930 and 1931, the quicker delivery of the American mills is an important point in their favor.

While there are now about 15 or 16 American cotton yarn shippers represented in Argentina, and competition among them is keen, there are constant requests from other local agents for United States cotton yarn lines. Some of these agents are already in the yarn trade, perhaps handling rayon or silk yarns, and may want a carded or mercerized account to sell to the same customers.

Many indications point to a continued growth of the textile industry in Argentina, particularly spinning and weaving. While Argentina produces good cotton, it now exports about 85 per cent of its crop and buys imported yarn. For several years one of the large local houses dealing in grain and cotton, and also engaging in other enterprises, has been considering the installation of a spinning mill of 10,000 to 15,000 spindles, devoted entirely to making yarns for sale locally. It was reported in August, 1931, that plans for establishing this mill were maturing rapidly.

There seems little likelihood of extensive mercerizing in Argentina for some years, and American sales of this yarn should show an increase if the mills meet European competition. It is also quite probable that the good reputation of American carded yarn and the active effort of American shippers and their agents will result in a continuance of substantial orders for this type, so that Argentina will retain its present position as the largest foreign customer for American cotton yarns.

COTTON WASTE

United States sales of cotton waste to Argentina are small in comparison with the local consumption. In 1928 they were 199,531 pounds (\$41,898), but in 1929 they fell to 75,182 pounds (\$14,885), and in 1930 to 49,440 pounds (\$9,094). The small American share is reported to be attributable partly to higher prices, but other important factors are local production and railway purchases.

Statistics on the quantity produced in local mills are not available but should be in proportion to the estimated 12,000,000 pounds of cotton spun into yarn in 1930. The duty protection in normal times is sufficient to allow domestic mills to supply most of the local demand except for the railways.

Most of the roads are British and French, and purchases of waste are said to be made by their London and Paris offices from mills often connected by interlocking directorates with the railways. Imports in 1929 were 3,956,993 pounds, of which 90 per cent came from the United Kingdom and 6.2 per cent from France. Imports in 1930 were 3,619,307 pounds.

The Government-owned railways purchase smaller amounts and award the contract to the lowest bidder. They are said, however, to favor local producers by adding the cost of the duty to the quotations of foreign waste. Imported waste not bought direct is handled by houses dealing in railway supplies and machinery.

COTTON THREAD, TWINE, AND CORDAGE

The United States sells small amounts of sewing thread to Argentina, although the total is negligible compared with Argentine imports from other countries. United States exports of thread to Argentina in 1928 amounted to 16,963 pounds (value \$16,263), and rose in 1929 to 18,484 pounds (value \$22,534), but decreased in 1930 to 12,210 pounds (value \$14,679). Sales of crochet, darning, and embroidery cotton were 238 pounds (\$312), 109 pounds (\$300), and 185 pounds (\$136), respectively.

Sewing thread.—Sewing thread is not manufactured in Argentina, but imports are large. Imported thread is of two classes—on spools under and over 2½ ounces in weight, the latter including skeins and balls. In the large-spool class, imports in 1929 were 513 metric tons (1,132,000 pounds), of which the United Kingdom supplied 241 tons, France 184, Italy 50, and the United States 18. Imports of sewing thread on small spools totaled 14,826,000 kilometers (kilometer equals 1,093.6 yards), of which the United Kingdom supplied 10,446,000 and France 3,346,000. No other country supplied more than 500,000 kilometers, while United States shipments were only 480 kilometers.

Most of the market for sewing thread in Argentina is controlled by the British J. & P. Coats interests, which also own thread mills in the United States. Independent mills, however, might be able to sell more special threads for industrial use through houses selling American sewing machines and shoe machinery, both of which are very strongly entrenched in Argentina.

Twine and cord.—In cotton twine and cordage, however, the United States supplied the bulk of the Argentine imports. American exports in 1928 were 342,739 pounds (\$148,830), and showed an increase in 1929 to 349,571 pounds (\$144,252), but dropped in 1930 to 220,781 pounds (\$81,827). Most of this is cotton string and twine rather than rope. Argentine imports of cotton string and twine in 1929 were 202 metric tons (446,000 pounds), of which the United States was credited with 155 tons, United Kingdom 18, and Italy 17, while the other 12 came from various countries. Cotton rope was not separately shown by countries, but the total imports were only 5 metric tons. The drop in imports of twine from 202 tons in 1929 to 168 in 1930 reflects increasing local production.

Candlewicks.—Cord for the wicks of candles forms another item in Argentine imports. Of the 51.6 metric tons imported in 1929, England supplied 20.8, Spain 19, Italy 5.6, France 3.3, and the United States 2.8 tons.

COTTON PIECE GOODS

Argentina ranked sixth as an export market for American cotton piece goods in both 1929 and 1930. The United States, however, gets a relatively small portion of Argentina's total import trade in cotton cloth. In 1929, the latest year for which detailed Argentine statistics by countries are available, Argentina imported 35,964 metric tons of cotton piece goods, of which the United Kingdom supplied approximately 37 per cent, Italy 32 per cent, the United States 7 per cent, and Japan 5 per cent. Spain, France, Germany, Czechoslovakia, the Netherlands, Switzerland, and Belgium were other sources.

United States exports of cotton cloth, duck, and tire fabrics to Argentina declined in quantity from 23,936,000 square yards in 1929 to 16,275,000 in 1930 and to 14,451,000 in 1931, and in value from \$4,109,000 to \$2,616,000 and to \$1,994,000 in the same years. (See table on p. 14.)

Shipments from the United Kingdom, the largest supplier of cotton piece goods to the Argentine market, decreased from 144,152,000 square yards in 1929 to 120,108,000 in 1930 and to 93,067,000 in 1931. The following table shows British shipments of cotton piece goods to Argentina, by classes.

BRITISH EXPORTS OF COTTON PIECE GOODS TO ARGENTINA, BY CLASSES, 1926-1931

(In thousands of square yards)

Cotton piece goods	1926	1927	1928	1929	1930	1931
Unbleached.....	6,592	7,072	6,331	7,809	4,691	5,897
Bleached.....	43,455	50,422	48,411	42,876	41,036	28,263
Printed.....	17,448	20,884	23,716	25,128	21,278	20,839
Piece-dyed.....	31,940	41,652	56,032	58,568	46,624	35,879
Yarn-dyed.....	13,141	10,547	14,432	9,771	6,479	5,189
Total.....	112,576	131,177	148,922	144,152	120,108	93,067

Italy's shipments of cotton cloth to Argentina dropped from 11,850 metric tons in 1929 to 7,894 in 1930. Decreases occurred in all classifications as follows: Cotton cloth, not mercerized or woven of mercerized yarn, from 11,613 metric tons in 1929 to 7,776 in 1930; mercerized or woven of mercerized yarns, from 233 to 118 metric tons; while 4 tons of cloth of cotton mixed with silk or rayon were shipped in 1929 and none in 1930.

COTTON TIRE FABRICS AND DUCK

In 1929, the United States was the largest source of Argentine imports of unbleached and bleached duck, and Spain ranked next in importance. In colored duck, however, the share of the United States was relatively insignificant in comparison with that of the two largest suppliers—Belgium and Spain.

TEXTILE MARKET OF ARGENTINA

ARGENTINE IMPORTS OF COTTON DUCK, 1928 AND 1929

Country of origin	Unbleached and bleached		Colored	
	1928	1929	1928	1929
United States.....	Kilos 414, 449	Kilos 428, 194	Kilos 7, 736	Kilos 8, 539
Spain.....	101, 477	254, 093	27, 408	112, 591
United Kingdom.....	76, 730	57, 659	6, 713	2, 660
Belgium.....	4, 334	12, 907	124, 415	191, 173
Germany.....	729	2, 782	12, 135	23, 790
Italy.....	543	5, 294	4, 727	16, 090
Czechoslovakia.....				11, 907
Netherlands.....	5, 196	996		
Japan.....		5, 511		
France.....	175	2, 934	2, 476	5, 942
Total.....	602, 835	768, 470	185, 610	342, 648

Details by countries are not available for 1930, but the importation of unbleached and bleached duck declined to 548,129 kilos, while the receipts of colored duck increased to 420,176 kilos. In the first half of 1931, imports of unbleached and bleached duck amounted to 153,842 kilos, or about half those of the corresponding 1930 period (311,782 kilos). Receipts of colored duck also declined from 134,185 kilos in the first six months of 1930 to 94,957 in the corresponding months of 1931.

United States shipments to Argentina.—Exports of American tire fabrics to Argentina increased sharply during 1931, shipments of cord tire fabrics rising from 5,855 square yards in 1930 to 490,163 in 1931 and of other tire fabrics from 109,826 square yards to 354,718. This gain is attributed to the establishing in Argentina of three plants for making automobile tires—branches of two American concerns and one Italian company.

Argentina was the fourth largest export outlet for United States cotton duck in 1930, its purchases of 900,353 square yards having been exceeded by those of Canada (1,104,103 square yards), the United Kingdom (1,428,947), and Cuba (927,532). Declines were recorded in shipments to Argentina in 1931 in all classifications as compared with exports for 1930.

UNITED STATES EXPORTS OF TIRE FABRICS AND DUCK TO ARGENTINA, 1929-1931

Item	1929		1930		1931	
	Square yards	Value	Square yards	Value	Square yards	Value
Tire fabrics:						
Cord.....	1, 513	\$560	5, 855	\$1, 776	490, 163	\$152, 140
Other.....	33, 609	11, 656	109, 826	46, 668	354, 718	91, 464
Duck:						
Heavy filter, paper dryer, hose and belting duck.....	45, 061	14, 880	29, 526	8, 857	1, 465	699
Unbleached—						
Ounces.....	770, 636	209, 437	513, 090	122, 819	223, 756	35, 094
Numbered.....	189, 978	80, 022	157, 867	59, 766	37, 472	9, 075
Bleached.....	200, 579	36, 051	182, 870	34, 543	122, 246	19, 526
Colored.....	18, 221	5, 799	16, 300	8, 237	9, 719	2, 919
Total.....	1, 225, 486	349, 199	900, 353	234, 322	261, 873	46, 319

Types of cotton duck sold in Argentine market.—Unbleached ounce duck was the largest item in United States shipments of duck to Argentina from 1929 to 1931, inclusive, and bleached duck was second in importance in this trade. A large part of Argentine imports of unbleached duck from the United States is used for awnings. The largest sellers are ounce ducks with single filling, in widths of 29, 36, and 40 inches and weights of 7, 8, 10, and 12 ounces. Numbered ducks, imported in much smaller quantities, are bought mostly in numbers 7, 8, 10, and 12, and in widths of 22, 36, 40, and 60 inches, with a very small amount in widths of 72, 80, and 120 inches.

United States sales of bleached ducks are generally quite small, in keeping with the less extensive use of white ducks in Argentina. In colored ducks, mostly striped, for awnings, the United States supplies a negligible part of the substantial consumption, largely because the quality offered is much better and the price consequently higher than that of goods in general demand.

Awnings are rarely used on private houses. Small stores and shops which use striped awnings apparently look for the cheaper article regardless of its shorter life. Furthermore, striped duck is wanted in widths of 44 inches, while the American mills usually offer only 28 and 31 inch goods. Formerly the demand was principally for narrow stripes of one or two colors, but recently there has been a tendency toward wide stripes in a larger number of colors and a greater variety of patterns. This trend may help American manufacturers, especially if they offer a lower quality in the 44-inch width. Otherwise, an effort might be made to prove to purchasers the lower cost, in the long run, of the American fast-dyed ducks. Duck with printed stripes is unpopular because of the waste resulting from its lack of reversibility.

Local production of duck.—The principal competition in unbleached and bleached ducks is from Argentine mills. Six local factories make duck, largely for their own use in converting it into alpargatas (canvas shoes with jute soles), or for sale to other alpargata manufacturers. Local mills estimate that domestic production in 1930 approximated 10,000,000 yards, of which probably half was used for alpargatas. The duck for this purpose is mostly 36-inch goods, weighing 8 to 14 ounces, and may be unbleached, white, or solid color, or may have woven or printed designs.

The local ducks offered for sale range in width from 22 to 60 inches, but are mostly 36 and 40 inch goods. Weights range from numbers 0 to 12, and also 10, 12, and 14 ounces. Colored duck in solid colors—orange, tan, and brown—or in stripes, is made in 44-inch width, 13 to 15 ounces in weight. The heavier local ducks are used widely on the farms for covering machinery, motor trucks, and stacks of grain bags.

Argentine customs duty on duck.—Argentine duties on duck are ad valorem rates assessed on the basis of a fixed valuation for each class. The official valuation of duck was increased (effective February 23 and September 1, 1931), as follows: Unbleached and bleached duck, from 0.55 to 0.88 pesos in February and to 1.12 in September; colored duck, from 0.60 to 0.96 in February and to 1.28 in September. The rate of duty also was increased on all three classes of duck, from 20 per cent ad valorem to 32 per cent (the latter rate including a newly imposed surtax on these items) on September 23, and on October 9 there was established an additional duty of 10 per cent of the above valua-

tions to be effective for one year. As this duty amounts to a specific rate, it offers greater protection to the heavier, coarser ducks of lower price than to the lighter ounce ducks of higher cost per pound, and it also tends to become more effective in times when cotton prices are low, as in 1931. For these reasons, therefore, United States sales of numbered duck have been declining more rapidly than those of ounce ducks.

Local producers also were favored by the depreciation in the Argentine peso during 1930 and 1931. The coarser, cheaper ducks are usually made of Argentine cotton, although some of the better quality ounce ducks are made from imported yarns.

Foreign competition in duck.—The United States supplies the bulk of the gray and white duck, although it secures very little of the trade in colored duck, in which Belgium is especially strong. In bleached duck Spanish competition was keen during 1929, but Spanish sales are said to have declined in 1930 and 1931. The colored ducks are the striped and plain awning ducks previously described. Prices for the Belgian and Spanish duck are said to run 15 to 20 per cent cheaper than United States quotations, but in 1930 and 1931 the former were reported higher than prices of the Argentine product.

In waterproof duck, widely used for covering railway flat cars and stacks of grain bags, the principal material used is Italian and Belgian hemp duck, which is cheaper than American waterproofed cotton duck.

Local agents seem to think that sales of American numbered duck in the future are likely to be rather small and that the new duties, if continued, also will decrease the amounts of ounce duck purchased in the United States. There should be a fairly good demand, however, for the better-grade lighter weight ducks.

UNBLEACHED COTTON PIECE GOODS

Although fairly large quantities of American unbleached cotton piece goods are sold in Argentina, the United States obtained only 14 per cent of the import trade in this line, according to official Argentine statistics for 1929, which showed a total importation of 3,249 metric tons of unbleached goods, of which the United Kingdom was credited with 1,016 metric tons, Japan 860, Italy 595, and the United States 461. The next table shows the distribution of the trade in unbleached goods, by classes and countries, for 1928 and 1929. In 1930 imports declined to 2,364 metric tons and in the first half of 1931 amounted to 990 metric tons, as against 1,217 for the corresponding 1930 period.

ARGENTINE IMPORTS OF UNBLEACHED COTTON PIECE GOODS, 1928 AND 1929

Country of origin	Sheetings, unbleached		Unbleached cloth with colored stripes		Other unbleached goods, napped and other	
	1928	1929	1928	1929	1928	1929
	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>
Belgium.....	17,856	7,977	12,253	15,492	16,655	25,340
Italy.....	348,586	543,492	31,713	27,681	20,262	23,939
Japan.....	970,292	854,824			2,223	5,086
Netherlands.....	142,410	203,621	14,273	15,115		
Spain.....	16,631	16,003	7		225	507
United Kingdom.....	707,586	903,409	54,806	66,900	11,091	45,974
United States.....	296,362	325,746	390	308	89,779	134,689
Other countries.....	15,615	26,484	564	2,662	4,500	3,105
Total.....	2,515,338	2,881,556	113,806	129,188	144,744	238,640

United States exports of unbleached cotton cloth to Argentina.—Shipments of unbleached cotton cloth from the United States to Argentina declined in quantity from 3,721,249 square yards in 1929 to 2,281,333 in 1930, but increased to 2,989,565 in 1931. Increases in quantity were recorded in all classifications of unbleached goods in 1931, as compared with 1930.

UNITED STATES EXPORTS OF UNBLEACHED COTTON CLOTH TO ARGENTINA,
1929-1931

Unbleached cotton cloth	1929		1930		1931	
	Thousands of square yards	Thousands of dollars	Thousands of square yards	Thousands of dollars	Thousands of square yards	Thousands of dollars
Drills and twills.....	444	61	321	54	428	54
Sheetings:						
40 inches wide and under.....	2,613	218	1,394	101	1,664	109
Over 40 inches wide.....	164	21	58	6	79	9
Osnaburgs.....	35	6	60	6	105	10
All other unbleached.....	465	50	458	27	729	80
Total.....	3,721	351	2,281	194	2,990	223

Types of American unbleached goods in demand.—Unbleached sheetings 40 inches wide and under comprise the largest group in the foregoing exports. The best sellers among American unbleached sheetings are 31-inch, 48 by 48, 5-yard sheetings and 36-inch, 44 by 40, 6.15-yard goods. In wider sheetings United States sales are much smaller owing to the relatively higher prices of American lines compared with European goods.

In drills and twills the most popular American numbers are reported as 30-inch, 3.25-yard goods; 27-inch, 3.2-yard; 30-inch, 4-yard; and 30-inch, 2.5-yard. The 2.5-yard drills were bought in large quantities some years ago for making flour bags for export. Then Osnaburgs were substituted for this purpose, but later the demand for both the 2.5-yard drills and Osnaburgs declined as a result of decreased exports of flour. A few 38-inch Osnaburgs in the 7-ounce weight are still bought for use in the frames for drying casein. For shoe linings 44-inch, 5-yard napped drills and twills with a stiff finish are supplied. The napped twills, previously used for underwear in the southern part of Argentina, are said to have been displaced to some extent by other cloths and knit underwear.

Domestic production.—Two local mills both owned by Belgian interests, manufacture in addition to their primary products (linen-mixed tickings) some gray cotton drills and twills, mostly 30-inch, 6-ounce, and 32-inch, 8-ounce napped goods. The import duty, payable on weight, results in a greater protection to the heavier napped goods than the lighter-weight sheetings. Although in 1930 these mills experimented with the production of unbleached sheetings, it was claimed that the duty did not afford a sufficient margin to enable them to compete with the imported cloth.

Local mills sometimes obtain orders from the Government for goods (in addition to unbleached napped drills for underwear, for use by the navy) which ordinarily they do not make for regular sale to the public. During 1930 and 1931, when exchange was unfavorable, the

Government is said to have patronized the local industry whenever possible.

