

UNITED STATES TARIFF COMMISSION

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The Foreign Trade  
*of*  
Latin America

A Report on the Trade of Latin America  
With Special Reference to Trade  
With the United States

UNDER THE PROVISIONS OF TITLE III, PART II, SECTION 332 OF THE TARIFF ACT OF 1930

(In three parts)

PART II.—Commercial Policies and Trade  
Relations of Individual Latin American  
Countries

VOLUME I.—The South American Republics

(Revised)

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## UNITED STATES TARIFF COMMISSION

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## FOREWORD

This report examines, for the decade 1929-38, the trade of the 20 Latin American countries with the world and with the United States. It is divided into three parts; part I deals with the trade of Latin America as a whole, part II with the trade of individual Latin American countries, and part III with Latin American export commodities. Part I contains a short description of the Latin American area, a consideration of the commercial policies of the Latin American countries, an examination of the total trade of Latin America with the world and with the United States, and an analysis of special problems in the foreign trade of Latin America, including those arising out of the present war. Part II is a survey of the commercial policy and the foreign trade of each of the 20 Latin American Republics, with special emphasis on the trend, composition, and destination of exports, and the trend, composition, and sources of imports. In addition, there is an analysis of the trade of the United States with the particular country. Part III deals individually with approximately 30 selected Latin American export commodities, for each of which there is a discussion of production, exports, trade barriers, competitive conditions, and the effects of the war.

This report was originally prepared and issued in 1939-40. The supply of the report has been exhausted and this new edition is therefore issued. For the most part the factual material is unchanged. Part I of the original report, however, included discussions and forecasts as to the probable effect of the war on Latin American trade which are no longer pertinent. In place of them, brief statements, for the most part without specific statistical data, are presented with respect to the actual effect of the war, up to the present time, on the exports and imports of the Latin American countries. In parts II and III no substantial changes have been made.

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THE FOREIGN TRADE OF LATIN AMERICA

PART II.—*Commercial Policies and Trade Relations of  
Individual Latin American Countries*

VOLUME I.—*The South American Republics*

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# ARGENTINA

## A DESCRIPTION

### Physical characteristics.

The Argentine Republic,<sup>1</sup> the second largest country of Latin America, occupies practically all of the southern section of South America east of the Andes. It extends approximately 2,300 miles north and south and has a maximum width of about 900 miles and a coast line of more than 1,600 miles. The total area, 1,078,000 square miles, is approximately equivalent to that portion of the United States east of the Mississippi River, plus Louisiana and Texas. Argentina is bordered on the north by Bolivia and Paraguay, on the northeast by Uruguay and Brazil, and on the west by Chile.

Except for the mountainous western area, Argentina is in large part a country of lowlands which vary considerably in their physical characteristics. The country may be divided into four principal regions.

The central Pampa is the best known and, economically, the most important area of Argentina. This region is a treeless plain, with deep rich soil, and embraces the best agricultural land in South America. It is here that most of Argentina's cereals, flaxseed, and livestock are grown; moreover, it is in this region that more than 75 percent of the country's manufacturing is concentrated.

The subtropical plain of the north is chiefly a low-lying country, much of it swampy and very warm, and part of it heavily wooded. It embraces the territories of the Chaco, Formosa, and Misiones, as well as the Provinces of Salta, Tucumán, Santiago del Estero, Corrientes, and part of Santa Fé. The principal products of the region are sugar, cotton, rice, and oil-bearing seeds, yerba maté, and quebracho. This section has the advantage of diversified production and possesses abundant natural resources.

The Andean region covers the extensive area of western Argentina. The principal economic activity of this area is agriculture, most of which is carried on with the aid of irrigation in the valleys and foothills east of the Andes. The large wine-producing area is centered in the Province of Mendoza.

The Patagonian region includes all of the area from the Río Negro to the southern extremity of the continent. The region is largely semiarid, and the principal industry is sheep grazing. Rising from a narrow coastal plain, it extends westward in a series of plateaus varying in altitude between 300 and 1,600 feet, although at points it has an elevation of 5,000 feet. At the extreme tip of the continent is barren and bleak Tierra del Fuego.

Because of its great length and its different altitudes, the climate of Argentina varies considerably. With the exception of an area

<sup>1</sup> In Spanish, República Argentina.

of some 31,000 square miles in the Torrid Zone, Argentina lies within the South Temperate Zone, with January the warmest month and June and July the coolest. The Chaco region of the north has a mean annual temperature of 73° F.; in the arid region of the northwest the temperature sometimes reaches 118° F.; and one of the coldest points in the country, located west of Santa Cruz, has a mean temperature of 32° F.

The Pampa enjoys a temperate climate, with the mean temperature ranging from 74° F. in January to 49° F. in June and July. The mildness of the winter permits outdoor grazing and field work throughout the year, and the growing season ranges from 300 days in the north to 140 days in the south. The annual average rainfall is 63 inches in the northern Chaco region and 16 inches in the southern Patagonian region. In the Pampa, where in general the rainfall is adequate for cultivation and is evenly distributed throughout the year, it averages 38 inches. The west central region has an annual average rainfall of from 3 to 11 inches.

#### Population.

According to the first census, that of 1869, the population of Argentina was 1,830,000. By the end of the century it was 4,607,000, and the census of 1914 showed a total of 7,885,000. In 1939, the population was estimated to be 12,958,000, an increase of more than 60 percent in the period 1914-39.