Foreign competition.—As indicated by the foregoing statistics, the United Kingdom in 1929 was by far the largest source of Argentine imports of unbleached cotton cloth, shipping more than twice as much as the United States. The latter, however, was the principal supplier of napped goods, American mills having secured the Government order of this material in that year for underwear for navy use. In unbleached sheetings Japan was a close rival of the United Kingdom. The Japanese are especially strong in narrow unbleached sheetings, of which the most popular is a 36-inch cloth, running 3 yards to the pound but said to be about 3.2 yards to the pound before sizing. Another number sold in smaller quantities is a 30-inch, 3.25-yard gray sheeting. Japan sells in the Argentine market large quantities of gray twills, 30 inches wide, in 3.25-yard and 3-yard weights, as well as smaller amounts of 30-inch, 4-yard twills. The Japanese goods, made principally of Indian cotton, are said to be sized to such an extent that importers will pay a premium for American lines.

Italy's strength is in wide sheetings supplied in widths of 54, 63, 72, and 90 inches. The weights vary, but the goods are usually fairly heavy—for example, 1.5 yards to the pound in the 72-inch width. It is reported that very good 36-inch, 3-yard gray sheeting is being shipped to the Argentine market by one or two Italian mills.

British mills continue to sell in Argentina certain well-known brands of gray drills and gray sheetings. These goods are marketed principally through large British wholesalers in Buenos Aires who usually would not buy the American article at equal prices. Sheetings from 27 to 36 inches in width are offered in a variety of weights, as also are drills, which come principally in 29/30-inch width. The British also sell a finer count sheeting, similar to a print cloth, but slightly lighter in weight. This number, imported frequently for dyeing locally, is supplied in widths of 27 and 36 inches, running about 6 yards to the pound in the latter width, and the thread count is about 68 or 70 square. American mills have tried to meet competition from this fine sheeting with a regular print cloth, having a thread count of 64 by 60 and running 5.35 yards to the pound in the 38-inch width and 7.6 yards in the 27-inch goods. The difficulty, however, is reported to be that American mills have not been able to get closer than within 10 per cent of British prices. The British also sell wide unbleached sheetings, although not in as large quantities as those from Italy.

BLEACHED COTTON PIECE GOODS

Local production of bleached goods is small. Occasionally imported gray goods are bleached in Argentine mills. Moreover, local factories supplied during 1930 and 1931 the bleached twills used by the Argentine Navy, although they did not go in for private orders to a large extent. In 1931, favored by depreciated exchange, a local mill began producing in white, and also in gray, a certain drill formerly offered in blue, principally for workmen's overalls. This drill is a 30-inch cloth, running about 2.85 to 3 yards per pound.

Argentine imports of bleached goods in 1930 comprised 105 metric tons of goods, weighing up to 80 grams per square meter, 6,967 metric tons of cloth weighing more than 80 grams per square meter, and 343

metric tons of bleached goods with woven stripes or designs. During the first half of 1931 receipts of foreign bleached goods included 24 metric tons of goods weighing up to 80 grams per square meter, 2,667 metric tons of heavier goods, plain or twilled, and 151 metric tons of cloth with woven stripes or designs.

ARGENTINE IMPORTS OF BLEACHED COTTON PIECE GOODS, 1928 AND 1929

Country of origin	Bleached cloth weighing up to 80 grams per square meter		Bleached cloth weighing over 80 grams per square meter			
			Plain or twilled		With woven stripes or other designs	
	1928	1929	1928	1929	1928	1929
	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>
Belgium.....	18,780	9,535	555,302	540,093	4,419	1,824
Czechoslovakia.....	4,041	1,699	4,202	12,891	966	1,775
France.....	47,126	22,757	68,956	56,090	7,578	3,840
Germany.....	14,109	11,067	24,963	23,481	5,501	7,124
Italy.....	10,111	3,260	1,310,529	1,266,567	808,900	282,769
Netherlands.....	223	-----	149,485	132,464	997	1,363
Spain.....	80	251	337,629	408,619	6,910	2,897
United Kingdom.....	91,847	63,042	4,589,864	4,022,572	50,885	65,006
United States.....	4,190	8,967	356,353	452,240	33,150	17,614
Japan.....	-----	-----	166,048	87,692	-----	1,618
Other countries.....	6,036	3,221	12,930	20,160	356	426
Total.....	196,543	134,699	7,580,259	7,022,758	419,662	386,286

Bleached goods supplied by the United States.—During 1929 and 1930 pajama checks (used for men's summer underwear and pajamas) comprised the largest single item in United States shipments of bleached goods to Argentina. During 1931 the largest class was "All other bleached goods," with pajama checks in second place. The bulk of the shipment of pajama checks consists of 36-inch goods, running 4.75 yards to the pound before bleaching. This business, developed principally during the past five or six years, represents a successful effort on the part of American agents to introduce a standardized American cloth and to divert the demand of Argentine consumers, who formerly preferred other underwear, mostly knit. Furthermore, the United States has no competition from other countries in this cloth. The successful establishment of pajama checks should serve as an example of the possibility of introducing other cloths, for different uses, which the United States is peculiarly fitted to produce at competitive prices, because of large consumption in the United States. Agents, however, notice a tendency for buyers to try to get away from the use of pajama checks, because of the keen competition among local manufacturers of clothing from this material. If this trend continues it is to be hoped that American mills will be able to substitute another cloth which the United States can supply more advantageously than other countries.

Argentine school children customarily wear white dusters at their classes, thereby providing a market for bleached sheetings. The principal American cloth sold for this use is a 33/34-inch bleached

sheeting, running 3.35 or 4 yards to the pound in the gray, with a slightly calendered finish. American prices for this cloth usually have been lower than those of other countries, except Japan, which is said to be unable to supply as white a finish. Recently British competition has been felt in prices. In other white cottons, such as madapolams, cambrics, and muslins, the United States sells a few lines in 36-inch widths, with thread counts ranging around 64 by 60 and 68 by 72. In general, however, the American bleached goods seem unable to compete with the British, principally in price, and to a less extent in finish.

Wide bleached sheetings, mostly 63-inch goods, but also in widths of 54, 72, and 90 inches, are sold by the United States. These sheetings generally run about 1.85 to 2.25 yards to the pound in the 72-inch width. In general, however, Argentines prefer heavier sheeting,



Figure 9.—Workmen wear pajama coats instead of dusters

in which the United States seems less able to compete. In other bleached goods, however, the United States usually supplies the 36-inch width, whereas the local buyers generally prefer the 32-inch width furnished by England. In bleached drills and twills the amounts sold are relatively small, but occasional orders for bleached shoe linings, unnaped, and for 30-inch, 3.25-yard twills also are secured. Occasionally the United States gets some small business in special cloth for men's semisoft collars, which is supplied in 38/39-inch widths. The American quality is considered satisfactory, but the prices usually are higher than for the British or Czechoslovak products, which are furnished in 36-inch width.

Shipments of bleached cotton piece goods from the United States to Argentina decreased in quantity from 3,265,933 square yards in 1930 to 2,229,056 in 1931 and in value from \$383,795 to \$200,227. Although losses were recorded in all classes, the most important was the decline in exports of pajama checks from 1,471,573 square yards in 1930 to 818,456 in 1931.

UNITED STATES EXPORTS OF BLEACHED COTTON CLOTH TO ARGENTINA, 1929-1931

Bleached cotton cloth	1929		1930		1931	
	Thou- sands of square yards	Thou- sands of dollars	Thou- sands of square yards	Thou- sands of dollars	Thou- sands of square yards	Thou- sands of dollars
Drills and twills.....	268	52	134	19	49	6
Pajama checks.....	1,648	165	1,471	164	815	62
Sheetings:						
40 inches wide and under.....	1,044	109	289	84	244	20
Over 40 inches wide.....	249	40	168	28	20	3
All other bleached.....	963	144	1,204	139	1,092	109
Total.....	4,192	511	3,266	384	2,229	200

Types of bleached goods in demand.—The United Kingdom is the principal source of imports of bleached sheetings and print cloths, generally referred to in the local trade as “bramantes.” These cloths are supplied in a variety of widths, weights, qualities, and finishes. The 32-inch width is the most popular; some firms order 30 and 31 inch goods in order to reduce the cost slightly. Nainsooks are ordered not only in 32-inch width, but also in widths ranging from 29 to 36 inches. The British usually supply bramantes in bookfold pieces with two ribbons and elaborate gilt stamping.

The British also supply bleached twills, especially in 30-inch width and in weights of 3 to 4 yards per pound, for use in dusters, uniforms, and similar articles. The Italian competition is felt not so much in the narrow sheetings as in the wide bed sheetings, in which Italy is said to have a larger share of the business than any other country. Italy also supplies bleached drills and twills, such as those used by the navy, and white cloths with various woven designs. France and Switzerland supply particularly fine quality lightweight materials to the Argentine market.

Outlook for American unbleached and bleached goods.—Local agents regard the future of American sales of unbleached goods to Argentina as dependent principally upon price. American qualities are considered to be the equal of those from the United Kingdom and Japan, and there are no handicaps in the matter of construction or put-up.

Various local agents express the belief that the demand in Argentina for bleached goods is decreasing because of the greater use of colored cloth for such articles as women's underwear and men's shirts. There seems little likelihood that the United States will secure a very large portion of the trade in 32-inch bleached goods, in which the British specialize, but the possibilities appear to be more encouraging as regards the 36-inch sheeting. It may also be to the advantage of American mills to make a greater effort to compete with the heavier bleached wide sheetings now supplied by others. In other bleached goods the United States is expected to continue to secure a fair amount of business.

COLORED COTTON CLOTH

Argentina imported 23,869 metric tons of printed and dyed piece goods in 1929 (the latest year for which detailed statistics by countries are available), of which Italy supplied 9,017 metric tons, the

United Kingdom 8,013, Belgium 2,815, the United States 1,192, Japan 668, Germany 631, the Netherlands 518, France 533, and Spain 362. Imports of these goods declined about 24 per cent in 1930 to 18,183 metric tons, and were reduced still further in the first half of 1931, when they amounted to 6,492 metric tons, as against 10,261 for the corresponding 1930 period.

Principal classes of goods imported.—More than 80 per cent of these imports consists of dyed goods and the remainder consists of prints. The greater part of the import of dyed goods is in weights of more than 130 grams per square meter (less than 4.17 square yards per pound) and in printed goods in weights of more than 80 grams per square meter (less than 6.78 square yards per pound).

ARGENTINE IMPORTS OF PRINTED AND DYED COTTON CLOTHS, 1929-1931

[In metric tons]

Item	1929	1930	First 6 months	
			1930	1931
Cotton cloth, dyed:				
Weighing, per square meter—				
Up to 80 grams.....	155	141	48	31
80 to 130 grams.....	6,187	4,713	2,133	1,456
More than 130 grams.....	14,238	10,332	6,562	3,965
Cotton cloth, printed:				
Weighing, per square meter—				
Up to 80 grams.....	222	136	24	16
More than 80 grams.....	3,067	2,861	1,504	1,024
Total.....	23,869	18,183	10,261	6,492

ARGENTINE IMPORTS OF PRINTED AND DYED CLOTHS, BY COUNTRIES, DURING 1929

[In metric tons]

Item	United States	United Kingdom	France	Germany	Italy	Belgium	Japan	Netherlands	Spain
Cotton cloth, dyed:									
Weighing per square meter—									
Up to 80 grams.....	13	93	17	5	15	2		3	1
80 to 130 grams.....	256	4,590	100	84	955	81	10	30	43
More than 130 grams.....	732	1,597	236	388	7,270	2,694	645	459	173
Cotton cloth, printed:									
Weighing per square meter—									
Up to 80 grams.....	33	134	19	5	27	(¹)		(¹)	1
More than 80 grams.....	168	1,599	159	149	750	38	13	26	143
Total.....	1,192	8,013	533	631	9,017	2,815	668	518	362

¹ Less than one-half ton.

United States shipments of colored cloth to Argentina.—Despite the relatively small share of the United States in Argentina's imports of printed and dyed goods (approximately 5 per cent in 1929), the shipments of American cloth in that year reached the substantial figure of 14,761,000 square yards, valued at \$2,886,000. In 1930, however, exports declined to 9,712,000 square yards with a value of \$1,756,000, and in 1931 fell to 7,993,000 square yards valued at \$1,258,000.

UNITED STATES EXPORTS OF COLORED COTTON CLOTH TO ARGENTINA, 1929-1931

Item	1929		1930		1931	
	Square yards	Value	Square yards	Value	Square yards	Value
Voiles.....	1,706,768	\$262,516	2,680,424	\$315,954	2,611,656	\$401,519
Percales and prints:						
32 inches wide and narrower.....	149,465	17,629	234,112	25,018	276,356	26,842
Over 32 inches wide.....	610,118	141,104	439,304	82,846	377,665	65,791
Flannels and flannellettes.....	70,455	10,184	150,542	21,909	141,077	15,494
Khaki and fustians.....	165,162	30,233	81,137	13,171	124,023	18,245
Denims.....	243,600	50,618	190,144	32,134	149,693	20,231
Suitings (drills, etc.).....	2,748,001	411,004	1,314,356	202,303	1,197,513	146,039
Ginghams.....	691,420	64,935	198,805	18,481	70,620	5,069
Chambrays.....	49,298	5,217	89,420	8,131	107,907	8,237
All other printed fabrics:						
7½ and more yards per pound.....	1,997,044	487,497	1,054,553	293,361	833,002	220,545
Less than 7½ yards per pound.....	1,067,582	271,317	561,043	128,066	378,630	39,440
All other piece-dyed fabrics:						
6 and more yards per pound.....	947,572	168,779	461,239	79,302	277,829	32,004
Less than 6 yards per pound.....	1,123,447	159,933	548,176	72,080	330,641	30,540
All other yarn-dyed fabrics.....	1,471,369	214,777	745,371	130,368	337,953	32,528
Cotton and rayon mixture, cotton chief value.....	1,729,197	589,893	1,053,455	356,623	779,797	216,900
Total.....	14,761,458	2,835,636	9,712,081	1,755,787	7,908,362	1,268,280

Argentine production of printed and dyed goods.—Local production of colored cotton cloth is almost negligible. Some imported gray goods are dyed locally, and small amounts of woven colored drills and tickings are turned out by the mills. Several mills in Argentina have equipment for printing goods, but their activity has been limited. The principal handicap is that Argentine consumers like a wide variety of patterns, and the domestic market is not large enough to make it profitable for local mills to keep the necessary stock of rollers. Local printing, accordingly, may be considered a negligible factor in present competition.

Dyed goods for men's wear.—The following paragraphs give a brief résumé of the Argentine market for the various lines of dyed goods, used principally for men's wear:

Suiting drills.—These goods (locally called "brines") are still among the principal staple American colored cloths sold to Argentina, but the amount shipped is a mere fraction of the former volume. These "drills" usually are plain woven (infrequently a drill or twill) and are used for men's suits or trousers. They are supplied mostly in 27-inch width, running 3, 3.35, and 4 yards to the pound, with small amounts of 2.50-yard goods. A minor proportion is wanted in solid colors, either yarn-dyed or piece-dyed, but most of the requirement is for woven patterns, consisting principally of narrow stripes of black and white on dark gray or black backgrounds. A range of 25 or 30 patterns usually is necessary, while frequently importers do not want to order more than a few pieces of each pattern. This business is controlled largely by two or three houses whose brand names are well known on the market.

These suiting drills were important in the years following the war, when many times the present amounts were purchased. Then large quantities of Belgian cotton gabardine came into the Argentine market at very low prices, as a result, it is said, of overproduction and of depreciation in Belgian exchange. The gabardines, as a superior article, were offered at only slightly higher prices than the drills and became so popular that the demand still continued after the prices were raised. The gabardines at present are offered by both Belgium and Italy in a wide range of patterns, with minimum yardage requirements reported to run as low as 200 to 500 yards per pattern. As suiting drills are no longer used very widely in the United States and the demand for them has declined in foreign markets other than Argentina, it has become increasingly difficult for the American mills to offer a large assortment without requiring higher minimum yardages, such as 8,000 yards for special patterns. Thus the few American mills now selling

this cloth must carry a stock of standard designs which they can sell in lots of a few pieces per color, and leave the special-design business to Europe, which also supplies the 54-inch goods preferred in Argentina.

Khakis.—Khakis comprise at present an unimportant item, although formerly they were purchased in large quantities. The principal American khaki cloth now sold is a 36-inch khaki jean (for shirts), running 3 yards to the pound. Negligible quantities of khaki trouser drils are sold. The United States has little competition from other countries in these khakis. Khaki trousers are now out of style in Argentina and khaki shirts infrequently used. One reason advanced is that some years ago local firms dyed imported gray drills with khaki colors, but used such inferior dyes that all khakis acquired a bad reputation and other cloths took their place. Khaki dyeing is still done by local firms, but usually in odd lots rather than as a regular business. It is possible that some effort on the part of American mills to bring this cloth back into popularity might be advantageous, as they seem particularly well equipped to make them.

Denims.—Denims are relatively unpopular. The small amounts sold by the United States usually are in 28-inch width and in weights of 2.20, 2, and 2.45 yards to the pound, in about the order named. There is little actual competition from Europe and none from local mills in denims, but these sources supply other cloths preferred to the American denim by the Argentine workmen. The primary cause of the small demand for denim and similar cloths is that Argentine workmen in general do not like to wear standardized overalls or work coats and work trousers in denims, khakis, and similar materials. They much prefer to wear regular street clothing to work and striped poplin shirts rather than khaki or blue work shirts. Even in their work clothes the workmen desire to have the striped designs in their trousers different from those of the other men with whom they work. This demand is a decided handicap to American mills, which are equipped to produce standard-color cloths economically but are unable to compete with European mills in producing small quantities per pattern in a large variety of designs. Anything which can be done to change the Argentine desire for individuality in clothing and to secure acceptance of standardized materials will be of great benefit to American mills. Such a campaign, however, is not likely to receive the support of local merchants, who prefer to have special patterns confined to their firm to avoid price competition from their business rivals.

One effort already made in the direction of standardization is the increasing sale of a blue drill now being used by a certain number of Argentines for overalls and work suits. This cloth is supplied principally by one Italian mill which has been successfully selling to Argentina for some years a blue drill, 27/28 inches wide, about 2.80 yards to the pound. It is yarn-dyed (with colors guaranteed fast against the sun and perspiration) and has a bright finish and color, which American mills at various times, with indifferent success, have tried to duplicate within the same price range. The American substitute would have to be lower in price in order to get customers to change from this brand of Italian drill. Various other imitations are on the market from Italy and elsewhere. One local mill during 1931, aided by the depreciation of the Argentine peso, made a successful effort to produce a substitute for this Italian cloth. While the return of the peso to par might decrease local sales of the domestic article, it seems likely that this or similar cloths will continue to be manufactured locally, with a general tendency toward increased production.