The density of population in 1939 was 12 persons to the square mile, but vast tracts in Patagonia have a population which does not exceed 2 persons to the square mile. Sixty percent of the Argentine population is urban, more than 28 percent being in greater Buenos Aires alone. Two-thirds of the population is concentrated in the Provinces of Buenos Aires, Santa Fé, and Córdoba and the Federal District, yet these political subdivisions represent only slightly more than one-fifth of the total area. The Argentine population, probably the most homogeneous of South America, is composed of about 77 percent native-born persons of European extraction, 20 percent European by birth, and 3 percent native Argentineans with traces of Indian or non-Caucasian blood.<sup>2</sup>

Between the end of the Wars of Independence and the middle of the nineteenth century, there was virtually no immigration into Argentina. Shortly afterward, however, the flow of European immigration to Buenos Aires and its vicinity began. In the 70 years 1858-1928, 5,740,000 immigrants, more than three-fourths of whom were Italians and Spaniards, entered Argentina. After 1923 the proportion of Italians and Spaniards declined and that of other nationalities, notably Poles, increased. In the period 1921-29, 2,428,713 immigrants entered Argentina and 1,580,462 persons departed, leaving a net gain for the 9 years of 848,251, or an average yearly net gain of 94,250. Part of the emigration may be attributed to repatriation of persons who had achieved a degree of financial independence, but the seasonal migration of laborers from Europe to Argentina was also a factor. The harvest seasons in southern Europe and Argentina being reversed, in the past there has been a heavy annual movement of agricultural laborers both into and out of Argentina.

<sup>2</sup>A. E. Hunge, *Composición Racial de Nuestra Población*, in *Revista de Economía Argentina*, tomo XXXVIII, No. 248, Febrero 1939, p. 36.

**Natural resources and economy.<sup>3</sup>**

The total area of Argentina is approximately 689 million acres. In spite of the rapid expansion of agriculture, only about 10 percent of this area is now cultivated. Of the remainder, 46 percent is in pasture, 18 percent is in forested regions, and 26 percent is classified as unproductive land, or as mountains, lakes, and rivers. With the extension of irrigation, drainage, and transportation facilities, approximately two-thirds of the total Argentine area could be adapted to agriculture and grazing, and nearly one-fourth is especially suited to the growing of cereal crops.

The forested regions of Argentina embrace more than 123 million acres, and include choice hardwoods and certain woods utilized for tanning, dyeing, and medicinal purposes. Quebracho, with its high tannin content, is the most valuable single forest product, and the only one exported. About 80 percent of the world's supply of this wood is in Argentina.

With the exception of petroleum, there is no mineral production of great importance in Argentina.<sup>4</sup> Although minerals are not wholly lacking, their remoteness and the absence of adequate transportation facilities make their immediate development improbable. Most of the oil wells now in operation are close to the sea (Comodoro Rivadavia), and are strategically located; other potentially important fields are situated in the northern part of Argentina. There is practically no production of iron and coal—materials vital to the industrial life of the nation—and Argentina has become the chief coal-importing country of South America.

*Agriculture.*—Because of its topography and climate, Argentina has a diversified agricultural economy; the country is less dependent upon the export of a single commodity or a very few commodities than are most other Latin American countries. Moreover, since Argentina lies largely in the Temperate Zone, its range of agricultural production is different from that of most other Latin American republics. Of all the Latin American countries, Argentina has an agricultural economy most closely resembling that of the United States. The most important crops produced in Argentina are wheat, flaxseed, corn, oats, barley, and rye.<sup>5</sup>

Wheat is the leading Argentine agricultural crop. Argentina ordinarily accounts for about four-fifths of all Latin American wheat production, and is the only country of Latin America in which wheat growing is an important farm enterprise, and in which the major part of the production is usually exported. The wheat region stretches from the Province of Córdoba to the western and southern parts of the Province of Buenos Aires; the wheat crop also forms a part of the system of mixed farming in the Province of Santa Fé.

Argentina ranks as the largest flaxseed-producing country in the world, customarily accounting for about one-half of the world total; production occurs chiefly in the Paraná River Basin. Under ordinary conditions approximately 90 percent is exported, and Argentina usually accounts for four-fifths of the world trade in flaxseed.

<sup>3</sup> For a further discussion of certain Argentine agricultural, pastoral, and forest products, see pt. III of this report.

<sup>4</sup> Production of silver in 1939 was estimated to be 4 million ounces.

<sup>5</sup> Argentina is also a very large producer of pastoral products. See the discussion on pastoral industries.

Argentina is the leading corn-growing country of Latin America, with an annual production of from 200 to 400 million bushels. It has also been the principal world exporter of corn; in the period 1933-37 it supplied about three-fourths of the total quantity entering international trade. The production and export of barley and oats are also important, and Argentina usually ranks as one of the world's leading exporters of these crops.

Besides cereals and flaxseed, several other crops are important elements in the Argentine economy. In the Province of Tucumán, sugar, usually sufficient to meet the country's needs, is cultivated and milled, while in Mendoza the vineyards supply grapes for the major portion of the wine consumed in Argentina. In recent years substantial progress has been made in the production of several fruits, especially grapes, pears, and apples; in 1938, car loadings of pears were estimated at 2,693, as compared with 670 in 1933. Among other important Argentine agricultural crops are cotton, alfalfa, and tobacco.

*Pastoral industries.*—Although livestock are raised in most parts of Latin America, Argentina, because of its many advantages in climate and in natural pasturage, early became the primary source of Latin American exports of meat. Until the third quarter of the nineteenth century, the Argentine livestock industry consisted of herds of wild cattle, hunted for tallow and hides, and at that time Argentine economy was predominantly pastoral. From 1850 until the late 1880's sheep were more important than cattle. In the period 1872-80, nearly 95 percent of Argentine exports were products of pastoral industry, but by 1890, because of the greater growth in the exports of cereals, pastoral products accounted for only 60 percent of all exports. In 1938, only 46 percent of Argentine exports (in terms of value) consisted of products of pastoral industry. This decline in percentage of exports occurred notwithstanding a large increase in the actual volume of exports of pastoral products.

The development of refrigeration after 1870 had a marked effect on the Argentine livestock industry, which grew at a rapid rate. The first refrigerated shipments were made in 1877; in 1900 artificial refrigeration was applied to volume shipments of beef. When the markets of Europe were opened to Argentine beef, large quantities of British and United States capital flowed to Argentina for investment in the meat-packing industry, and led to the establishment of large chilling and freezing plants (*frigoríficos*). By 1928, nearly 3 million cattle and calves were being processed annually in these Argentine plants.

Cattle are raised in most parts of Argentina, but chiefly in the Provinces of Buenos Aires, Sante Fé, Entre Ríos, Corrientes, and Córdoba, and in a small part of the Territory of La Pampa. In these areas the land is level and fertile, the climate is mild, and rainfall is plentiful. To a great extent the success of Argentina as a cattle-producing country has resulted from improved pastures, especially from the cultivation of alfalfa, which yields from 3 to 4 crops a year without irrigation. Moreover, it is possible to market steers fed on alfalfa a year earlier than those fed on native grasses. In 1937, there were more than 33 million head of cattle in Argentina, as compared with an estimated 13 million head in 1875, and Argentina sup-

plied about one-half of the world exports of beef, and more than one-half of the exports of canned beef.

As a sheep-grazing country, Argentina is surpassed only by Australia and the Soviet Union. The number of sheep in Argentina increased during the colonial period and during most of the nineteenth century, reaching a peak of 74 million head in 1895. Since that time there has been a gradual decrease, reflecting in part a shift from pastoral to agricultural activity, and in part a shift from sheep raising to beef-cattle raising. Sheep raising is now largely concentrated in Patagonia and in the southern half of the Pampa. In 1937, Argentina supplied about one-sixth of all the mutton and nearly one-tenth of all the wool entering international trade.

In the production of goats, Argentina is the second-ranking country of Latin America, being surpassed only by Brazil. In 1930 the number of goats in Argentina was 5,657,000, but the census of 1937 indicates a reduction to 4,876,000. Hog raising is becoming fairly important in Argentina, but production of pork at present is chiefly for the domestic market.

*Manufacturing.*—Argentina is the leading manufacturing country of Latin America. Until the end of the nineteenth century, agricultural and pastoral pursuits accounted for most of the Argentine production. But in the years preceding the World War of 1914–18 a considerable industrial development took place, especially in the processing of foodstuffs and the fabrication of nondurable consumer products. In the period 1914–18, inability to obtain supplies of many commodities formerly imported resulted in the establishment of numerous industries, some of which continued to be important after the Armistice.

Industrial expansion in Argentina, however, has been most rapid since 1931. During the depression, manufacturing (impelled by the contraction of export markets for agricultural and pastoral products and aided by increased import duties, the depreciation of the peso, and exchange and quota controls) expanded greatly in volume of output and in the variety of commodities produced. In 1937, nearly 75 percent of the value of the total Argentine industrial output was accounted for by the Federal District and the Province of Buenos Aires. Other industrial Provinces, and their share of the total value of industrial output in 1937, are Santa Fé, (9 percent), Córdoba (nearly 4 percent), Tucumán (2.5 percent), Mendoza (1.8 percent), Entre Ríos (1.8 percent), and Chaco (1.3 percent).

Argentina now manufactures a great variety of products, including cotton, woolen, and silk textiles, wheat flour, sugar, wine, beer, and other beverages, vegetable oils, preserved and canned goods, miscellaneous foodstuffs, tobacco and cigarettes, soap, perfumes, jute and hemp, rope, shoes, leather, tanning materials, hats, fabricated iron and steel products, copper wire and cable, ceramic products, glass, cement, furniture, paper, electrical appliances, tires, rubber products, paints, varnishes, lubricating oils and greases, drugs and chemical products, electric light bulbs, batteries, radios, and phonograph records.

The assembly of automobiles is also an important industry; approximately four out of five cars and three out of four trucks sold in Argentina are assembled within the country. Textile production has increased markedly in recent years; it is estimated that in 1936, domestic production furnished more than three-fourths of the woolen

cloth, two-thirds of the linen, and one-third of the cotton cloth consumed within the country. In 1937 there were approximately 320,000 cotton spindles and 240,000 woolen spindles in Argentina, and in that year the first rayon-yarn mill was established.

According to the Argentine industrial census of 1935, approximately 544,000 persons were then employed in industry, an increase of 42 percent over the number so employed in 1914. In the same period the total population of Argentina increased 57 percent and the total value of transactions 79 percent (from 1,823 million pesos to 3,265 million pesos).<sup>6</sup> According to the 1937 industrial census the total number of persons employed in industry had risen to 642,000, and the total value of transactions (including electric power) from 3,458 million pesos in 1935 to 4,708 million pesos. Argentine industry, however, consists principally of small establishments; in 1937 there were only 47 factories in the country employing more than 1,000 workers, and most of these were engaged in the production of food-stuffs and meats, or in the assembly of automobiles. Of the 49,311 industrial establishments listed in 1937, 96 percent employed fewer than 51 men, and 73 percent fewer than 6 men.

### THE FOREIGN TRADE OF ARGENTINA

The foreign trade of Argentina is larger than that of any other country of Latin America. Exports in 1938, which were valued at 1,400 million paper pesos (416 million dollars), accounted for about 24 percent of the value of all Latin American exports, and for approximately 31 percent of those from South American countries. In 1938 Argentina took nearly 30 percent, by value, of total Latin American imports and about 37 percent of all imports into the 10 South American countries, the Argentine import trade for that year amounting to 1,461 million paper pesos<sup>7</sup> (429 million dollars).

Argentine exports customarily exceed imports. In 1938, however, imports exceeded exports by 14 million dollars.<sup>8</sup> The decline in exports in that year was caused by crop failures, the greater fall in prices of Argentine principal exports than in prices of its imports, and the lessened demand for certain Argentine export commodities. Preliminary reports indicate that in 1939 there was an export balance of 232 million paper pesos (70 million dollars), and in the first 4 months of 1940, an export balance of 82 million paper pesos (27 million dollars).

#### Argentine commercial policy.

The foreign trade of Argentina has been greatly influenced in recent years by a rigid exchange-control system (in effect since October 1931), by currency depreciation, by import quotas, and by increases in tariff duties.

*The tariff.*—In the control of the Argentine import trade, tariff rates are often less important than exchange control, quota allocations, and methods of valuation. All of these factors have been utilized to place the Argentine import trade under rigid government control.