Coverts.—Coverts are still sold in small quantities, mostly in 27-inch 8-ounce (sometimes in 54-inch width), or in 28-inch, 2.40-yard constructions. They are wanted in olive green and gray tones flecked with white, and sometimes in stripes. Occasionally coverts are sold for covering automobile seats, but their chief use is for trousers and cotton suits. Italians, Belgians, and Czechoslovaks control most of the business in coverts as well as in cottonades. To some extent the heavier cottonades, made to resemble woollens, have declined in use because of local production of the cheap woolen goods which they imitate.

Wash suiting (brin lavado).—Wash suiting still is sold in fair quantities. It is usually 33 inches wide, 3 to 4 yards to the pound, and is supplied in beige tones. It is used for dusters, which formerly were worn (especially in summer) very generally by many workmen in the streets and particularly by clerks in grocery stores, small shops, and factories. During 1928 to 1931 there was an increasing tendency for the duster to be abandoned in favor of a pajama coat. This article looks exactly like the top of sleeping pajamas, but is used by the Argentine workmen, delivery boys, and others as a light-weight summer coat worn over their shirts. The general custom of not appearing in shirt sleeves makes such a coat necessary. The material used is generally striped (printed or woven) or plain-color poplins,

which have been supplied principally by European countries at prices lower than United States quotations.

Hollands.—Hollands are sold also for dusters in widths of 33/34 inches, 4 and 5 yards to the pound, and to a less extent in 25-inch width, 7.50 yards to the pound. These goods also are in beige and tan tones, but their sale is diminishing for the same reason as that of wash suitings.

Chambrays.—Chambrays are bought in small quantities for use as dusters, servants' dresses, uniforms in orphan asylums, and similar purposes. They are not used for men's shirts, as Argentine workmen wear their old poplin shirts for work garments.

Shirtings.—The United States secures very few Argentine orders for cloth for men's shirtings, principally because of the present vogue of striped poplins. As these are in woven designs and each importer wants a different number of green or red stripes in the shirting he buys compared with that of his competitor next door, it is unlikely that the United States will be able to compete. Printed shirtings are used to a much less extent, but some increase was noted in 1931, with a consequent advantage to American mills. Plain-colored shirts, both in white and in light tints, continue to be used in fair quantities, with perhaps a tendency toward a return to favor.

Other cloths.—There are various other heavy staple goods, used principally for men's clothing, for which the United States has a large domestic demand but which are not readily salable in Argentina. Beaver cloth is not used because of the mild climate and the rather high cost of this material. Fustians and moleskins have very little demand, although a few come from Great Britain and Italy. Corduroy is supplied by Spain, Great Britain, and Italy.

In bedticking Argentine prefer fancy designs, which are supplied either by local mills in the linen-mixed tickings or by Belgium and other countries in linen and cotton. Double-width tickings are wanted, the single-width, standard in the United States, being unpopular in Argentina.

Dyed goods for women's wear.—The market for various lines of dyed goods, used principally for women's wear, is summarized in the following paragraphs:

Ginghams.—The United States sells small quantities of ginghams to Argentina, mostly in standard check designs in 32-inch and some in 36-inch width, the former width running about 6.5 yards to the pound. For the past few years ginghams have not been particularly popular in Argentina, hence the amounts sold by other countries, principally England, likewise have dwindled to relatively small proportions.

Flannels and flannelettes.—Small quantities of better-grade flannelettes in woven designs, mostly checks and stripes, for children's dresses and nightgowns and occasionally for men's shirts, are imported from the United States. The goods are principally in 27-inch width, 6 or 6.2 yards to the pound, although some 36-inch cloths are sold. Argentina imports very large quantities of flannelettes from other countries, the plain-dyed principally from Italy in the better grades and from Japan in the cheaper qualities. Italian prices are said to run about 15 per cent and Japanese perhaps 20 per cent lower than American quotations. These goods are chiefly in 31/32-inch and also in 27/28-inch and 35-inch widths. Weights usually are arranged to exceed 130 grams per square meter, in order to enter under a more favorable tariff classification. Printed flannelettes are sold in such large quantities that they can be considered as staples rather than fancies. These are supplied especially by Italy, but also by the United Kingdom and other countries.

Nainsooks.—The United States gets almost no business in nainsooks, although these are purchased in large quantities, principally from Great Britain. They are wanted in plain-dyed pastel shades, mostly in 32-inch but also in 35-inch width. The weight usually is calculated to be just over 80 grams per square meter, to enter favorably under the tariff. A heavier quality with a stiff finish, called mercerized limbric (locally termed opalina), also sold by the United Kingdom in large quantities, is in 32 and 35 inch widths, and weighs about 100 grams per square meter (6.2 yards in the 32-inch). Both nainsook and opalina are supplied in small pieces, which are purchased by the housewife and made into underwear.

Velveteens.—Velveteens are supplied principally by Italy, followed by the United Kingdom, France, and Germany. The United States furnishes a very small percentage.

Other cloths.—Various other plain-dyed cloths are supplied by Europe rather than the United States, as indicated in the statistics of imports for 1929. (See table, p. 71.)

Distribution and outlook for dyed goods.—At present most of the orders for staple goods are placed by wholesale houses and large retailers, but there is a growing tendency for clothing manufacturers to purchase larger quantities as a result of the general trend toward greater factory production of clothing and less home sewing.

In goods of woven design the United States faces a real problem in competing with European countries for Argentine trade. The European mills are equipped to manufacture special designs at little extra cost—a costly and unsatisfactory procedure for American mills. Any effort that can be made in Argentina to divert the local demand toward standard cloths already made in the United States in large quantities for domestic demand will make it easier to sell American goods in Argentina. More effort to revive the sale of denims, mole-skins, and similar cloths would be beneficial. In other plain-dyed goods the United States might try to emphasize the advantages of its standard qualities by cooperative effort or advertising in the market. Otherwise the demand for a large variety of finishes, weights, and designs will be maintained, and price will continue to be the principal factor.

Argentine imports of prints and fancies.—The greater part of the Argentine import of printed cotton piece goods is in weights of more than 80 grams per square meter (less than 6.78 square yards to the pound). Imports of goods weighing up to 80 grams per square meter amounted to 136 metric tons in 1930, while receipts of goods weighing more than 80 grams per square meter aggregated 2,861 metric tons, both figures representing a considerable decrease from the 1929 imports of 222 and 3,067 metric tons, respectively. For the first half of 1931 receipts from abroad of goods weighing up to 80 grams per square meter totaled 16 metric tons, and of heavier goods, 1,024 metric tons, as against 24 and 1,504, respectively, in the corresponding 1930 period.

In addition to the two aforementioned classes of printed piece goods, imports of cotton cloth with an admixture of silk or rayon (containing 60 per cent or more of cotton) amounted to 721 metric tons in 1930, compared with 829 in 1929, and in the first half of 1931 totaled 231 metric tons, as against 309 in the first six months of 1930. Trade opinion seems to be that a large proportion of this classification consists of prints. France, Italy, the United States, and the United Kingdom were the leading sources of the imports of these mixtures in 1929. United States exports are shown on page 72.

Types of prints and fancy goods sold in Argentina.—The principal American cloths sold in Argentina and the competition which they encounter are discussed in the following paragraphs:

Silk-mixed cotton crêpe.—Silk-mixed cotton crêpe was by far the most important American fancy dress goods sold in Argentina during 1928, 1929, and 1930. This cloth is furnished in two qualities, both in a 33/34-inch finished width. One grade has a single-thread cotton warp with 18 per cent silk content in the gray, which is reduced to about 14 per cent when finished, and the goods run about 9 yards per pound. This cloth was sold in 1930 for about \$0.32 to \$0.34 a yard and approximately \$0.30 in 1931. Probably three-quarters of the business was done in this grade rather than in the better quality, which costs about \$0.40 to \$0.42 in 1930 and about \$0.38 in 1931. The better quality has a two-ply warp and 25 to 28 per cent

silk content in the gray, which comes out about 20 to 22 per cent when finished, and the cloth runs about 8 yards per pound. These cloths are furnished in small and medium print patterns, usually designed by the Buenos Aires agents of the two or three manufacturers which secure most of the orders for this material.

There is no separate classification for this cloth in United States export statistics, but local agents estimate sales during 1930 to have ranged between 1,500,000 and 2,000,000 yards, which would give it a value between \$500,000 and \$700,000. It is the opinion of these agents, therefore, that these fabrics have been included in the American classifications of cotton and rayon mixtures and of voiles, in both of which the sales were relatively small, and did not, in their opinion reach the figures shown. The other class in which the rest of the silk-mixed crêpe fell was probably, in the opinion of these agents, that of "Other printed fabrics, running 7½ yards and more per pound."

During 1931 this silk-mixed cloth continued to hold first place, but sales declined in comparison with those of the previous year, partly because of a general decrease in the importation of textiles into Argentina but also because of a noticeable tendency to purchase voiles. Furthermore, Italian rayon-mixed printed fancies began to enter the market, owing to a reduction of about 50 per cent in the duties on goods containing more than 40 per cent rayon, which was decreed by the Argentine Government in December, 1930. Local agents are of the opinion that the silk-mixed crêpe may have lost its former popularity, and that in the future it will give way to some other cloth, such as voiles or rayon mixtures.

Silk-mixed cantons.—A similar silk-mixed cloth without the crêpe twist is sold as printed foulards or cantons, width 34/35 inches, running 11 yards to the pound in the single-ply and about 9 yards in the 2-ply goods. These fabrics were popular in 1928, 1929, and 1930, but to a much less extent than the crêpe, and sales in 1931 were said to be only about 10 per cent of the crêpe orders.

Rayon mixtures.—Until recently Argentina consumed a much smaller proportion of rayon mixtures than other countries because the import duty was the same as for silk mixtures. Prior to December, 1930, these duties were quite high for cloths containing more than 40 per cent rayon, and as these rayon mixtures were heavier than silk but paid the same duty per pound, they did not become popular.

A certain amount of goods containing less than 40 per cent rayon was sold, but the United States is said to have secured relatively few orders for standard merchandise offered at the beginning of the season. There was, however, a fair sale in close-outs of domestic goods offered to small Argentine buyers in May and June of each year, to be shipped at once in order to be sold during the Argentine spring and summer, which runs from October to March. Most of these goods were purchased at considerable price reductions, which encouraged their sale, whereas at the beginning of the season the prices were too high compared with those of Italy, and the margin between the rayon mixtures and silk-mixed goods was too close.

Silk and rayon mixtures.—In silk-mixed crêpe the United States meets little or no competition from other countries, as several attempts to manufacture it in England and elsewhere thus far have been unsuccessful from a competitive standpoint. There is, however, a serious competition in the manufacture of other cloths (which seem likely to replace this silk-mixed crêpe), particularly rayon mixtures which are supplied by various European countries, chiefly Italy. Italian prices in 1931 were said to run anywhere from 10 to 30 per cent less than the American and the variety of patterns offered was larger than the American assortments.

Voiles.—Voiles tend to come into style in Argentina for a few years and then give place to other cloths for a similar period. The demand for voiles in Argentina was declining during 1927 and 1928 and was almost negligible in 1929. Late in 1930 they began to show signs of activity and during 1931 were in definite demand. Those wanted are usually in 39/40-inch width, although some 36-inch goods are sold. They are of standard constructions, medium to hard twist being preferred. The large majority are printed, as there is at present little demand for plain-colored voiles. The designs are similar to those used in cotton crêpe. Organdies were not in style and the demand for them was insignificant in 1931.

Percales and prints.—Some printed cloths in 32 and 36 inch widths, of standard constructions such as 64 by 60 and 68 by 72, in small and medium patterns, are ordered from the United States. These are used for cheap dresses, but a few fabrics in stripes are used for shirting. The narrow 23/24-inch prints, which the United States sells in large quantities to the West Indies and Central America, are used to a less extent in Argentina, but the American mills secure very little of the business because of competition in price and range of designs on the part of European mills.

Cretonnes.—Relatively few cretonnes are sold in Argentina by the United States. They are 36 inches wide, of standard constructions such as 68 by 72 and 64 by 60, running about 5.35 yards to the pound. These numbers are purchased from the United States for use as printed cloths for making children's dresses and aprons rather than for curtains. Small amounts of printed terry cloth are sold to a few retail stores.

Competitive European printed fabrics.—Narrow prints, ranging in width from 20 to 26 inches and made in a large variety of constructions and weights (mostly less than $7\frac{1}{4}$ yards per pound), are supplied particularly by Europe. The few American mills making these narrow goods seem unable to compete in price. Some increase in demand for printed poplins for shirts and pajamas was noted in 1931, because the printed patterns were cheaper than the woven designs. These printed poplins come mostly from the United Kingdom. Great Britain and France supply high-quality 2-ply voiles which are sold in fair quantities, especially when in the latest Parisian styles. Cretonnes used for curtains and upholstery are supplied by Europe, principally the United Kingdom, in weights and constructions which are heavier than those generally produced in the United States, and at lower prices. Cretonnes for curtains and hangings usually are in 32 to 36 inch widths but also come 25/26 inches wide, while those for upholstery are generally in 52 to 54 inch goods.

Printed flannelettes are imported in large quantities, principally from Italy and the United Kingdom, in 26/27-inch width and from 6 to 7 yards per pound. There is a wide variety in the constructions, weights, and designs offered, but the cloths are usually napped on both sides. There seems very little possibility of the United States competing, because of price.

Other fancies.—The numerous other printed and fancy-dyed cloths which are sold in the United States generally have very little sale in Argentina at the regular list price. Occasional small orders for printed nainsooks and batistes, printed pongees, striped and corded fabrics, printed broadcloths, shantung, and similar materials are secured at the beginning of the season, but generally these sales are limited to close-outs offered in May and June at substantial price reductions.

Variety of patterns demanded.—One of the chief factors of foreign competition in printed goods is the ability of European mills to supply a large variety of patterns with small minimum yardage requirements per design, as compared with the limited number of American designs offered and the large yardage necessary to make special designs or to print those of one cloth on another material. Some European mills are said to send to Argentina sample assortments showing the complete number of rollers in stock, and ranging in quantity from 100 to 500 designs. Any of these designs may be applied to any of the materials manufactured by that mill, and some factories are reported to require as little as 265 yards per color, even if the customer chooses only one color in each design.

American mills, however, send samples of the cloths and patterns, offering about 25 designs for a particular cloth (with a range of five or six colors per design). If an Argentine customer likes the design appearing on a voile and wants it put on a crêpe, even though the mill has the roller in stock it is likely to require 9,000 to 15,000 yards as a minimum for that design. This amount, however, may be scattered over five or six colors, so that the minimum requirement represents about 1,500 to 2,000 yards per color.

Possible alternatives for American exporters.—As the Argentine customers frequently want to order only 250 to 500 yards per color in five or six color combinations, making 1,500 to 3,000 yards per design, the American manufacturer has only two alternatives. The first is to sell only the cloths which he keeps in stock for domestic trade, which is difficult not only because of the small number of patterns but also because each customer of importance wants to have the designs he chooses given to him exclusively for all of Argentina for that season, even in the small quantities previously mentioned. The range of

patterns accordingly is so reduced that after sales to two or three customers there is very little left from which the remaining customers may select.

The other alternative is for the manufacturer to print the design the customer wants, sell him the 3,000 yards he orders with the exclusive right for Argentina, and try to dispose of the other 6,000 yards to other markets. This procedure is said to be difficult in the case of silk-mixed crêpe.

Apparently little can be done, as it is unlikely that American mills, which may sell not more than 10 per cent—or even less—of their production for export, will be interested in changing their system of working, which is gaged to the custom of the American domestic trade to buy large quantities in relatively few patterns. The European industry, on the other hand, is vitally interested in export and is equipped to supply the variety of patterns wanted. One or two American mills which devote special attention to producing cloths for Argentina, however, generally secure a sufficiently large proportion of the trade to be able to make the special designs wanted, and other American manufacturers probably can sell certain quantities of their domestic patterns to Argentina.

Sales experiment of British brand.—An example of advertising and selling a foreign cloth by trade name is seen in the recent popularity of a British brand of corded fabric, usually supplied in 39/40 inch widths running about 4.5 to 5 yards to the pound, and in small patterns printed on white or light grounds for use in children's and women's dresses. While introducing and supporting this cloth by considerable advertising, the manufacturers controlled and maintained, through their distributors, a fairly high and uniform retail price. Although the United States makes similar cloth, its prices were found to be 10 to 15 per cent higher. Other mills in England supplied practically the same constructions at lower prices than the branded fabric. As a result it is rumored that sales have declined and that local distributors had to take a loss on some of their stocks of the genuine article during 1930 and 1931.

Outlook for American prints.—With the possibility that the silk-mixed crêpe, the largest selling American fancy cloth, may pass out of favor in Argentina, it is to be hoped that the American mills at present active in the market may be able to develop a substitute cloth which the United States can manufacture more advantageously than other countries. Local agents are inclined to believe that this substitute will be some mixture of cotton and rayon, as the present desire in Argentina seems to be for a cloth which has the feel and appearance of silk, but which is lower in price.

The advertising experiment of the British branded fabric may leave some doubt as to the financial advantage of establishing branded fancy goods in the local market. It is evident, however, that the Argentines are wide users of and are susceptible to advertising for nearly all types of other products. Hence, there would seem to be some advantage in careful study of the possibilities of advertising special brands of American cloth in order to allow them to compete at higher prices than cheaper quality European goods. This statement applies especially to cloths which have some particular quality that the manufacturer can guarantee, such as absolutely fast dyes.

In general, the larger the range of patterns which can be supplied by American mills in small quantities and the continual offering of novelties at interesting prices will assure the United States a good volume of business in Argentina.

HOUSEHOLD COTTONS

The United States supplies only a small part of Argentina's imports of household cottons, such as blankets, tablecloths, sheets, pillowcases, and towels. United States shipments to Argentina in 1930 were valued at approximately \$15,000, of which blankets accounted for almost \$11,000, and towels, bath mats, and wash cloths for most of the remainder. European countries generally quote lower prices than the United States quotes on household cottons; accordingly Europe gets the bulk of the trade. Argentine import statistics for 1929 show the principal sources of such imports to have been as follows: Cotton blankets, Germany and the United States; cotton-waste blankets, Germany, Netherlands, Belgium, and France; bedspreads, Italy and the United Kingdom; sheets and pillowcases, the United Kingdom; tablecloths (damasks), Germany and Italy; towels, Italy and the United Kingdom; floor cloths, Belgium and Germany; and curtains, France.