<sup>6</sup> Adjusted to comparable bases for both years.

<sup>7</sup> "Real" values. For a discussion of "real", "tariff", and "nominal" values see p. 9. For the years 1929-32, Argentine statistics were recorded in gold pesos. After 1932 they were recorded in paper pesos. In this report, statistics for the period 1929-32 have been converted to paper pesos. One gold peso is equivalent to 2.272727 paper pesos.

<sup>8</sup> On the basis of "tariff" values, the import balance in 1938 was slightly over 1 million dollars.



The present Argentine tariff law, which became effective in 1923, provides for the application of maximum and minimum rates of duty. The rate structure as a whole consists of a set of basic ad valorem rates, levied on fixed official unit valuations. This, in effect, results in specific duties, since the official valuations have not been altered to accord with market fluctuations. In addition, there are a considerable number of specific duties based on units of quantity (without any indicated relation to the official valuations), and some ad valorem rates levied on the basis of c. i. f. prices at Argentine ports. A large number of commodities are also subject to surtaxes or additional duties.

In the Argentine trade statistics, there are three kinds of values for imports—"tariff" values, "real" values, and "nominal" values. "Tariff" values are arbitrary valuations used for the assessment of customs duties. "Real" values represent an attempt to adjust tariff valuations of groups of commodities at regular intervals to approximate market values; these are used in the balance-of-trade tables.<sup>9</sup> "Nominal" values, used prior to 1920, are an expression of imports in terms of the 1906 tariff values. They are still compiled and published, and serve as a "quantitative" expression of the trade from year to year.<sup>10</sup> Beginning at the end of 1941, the Argentine National Statistical Department adopted the procedure of computing the value of imports on the basis of invoice statements, instead of the former procedure of arbitrarily adjusting "tariff" values to obtain "real" values.<sup>11</sup> In the recording of imports from individual countries, however, the system of calculating "real" values from "tariff" values is still maintained.

The Argentine Executive has power to increase import duties by as much as one-half and to levy new duties up to 15 percent ad valorem on duty-free goods in retaliation for other than most-favored-nation treatment of Argentine products, as well as to decrease duties not more than one-half in return for equivalent advantages offered by other countries. Argentina has made tariff reductions below the statutory "minimum" by agreements with the United States (provisionally in force November 15, 1941), the United Kingdom (1933), Brazil (1933 and 1941), Chile (1933), the Netherlands (decree of December 10, 1937), Norway (decree of December 10, 1937), Denmark (decree of May 28, 1938), Iceland (decree of April 18, 1939), Greece (decree of March 29, 1940), and Cuba (ratifications exchanged November 13, 1941). The reductions to the United States, Brazil, the Netherlands, Norway, Denmark, Iceland, and Greece were made effective by executive action. In the case of the trade agreements of 1933 with Chile and the United Kingdom, and the agreement with Brazil, signed January 23, 1940, previous legislative action was required, inasmuch as some of the rates were reduced by more than one-half.

<sup>9</sup> For many individual commodities the "tariff" values exceed the "real" values; for others the opposite is true. In 1929, 1932, and 1936, the total value of imports calculated in "tariff" values exceeded the value computed in terms of "real" values. In 1937 and 1938, however, "real" values exceeded "tariff" values (2.9 percent in 1938).

<sup>10</sup> Two types of values are used for exports from Argentina—the "real" value and the "basic" value. "Real" values (introduced in 1917) constitute the normal basis for the trade returns, and show the current commercial value of the trade. The "nominal" values, continued as a quantitative expression of trade, are obtained by applying to the quantities exported in each year the "real" prices corresponding to the year 1910.

<sup>11</sup> The Statistical Department also revised its previous estimates of the "real" value of imports from July to December 1941 in accordance with the new procedure.

Concessions in the agreement with the United Kingdom (known as the Roca agreement), covering about 300 tariff items, were generalized to all countries. A renewal of the agreement in 1936 for a further period of 3 years was made effective by executive action, pending legislative approval, and the rates of this agreement have since remained in force. The concessions to Chile were generalized by a decree of October 2, 1940. By an Executive decree of October 21, 1941, Argentine custom houses were directed to apply, effective November 15, 1941, the duty rates established for certain commodities<sup>12</sup> in the trade agreement signed October 14 by the United States and Argentina to all similar merchandise, irrespective of the country of origin. The generalization by executive action of the conventional reductions in the agreements with the United Kingdom, the United States, and Chile, has resulted, in effect, in a single column of tariff rates applicable to imports of like products. But exceptions to this procedure have also been made; the concessions to Brazil, the Netherlands, Norway, Denmark, Iceland, and Greece, limited to a few products of special interest to the countries concerned, have not been generalized.

The power of the Executive to make tariff reductions in exchange for equivalent concessions presumably includes authority to change, or to bind against increase, the official valuations on which most of the duties are based. The Executive has authority to modify official valuations by subdividing existing tariff classifications so as to alter the amount of duty collectible. The Argentine Executive also has authority to impose quotas on imports in certain cases, to quarantine, restrict, or prohibit importation of plants and seeds, and to control imports of war materials. Since 1931, however, executive authority over imports has been exercised chiefly through the control of foreign exchange.

*Exchange control.*—The gold standard was abandoned by Argentina in December 1929. Depreciation of the peso was rapid until the establishment of exchange control in 1931, when the peso was pegged to the United States dollar. On the temporary suspension of gold payments by the United States in 1933, the Argentine exchange standard was shifted to the French franc, and in January 1934 to the pound sterling.<sup>13</sup> In November 1933 the system of prior exchange permits went into effect. This system was designed to relieve the pressure on Argentine exchange, and arose in part because of the blocking of Argentine credits in certain foreign countries.

Under Argentina's present system of exchange control, imports, with certain exceptions, are subject to prior exchange permits which entitle the holders to buy official exchange at one of two rates—the preferential rate of 15 pesos to the pound sterling (3.73 pesos to the dollar) or the rate of 17 pesos to the pound (4.23 pesos to the dollar). Whether or not exchange is granted at either of the two official rates depends not only on the type of commodity imported but also on the

<sup>12</sup> Commodities listed in the first column of schedule I of the agreement and also the annexed note. The first column of schedule I covers reductions in duty on 34 items and 88 bindings of existing duties. The second column provides for further reductions on 22 items listed in the first column and for reductions on 5 other items, none of which come into force until after Argentine customs receipts from import duties in any calendar year exceed a stated amount.

<sup>13</sup> For the years covered in this report, the average dollar equivalent of the peso (official rate) was as follows: 1929, \$0.95127; 1932, \$0.58443; 1936, \$0.33137; 1937, \$0.32959; 1938, \$0.32597 (*Federal Reserve Bulletin*, February 1939). The quotations since 1936 differ from the conversion factors used in this report. The conversion factors are adjusted to take into account the fact that Argentina allocated exchange during these years partly on the basis of the official rate and partly on the basis of the free-market rate.

country of origin. These two rates are known, respectively, as the official "A" rate and the official "B" rate.<sup>14</sup> Since the outbreak of the war, and for some time previously, the official buying rate for this exchange, which is derived from so-called regular Argentine export products, has been 3.36 pesos to the dollar.

For imports not eligible for payment at either of the official rates, a government-controlled auction (*licitación*) market was established by a regulation effective February 26, 1941, the rates to be determined by competitive bidding of importers desiring exchange to cover these products. Before the first auction of this exchange was held on March 7, 1941, the exchange-control authorities issued regulations dividing into two classes the products for which this auction exchange was to be sold. For the first of these (class A), exchange permits were to be sold at rates lower than for the second (class B).<sup>15</sup> This auction exchange was derived from certain "nonregular" exports for which the drafts had previously been negotiable in a free market, but which under the regulations of February 26 had to be delivered to the Central Bank at the rate of 4.22 pesos to the dollar.

A further development (about April 1941) was the establishment, under supervision of the Argentine Central Bank, of the Trade Promotion Corporation (*Corporación de Promoción del Intercambio*), a private concern organized chiefly for the purpose of promoting and facilitating trade with the United States. The significance of this development was that it provided a separate foreign-exchange procedure for the interchange of certain products between the United States and Argentina. Exports of specified products could be effected through the corporation, and the proceeds, instead of having to be surrendered to the exchange-control authorities, could be used to pay for imports purchased in the United States. The Argentine commodities thus permitted to be sold were products which ordinarily could not be sold in the United States, or sold only in small volume, and the export of which the Argentine Government was desirous of promoting in the interest of the national economy. The United States products permitted to be imported under this procedure were commodities for which exchange permits were usually not issued at all by the Argentine control authorities, or which were issued only for very limited quantities. The Trade Promotion Corporation fixed for each transaction the rate of exchange at which it took over from Argentine exporters the dollar proceeds from their sales, and at which it sold the exchange to Argentine importers. It was provided, however, that the rates which the corporation fixed for both the purchase and sale of exchange could be lower than those obtaining in the official exchange market for transactions in similar commodities. The profits of the corporation are limited by its articles of association to 4 percent on its capital; the balance earned over and above that sum is to be applied to broad plans for trade promotion under the general terms of the organization's charter.

<sup>14</sup> Recent rates in pesos to the United States dollar are: Official "A" rate, 3.73 (averages for 1940 and 1941) and both quoted as late as February 12, 1942. The average official "A" rate for 1939 was 3.70 pesos to the U. S. dollar; official "B" rate, 4.32 (average for August 23-December 30, 1939). The "B" rate was first quoted on August 22, 1939. Before that date two rates were quoted, the "official" and the "free"; the spread between these two rates was frequently greater than that now maintained between the official "A" and the official "B" rates.

<sup>15</sup> At the first auction, March 7, 1941, the average rates for class A and class B were, respectively, 4.52 and 4.71 pesos to the dollar. As late as February 10, 1942, these rates were, respectively, 4.93 and 4.95 pesos to the dollar.

The treatment to which imports are subjected is determined by the action of the Argentine Government on the basis of published lists of products indicating the exchange and quota treatment applicable to each. Individual products or groups of products which may be imported at the favorable rates of 15 and 17 pesos to the pound are so listed, and prior permits are obtainable entitling the holder to purchase exchange at these rates. Unless importation is denied entirely, all other products are subject to less favorable exchange rates. The lists issued by the Government also indicate whether imports will be permitted in limited, unlimited, or "conditional" quantities; they also indicate the countries from which such imports will be permitted, and the amounts to be permitted entry from each country. The lists have been amended from time to time; in some instances quota restrictions on particular products have been relaxed, whereas on others they have been made more rigid.

The Exchange Control Commission, which had previously exercised the principal nontariff control functions, was abolished by an Executive decree of June 6, 1941, and its functions transferred to other agencies, principally to the Central Bank of Argentina. The decree also provided that beginning July 1, 1941, "prior exchange permits will be discontinued except in those special cases and for [those] articles which the Ministry of the Treasury shall determine, to which end it shall dictate the pertinent regulation after consulting with the Exchange Control Committee (Comisión de Divisas)." This reference is not to the Exchange Control Commission or Office, but to an advisory committee. After July 1, 1941, prior exchange permits were not required for imports from blocked-currency countries (primarily the United Kingdom), for imports from neighboring countries, for imports paid for with exchange obtained in the auction market, and for certain "essential" products obtained from free-currency countries (principally the United States).