ARGENTINE IMPORTS OF HOUSEHOLD COTTON GOODS, 1929-1931

Household cottons	1929	1930	First six months—	
			1930	1931
Blankets:	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>
Cotton.....	26,641	20,572	18,596	10,109
Cotton waste.....	1,198,186	1,143,476	932,654	324,837
Bedspreads.....	699,397	634,000	345,903	222,596
Sheets and pillowcases.....	12,182	12,618	4,735	1,533
Tablecloths (damask).....	83,776	71,104	35,740	23,038
Towels:				
Hand.....	16,971	11,473	7,042	4,330
Turkish.....	5,346	8,723	3,902	2,676
Dish.....	41,677	34,925	21,848	19,004
Floor cloths.....	1,225,783	1,166,139	493,343	545,862
Curtains.....	32,744	17,642	12,619	10,250

TRADE IN HOUSEHOLD COTTONS ANALYZED

A brief outline of the competition in various lines of household cottons follows:

Blankets.—American sales of blankets are limited almost entirely to children's and babies' blankets of very soft finish, printed in designs of animals, children, or other subjects of juvenile interest, in pale blues or pinks. Practically all the Argentine business in baby blankets imported from the United States goes to one well-established brand. As Argentina manufactures very cheaply large quantities of woolen blankets from domestic wool, the total demand for cotton blankets is limited. However, fairly large quantities of very cheap cotton-waste blankets are supplied by European countries, principally Germany and the Netherlands, with which the United States is unable to compete in price.

Bedspreads.—Bedspreads are supplied largely by Italy in heavy, loosely woven designs of a type which, it is claimed, the United States does not manufacture. The American spread is relatively unpopular, and its sales are therefore limited to retail stores catering to American and British residents.

Sheets and pillow cases.—Imports of these commodities are very small, as such articles are made locally from imported cloth. Certain quantities are brought in, principally from the United Kingdom, and to a lesser extent from Italy and

France. The British products are made from heavily sized material, which is popular in Argentina.

Tablecloths (damask).—The imported cotton tablecloths come principally from Germany and Italy, in loosely woven designs, frequently in colored patterns. In general, there is a much larger demand for cheap European linen tablecloths than for those of cotton.

Towels.—Hand towels are not nearly so widely used in Argentina as are the Turkish bath towels, which serve for both purposes. Nearly all these are manufactured locally, although there is a small importation of goods of better quality. Cotton dish towels are imported in somewhat larger quantities, and important quantities of linen dish towels also enter the market.

Floor cloths.—Another item imported principally from European countries is floor cloths made of very cheap cotton-waste yarn. Some are also manufactured locally.

Curtains.—Curtains usually are not imported completely made up, but more often in the piece. Hence, import figures under this classification are quite small. Even in curtain materials, however, the United States secures very little of the Argentine business because of a preference for European materials on account of either price or types offered.

The general tendency for Argentina to import cloth and make up the finished household cottons is likely to prevent any increase in imports. The small market for blankets, however, will probably continue, as those are not manufactured locally as yet.

MEDICINAL GAUZE, COTTON, AND ADHESIVE TAPE

The United States sells to Argentina practically no absorbent cotton, as this commodity is manufactured locally from Argentine cotton. A few bandages are sold, but the bulk of American exports to Argentina in this group is said to be medicinal gauze.

United States export statistics group absorbent cotton, gauze, and sterilized bandages in one class, shipments of which to Argentina were 366,778 pounds, valued at \$270,127, in 1928; 365,241 pounds, valued at \$276,050, in 1929; and 333,561 pounds, valued at \$227,041, in 1930.

ABSORBENT COTTON

Argentine importations of absorbent cotton in 1924 amounted to 116,151 kilos. In 1928 such imports totaled 7,025 kilos; the next year, 5,855; in 1930, 6,250, and in the first half of 1931, 2,684. The decline in imports is attributable to the development of local manufacture which began principally upon repealing (in 1924) the duty exemption for hospitals which imported absorbent cotton direct. There are now half a dozen or more local factories making absorbent cotton, three of which are quite important. One of these is operated by a large local firm of wholesale and manufacturing druggists in a part of their recently erected factory, reportedly valued at more than \$1,000,000.

GAUZE

Argentine imports of medicinal gauze amounted to 245,657 kilos in 1930, compared with 216,289 in 1929 and 150,854 in 1928. The United States supplied the bulk of these imports—100,818 kilos in 1928 and 167,928 in 1929. The United Kingdom ranked second, with shipments of 24,242 kilos in 1928 and 25,362 in 1929. Italy was in third place, its share being 10,621 and 13,846 kilos, respectively. Argentine receipts of foreign gauze in the first half of 1931 amounted to 104,550 kilos, compared with 131,127 in the corresponding 1930 period. In addition, small amounts of gauze, sterilized or

treated with iodoform (255 kilos in 1930 and 195 in the first half of 1931) were imported.

Practically all this gauze is imported as plain and unsterilized. Since antiseptic and iodoformed gauze pay a higher duty, imports of these were very small, amounting in 1930 to only 182 kilos. (An additional 73 kilos entered duty free.) After receiving the gauze in bulk the various hospitals cut it up and sterilize it. Some of the large wholesale druggists and certain other firms engage in importing gauze in the piece, cut it into standard sizes, sterilize it, and sell it to the retail pharmacists in packages—frequently in tin boxes.

The largest order placed for cotton gauze in Argentina is the annual order of the Asistencia Publica (or Public Health Department) of the city of Buenos Aires. This organization purchases for 18 or 20 hospitals their gauze requirements, which rose from 26,000 pieces in 1927 to 60,000 pieces in 1930. Calls for bids are issued in October or November of each year for shipment to be made every three months during the ensuing year. In order to bid on this business it is necessary for foreign manufacturers to have their quotations placed by a local firm, which in turn must make a deposit as guaranty of good faith, after which the order is awarded to the lowest bidder. For the past four or five years some firm in the United States usually has secured this order, although it has occasionally been lost to Italy. Other orders of importance are those of the Sociedad de Beneficencia de la Capital, which is said to purchase about 5,000 pieces, and smaller calls for bids are issued by the Asistencia Publicas of the cities of Mendoza, Tucuman, and La Plata.

There are a few private hospitals in Buenos Aires which import direct, but other hospitals in Buenos Aires and those in other cities purchase from wholesale drug importers. No gauze is manufactured in Argentina at present, and the prospects of competition in the future from local manufacturers are problematic, especially as the plain gauze imported direct by hospitals has a duty exemption at present.

BANDAGES AND ADHESIVE TAPE

Bandages.—Imports of bandages are not separately shown in the Argentine trade figures, but local merchants estimate that they may reach as high as 500,000 dozen bandages a year, each 5 meters long, but of varying widths. Efforts of American manufacturers to secure some of the trade have been notably unsuccessful. The principal difficulty is the existing demand for bandages of cambric, which is heavier than the American gauze and which is supplied by England at prices said to be equal to, or lower than, American gauze bandages. American cambric bandages are of too good a quality for the market and are of a correspondingly high price. Gauze bandages are not popular, and there is very little sale for even the British gauze bandages. British bandage makers formerly were said to have 80 per cent of the business, but in the past year or two they have lost heavily to Italian firms, which in 1931 were reported to have obtained a third or more of the business. There is practically no local manufacture of bandages.

Adhesive tape.—The United States is said to supply the bulk of the demand for adhesive tape, of which total imports increased from 17,864 kilos in 1928 to 24,833 kilos in 1929, and to 27,201 in 1930. The United States in 1929 was credited with 18,293 kilos, the only

other important competitor being Germany, with 5,235 kilos, which was more than double the German sales in 1928.

COTTON BAGS

The United States sells to Argentina certain quantities of cotton bags for use in exporting flour. Shipments amounted in 1928 to 554,350 pounds, valued at \$193,677. They fell abruptly in 1929 to 205,849 pounds, valued at \$68,914, while in the following year they showed an increase in quantity to 323,912 pounds, but a decrease in value to \$65,333.

Argentina annually uses large quantities of jute bags (about 160,000,000), most of which are made locally of imported burlap and are used for exporting grain. Some are also used for flour milled and sold within the country, but other bags of cotton are made locally out of imported drills and osnaburgs. The imported cotton bags are used almost entirely for the flour which is exported to Brazil, as a duty drawback is allowed for cotton bags imported and reexported in this fashion. Since flour shipments have been falling off in the last few years, the sale of bags has also been affected. As an indication of this decrease Argentine imports of cotton bags in 1928 amounted to 441,113 kilos, of which the United States was credited with 243,693, while the Brazilian cotton mills followed with 187,052 kilos, and the United Kingdom with 9,802 kilos. Imports of bags from other countries were negligible. In 1929 the total imports fell to 146,821 kilos. Although the United States still maintained its position as principal supplier, with 110,823 kilos, the United Kingdom's share rose to 35,946 kilos. In 1929 the Brazilian mills were unable to compete. In 1930, however, the total importation of cotton bags increased to 244,376 kilos. It is probable that Brazil supplied some of the 1930 imports, particularly as Brazilian exchange was low at that time. Imports of cotton bags during the first six months of 1931 were 126,232 kilos, compared with 183,305 kilos in the same period of 1930.

These bags are generally made of 30-inch gray drill, 2.50 or 2.65 yards to the pound, and measure 38 by 48 inches, in order to contain 44 kilos of flour. The bags are not used more than once, as upon receipt in Brazil they are ripped up and used by poorer people for clothing. The principal customers for these bags are three large flour mills.

COTTON BELTING

United States export statistics show that shipments to Argentina of cotton belting for machinery amounted in 1928 to 33,641 pounds, valued at \$18,976. There was a decrease the following year to 13,934 pounds, with a value of \$8,758, and a slight increase in 1930 to 14,708 pounds, valued at \$9,808.

Argentine import statistics, however, show a total importation of cotton belting in 1929 of 358,975 kilos, compared with 398,907 in 1928. In 1929 the United States was credited with supplying 207,678 kilos, compared with 163,650 in the previous year, a much larger figure than given in the export returns of the United States. This discrepancy may be attributable to a difference in the items included under this classification. It is possible that the Argentine figures include some cotton webbing for upholstery or other uses. The United Kingdom ranked second in this trade in 1929, having

furnished 124,762 kilos. The Argentine importation of cotton belting fell to 148,627 kilos in 1930, and in the first half of 1931 amounted to 47,871 kilos.

Cotton belting is sold by machinery houses which deal in imported and locally manufactured leather belting. The leather product is considered to be more widely used than cotton belting. While the total demand is limited by the present essentially agricultural rather than industrial character of Argentina, local industry is progressing rapidly, and this condition should result in an increasing demand for cotton belting, in which the United States should secure an important share.

COATED AND RUBBERIZED GOODS

The United States ships to Argentina important quantities of various types of fabrics which are coated or mixed with pyroxylin, rubber, or other substances.

UNITED STATES EXPORTS TO ARGENTINA OF COATED AND RUBBERIZED FABRICS, 1929 AND 1930

Item	1929		1930	
	Quantity	Value	Quantity	Value
Oilcloth.....square yards..	367,066	\$101,267	307,061	\$71,396
Linoleum.....do.....	24,092	22,125	19,788	29,867
Felt-base floor coverings.....do.....	103,634	44,067	44,738	18,161
Window shade and book cloth.....do.....	16,269	3,095	66,570	10,424
Pyroxylin leather cloth.....do.....	102,806	68,416	66,874	39,507
Other leather cloth.....do.....	80,125	41,313	25,554	14,474
Waterproof automobile cloth:				
Rubberized.....do.....	255,999	143,050	170,627	92,507
Not rubberized.....do.....	157,572	81,981	104,815	50,185
Elastic webbing.....yards..	508,926	35,291	338,877	21,396
Total value.....		540,625		347,987

The United States is a fairly important supplier of coated and rubberized goods to Argentina, and in 1929 ranked first as a source of imports of artificial leather, while the United Kingdom led in floor coverings, oilcloth, and rubberized cotton cloth, and Germany in book cloth.

ARGENTINE IMPORTS OF COATED AND RUBBERIZED GOODS, 1929-1931

Country of destination	Oil-cloth	Linoleum ¹	Book cloth	Artificial leather	Rubberized cotton cloth ²	Elastic webbing for shoes
1929	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>
France.....	50,606	7,361	2,506	22,012	4,904	865
Germany.....	76,975	62,735	73,872	13,641	28,651	4,120
Italy.....	1,539	14,415	9,119		4,388	4,781
Spain.....						1,175
Switzerland.....					12	1,991
United Kingdom.....	417,129	473,182	9,454	6,164	277,191	
United States.....	86,482	83,023	1,113	329,234	74,386	457
Other countries.....	25,252	35,526	1,270	4,131	1,675	955
Total.....	656,963	676,242	97,634	375,182	390,997	14,394
Total, 1930.....	484,725	598,167	68,094	237,412	321,277	25,717
Total, January to June--						
1930.....	268,496	311,501	34,861	140,756	197,753	12,178
1931.....	164,406	117,600	31,456	58,923	136,096	11,323

¹ Including felt-base floor coverings.

² Including elastic webbing, except for shoes.

OILCLOTH AND LINOLEUM

Oilcloth.—Although most of the Argentine imports of oilcloth come from the United Kingdom, which has more than half of the business, the United States in 1928 and 1929 was the second largest source of supply and sells important quantities. The oilcloths sold in Argentina are mostly in 46/47 and 56 inch widths and come in standard rolls of 12 yards. Several grades are offered, but that from the United States is principally in the cheaper qualities. The designs wanted are not the pale blues and pale greens on white grounds, so popular in the United States, but brighter multicolored designs, many in floral patterns. Most of the business is in the hands of one or two American firms who are in a position to supply a large variety of the special patterns wanted. The principal competition from Great Britain is in a brand the trade name of which has become very firmly established in Argentina. The quality is reported to be good, although the prices are somewhat higher than for the American product. There is apparently no local manufacture of oilcloths, and the continuance of sales efforts should give American manufacturers increasing business.

Linoleum.—Formerly the United Kingdom had nearly all the Argentine business in linoleum, with some competition from Germany but very little from the United States. During the last two or three years, however, American manufacturers have been making determined and successful efforts to expand their sales. This result has been accomplished by having local agents go into the business of taking contracts for the actual laying of linoleum in office buildings, particularly in the modern buildings and those in which American companies are interested. Although British prices are said to be slightly less, American agents have been able to secure increasing orders in this fashion.

The quality most used is the standard battleship linoleum, which is supplied in rolls 2 yards wide, in plain colors, particularly brown, some green, but very little red. It is supplied in thicknesses of 3, 3.6, 4.75, and 6 millimeters, but the principal sales are made in the 3.6 or light-weight grade. In some of the buildings where a large number of people pass in and out, the thicker linoleum is used. British sales are likewise in the lighter weight linoleum, but especially in a 4-millimeter thickness not offered from the United States.

Felt-base floor coverings.—In felt-base floor coverings, mostly rugs with figured designs, the United States has practically all the business. Although Argentine import statistics do not show this class separately, there is said to be only a slight competition from Germany, the United Kingdom, and Canada. The total business in the past has been larger than that of American sales of linoleum. These rugs are furnished in standard sizes, as 6 by 9 feet, 7½ by 9, 9 by 10½, and 9 by 12, but the square 9 by 9 rugs are not popular. Patterns vary, but in general those containing red are preferred to those in which green predominates. Practically all the rugs sold are of the standard quality, while those of second quality have had very little sale. These rugs are sold by manufacturers' agents, who carry stocks and supply the various retail and house-furnishing stores with samples. The stores, however, keep only a few rugs in stock and draw on the agent's supply when a retail purchaser wants another pattern appearing in the sample book. The custom of having servants in Argentina

to do all the housework somewhat detracts from the sales appeal offered by the ease in cleaning, but it may be expected that there will be a gradually increasing demand for these rugs in Argentina.

OTHER COATED AND RUBBERIZED FABRICS

Window-shade and book cloth.—The total demand for these materials is limited by the fact that most books are printed with paper bindings in the European style, rather than bound in cloth, and because window shades are almost never used. Numerous attempts to introduce them have been relatively unsuccessful, owing to the widespread use of the wooden or metal Venetian blinds, called "persianas" locally. A few shades are sold by one or two well-known furniture stores in Buenos Aires which cater to American and British residents, and recently local agents have succeeded in getting one or two office buildings to put up shades. Another drawback to the sale of window shades is the general use of French windows, which would require two shades.

In book cloth, certain amounts are supplied by other countries, principally by Germany, the United Kingdom, and Italy, which sell to local printing-supply houses.

Artificial leather or leather cloth.—The United States supplies the bulk of the Argentine demand for artificial leather, which is increasing despite the relatively low cost of Argentine leather made from domestic hides. Artificial leather is used locally for upholstery and for covering seats of automobiles and omnibusses, especially of the taxicabs (which are American touring cars). Artificial leather is wanted principally in 54-inch widths and, to a lesser extent, in widths of 36, 40, and 64 inches. Most of the orders are for the Spanish finish, in a variety of grain designs, among which baby alligator is prominent. For furniture upholstery dark browns are most popular, while for automobiles other colors also are used, particularly dark reds, browns, and greens.

Other types of artificial leather or coated fabrics for luggage, book-bindings, and other products are being sold in small but increasing quantities. Most of the artificial leather is sold by manufacturers' agents to importers who specialize in leather and upholstery materials, and to the automotive trade.

Waterproof automobile cloth.—There is a large and increasing number of automotive vehicles in Argentina, estimated at 366,000 in 1931 (97 per cent American), which places Argentina about seventh among countries of the world in the number of vehicles in use. This gives rise to a large demand for material for replacing the folding tops of touring cars and for re-covering the tops of sedans.

For the former purpose the largest selling material up to recently has been that coated on the top with black rubber in embossed wavy designs. This material is usually 54 inches wide, and the most popular weights are 34 to 36 ounces. Double-texture cloth, however, is now more popular than the plain rubber-coated cloth. The former material is made of two cloths cemented together with rubber, the outer material being usually in light and dark grays, light tan, and browns. The weights of this cloth are usually 34, 36, 38, and 42 ounces. For covering sedans the usual material is a pyroxylin-coated material, generally black, which is furnished in 64-inch width. The demand for this last-named fabric, however, is less important than that of the other materials mentioned, as the sedan tops do not wear out so

quickly as the touring cars, and at present less than half the cars in operation are sedans.

Other rubberized cloths.—The United States sells only small amounts of rubberized cloths for raincoats; most of this comes from England, but there seem to be possibilities of increasing trade in this line.

Elastic webbing.—There is a large local manufacture of garters, suspenders, and corsets, for which elastic webbing is imported. The United States sells small quantities of garter webbing, which is usually wanted in 1½-inch widths, sometimes narrower, and generally with rayon mixture. Most of such webbing, however, is supplied by Germany in qualities much lower than are manufactured in the United States, and at correspondingly lower prices.

In the wide webbings for corsets, imports are usually in widths of 14, 16, and 18 inches. Standard constructions are used, but most of the webbing is of cotton rather than of rayon mixture because of the large duties on the latter cloth. During 1931 there was a definite tendency away from corsets and garters made principally of webbing toward the articles made mostly of cloth in plain or woven figured designs with only small insets of webbing. These materials are sold by agents direct to the garter manufacturers and the larger makers of corsets, and also to houses which supply the small corset shops.