The present system of control permits the Argentine Government to favor certain commodities and certain countries, both through exchange preferences and quota controls. The tendency has been to administer trade controls so as to favor imports from countries with which Argentina has an export balance, particularly those countries with which it has official agreements. These agreements vary considerably in scope, but most of them include either clearing or payments provisions.<sup>16</sup>

The exchange provisions of the trade agreement between the United States and Argentina, signed October 14, 1941, and provisionally in force November 15, 1941 (art. IV), provide in general that imports into Argentina of any article of United States origin shall be accorded, with regard to restrictions or delays on payments, rates of exchange, and related charges, treatment no less favorable than that accorded imports of like articles from any third country. Likewise, the provision relating to quantitative import restrictions (art. II), gives assurance of nondiscriminatory treatment in the application by Argentina to imports of United States origin. With respect to

<sup>16</sup> A clearing agreement in its simplest form provides that the importers of each of the two contracting countries shall pay the cost of their imports from the other country into accounts in their own national currency maintained by an agency selected or established for that purpose. These funds are paid out to those who have exported commodities from the country in question to the other. Thus, if payments to exporters in the trade between the two countries just equal the expenditures of the importers, no movement of foreign exchange is required. In payments agreements the exchange is controlled in only one of the two countries; the other maintains a free exchange market.

import quotas, prohibitions, and other forms of restrictions on imports, it is provided that the share of the United States in any allocated import quota shall be based upon the proportion of the total imports of the product subject to quota supplied by the United States in a previous representative period.

Two exchanges of notes in connection with the United States-Argentina trade agreement of October 14, 1941, temporarily exempt from the exchange and quota provisions of the agreement special exchange or quota facilities which Argentina may accord to contiguous countries or to the "sterling area." This exemption was necessary because of Argentina's shortage of free foreign exchange arising principally from the loss of its markets in continental Europe and the blocking of the exchange created by its exports to the "sterling area."<sup>17</sup>

*Commercial treaties and agreements.*—Since 1933 (when the system of advance exchange permits was put in force), Argentina has concluded 15 agreements containing exchange provisions.<sup>18</sup> These agreements provide, among other things, that Argentina shall make available, without restriction and at favorable official rate, an amount of exchange equal to the value of Argentine exports to the other country in order to provide for the financing of Argentine imports therefrom. The most important of these agreements are the Roca agreement with the United Kingdom, made in November 1933, and the agreement with Germany concluded in 1934. Inasmuch as Argentine exports to the United Kingdom and Germany have regularly exceeded imports from these countries, the exchange clause assures payment for all Argentine imports therefrom at the favorable official rate of exchange.<sup>19</sup>

The countries with which Argentina has concluded agreements with reference to exchange and payments, and which in consequence received advance exchange permits at the preferential official rate, accounted for more than 55 percent of total imports into Argentina in 1937. Since the outbreak of the European war, Argentina has entered into agreements with the United Kingdom, France, and Spain for the purchase of Argentine products, the exchange thus created apparently being restricted to payment for goods purchased in those countries.

#### Trend of the trade.

*Exports.*—The outstanding feature of the Argentine export trade is the dominant position of agricultural and pastoral products, especially cereals, flaxseed, meats, wool, and hides and skins. The present position of agricultural products (as distinguished from pastoral), however, has not always been characteristic of the Argentine economy; until the beginning of this century, products of pastoral industry were pre-eminent in the export trade. Since that time, Argentina has become one of the principal world suppliers of cereals and flaxseed, although pastoral products are still important.

<sup>17</sup> Generally the British Empire, excluding Canada and Newfoundland.

<sup>18</sup> United Kingdom (1933), Belgium (1934), Netherlands (1934), Switzerland (1934), Germany (1934), Spain (1934), Finland (1935), Austria (1936), Italy (1937), Czechoslovakia (1937), Hungary (1937), France (1938), Chile (1938), Brazil (1939), and Denmark (1939). As of May 23, 1941, agreements in force affecting the allocation of foreign exchange were reported with the following countries (date of signing original agreements in parentheses): Belgium (January 16, 1934), Brazil (April 13, 1939), Czechoslovakia (May 20, 1937), France (December 23, 1939), Germany (September 28, 1934), Italy (March 4, 1937), the Netherlands (January 31, 1934), Spain (December 29, 1934), Switzerland (May 18, 1934), and the United Kingdom (May 1, 1933).

<sup>19</sup> Since March 25, 1940, the Exchange Control Office has been authorized to grant unlimited prior exchange permits for the importation of all classes of merchandise from Bohemia and Moravia, Bolivia, Brazil, Chile, Denmark, France, Germany, Greece, Italy, the Netherlands, Norway, Paraguay, Spain, the United Kingdom, and Uruguay.

Among the countries of Latin America, Argentina is one of the few dependent upon the export of commodities competitive with those produced in the United States, Europe, and the British Dominions. Recent world events (before the present war), especially the efforts to achieve agricultural self-sufficiency in certain European countries and the policy of Empire preference, caused serious dislocations in Argentine export markets and gave special impetus to the movement, which had been under way for some time, for the diversification of Argentine agriculture, and for the further development of Argentine industry.

Argentina's trade with all countries and with the United States, in the period 1924-38, is shown in tables 1 and 2. The year 1929, the earliest year shown in the detailed tables hereinafter presented, was by a considerable margin a peak year in exports to the United States, but exports to the world as a whole were higher in 1924, 1927, and 1928.

TABLE 1.—Argentina: Trade with the world, 1924-38

["Real" value in thousands]

Year	Exports		Conversion rate: 1 paper peso equals—	Imports	
	Paper pesos	United States dollars †		Paper pesos	United States dollars †
1924.....	2,298,624	799,203	\$0.3438	1,883,432	647,471
1925.....	1,972,568	793,114	.4021	1,992,836	801,264
1926.....	1,800,406	729,993	.4055	1,869,310	757,930
1927.....	2,293,921	971,980	.4237	1,947,283	825,102
1928.....	2,396,608	1,017,389	.4245	1,901,608	807,256
1929.....	2,167,600	907,297	.4186	1,959,085	820,018
1930.....	1,395,691	512,777	.3674	1,679,961	617,218
1931.....	1,455,815	427,509	.2936	1,173,828	344,702
1932.....	1,287,782	331,135	.2571	836,265	215,033
1933.....	1,120,842	359,006	.3203	897,149	287,357
1934.....	1,438,434	418,153	‡ 2907	1,109,932	327,430
			‡ 2950		
1935.....	1,569,349	449,462	‡ 2864	1,174,981	339,570
			‡ 2890		
1936.....	1,655,712	483,137	‡ 2918	1,116,711	327,531
			‡ 2933		
1937.....	2,310,998	713,174	‡ 3086	1,557,664	479,767
			‡ 3080		
1938.....	1,400,453	416,355	‡ 2973	1,460,888	429,647
			‡ 2941		

† For 1924-32, the United States dollar value was converted from the gold-peso value. The conversion rates for the gold peso are as follows: 1924, \$0.7813; 1925, \$0.9138; 1926, \$0.9215; 1927, \$0.9630; 1928, \$0.9648; 1929, \$0.9513; 1930, \$0.8350; 1931, \$0.6674; 1932, \$0.5844. (One gold peso equals 2.272727 paper pesos.)