SILK MANUFACTURES

YARNS

Silk yarns represent one of the few items in which the United States exports of textiles to Argentina showed large increases in 1930 and 1931 as compared with 1929. These gains were attributable principally to the rapid development of the local manufacture of full-fashioned silk hosiery, which began in 1928 and 1929.

United States exports to Argentina of silk tram, organzine, hard twists, and spun silk increased from 8,663 pounds, valued at \$58,992, in 1928, to 28,667 pounds, with a value of \$179,189, in 1929, and in 1930 rose to 62,232 pounds, valued at \$320,467. In 1930 Argentina bought more American silk yarn than any other country, taking nearly 40 per cent of the total exports in point of value. In 1931 shipments declined to 54,352 pounds, valued at \$229,514, according to preliminary returns.

United States exports of silk hosiery, which formerly dominated the local market, have been decreasing in approximately the same proportion as shipments of silk yarn have increased. United States shipments of hosiery to Argentina declined from 127,788 dozen pairs, valued at \$1,415,017, in 1928, to 96,770 dozen pairs, with a value of \$1,085,338, in 1929. They were further reduced in 1930 to 52,369 dozen pairs, valued at \$494,482, and in 1931 dropped to 18,238 dozen pairs, with a valuation of \$142,630.

Practically no machines for manufacturing full-fashioned hosiery were in operation in Argentina before 1928, but a total of 141 leggers for full-fashioned hosiery (plus the necessary complementary machines) were said to have been installed in approximately 13 Argentine hosiery mills between 1928 and 1930. Probably less than half of these were operating on silk (in some seven or eight mills); the rest were being used for rayon but were ready for service in silk should the demand increase to that extent.

Foreign competition.—No silk is thrown or spun locally. Argentine import statistics show that most of the imported yarn comes from the United States. Imports in 1929 were 36,931 pounds and rose in 1930 to 67,214 pounds. In the first six months of 1931 they amounted to 49,072 pounds, compared with 17,677 pounds in the corresponding period of 1930. In 1929 (the latest year for which figures by countries of origin were available at the time of writing), of the 36,931 pounds imported, the United States supplied 31,107 pounds, Italy 3,309, Switzerland 970, Japan 703, France 489, Germany 333, and the United Kingdom 20. Practically all the American sales are of hosiery tram, mostly 6 and 8 thread, and in numbers 4, 6, 7, 8, 9, 10, and 12. The most popular quality is "Grand XX." The small amounts imported from other countries are principally weaving silks used by the two or three local mills which make silk piece goods. (See p. 37.) While American mills are regarded in Argentina as particularly proficient in making hosiery tram, the silk weaving yarns are reported by local mills to be obtained at more favorable prices from other countries, especially Italy.

It seems likely that the demand for silk hosiery tram will continue to increase, as local mills are able to compete in the domestic hosiery market under the protection of import duties. A considerable impetus to the local manufacture of full-fashioned silk hosiery was given by the depreciation of the Argentine peso during 1930, which became even more accentuated in 1931. Consequently American hosiery cost anywhere from 20 to 60 per cent more than local hosiery, despite substantial price reductions by the American mills. These circumstances allowed the local industry to capture the market and to convince the Argentine women (many of whom are of the opinion that all imported goods are superior) of the quality of the local hosiery, which is reported to be excellent. Argentine hosiery is made on the most modern machinery, imported chiefly from Germany. Although the return of the peso to par might reduce domestic sales temporarily, local agents are of the opinion that the Argentine hosiery industry will not be dislodged and will continue to show a gradual increase in production and sales as the return to prosperity enables more Argentine women to wear silk instead of rayon or cotton.

SILK THREAD

The United States sells small but increasing quantities of sewing, embroidery, and crochet silk. The exports to Argentina in 1928 amounted to only 1,016 pounds, valued at \$8,338, but were more than doubled the following year with 2,302 pounds valued at \$15,340, and again were doubled in 1930, when shipments totaled 5,825 pounds, valued at \$27,968; in 1931 they rose to 14,694 pounds, with a valuation of \$57,403.

The increasing American shipments are encouraging, even though they make up a very small proportion of the Argentine imports of sewing and embroidery silk, which amounted in 1929 to 1,102 kilos in skeins, and 544,214 kilos on spools. In 1930 that imported in skeins decreased to 862 kilos, but the spool silk increased to 566,467 kilos. The spool silk came principally from the following countries in 1929: Germany, 266,387 kilos; Italy, 142,729; United Kingdom, 42,074; Switzerland, 41,439; and United States, 9,304. The quantities from other countries were negligible. Since the Argentine import

statistics make no distinction between thread of silk and of rayon, it is possible that some of the latter may be included. Italian shipments decreased from 322,275 kilos in 1928 to 142,729 in 1929, and the Italian loss accounts for a large part of the decrease in total imports from 850,685 in the former year to 544,214 kilos in the latter.

SILK PIECE GOODS

Argentine import statistics make no distinction between piece goods of silk and those of rayon, as both of these up to the present pay the same rate of duty. As the duty is assessed on weight and the rayon is usually heavier than the silk, the high duties greatly retarded the growth in popularity of rayon piece goods, imports of which are supposed to be comparatively small.

Local merchants, however, believe that the Argentine statistics quoted in the following table do not give a true picture of the situation, because of large quantities of silk goods alleged to have been smuggled into the country up to December 16, 1930. On that date the high duties that had been prevailing for several years were reduced 50 per cent by a presidential decree promulgated with the expressed purpose of making smuggling unprofitable. Local merchants think that the decree had the desired effect. A comparison of the imports of silk and rayon piece goods and mixtures into Argentina for the first six months of 1931 with those for the corresponding period of 1930 shows a substantial increase.

ARGENTINE IMPORTS OF SILK AND RAYON PIECE GOODS, 1928-1931

Silk or rayon piece goods and mixtures	1928	1929	1930	First six months--	
				1930	1931
Gray.....	Kilos 54,987	Kilos 50,962	Kilos 48,714	Kilos 18,008	Kilos 26,234
Pure or containing less than 15 per cent of other fibers.....	318,946	263,228	228,106	74,860	204,051
Containing 15 to 60 per cent of other fibers.....	100,792	74,790	82,841	37,828	64,894

Principal sources of imports.—Argentine imports of silk or rayon piece goods in the gray state in 1929 came principally from Japan, which supplied 46,518 kilos. Piece goods of silk or rayon, pure or containing less than 15 per cent of other fiber, were imported principally from France, which furnished 164,289 kilos of a total of 263,328 in 1929. Other sources of considerably less importance were Italy, Japan, the United Kingdom, and Switzerland. France also was the leading source of Argentina's imports of mixtures of silk or rayon containing from 15 to 60 per cent of other fibers; Italy, the United Kingdom, and Germany followed in the order named. The United States share in this trade was comparatively insignificant in 1929, consisting of 300 kilos of silk or rayon piece goods, in the gray; 498 kilos of silk and rayon piece goods, pure or containing less than 15 per cent of other fibers; and 871 kilos of silk or rayon mixtures, containing from 15 to 60 per cent of other fibers.

UNITED STATES EXPORTS OF BROAD SILKS TO ARGENTINA, 1929-1931

Item	1929		1930		1931	
	Yards	Value	Yards	Value	Yards	Value
Satins and other broad silks for shoes.....	6,257	\$13,078	9,819	\$23,518	13,786	\$29,601
Other broad silks.....	26,352	31,421	40,964	55,957	16,824	13,218
Total.....	32,609	44,499	50,783	79,475	30,610	42,819

Types imported from the United States.—Most of the American sales so far have been in plain colored silks and in materials of good quality, particularly marocain, flat, and satin crêpes, with lesser amounts of georgette. A small number of printed silks have been sold, but in general few of the American patterns are liked in Argentina. The manufacturer of one well-known brand of American silk goods has secured a certain amount of business in Argentina by guaranteeing the washability of his fabrics. Printed silk-mixed crêpe, containing less than 40 per cent silk, has been one of the principal American fancy cloths sold in Argentina. It was discussed under the section on printed cotton cloth. (See p. 75.) It is possible that a few of these mixtures in better quality, containing more than 50 per cent silk, might be included in the silk export figures, but, because of the higher duty, sales of this quality have been very small.

French silks.—France is by far the largest supplier of silk piece goods to Argentina. Besides being able to compete in price, the French mills supply a soft finish which American mills have so far been either unable or unwilling to furnish in the cloths they send to Argentina. Whether the feel of these fabrics results from a difference in weave or in the finishing process, or both, local merchants seem unable to say, but they state that its absence is the chief drawback to the American merchandise. The quality is acknowledged to be excellent, and the American product has the further advantage of being generally of pure-dye, without the weighting put into many French cloths, it is claimed. On the other hand, the customer who compares the silks from both countries is reported to find in the product from the United States a stiffness and harshness completely absent in the French article which, furthermore, hangs and drapes more to the liking of the Argentine women.

The French goods are supplied in 39-inch width, which fortunately is also the width of the American goods. Weights vary according to the quality and the manufacture. The types of cloth wanted are principally flat crêpe, marocain, georgettes, lingerie silk, crêpe de Chine, and satin.

In printed silks the Argentines also prefer the French designs. During 1931 these designs were mostly of medium size. The colors in the patterns are usually a little more conservative or delicate than is general in the United States. In this respect it must be noted that Buenos Aires merchants follow Paris styles as promptly as do the buyers in New York.

While American patterns have not been very popular in Argentina in recent years, most of the demand has been for plain colors rather than printed silks. Local merchants say that during 1930 and 1931

printed silks were more popular than in former years, but that the total of their orders for prints did not exceed 50 per cent of their aggregate importation, and in other years the proportion was more likely to be 25 to 30 per cent of printed goods. This preference for plain colors makes it easier for the United States to compete. While American prices have a tendency to be somewhat higher than the French, a few mills which try to get the Argentine business are often said to quote competitive prices, thus leaving as their principal handicap that of finish.

Japan supplies particularly the cheaper grade of plain silks, such as silk pongee and silk shantung, in a variety of colors, but especially in the grege or natural state.

Local production.—There are at present several mills in Argentina which do a certain amount of silk weaving. One of these devotes itself almost entirely to weaving silk goods, having in 1930 and 1931 about 105 looms and an estimated production of 400,000 yards a year. There were also reported to be about 25 additional looms scattered in various mills; most of them, however, were in two factories which also make rayon piece goods or knitwear. In 1931 approximately 60 more looms were said to be on order for various mills, particularly for one factory which was reported to be planning to specialize in silk and rayon cloth. While the local mills produce most of the popular types of silk piece goods, including some printed and woven fancies, their total output so far is negligible in comparison with imports. It is said that a group of French silk mills maintains a dyeing and finishing plant in Buenos Aires, where they keep stocks of undyed silk piece goods. These can be dyed in small quantities in the colors that prove to be fashionable, thus avoiding the risk of unsalable stocks in shades that fail to become popular and allowing quicker deliveries on the colors most in demand.

Some impetus was given to the domestic weaving industry by the depreciation in the Argentine peso during 1930 and 1931, although the duty protection was lowered in December, 1930. A gradual increase in local manufacture is anticipated by Buenos Aires merchants.

Outlook for increased American participation.—The 1930 reduction in duties is reported to have taken much of the silk business out of the hands of small, irresponsible merchants in Buenos Aires, who were alleged to have secured their goods from smugglers, and to have made it possible for the responsible department and dry-goods stores to regain, in part, the position their silk departments had lost during the years of smuggling. As many of these stores cater to the better-class residents, the present time should provide an excellent opportunity for American mills to make a definite effort to build up their silk-cloth business in Argentina. Special emphasis on the limited weighting in the American silk and its consequent longer wear could be made, and any washable or other qualities the silk might have could be advertised, especially since many of the foreign silks are no longer sold with the guaranty as to color and quality which they carried in pre-war years.

OTHER SILK MANUFACTURES EXCEPT WEARING APPAREL

There is a fair importation of silk and rayon ribbons, with some tendency to decrease because of local production. In 1929 there were 9,437 kilos of silk or rayon ribbons and 16,346 kilos of ribbons

of silk or rayon mixtures imported, principally from France, Switzerland, and Italy. In silk or rayon ribbon for hatbands 34,587 kilos were imported, 17,855 coming from Germany, 11,934 from France, and 4,009 from Italy. In 1930 imports of silk or rayon ribbons amounted to 8,763 kilos, mixtures of silk or rayon to 17,456 kilos, and ribbons for hats to 26,111 kilos.

RAYON MANUFACTURES

RAYON YARNS

Argentina, as probably the largest Latin American consumer of rayon yarn and a country wholly dependent on imported supplies, presents a rich field for United States producers whose interests are turning more and more to export trade. Largely because of higher prices, American producers have obtained only a small portion of the Argentine trade, which in 1929 amounted to more than 2,500,000 pounds and which had shown a steady growth up until the recent general business recession.

It should be observed, however, that despite generally unfavorable business conditions, United States exports of yarn to Argentina increased from 1,036 pounds in 1929 to 34,908 pounds in 1930; but there was a decline to 28,715 pounds in 1931. Certain factors, moreover, such as the established position of the United States in the Argentine cotton-yarn business, the advantages of American rayon cones, quicker delivery, and more adequate technical service, are thought to favor efforts by American exporters to secure a greater share of this large market for rayon yarns.

Dependence on imports.—Argentina does not as yet produce rayon yarn, and is therefore totally dependent upon foreign sources to supply materials for its large knitting industry and its developing piece-goods manufacture. Indicative of the trend within this market to turn more and more to rayon is the fact that from 1925 to 1929 imports increased from 1,286,000 to 2,528,000 pounds and suffered only a slight recession in 1930, to 2,378,000 pounds. In the first six months of 1931 imports fell about 8 per cent (to 1,032,000 pounds, compared with 1,120,000 in the corresponding period of 1930), whereas imports of cotton yarn decreased approximately 30 per cent. Import duties on rayon manufactures are intended as an aid to the domestic industry, and therefore foster the importation of yarns.

To date, American exporters have obtained very little of the Argentine rayon trade but are turning attention to that market hoping, with the benefit of long-established connections in other textile lines and with well-promoted quality products, to obtain a larger share of that trade. Germany is at present the principal supplier, having furnished 39 per cent of the total imports in 1929, the latest year for which import figures give countries of origin. Following next were Italy with 27 per cent; Netherlands, 14; Switzerland, 9; the United Kingdom, 6; and other countries, 5.

ARGENTINE IMPORTS OF RAYON, 1927-1929

Country of origin	1927	1928	1929	Country of origin	1927	1928	1929
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>		<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
France.....	11,424	81,706	74,879	United Kingdom.....	289,350	231,606	148,004
Germany.....	811,575	1,006,235	987,440	United States.....	65,790	8,070	2,016
Italy.....	274,790	445,050	687,890	Other countries.....	57,648	122,915	119,780
Netherlands.....	462,705	383,120	355,890				
Switzerland.....	282,975	278,006	228,380	Total.....	1,944,000	2,514,000	2,598,000

Imports of rayon yarn in 1930 showed the influence of many mills operating on part-time schedules. Unfortunately data by countries were not available at the time of this report, but it is said that Italian yarns have lost ground because considerable of their price concessions allegedly have been obtained at the expense of too great sacrifice of quality. The figures for 1930 may show an increase in the relative shares of the German, Dutch, British, and French yarns, with Swiss shipments remaining about the same.

Factors favoring American participation.—American exporters of rayon yarn are probably in better position to compete with foreign shippers to-day than ever before, whether in the Argentine market or elsewhere. Heretofore there has existed too wide divergence between prices of American yarns and quotations of a number of European producers, but this difference has been decreased somewhat by price reductions effected by United States manufacturers in 1931. Sales in the future will depend largely upon the ability of American producers to keep prices within fairly close range of European quotations.

Furthermore, it is believed that the strong hold of the United States on the Argentine cotton-yarn market will be of much aid to American rayon exporters in their drive for larger sales in that territory. Most knitting mills using rayon are engaged in the manufacture of cotton hosiery or underwear as well, and are already buying American cotton yarn. Argentina buys more cotton yarn from the United States than from any other country, the American share in 1930 being 7,500,000 pounds, or more than one-third of the total imports. Thus Argentine rayon-consuming mills, already satisfied with American quality and service in cotton yarns, are inclined to accept rayon from United States producers with confidence. The widespread reputation for prompt, reliable deliveries of cotton yarn is also an advantage, as European shipments are reported less satisfactory in this respect. Rayon shippers would do well to maintain this high standard of deliveries.

United States rayon manufacturers can find capable sales agents who are now selling American cotton yarns, who already know the Argentine customers, and who also understand American business methods. These agents can take on a line of rayon yarn and introduce it at once to their customers, provided they have competitive prices for good quality. Buenos Aires representatives of American textile machinery will also be interested in rayon lines.

Chief uses of rayon.—Knitting mills consume by far the bulk of the rayon imported, the proportion being estimated at 90 per cent. Of the approximately 160 knitting mills, about 80 use rayon. All these are located in or near Buenos Aires, and are thus convenient of access. Seamless and full-fashioned hosiery, underwear, outerwear, and knitted

cloth are among the principal lines of manufacture. Keen competitive conditions force sharp bargaining on rayon-yarn prices, sometimes to the extent of sacrifice of quality.

Argentina has only a small rayon-weaving industry. The woolen industry is devoted mostly to the production of suiting and blankets, and the cotton industry to duck, a little sheeting, and a small amount of other cloth. Silk piece-goods manufacture is also small. There is considerable production of rayon bedspreads, and also some work with ribbons, cords, and other articles. One large underwear mill, however, is now making considerable quantities of rayon and mixture piece goods.

Types of yarn imported.—Viscose-process yarn is estimated to have represented about 85 to 92 per cent of the total consumption in 1930. It is obtained from practically all the countries shipping rayon to Argentina. Nearly all the remainder is cuprammonium rayon, of which Germany is the only important supplier. Purchases of cuprammonium yarn are said to have been reduced in 1930 and 1931 owing to its high price and the resultant substitution of low-luster, multifilament, viscose yarn. Imports of cellulose-acetate yarn have been very small, but it is said that the quantity was increased in 1930, chiefly for weaving, the imports coming mainly from France. As far as can be ascertained, no nitrocellulose rayon is being bought.

Low-luster rayon is becoming increasingly popular, especially for hosiery, despite the slightly higher price of such yarn. High-luster rayon meets the bulk of the underwear and outerwear demand. Nearly all the rayon imported is undyed.

The sizes of rayon most frequently used in the hosiery trade are 150, 180, and 200 denier, though 100, 120, 125, 170, and 175 also are used. In the underwear trade 100, 150, 200, and 300 are generally used. Lower numbers are popular for piece goods.

Prevailing types of put-up.—From 80 to 90 per cent of Argentina's rayon requirements are for skeins about one-tenth of a pound in weight and not over 4,000 yards in length. Cones are next most popular, the 1-pound size now prevailing. Less than 1 per cent comes on spools, and a similar small proportion (mostly acetate) comes on beams ready for the looms.

The principal reason for the small demand for cones is that most of the Argentine mills are equipped with winding machinery. The winders were installed because European manufacturers of rayon had not satisfactorily developed cone winding and hence supplied the rayon in skeins. Although the European cones have improved, they do not yet equal the American. Furthermore, European charges for put-up on cones are much higher than such charges in the United States.

Various prejudices exist against the use of cones. Some think that the cones must be used within a few days after winding, and that in shipping, cones change shape so that they have to be rewound. Others say that the humidifying of the yarn in skeins is easier than when it is on cones. Some of the mills, especially those making men's fancy hosiery, dye the yarn in the skein before weaving—a procedure which would not be practical with cones. The large majority, however, dye hosiery and underwear in the piece after manufacture.

The use of cones is increasing, despite the above objections, and when American mills bring their rayon prices within the competitive

range of European prices, they will probably find that their ability to provide good cones at very little extra cost will help them materially to get into the market. The various prejudices against cones of rayon can probably be overcome, and the fact that the rayon consumers are already using American mercerized yarn entirely on cones should help the definite increase in the demand for cones which is expected.

Competition based on price.—All the leading European producers of rayon (including well-known brands of viscose yarns as well as some cuprammonium and acetate yarns) are represented in Argentina.

Up until July, 1930, the principal European manufacturers other than Italian are reported to have quoted very similar prices, but at that time heavy stocks are said to have caused reductions and to have disorganized the market. As a result of the keen competition since then, fixed price lists were rarely issued in 1930 and 1931, and agents cabled for a price for each substantial piece of business, or cabled the customer's offer. A price was then set which depended upon the customer, the quantity, the condition of the rayon manufacturers' stocks at the moment, and the state of competition. In general, the Italian prices were reported to be the lowest, but with quality in some cases correspondingly low. German, English, Dutch, and Swiss prices were said to be closer to each other, with the quality good.

Methods of distribution.—The AKU (Dutch Enka and German Glanzstoff combine) and the German Agfa were the only rayon manufacturers maintaining branches in Argentina in 1931. The majority of the others have manufacturer's agents, who take indent orders. Some of the agents receive shipments either on consignment or on firm order for sale to smaller mills, as do several wholesale importers who buy from various sources. Recently, during the fluctuating exchange, some of the larger mills have preferred to buy from local stock at a definite price in pesos, rather than to import direct and take a chance on the state of the exchange at the time of the order's arrival.

Advertising.—So far there has been very little advertising of rayon yarns in Argentina, and almost none to the customer direct. As the Argentines, however, use advertising very widely in other lines, and are generally responsive to it, it would seem that American mills might aid their entrance into this market by direct consumer advertising and the supplying of labels to local manufacturers. Advertising in Buenos Aires is costly, however, and such a plan would scarcely show profits at the beginning, in view of the low prices which must be accepted for the rayon, but it might prove a worth-while investment for future business, according to the local tradesmen. It is important that Spanish be used in all advertising, literature, or correspondence directed to this market.

Technical advice.—Occasionally Argentine knitting mills are dissatisfied with the results obtained with certain rayons in dyeing or knitting, and want to ask the manufacturer of the yarn how to obtain better results. In general, European producers have not given much of this kind of service. Prompt, sympathetic attention to the customers' technical problems and accurate advice sent by air mail should help American rayon exporters to entrench themselves more solidly with their Argentine customers.

Since rayon production in the United States has reached the point where a fair proportion is available for export, Argentina should be

well worth the attention of American manufacturers as a growing market, which is, with the possible exception of Brazil, the largest rayon importer in South America.

RAYON PIECE GOODS

United States exports of woven and knit dress goods of rayon to Argentina in 1928 were 29,343 square yards, with a value of \$18,242. In 1929, 29,797 square yards were shipped, but the value fell to \$9,918. In 1930, the quantity was 23,626 square yards and the value \$8,073.

The rayon piece goods considered in this section are those containing more than 40 per cent rayon, as the classification "Cotton mixed with rayon, chief value cotton," has been included under the section on printed and fancy cotton cloth. (See pp. 72 and 75.) As explained in that section, the duties on cloth containing over 40 per cent formerly paid a much higher duty than those with less than 40 per cent rayon content. In fact, they were charged the same duty as cloths containing that proportion of silk. Consequently very little could be sold. Local agents are of the opinion that the above-mentioned exports from the United States to Argentina between 1928 and 1930 were mostly small amounts sold at the end of the season in the United States at sacrifice prices which encouraged a few small importers to bring them in despite the high duties.

Argentine import statistics on rayon cloth are not given separately, but are included with those of silk mentioned in the section on silk piece goods (p. 88), since the Argentine customhouse makes no distinction between silk and rayon cloth. Total imports, however, are believed to have been quite small because of the high duties which prevailed up to December 16, 1930, when they were reduced 50 per cent to discourage silk smuggling.

It is generally reported that in 1931 a considerable increase in rayon piece goods imports resulted. At first local agents thought that the United States would secure a fairly good share of this increase, but during 1931 European prices, particularly Italian, were said to be much lower than American for similar cloths. The future American sales will probably depend principally upon the solution of the price problem, although American mills may be able to supply certain weaves, designs, or patterns not offered by Europe. The reduction in duty should not only result in an increase in the amount of rayon cloth sold, but it also makes competition easier for American mills manufacturing rayon-mixed cloths running from 50 to 60 per cent rayon content, rather than under 40 per cent. Preliminary figures for 1931 show that United States exports of "Rayon woven and knit dress and piece goods" increased to 158,916 square yards, valued at \$34,204—a gain of 572 per cent in quantity and of 323 per cent in value in comparison with 1930 shipments.

WOOL MANUFACTURES

YARNS

The United States sells only negligible quantities of wool yarn to Argentina, as Argentina supplies most of its needs from domestic wool in the coarser yarns and imports the finer quality from Europe at substantially lower prices than those quoted by the United States.

United States exports of wool yarns to Argentina during 1928 were 906 pounds, valued at \$2,674 and in 1929 they were 766 pounds, with a value of \$1,878. In 1930, however, shipments increased to 1,388 pounds, valued at \$4,078, and reports of local agents seem to indicate a further gain during 1931.

Hand-knitting wools.—Practically all this importation from the United States is considered by the local trade to be yarns for knitting sweaters by hand at home. One local importer buys from two well-known American manufacturers yarns for hand knitting and maintains a school for knitting. Scarcely any of the hand-knitting wools are made locally, but there is strong competition from European countries, principally Germany. The lower prices of the European products result in their greater use, but the above-mentioned agent is able to get some of his pupils to use the American yarn on a basis of its superior quality.

Other knitting and weaving yarns.—Argentine import statistics divide wool yarns for knitting and embroidery into two classes, depending on whether or not they contain a mixture of silk or rayon. In all-wool yarns imports in 1929 amounted to 336,000 kilos, of which Germany supplied 241,000, France 33,000, United Kingdom 29,000, Italy 12,000, and Belgium 10,000. Imports from the United States were given as only 734 kilos, and the rest came mainly from continental European countries. In yarns of wool with admixture of silk or rayon, the United States supplied only 246 kilos of a total of 23,493 imported; the rest came in almost equal quantities from the United Kingdom and Germany.

In wool yarns for use in weaving and knitting mills, Argentina supplies most of its own needs, but imports the better-grade yarns, particularly for knitting.

Local production of wool yarns.—As was stated in the section headed "Textile fiber production," Argentina produces large quantities of wool for export, but consumed in 1930 an estimated 30,000 bales, or 28,600,000 pounds, of the domestic clip. A considerable quantity of this wool goes into the stuffing of mattresses, but a large part is spun into yarn and made into woollen goods. Mills in Argentina are said to have 80,000 wool spindles, mostly for carded wool yarn. Production in 1926 was estimated by local industrialists at about 4,000,000 kilos of carded yarn, compared with less than 1,000,000 kilos of combed yarn and an even smaller quantity of wool and cotton mixture. Very little increase has been reported since that time.

Foreign competition and outlook for American participation.—Argentine imports of wool yarns for weaving or machine knitting amounted in 1929 to 1,521,000 kilos, supplied by the following countries: Italy, 468,000; France, 383,000; Germany, 321,000; Belgium, 199,000; Netherlands, 69,000; United Kingdom, 37,000; Switzerland, 21,000; and United States, 2,600. The remainder included very small amounts from other countries of continental Europe. In yarns of wool mixture, 307,000 kilos were imported, of which Italy supplied 235,000, United Kingdom 21,000, and other countries smaller amounts. Most of these yarns, both for weaving and for knitting, are said to be combed.

It seems unlikely that the United States will be able to increase materially its shipments of wool yarns for weaving and machine-knitting, as its prices are generally regarded as higher than those of European countries. During 1930 and 1931, however, there was an

increasing manufacture of bathing suits in Argentina. Most of these attempt to copy the American bathing suits but fail to secure the careful cutting and sewing or the elasticity found in the American suits. Hence, Argentine mills began to look for a special knitting yarn used by American bathing-suit manufacturers. Suppliers of this yarn might be able to sell increasing quantities of it to Argentina. Some gain in hand-knitting wools may be expected through the continued effort to stress their better quality.

WOOL CLOTH

The United States exports of wool cloth to Argentina are very small, and are limited mostly to mohair cloths, principally upholstery plush and a well-known brand of cloth for men's summer suits. As this suiting is made of mohair mixed with cotton (not wool), the local trade feels that some of it may have been included in the United States exports of hair manufactures, since practically no haircloth or interlining seems to be purchased from the United States.

UNITED STATES EXPORTS TO ARGENTINA OF WOOL AND MOHAIR PIECE GOODS, FELT, AND HAIR MANUFACTURES, 1928-1930

Item	1928		1929		1930	
	Pounds	Value	Pounds	Value	Pounds	Value
Wool cloth and dress goods.....	2,105	\$1,511	3,107	\$7,894	837	\$1,385
Mohair cloths.....	18,056	44,933	15,438	38,758	2,957	7,725
Other wool fabrics.....	27	42	254	376	119	135
Wool felt.....	2,829	1,899	1,330	2,022	1,078	777
Total.....	23,017	48,385	20,129	49,050	4,985	10,022
Hair manufactures.....	58,988	17,448	21,090	11,022	28,002	5,867

Types of American goods sold.—During the World War the United States shipped fairly large quantities of various kinds of wool cloth to Argentina. In the postwar years, however, the former European suppliers regained their shares in this trade and, with lower prices than the United States, gradually reduced American sales to negligible quantities of each type except the aforementioned summer suiting. Up until a few years ago Argentine men wore dark suits all through the hot summer, but the efforts to introduce the American mohair mixtures have resulted in a general trend in Buenos Aires toward light-colored suits for hot weather. The popularity of this material was increased by a successful attempt on the part of a retail store controlled by Americans to import from the United States men's ready-made suits of this and other materials.

Wool and mohair upholstery cloths, mostly plush, are sold to a certain extent, particularly for automobile upholstery. In 1931 it was estimated that there were in use in Argentina approximately 366,000 automobiles (97 per cent American), which give rise to a demand for upholstery cloth. While most of the touring cars are reupholstered in genuine or artificial leather, the sedans, which make up less than half the automobiles, are frequently re-covered in mohair plush or other wool fabrics. There is, however, strong competition from Germany and the United Kingdom in both types, and very little of these materials from the United States is sold to the furniture trade.

Sales of woolen felt from the United States are comparatively small, chiefly because of local production, but also because of competition from other foreign countries.

Local production.—During 1931 it was estimated by local sources that there were between 2,000 and 3,000 wool looms located in approximately 22 mills in and around Buenos Aires, 6 of which are fairly large. Of the 5,000,000 or 6,000,000 kilos of yarn estimated to be spun in Argentina, the portion used for weaving is said to produce about 5,000,000 or 6,000,000 yards of piece goods, plus about 600,000 yards of blankets. In the latter product local mills supply most of the demand, but in cloth their chief output is the cheaper wool suitings and the cloths for uniforms for the Argentine Army and Navy, as well as for the police and other local government organizations.

Foreign competition in wool fabrics.—Argentine imports of wool cloth and wool mixtures (excluding felt) amounted in 1929 to 5,063,565 kilos and decreased in 1930 to 3,978,143. The amounts of cloth supplied by European countries are in fairly close relation to their percentage of the Argentine imports of wool textiles of all kinds. (See table on p. 45.) Of the total quantity of wool and wool-mixed piece goods imported in 1929, the United Kingdom supplied about 53 per cent. France followed with 20 per cent, and Germany, Italy, and Belgium each supplied about 8 per cent. The small remaining quantities came chiefly from other countries of continental Europe. Most of the men's suitings are sold to houses which specialize in importing tailors' supplies, or direct to the large tailors.

In wool felts other than those for hats, 79,000 kilos were imported in 1929, of which 57,000 came from Germany, 9,000 from the United Kingdom, 7,000 from France, and 3,000 from Italy.

Argentine import statistics of haircloth do not credit the United States with any shipments in 1928 or 1929. In the latter year imports were 18,892 kilos, of which 14,311 came from the United Kingdom, 2,110 from France, 2,219 from Germany, and 252 from the Netherlands.

CARPETS AND RUGS

United States exports of carpets and rugs of wool to Argentina are also negligible. Such exports amounted in 1928 to 129 square yards, valued at \$425; in 1929 to 648 square yards, with a value of \$6,890; and in 1930 to 62 square yards, valued at \$242.

Local production of rugs is limited to the output of one or two small workshops and to a few native rugs of home manufacture, similar to the American hooked rugs. Fairly large quantities of rugs are imported. The import statistics divide them into three types—those of cut pile, those of uncut pile, and other wool rugs. Imports in 1929 of the first class were 127,000 kilos, supplied mainly by the following countries: Germany, 57,000; United Kingdom, 40,000; France, 16,000; Belgium and Czechoslovakia, each about 6,000. Very small quantities came from a number of other countries. In rugs of uncut pile, 49,000 kilos were imported, of which the United Kingdom shipped 37,000, Germany 7,000, and other countries negligible quantities. In other wool rugs approximately 59,000 kilos were imported, chiefly from the following countries: British possessions, 19,000; United Kingdom, Turkey, and France, each about 8,000; Spain, 5,000; and Germany, 3,000.

In general, the American rugs are said to be higher priced than those imported from Europe. Some effort to introduce United States products might be made by having an agent carry small stocks for sale to four or five of the principal retail stores, which could be furnished with sample swatches in much the same way as the business in felt-base linoleum rugs is handled.

JUTE AND JUTE MANUFACTURES

United States exports of jute and jute manufactures to Argentina are very small, although the latter country imports large quantities from other nations. No jute fiber was sent from the United States to Argentina in recent years, and exports of jute yarn, cordage, and twine amounted to only 316 pounds, valued at \$38, in 1928; no exports were shown for 1929 and 1930. United States exports of jute bags to Argentina in 1928 were 11,856 pounds, with a value of \$2,342, but there was a decrease in 1929 to 2,694 pounds, valued at \$858, and in 1930 such exports were only 717 pounds, with a value of \$149. Other jute manufactures totaled 1,793 pounds valued at \$350 in 1928, increased in 1929 to 2,440 pounds valued at \$500, and fell in 1930 to 2,202 pounds valued at \$588. Direct imports from the British Empire at lower prices and with a saving of freight keep the United States from securing any appreciable business in jute goods in Argentina.

Argentine imports of raw jute in 1929 amounted to 3,133,000 kilos, of which a little over half was received from the United Kingdom, and the remainder chiefly from India and other countries of the Far East. As India is the world's only commercial source of raw jute, it may be assumed that receipts from other countries are transshipments. In jute yarn 2,571,000 kilos were imported, of which 1,636,000 came from the United Kingdom and 920,000 from British possessions.

BURLAP

The largest item in this trade, however, is jute burlap for making bags. Imports of burlap totaled 113,524,000 kilos in 1929, of which 100,563,000 came from British possessions, 8,054,000 from the United Kingdom, and the rest mainly from other countries of continental Europe. Shipments from the United States amounted to only 4,452 kilos.

Burlap is imported to make sacks for transporting grain and is cut and sewn by numerous small and a few large factories, whose output in 1930 was approximately 166,000,000 bags, according to statistics published by the Argentine Government, which exercises control over the supply of bags to avoid extortion from the small farmers at harvest time. The lack of grain elevators and other equipment for handling wheat and corn in bulk has resulted in this large demand for burlap bags. During 1931 a number of cooperative elevators were constructed and plans made for many more. This development may decrease the demand for grain sacks.

Although jute is not woven locally, because of the lack of protective duties on jute burlap, a certain amount of jute spinning is carried on in two or three local mills which use the product principally for braiding to form the soles of alpargatas, or canvas footwear. Some jute twine is made locally. (See section on cordage, p. 101.)

FLAX, HEMP, AND OTHER VEGETABLE FIBERS

LINEN

United States exports of linen goods to Argentina are considered to be unimportant. Linen fabrics are not separately classified, but appear in the United States export statistics under the head "Flax, ramie, and hemp manufactures," the total value of which in 1928 reached \$6,591, increased in 1929 to \$20,461, and fell slightly in 1930 to \$17,499. Some of this may be flax sewing thread, imported by firms selling shoe-manufacturing machinery and supplies, as the American equipment is very firmly established in Argentina.

The United States seems unable to compete with other countries in manufactures of linen. Argentine imports of unbleached linen

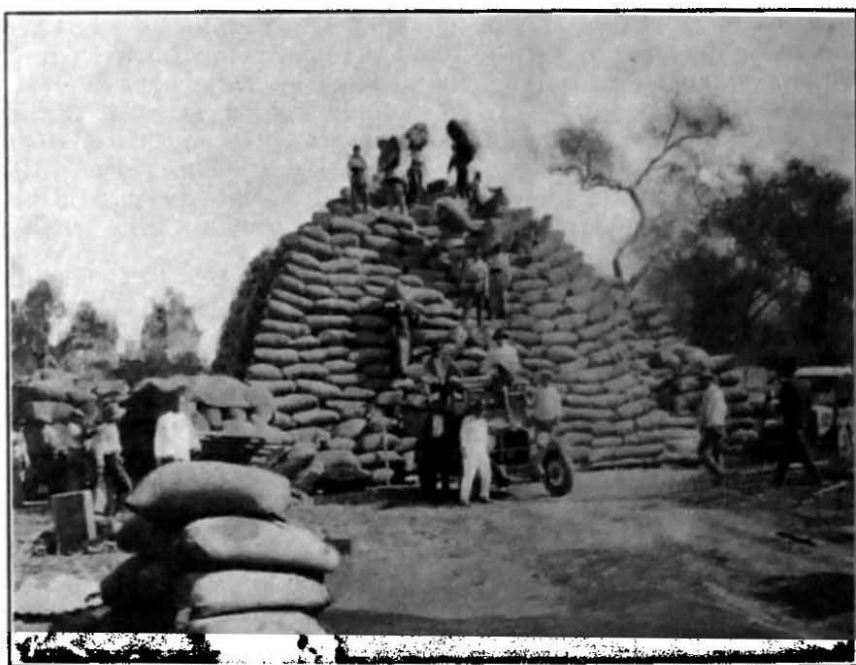


Figure 10.—Burlap bags are used for grain and cotton

cloth amounted to about 254,000 kilos in 1929, and those of bleached or colored linen cloths aggregated approximately 400,000 kilos, while linen tablecloths, sheets, pillowcases, handkerchiefs, and similar items reached a total of about 100,000 kilos. These linen products came principally from France and Belgium, each of which supplied about 23 per cent (on the basis of tariff valuations), followed by the United Kingdom with 19 per cent, the United States 16, and Germany 9. It is impossible from available data to reconcile the comparatively large shipments of linen manufactures credited to the United States in the Argentine statistics and the much smaller figures given in United States export returns.