‡ Exports.

‡ Imports.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior de la Republica Argentina*.

Total exports from Argentina in 1929 amounted to 2,168 million paper pesos (907 million dollars). Following the trend of world trade, they declined in 1932 to 1,288 million paper pesos (331 million dollars), or 59 percent of the 1929 peso total (36 percent of the dollar value). All export groups decreased in value, but the declines were most marked in wheat, frozen beef, and canned meats (see table 5).

After 1932 the value of total exports increased, reaching 2,311 million paper pesos (713 million dollars) in 1937. The increase was substantial but not spectacular until 1937, when, partly as a result of the 1936 drought in the United States, exports represented an increase in value of nearly 40 percent over those for 1936. In 1938, exports de-

clined in value to 1,400 million paper pesos (416 million dollars), largely because of lower world prices, and a smaller quantity of exports of several major commodities arising from unfavorable agricultural conditions in Argentina and recovery from the drought in the United States. Preliminary reports indicate that exports in 1939 totaled 1,570 million paper pesos (approximately 471 million dollars), in terms of pesos an increase of 12 percent over 1938.<sup>20</sup>

TABLE 2.—*Argentina: Trade with the United States, 1924-38*<sup>1</sup>

["Real" value in thousands]

Year	Exports			Imports		
	Paper pesos	United States dollars <sup>2</sup>	Percent of total to United States	Paper pesos	United States dollars <sup>2</sup>	Percent of total from United States
1924	163,273	56,129	7.1	415,163	142,722	22.0
1925	152,743	65,434	8.3	468,788	188,487	23.5
1926	163,961	66,480	9.1	460,924	186,887	24.7
1927	190,499	80,719	8.3	495,037	209,757	25.4
1928	198,335	84,195	8.3	441,205	187,297	23.2
1929	212,633	89,002	9.8	516,307	216,112	26.4
1930	135,110	49,639	9.7	370,723	136,204	22.1
1931	88,039	25,853	6.1	185,317	54,420	15.8
1932	43,859	11,278	3.4	112,656	28,968	13.5
1933	87,432	28,004	7.8	107,371	34,391	12.0
1934	78,838	22,918	5.5	145,812	43,015	13.1
1935	189,271	54,207	12.1	160,251	46,313	13.6
1936	201,517	58,803	12.2	160,865	47,182	14.4
1937	294,866	90,996	12.8	250,511	77,157	16.1
1938	118,553	35,246	8.5	254,685	74,903	17.4

<sup>1</sup> For conversion rates, see table 1.<sup>2</sup> For 1924-32, the United States dollar value was converted from the gold-peso value. The conversion rates for the gold peso are as follows: 1924, \$0.7813; 1925, \$0.9138; 1926, \$0.9215; 1927, \$0.9630; 1928, \$0.9648; 1929, \$0.9513; 1930, \$0.8350; 1931, \$0.6674; 1932, \$0.5844. (One gold peso equals 2.272727 paper pesos.)Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior de la Republica Argentina*.

Value, price, and quantum<sup>21</sup> indexes of Argentine exports show that the decline in the value of exports from 1928 to 1933, and the subsequent recovery, were due more to fluctuations in the prices of Argentine exports than to variations in the quantities of goods exported. Between 1928 and 1933, export prices declined more than two-fifths, while the quantity of goods exported decreased only about one-sixth. The recovery after 1933 raised the peso value of Argentina's export trade in terms of paper pesos (not in terms of dollars) in 1937 above the level attained in 1929, with a greater improvement in prices (in paper pesos) than in the quantity of goods exported (see table 3). Indexes for 1938 and 1939 are not yet available. The Argentine export trade, however, declined sharply in 1938 as a result of smaller quantities and lower prices, but there was some recovery in 1939, especially after the outbreak of war in Europe in September.

<sup>20</sup> It is reported that exports in the first 4 months of 1939 amounted to 665 million paper pesos (about 199 million dollars).<sup>21</sup> The quantum index is an attempt to measure the variations in the volume of a country's trade by eliminating the effect of price changes from the value figures. The method employed in construction of the Argentine indexes involves adjusting the value figures of total exports or imports in accordance with the variations in the country's export and import price indexes. The adjusted figures are then expressed as percentages of the corresponding figures for the base year. Because of the limitations of the basic data employed in the construction of the price indexes, the quantum indexes derived therefrom are only approximate measures of the changes in the volume of the country's exports or imports.

TABLE 3.—*Argentina: Value, price, and quantum indexes of exports, 1924-37*<sup>1</sup>

Year	Exports, index of—			Year	Exports, index of—		
	Value pesos (m/n) <sup>2</sup>	Price pesos (m/n) <sup>2</sup>	Quantum <sup>3</sup>		Value pesos (m/n) <sup>2</sup>	Price pesos (m/n) <sup>2</sup>	Quantum
1924.....	100.2	116.7	85.9	1931.....	63.5	70.7	89.8
1925.....	86.0	128.9	66.7	1932.....	56.1	67.9	82.7
1926.....	78.5	99.3	79.0	1933.....	48.9	65.1	75.1
1927.....	100.0	100.0	100.0	1934.....	62.7	78.5	79.9
1928.....	104.5	113.7	91.9	1935.....	68.4	80.3	85.2
1929.....	94.5	104.8	90.2	1936.....	72.2	94.5	76.4
1930.....	60.8	93.5	65.1	1937.....	100.7	110.1	91.5

<sup>1</sup> 1927=100. Original base for quantum figures is 1910. The quantum figures are derived from the "valores basicos," i. e., values at the prices prevailing in 1910.