Two local mills manufacture linen goods, comprising mostly linen-mixed tickings for mattresses.

There seems little likelihood that the United States will secure any appreciable increase in business in linen products, in view of the difficulty of competing with foreign countries which specialize in this line.

HEMP DUCK

Although the United States supplies none, Argentina imports large quantities of textiles (other than cordage) made of hemp. These are principally hemp duck used for tarpaulins, mainly for covering machinery, haystacks, and railway flat cars. In hemp duck and other hemp cloths, imports in 1929 amounted to 1,428,000 kilos, of which Italy supplied 1,024,000, United Kingdom 202,000, Germany 123,000, and other countries smaller amounts. Imports of this class fell to 495,000 kilos in 1930. Most of this duck is waterproof, usually with a paraffin finish. As the price of hemp duck is said to be 20 to 30 per cent lower than that of American waterproofed cotton duck, competition from hemp duck is a large factor in limiting the sale of the American cotton product to negligible quantities.

In Argentine import statistics a separate classification is given to special duck used for covering railway cars and grain sacks. This material can be imported free of duty if it is proved that it is used for these purposes. In this category 487,000 kilos were imported in 1929, principally from the United Kingdom (461,000 kilos). In 1930 the amount entered free of duty was 244,000 kilos. The large British shipments in 1929 are probably explained by importations by the British railways, which control most of the mileage in Argentina. It is likely that much of the duck imported by these railways is of flax similar to that sold in British Dominions.

Local production of hemp duck is very small. In 1930 it was reported that the big Italian manufacturers of hemp duck were planning to establish a plant in Argentina, but nothing further has been heard of the project.

CORDAGE

The United States sells to Argentina large amounts of binder twine and small quantities of other cordage made of various kinds of fiber.

UNITED STATES EXPORTS OF CORDAGE (OTHER THAN COTTON OR JUTE) TO ARGENTINA, 1928-1930

Cordage, except of cotton or jute	1928		1929		1930	
	Pounds	Value	Pounds	Value	Pounds	Value
Binder twine.....	4,499,072	\$448,358	5,511,202	\$507,212	3,999,136	\$435,418
Sisal or henequen cordage.....	2,379,905	239,773	6,525	1,008	997	133
Manila cordage.....	482,487	53,707	31,273	7,442	32,137	6,219
Other cordage.....	1,506	268	13,241	4,725	3,499	1,224
Total.....	7,362,970	742,106	5,562,241	580,387	4,035,769	442,994

Types of cordage used.—Binder twine is by far the largest item in this trade, and the one in which the United States supplies the bulk of the imports. This twine is used principally in agricultural machinery (binders and reapers). It enters duty free when its destination for agricultural use is proved. The increasing use of combine harvesting machines, which cut and thresh the grain and put it into bags in one

continuous operation, is causing a decrease in the demand for binder twine which will probably continue to decline at an even greater rate in the future.

In other types of cordage American sales are relatively small owing to large importation from other foreign countries at lower prices, and to some extent on account of competition from local manufacturers.

Local production.—The manufacture of rope and twine, mostly from hemp of various kinds, is carried on in five local factories. Two of these are cordage works only, while the others make cordage as a by-product of the manufacture of alpargatas, cotton duck, and other products. In general, however, local production does not yet supply the bulk of the Argentine demand except, perhaps, in twine. One factory produces fairly large quantities of sisal twine, similar to binder twine but of better quality, for use in tying its own packages and for sale to other businesses. In this they can compete with the imported product which has to pay duty, but not with the duty-free binder twine.

Import trade.—Argentine imports of cordage other than jute or cotton in recent years are shown in the following tables:

ARGENTINE IMPORTS OF CORDAGE (EXCEPT COTTON), 1928-1930

Item	1928	1929	1930
	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>
Sewing thread, linen and hemp ¹	127, 432	102, 497	108, 680
Wool-tying twine.....	124, 290	185, 128	216, 475
Bag-sewing twine.....	3, 261, 400	2, 715, 030	1, 649, 862
Binder twine.....	7, 669, 638	7, 404, 866	5, 977, 958
Other twines of hemp or jute.....	158, 998	128, 747	101, 996
Rope:			
Untarred.....	2, 199, 716	1, 573, 653	1, 873, 265
Tarred.....	33, 707	53, 419	47, 510

¹ For shoes and saddles.

ARGENTINE IMPORTS OF IMPORTANT TYPES OF CORDAGE, BY COUNTRIES, IN 1929

Country of origin	Sewing thread, linen and hemp	Wool-tying twine	Bag-sewing thread	Binder twine	Rope, untarred
	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>	<i>Kilos</i>
Belgium.....	3, 921		14, 749	1, 479, 482	39, 169
British possessions.....		75, 563	2, 823		
Germany.....	8, 255	78, 534	100, 390	68, 987	21, 756
Italy.....	6, 280	600	1, 459, 693		879, 137
Netherlands.....			6, 104	1, 895, 547	9, 372
United Kingdom.....	77, 866	11, 745	814, 908	51, 180	893, 774
United States.....	3		291	3, 034, 876	15, 024
Other countries.....	6, 143	13, 686	316, 792	874, 795	15, 421
Total.....	102, 497	185, 128	2, 715, 030	7, 404, 866	4, 873, 684

In binder twine, as will be seen from the foregoing table, the United States secures most of the business, with some competition from the Netherlands and Belgium. In sewing threads of flax and hemp (chiefly for shoes and saddles) the United Kingdom has the bulk of the trade, with a slight competition from Germany, Italy, France, and Belgium, but practically none from the United States. In twine for sewing grain sacks Italy has over half the import business; smaller amounts come from the United Kingdom and other countries.

In twine for tying wool fleeces the product mostly used is of jute, but there is a growing use of paper twine, as the jute fibers tend to mix with the wool, thus interfering with manufacture. Paper twine is now supplied almost entirely by Germany, in a lighter weight than the American product. This type is wanted not only because it is cheaper, but particularly so that the men who tie the fleeces may save time by being able to break the twine instead of having to cut it.

In rope, Italy, the largest supplier, is followed rather closely by the United Kingdom; the amounts shipped by other countries are relatively small. The demand for rope for use on shipboard is somewhat limited by the fact that many of the ships are of foreign registry and their owners purchase ropes at the home port, and because the Argentine Navy has a direct buying commission in Europe. American prices are said to be higher than those of Europe, one alleged cause of which is the higher freight rates from the United States.

One of the principal British rope factories has a sales branch in Buenos Aires which carries stock. Ropes from other countries are usually sold by manufacturers' agents to various importers, or by an exclusive local distributor who is usually in the machinery or hardware trade.

WEARING APPAREL

Nearly all the wearing apparel used in Argentina is manufactured or made locally. In articles of clothing made of woven cloth, the material is usually imported at a relatively low rate of duty and cut and sewn locally.

In knit goods the yarns are usually imported and the hosiery, underwear, and outerwear knit locally in a number of factories, many of which are fairly large. Men's felt hats also are made in factories of fair size, but most of the materials used in this manufacture are of domestic origin. Other articles of clothing are generally made in small workshops attached to retail stores and by the large number of small tailors and dressmakers. A considerable proportion of women's clothing is made at home. There is, however, a tendency toward increased manufacture of ready-made clothing by wholesale houses or small manufacturers. This tendency will probably continue, in keeping with the increasing industrialization of Argentina.

The duties are the principal obstacle to the sale of American ready-made wearing apparel. These varied in 1931 from 2.13 gold pesos per kilo for cotton hosiery up to 90 gold pesos each for women's silk dresses, irrespective of their invoice price. (See table of exchange rates, p. 9.)

As the duties are frequently subject to change, mention has not been made of them in the following chapters on wearing apparel, except in the case of the most important items, when the duties prevailing in 1931 are indicated. Interested firms can secure up-to-date information on the duties on these products by application to the Division of Foreign Tariffs, Bureau of Foreign and Domestic Commerce, Washington, D. C., or to the nearest district office of the bureau.

The general tendency has been toward increases in the duties on these products during the last ten years, particularly in the case of knit goods, as this industry has developed to a large extent within the past decade. Usually the duties are specific, at so much per article or per kilo of weight, rather than ad valorem. This manner

of assessing duty—and the existence of the duty itself—limits imports to the high-grade articles which are purchased by the wealthier Argentines or foreign residents who are willing to pay the correspondingly higher prices in order to have an article of clothing of better quality which suits their individual tastes.

BRANDED GOODS

Most of the wearing apparel thus sold is branded goods, the manufacturers of which have built up in Argentina, principally through advertising, a reputation for excellent products. Their trade names have become so firmly established that they are almost synonymous with good quality. In many cases this reputation was established at a time, some years ago, when the duties were relatively lower and these products were sold in large quantities because of a lack of local manufacture. As the Argentine industry grew and the duties were raised to protect it, imports were reduced, in some cases gradually but in others sharply. A certain number of people who had used the American products with satisfaction in the past continue to ask for them and are willing to pay to have them.

A few articles of wearing apparel not previously sold in Argentina but widely advertised in the United States have been introduced in Buenos Aires in recent years by stores which found they could sell them to the American residents who were accustomed to buying the same article in the United States. In some cases, the stores have been able to extend their sale to Argentines, although frequently it has been found necessary to change the cut or style to suit local tastes. Men's ready-made wool suits are an example of this.

Unbranded American merchandise is much more difficult to sell, as it must be offered at a higher price than the local product, and the purchaser of unbranded goods is usually more interested in price than in quality; hence he buys the domestic article. The introduction of wearing apparel of brands unknown in Argentina must generally be accompanied by extensive advertising. While this method is effective it is also very costly, and a manufacturer interested in entering the Argentine market must study local conditions carefully in order to see just what amount he can spend with a fair prospect of selling sufficient merchandise over a period of years to repay him for the original investment. Usually this allowance for advertising must be larger the first year than thereafter, rather than based on a straight 5 per cent of the value of the orders during the initial year, as these are frequently not large enough for the advertising to secure any effect. Without an appropriation for advertising, however, few agents or retailers will attempt to introduce an unknown brand of clothing.

Sales of American wearing apparel to Argentina suffered a sharp decline in most articles during 1930 and 1931, principally owing to the fluctuation and general depreciation of the Argentine peso. The higher cost to the Argentine consumer, whose salary in pesos remained the same, naturally made him restrict his purchases, or, more especially, forced him to buy wearing apparel made in Argentina.

DISTRIBUTION

Wearing apparel is usually sold by manufacturers' agents resident in Buenos Aires, who sell to the better retail stores and the exclusive shops handling men's wear. Generally the orders are taken for direct shipment by the factory to the retailer, on terms of 60 to 90 day sight drafts. In some cases the agent carries stocks. In various articles the sale is confined to a single retail store, in which case the services of an agent are frequently dispensed with. In almost no case is the business sufficiently large for sales to be made to wholesalers.

American manufacturers may find it practically impossible to sell certain goods in Argentina because of local production, although there will always be a small market for imported wearing apparel, particularly well-known brands and the latest styles, or articles presenting some feature of superior quality or greater novelty than the competing articles manufactured in Argentina.

HOSIERY

Argentina was formerly a much larger market for American hosiery than it is at present. In 1928 and 1929 it was the third largest customer for American silk hosiery, having bought \$1,400,000 worth in 1928. Local production began on an important scale the following year and reduced American sales in 1929 to a little more than \$1,000,000. In 1930 and 1931 this competition, aided by the depreciation of the Argentine peso and the additional factor of generally depressed business conditions, so affected American exports that they fell to about \$500,000 in 1930 (although Argentina was the second largest market) and were further reduced to about \$143,000 in 1931. Despite this decline the United States need not feel that the market is entirely lost, for when conditions become normal the high quality of American silk hosiery will assure it a limited demand in Argentina. It seems practically certain, however, that American silk stockings will cease to be an important wholesale item, and that sales will be limited to small orders from retailers for a few brands of trademarked hosiery already well known locally. A similar transition occurred some years ago in cotton hosiery, but a few American manufacturers continue to sell some cotton wear (mostly men's socks)—reaching a value of \$40,000 in 1930—and smaller amounts of rayon hosiery, notwithstanding the large local production which at present supplies most of the market requirements in these types. American sales of wool hosiery, however, are negligible, and seem likely to continue so.

UNITED STATES EXPORTS OF HOSIERY TO ARGENTINA, 1928-1931

Hosiery	1928		1929		1930		1931	
	Dozen pairs	Value	Dozen pairs	Value	Dozen pairs	Value	Dozen pairs	Value
Silk:								
Women's, seamless.....	9, 034	\$60, 833	8, 241	\$109, 836	101	\$869	991	\$5, 706
Women's, full-fashioned.....	92, 057	1, 162, 037	66, 072	840, 295	35, 789	410, 768	9, 788	106, 129
Children's.....	1, 808	9, 071	12	132	300	1, 055		
Men's.....	24, 894	152, 176	22, 445	136, 075	16, 179	81, 810	7, 459	30, 795
Total.....	127, 788	1, 415, 017	96, 770	1, 086, 338	52, 369	494, 462	18, 238	142, 630
Rayon:								
Women's.....	2, 418	14, 388	1, 894	5, 109	2, 150	8, 872	245	921
Children's.....	3, 977	9, 302	178	739	103	390	10	32
Men's.....	9, 572	48, 009	9, 551	42, 680	1, 891	5, 304	3, 012	9, 994
Total.....	15, 967	69, 769	11, 723	51, 737	4, 144	17, 778	3, 267	10, 947
Cotton:								
Women's.....	7, 508	16, 177	3, 662	11, 821	1, 919	4, 704	3, 678	10, 239
Children's.....	9, 364	21, 306	1, 785	3, 582	1, 252	2, 465	172	287
Men's.....	23, 390	65, 855	15, 210	46, 060	10, 386	30, 628	7, 275	19, 750
Total.....	40, 262	103, 340	20, 657	61, 463	13, 557	38, 097	11, 025	30, 246

Wool stockings are not separately classified in United States export statistics but are included in "Wool knit goods, other than bathing suits," which in 1928 amounted to \$1,708, increased in 1929 to \$5,476 and in 1930 to \$5,908.

Types of silk hosiery sold.—The largest proportion of American sales is in women's full-fashioned silk stockings. During the past two or three years there has been a growing tendency in Argentina to use the openwork clock, while at the same time this decoration had been going out of favor in the United States. In 1931 plain hose without clocks were completely out of style locally, and it was necessary for American mills which wanted to sell in Argentina to make special stockings for that market.

Up until December 16, 1930, the duties on hosiery containing over 40 per cent silk were very much higher than on those with less than that proportion. Hence, it was necessary for American mills to make special stockings for Argentina containing not over 38 per cent silk, United States method of testing. These are still preferred, but a 50 per cent reduction in the duties (decreed on the aforementioned date) on hosiery with a silk content of more than 40 per cent makes the latter product cost very little more, so that selling is somewhat easier for American mills which do not want to make special stockings for the Argentine market.

Aside from the two points just mentioned, the styles of stockings are substantially the same as those worn in the United States and similar colors are wanted. In 1931 grenadine and mesh silk hose were introduced but did not gain favor during that year.

Foreign competition.—The United States has very little competition from other countries in selling silk hosiery to Argentina except in the high grades containing from 50 to 100 per cent silk, which are supplied mostly by France. Germany secures a little business in medium-grade hosiery. The manufacturer of one German brand has worked out an arrangement whereby the better qualities are sent from the German mills, and the cheaper grades are manufactured for them in

Argentina by local mills. This company maintains a chain of retail stores in Buenos Aires selling only its hosiery. This same idea might offer a solution to American mills making brands well known in Argentina, provided they find in the future that they are shut out of this market because of the more serious competition from local producers.

Local production of hosiery.—For some years Argentine hosiery manufacturers controlled most of the demand for cotton and rayon hosiery, but it was not until 1928 that they began to manufacture full-fashioned silk hose in appreciable quantities. Argentine imports of silk yarn for making hosiery have shown remarkable increases in much the same proportion as imports of silk stockings have recorded declines. (See section on silk yarns, which gives further details as to the number of local mills and machines for making full-fashioned wear.)

Duties on hosiery.—The effect of peso depreciation was somewhat offset in the hosiery trade by price reductions by American mills during 1931. Nevertheless, local mills were able to offer their products at substantially lower prices than quotations on imported goods. Up to October 9, 1931, the duties on hosiery containing from 25 to 40 per cent silk were 7.52 gold pesos per kilo, while those on silk containing more than 40 per cent silk were 9.14 gold pesos per kilo. On October 9, 1931, the Provisional Government issued a decree which raised the duty on hosiery containing from 25 to 40 per cent silk to 8.80 gold pesos per kilo, and on hosiery containing more than 40 per cent silk, to 10.72 gold pesos per kilo. (See table of exchange rates, p. 9.)

Outlook for American silk hosiery.—While the return of the peso to par will probably result in an increase in American hosiery sales as compared with those of 1931, local merchants believe that the domestic industry will continue to supply the bulk of the Argentine consumption of silk hosiery, leaving for American mills only that small business in branded hosiery sold by the better retail stores. Moreover, it is not unlikely that this business will be limited almost entirely to brands for which the trade names are already established locally.

Rayon hosiery.—American sales of rayon hosiery in Argentina are quite small because of the large local manufacture of those products. As rayon hosiery costs less than silk, there is less room for the argument of the better quality of American rayon socks as compared with the local product. When it is realized that there are in Argentina approximately 79 mills making rayon hosiery and using a large proportion of the more than 2,000,000 pounds of rayon yarn imported annually into Argentina, much credit is due to American mills for securing as much business as they have in rayon hosiery for Argentina. The export figures, however (see table on p. 106), show that sales have decreased to very small proportions.

Most of the shipments consist of men's socks. As previously mentioned, this hosiery is not of pure rayon but of rayon mixed with cotton and silk, in fancy designs, of a type not manufactured locally. Generally speaking, the sale is confined to several advertised brands, but the manufacturer offering designs which appeal to the Argentine taste and which are not offered by others, can expect to sell, despite competition from local or other American mills.

American cotton hosiery.—Notwithstanding the high protective duties and the large local manufacture, several American brands of

high-grade cotton socks for men continue to sell in Argentina. These are goods which were well advertised in the days when the United States supplied great quantities of cotton hosiery to Argentina; hence they continue to sell among Argentines who insist upon having these brands because of the better wear secured from them. Other unadvertised brands sell in small quantities to the better retail men's-wear stores in Buenos Aires. The socks most generally sold are in black or plain colors, and are of reinforced constructions.

A small quantity of women's cotton-lisle hosiery is shipped. Most of that imported, however, comes from Germany, which supplied in 1929, the latest year for which figures are available, 14 of the 29 metric tons imported.

Wool hosiery.—American sales of wool hosiery to Argentina are very small, and there seems little opportunity for expansion. Argentine import statistics in 1929, the latest available, credit the United States with one-tenth of a ton of wool hosiery, in a total of 19 metric tons imported. Of the remainder, 14.6 tons came from the United Kingdom, 2.3 from France, and 1.7 from Germany. Wool hosiery is not separately shown in American export statistics, but as the value of wool knit goods other than bathing suits was only \$1,703 in 1928, the amount of wool hosiery shipped must be very small. Exports of this classification in 1929 and 1930 showed increases, but are thought to comprise mostly wool underwear, principally for children, sold by one American company.

Argentina, a large producer and exporter of wool, also makes wool hosiery both from domestic and from imported yarn. Several brands of British and German hosiery secure a fair sale at prices lower than quotations from the United States.

UNDERWEAR

The United States sells to Argentina small quantities of high-grade underwear of better quality than that manufactured locally, the principal classes of which are shown in the following table.

UNITED STATES EXPORTS OF UNDERWEAR TO ARGENTINA, 1928-1930

Underwear	1928		1929		1930	
	Dozens	Value	Dozens	Value	Dozens	Value
Cotton:						
Knit.....	3,781	\$20,993	9,004	\$48,346	5,782	\$33,970
Not knit.....	1,060	12,064	3,005	18,448	1,548	9,080
Rayon, knit.....	13	147	3,859	24,760	6,127	42,259
Silk.....	554	1,125	752	2,053	194	600
Wool ¹	123	1,708		5,470		5,908
Total.....	6,471	36,087	16,620	99,133	13,651	91,768

¹ Includes all wool knit goods other than bathing suits.

Types sold.—Knit underwear shipped from the United States to Argentina has usually been confined to high-grade mercerized cotton and silk or rayon underwear sold under trade names well known in Argentina. Some of this has been sold by the agents of American manufacturers of silk hosiery, who also offered underwear of the same brand and marketed it on the strength of the good reputation of their

hosiery. In 1928, however, one American mill which specializes in knit underwear made a determined and successful effort to introduce its goods into Argentina in larger quantities. This mill established a branch office, which carries stock and sells to the better retail stores.



Figure 11.—Large retail clothing store, representative of such establishments in Buenos Aires

The fact that a good part of its retail sales are of cotton or wool underwear for infants is attributable to the fact that Argentines are notably fond of children and are willing to buy the best available for them. Despite serious price competition from local mills, increasing amounts of rayon underwear have been sold because of its superior quality.

Most of the underwear sold is the 2-piece type of garment rather than union suits or combinations. In underwear not knitted, one well-known brand of men's athletic summer wear has been sold in fair quantities by a local agent who carries stock. The type of cloth used in these garments, pajama check, thereafter became popular in Argentina, so that a large local production of similar underwear resulted in serious price competition to the American goods. (See section on pajama checks, p. 68.)

In underwear of silk or cotton cloth for women small amounts of the highest-grade garments are imported, but most of the underwear used is cut and sewed locally from imported cloth.

Local production.—The local production of knit underwear also is quite large, there being 20 to 30 mills making these garments of cotton, wool, or rayon.

Argentine import statistics do not classify underwear separately. Undergarments of cloth are included in the general classification "Clothing," and knitted garments are included in the group "Knit goods, other than hosiery." Imports of knit goods of cotton amounted in 1930 to 60,309 kilos, as compared with 53,084 in 1929, when these came principally from the United Kingdom (15,000 kilos), France (13,000), United States (9,000), and Germany (8,000).

Imports of knit goods of cotton mixed with other fibers were 5,193 kilos in 1930 as compared with 6,474 in 1929, when these were supplied by France (2,200), United Kingdom (1,800), and the United States (1,700).

In knit goods of linen or imitation linen 9,244 kilos were brought into the country in 1930 as compared with 9,566 in 1929, in which year France was the principal supplier (with 6,200), followed by the United Kingdom (1,200).

Imports of knit wear made of silk or rayon are given in official Argentine statistics as only 1,029 kilos in 1930 in comparison with 1,237 in 1929, when the United Kingdom was credited with 381, France with 328, Switzerland with 203, Germany with 134, and the United States with 106 kilos.

Of knit goods of wool or mixture, imports in 1930 were 102,436 kilos in comparison with 122,867 in 1929, in which year the bulk came from the United Kingdom (72,000), France (29,000), and Germany (10,000). The quantity from the United States was 1,050 kilos.

Two British makes of knit wool underwear are very widely sold in Argentina. The foregoing statistics for wool knit goods probably include bathing suits and knitted outer wear, which are discussed separately in the following sections.

BATHING SUITS

In 1930 Argentina was the second largest foreign market for wool bathing suits from the United States. Shipments to Argentina increased from 1,434 dozen, valued at \$54,360, in 1927, to 1,829 dozen, valued at \$64,832, in 1928, and to 3,618 dozen, with a value of \$115,269 in 1929. There was a slight decrease in 1930—to 3,102 dozen, valued at \$106,418—and in 1931, to 1,259 dozen, valued at \$40,905.

Plain styles and dark shades were estimated to make up about half the total orders in 1930. Municipal regulations in most towns prohibit the use of 1-piece suits without skirts, so that most of the

sales are in the 1-piece type with skirt. A considerable number of men's 2-piece suits are sold, and orders for trunks and jerseys are sometimes taken separately.

There is very little competition from European bathing suits, although a few British, Canadian, and German lines are offered. The 8 or 10 American lines in the market have nearly all the import business. The largest part is secured by one of the first brands to enter Argentina, which has firmly established its trade name locally.

There is, however, a large and increasing local industry which supplies practically all the cotton bathing suits, and since 1929 has begun to copy the American styles in wool suits. The mills operate under a protective duty on the wool article which was about 1.70 gold pesos per kilo up until September 21, 1931, when it was increased to about 2.25 gold pesos per kilo. There was a further increase on October 9 of 10 per cent of valuation. Notwithstanding this duty protection, it is claimed that the local product does not yet equal the American, and as swimming is rapidly increasing in popularity in Argentina, local agents are of the opinion that after the generally dull business conditions have passed, there will still be a fairly good demand for the American bathing suits among the wealthier people.

KNITTED OUTERWEAR

The United States sells to Argentina negligible quantities of knitted sweaters, owing to large local manufacture and to widespread home knitting. A few sport sweaters are imported from Europe, mostly from the United Kingdom, usually at lower prices than such goods can be shipped from the United States.

GARTERS

The United States continues to sell to Argentina certain quantities of men's garters, particularly of one or two well-known makes which are well established in the market. Exports of garters and armbands to Argentina in 1928 amounted to 63,480 dozen pairs, valued at \$93,403. Shipments decreased in 1929 to 38,722 dozen pairs, but with a higher value of \$95,358, and there was a further decline in 1930 to 25,056 dozen pairs, valued at \$43,163. Suspenders and braces represent a smaller item, shipments of which in 1918 were 951 dozen (\$4,567); in 1929, 1,009 dozen (\$3,829); and in 1930, 607 dozen (\$2,064).

These shipments are mostly of men's better-grade garters, which can compete to some extent with the large production of the local manufacturers who import the elastic webbing and metal parts, principally from Europe. One or two other European brands of garters are sold, but the total demand is small. American garters are sold by confining each brand to a wholesale distributor who sells to the retailers.

CORSETS AND BRASSIÈRES

Although some years ago they were fairly important, United States exports of corsets and brassières to Argentina in 1931 were very small, as were also Argentine imports from other countries. United States exports of corsets, brassières, and girdles in 1928 totaled 5,254 garments, valued at \$11,539, increased in 1929 to 10,248 garments (\$19,269), but dropped in 1930 to 5,846 garments (\$10,998).

One make of American corsets, formerly very well known in Argentina, continues to be imported in very small quantities by one retail store. The remainder of the importation is considered to consist almost entirely of cotton corsets.

Corsets are manufactured locally by a few fairly large houses, but principally by numerous small retail shops specializing in these garments and making large proportions of their corsets to order.

There is practically no competition from other foreign corsets, as the United States is credited with 212 dozen of the 224 dozen imported in 1928, and with 174 of the 202 dozen imported in 1929. Previous to 1927 Argentine import statistics for corsets were separated according to whether they were of cotton or whether they contained silk or rayon. Of the total imported in that year 276 dozen were cotton, and only 3 dozen contained rayon or silk; those of the latter type came from France.

Numerous attempts in recent years to introduce into Argentina brands of corsets well known in the United States have been entirely unsuccessful, owing principally to the duties. Another handicap has been that the corsets would have to be made especially for the local market, as the proportions of the average Argentine woman are said to be different from those of the average types in the United States. A further objection raised by prospective retail distributors is that they would have to carry a fairly large stock in order to have even a few sizes of each pattern, and a rapid change in style would leave them with obsolete models on hand. The market for brassières is similarly dominated by local manufacturers to the practical exclusion of the imported article.

HATS

The United States continues to sell to Argentina fairly large quantities of men's high-grade felt hats of one or two well-known brands. Men's straw hats are a small item, while exports of hats of all kinds for women are negligible.

UNITED STATES EXPORTS OF HATS TO ARGENTINA, 1928-1930

Item	1928		1929		1930	
	Number	Value	Number	Value	Number	Value
Men's and boys' fur-felt hats.....	27, 096	\$197, 061	26, 842	\$167, 231	24, 436	\$160, 218
Women's and children's fur-felt hats.....	13	151	97	544	36	86
Wool-felt hats.....	1, 248	8, 411	6, 043	43, 379	5, 017	32, 062
Hats of straw, palm leaf, etc.....	26, 209	6, 147	40, 041	11, 074	22, 969	9, 939
Other hats and caps.....	39, 118	8, 718	33, 494	11, 249	30, 329	4, 239

These hats usually have to be manufactured especially for Argentina, as the styles wanted are different in slight details from those popular during the same season in the United States; the crown is wanted a little lower or higher, the brim a little wider or, more usually, a little narrower.

Several grades of felt hats are sold, each with a corresponding price standard, but in general the largest sale is in the quality which competes in price with the best-grade local hats. A smaller number of high-priced hats are sold. The largest selling brand is a hat (well

known in the United States and Argentina) which is handled by a manufacturer's agent who sells to a number of retail stores dealing in men's wear. The manufacturers of one or two other brands of hats confine their sales to one local store in Buenos Aires for each brand.

Straw hats are sold by the same companies; but one or two other manufacturers secure some of the business by selling to various retail stores through a resident agent. Caps are handled in much the same way, but the sale is very small.

There is a large local production of men's felt hats, the felt for which is made of Argentine rabbit or nutria fur. The leather sweat bands and the ribbons are usually imported, although a few are made in Buenos Aires. There are several fairly large hat manufacturers and a number of medium-sized and smaller establishments. In 1929 these makers put on a cooperative campaign urging Argentine men to buy the domestic article because of its allegedly equal or better quality at a lower price.

Hats of plain straw used to be imported in fair quantities from Italy but at present practically all Argentina's requirements are supplied locally; imports are limited to the better quality straw hats, such as panama and special types made in other parts of the world.

Women's hats also are almost entirely made locally, although there is some importation of the felt cloches and straw forms. Almost none of these come from the United States.

Foreign competition in fur-felt hats is quite noticeable from the United Kingdom, which supplies several makes sold principally in British-owned stores in Buenos Aires. In 1929 and 1930 one trademarked brand made a successful effort to enter the market through a widespread advertising campaign. The chief foreign competition, however, is from a well-known Italian brand, which offers a lower-priced felt hat competing with the medium-grade Argentine hats, with the result that in 1929 Italy supplied practically two-thirds of the imports.

Men's and boys' fur-felt hats imported into Argentina in 1928 were 7,906 dozen, of which Italy supplied 4,291, the United States 2,406, the United Kingdom 1,077, and other countries 132. The next year showed considerable increase in Italian shipments, 6,218 dozen of a total importation of 9,742, while receipts from the United States declined to 2,168, those from Great Britain increased to 1,173 dozen, and shipments from all other countries rose to 183 dozen. The 1930 imports totaled 9,290 dozen, but figures by countries of origin were not available at the time of writing. Hard fur-felt hats are not separately shown by countries, but total imports were only 158 dozen in 1928, 178 dozen in 1929, and 271 dozen in 1930.

Men's and boys' wool-felt hats are supplied almost entirely by Italy, which was credited with 4,504 dozen of the 5,349 dozen imported in 1929; and the United States was third, with 234 dozen.

Women's and girls' hats, made of various fibers, were imported in 1929 to a total of 57,435 dozen, of which Italy supplied 25,000, France 13,000, Germany 8,000, Austria 3,000, and other countries lesser amounts.

The prospects seem fairly good for continued sale in reasonable quantities of those brands of American hats already established in the market. Other brands well known in the United States could also enter if supported by sufficient advertising, although several attempts

to introduce such hats without advertising have been noticeably unsuccessful in the past.

MEN'S WOOL SUITS

Between 1928 and 1930 a considerable quantity of men's ready-made suits of one well-known American make were sold in Argentina owing to the enterprise of one retail store controlled by Americans. The duties during those years on regular business suits amounted to approximately 11.28 gold pesos per suit. While this was relatively high, the suits could still be sold to a number of Americans who prefer to buy the ready-made article and who know the trade-mark brand from purchases made in the United States. On September 21, 1931, these duties were raised to approximately 33.84 gold pesos per suit.

The United States exports to Argentina of men's and boys' wool clothing other than knit goods amounted in 1927 to only 36 garments valued at \$90. In 1928 the classification was changed to "Men's and boys' overcoats, suits, and pants," exports of which reached a total of 9,352 garments, valued at \$170,299. Shipments in 1929 showed a slight decrease to 8,736 garments, valued at \$134,377. The sale to British interests of the aforementioned American-owned retail store which was importing these suits probably accounted in part for the decrease in imports in 1930 to 3,188 garments with a value of \$56,348.

These suits were made both of winter and of summer materials, and in general had the same good workmanship as suits made for domestic trade in the United States, but the lines were somewhat modified to conform to Argentine taste so that the suits could be sold to other than American residents. In some cases it was alleged that the woolen materials used were of British manufacture imported into the United States for the purpose and reexported under the duty drawback privilege.

A large proportion of the Argentine suits of all grades are made to order, and heretofore ready-made suits have been confined to the cheapest qualities. The introduction of these garments from the United States, however, is considered by local merchants to have increased the tendency toward the local manufacture of ready-made suits of better quality. The large stock that must be carried by even one store in order to have a few sizes of each pattern and cut of suit will make it exceedingly difficult for local retailers to import the small number which could be sold to those willing to pay the higher prices.

OTHER WEARING APPAREL

There has been a small demand for men's shirts, particularly for sale to American residents, in styles current in the United States but not usual in Argentina. United States exports to Argentina in 1928 were 316 dozen valued at \$3,511, and in 1929 were 348 dozen valued at \$3,189, while in 1930 they were 295 dozen, but had a higher value of \$7,182. The decree on September 21, 1931, doubled the existing duties on shirts.

In collars and cuffs there is practically no sale owing to large local manufacture of a satisfactory product which can be offered more cheaply. The United States exports in 1929 were nonexistent, and in 1930 amounted to only 95 dozen valued at \$152.

There is practically no market for men's work clothing made of cotton, as these are made locally from imported cloth. The United

States exports of cotton overalls, breeches, and pants to Argentina amounted in 1930 to six dozen valued at \$135.

Women's dresses, skirts, and waists are articles in which it almost impossible for the imported products to compete with the domestic articles because of import duties, which, in the case of silk dresses, run as high as 90 Argentine gold pesos per dress, irrespective of the invoice price. The United States exports to Argentina in 1929 included 262 cotton dresses, skirts, and waists, valued at \$130; and women's and children's wool clothing (not knit) valued at \$112. There were no shipments of silk dresses, skirts, waists, and blouses in that year, but 8 garments with a value of \$30, were sent in 1930. Women's and children's wool clothing other than knit goods shipped in 1930 was valued at \$118, and cotton dresses, skirts, and waists, at \$24.

Exports from the United States to Argentina of other cotton clothing, however, were reported as amounting to \$8,194 in 1928. There was a sharp increase in 1929 to \$66,877, and a decrease in 1930 to \$50,459. Other silk wearing apparel was credited in 1928 with \$59,949, but decreased in 1929 to \$43,478, and a further decline to \$33,846 followed in 1930.

Local merchants say that the classification "Other silk wearing apparel" includes women's silk scarfs and women's raincoats and other coats.

Raincoats are manufactured locally, but occasionally some novelties are brought in especially for women's wear.

CONCLUSION

The general increases in duties during the year 1931 were regarded by many local merchants as an effort of the Provisional Government of Argentina to accomplish three objectives: (1) An increase in revenue in order to balance the budget; (2) a restriction on imports, especially among luxury items, in order to improve the balance of payments and the exchange value of the peso; and (3) increased protection to local industry.

While some importers are pessimistic about the likelihood of the duties being lowered once they have been raised, others believe that as soon as the economic situation improves there is a possibility of a downward revision in duties. In any event, the return of prosperity to Argentina may result in a continuation of the imports of small quantities of high-grade wearing apparel, partly because of the general desire of the Argentine people to be as well dressed as they can possibly afford, and partly because of the fairly large number of wealthy people willing and able to pay for imported luxury articles which please their taste.

As to other textiles, Argentina should be a good market for American materials for many years. It is probable that local production of carded cotton yarn will increase in the near future. Meanwhile, United States mills can devote their attention to regaining the important yarn sales lost to Italy and other European countries. In rayon yarn, ability to quote competitive prices would result in a large sale to Argentina. The local knit-goods industry, which already supplies most of the country's needs, will doubtless continue to shut out most American knit goods.

In cotton piece goods, however, very little weaving is done locally, and it seems unlikely that Argentina will become self-sufficient in this branch for a number of years. Although the United States is already the third largest supplier of cotton cloth to Argentina, its share in 1929 was only 7 per cent of the trade, compared with Italy's 32 per cent and the United Kingdom's 37 per cent. The possibilities for expansion, therefore, warrant close attention and increasing effort to promote American textile sales to Argentina.