<sup>2</sup> "Moneda nacional," i. e., the paper peso. Not to be taken as reflecting accurately changes in dollar values.

Source: League of Nations, *Review of World Trade*, 1938, p. 68.

*Imports.*—Argentine imports from all countries and from the United States, in the period 1924-38, are shown in tables 1 and 2. Imports from the United States were considerably larger in 1929 than in earlier years, but total imports in 1925 exceeded those in 1929. The import trade ("real" value) in 1929 was valued at 1,959 million paper pesos (820 million dollars); by 1932, principally as a result of decreased purchasing power and increases in tariff duties, it had declined to 836 million paper pesos (215 million dollars). After 1932, the value of Argentine imports increased, reaching 1,558 million paper pesos (480 million dollars) in 1937. In the next 2 years there was a slight decline, in 1938 to 1,461 million paper pesos (430 million dollars) and in 1939 to 1,338 million paper pesos<sup>22</sup> (approximately 401 million dollars). The 1939 figures represent a decline of more than 8 percent, in terms of pesos, from 1938.<sup>23</sup>

Imports in all commodity groups and subgroups declined in value in 1932, as compared with 1929 (see table 11). The most notable decreases occurred in iron and manufactures, machinery, and combustibles. By 1936 all groups had increased in value. In a number, the increases between 1932 and 1936 were not marked; exceptions were machinery, iron and manufactures, nonferrous metals and their manufactures, and combustibles and lubricants. In 1937, increases over 1936 occurred in all groups, but were most marked in iron and manufactures, and machinery. Most groups declined in value in 1938; combustibles and lubricants and machinery increased substantially, however, while stones, earths, glass and ceramics, tobacco, and beverages increased slightly.

Value, price, and quantum indexes of Argentine imports indicate that the decline in the value of Argentine imports from 1929 to 1932 and the subsequent recovery, were due more to variations in the quantities of goods imported than to fluctuations in the prices of such imports (in terms of paper pesos). Between 1929 and 1933, prices of Argentine imports declined by only about 6 percent, whereas the quantity of goods imported decreased by approximately three-fifths. Between 1933 and 1938, the price index rose irregularly; the level of

<sup>22</sup> Preliminary.

<sup>23</sup> It is reported that imports in the first 4 months of 1940 amounted to 583 million paper pesos (about 175 million dollars).



import prices in pesos in 1938 was somewhat in excess of that in 1929. The quantum of imports between 1932 and 1937, on the other hand, increased to more than three-fourths of the 1929 level (in contrast with the quantum index of exports, which was a little higher in 1937 than in 1929), but declined in 1938 (see tables 3 and 4).

It thus appears that prices of exports since 1929 have varied much more than prices of imports, but that quantities of imports have varied much more than quantities of exports. This may be explained by the fact that prices of raw or simply manufactured products vary more than prices of advanced manufactures, and the fact that Argentina's buying power for imports varies greatly with the prices of its export commodities.

TABLE 4.—*Argentina: Value, price, and quantum indexes of imports, 1924-38*<sup>1</sup>

Year	Imports, index of—			Year	Imports, index of—		
	Value pesos (m/n) <sup>2</sup>	Price pesos (m/n) <sup>2</sup>	Quantum		Value pesos (m/n) <sup>2</sup>	Price pesos (m/n) <sup>2</sup>	Quantum
1924.....	96.7	119.6	80.9	1932.....	42.9	82.9	51.8
1925.....	102.3	113.1	90.5	1933.....	46.1	79.1	58.3
1926.....	96.0	101.8	94.3	1934.....	57.0	91.7	62.2
1927.....	100.0	100.0	100.0	1935.....	60.3	89.0	67.8
1928.....	97.7	85.0	114.9	1936.....	57.3	80.9	70.9
1929.....	100.6	84.1	119.6	1937.....	80.0	87.7	91.3
1930.....	86.3	84.2	102.5	1938.....	75.0	87.8	85.5
1931.....	60.3	84.0	71.8				

<sup>1</sup> 1927=100. Original base for quantum figures is 1906 (in the source converted to 1910). The quantum figures are derived from the "valores nominales," i. e., 1906 tariff values.

<sup>2</sup> "Moneda nacional," i. e., the paper peso. Not to be taken as reflecting accurately changes in dollar values.

Source: League of Nations, *Review of World Trade*, 1938, p. 68.

### Exports from Argentina.

*Composition.*—Exports from Argentina, by groups, principal sub-groups, and commodities, in specified years, 1929 to 1938, are shown in tables 5 and 6. Agricultural and animal products constituted by far the greater part of Argentine exports. In 1929 these two groups accounted for nearly 97 percent of the value of total exports. There was but little variation from this percentage in later years.

For every group and almost every individual commodity shown in table 6 there was a sharp drop in dollar value of exports between 1929 and 1932, attributable in large part (in most if not all cases) to lower prices. Every group and nearly every commodity showed a conspicuous increase in 1937 over 1932, and for corn the figure exceeded that of 1929. In practically all cases there was a considerable decrease in 1938. For the major groups the ratios of the dollar value of exports in 1938 to that in 1929 were as follows: Agricultural products, 33 percent; animals and animal products, 67 percent; forest products, 70 percent. Lower prices accounted for a considerable part of these declines.

Agricultural products (as distinguished from pastoral) accounted for approximately two-thirds of the value of all exports in the years 1929, 1932, and 1936-37, but in 1938 declined to 47 percent. Most of these exports were accounted for by the cereals and flaxseed. Among the cereals, wheat and corn were the most important. In 1929,

wheat was the largest single agricultural export, constituting 29 percent of total exports, in terms of value, while corn accounted for about 18 percent. In 1932 the positions of wheat and corn were reversed, and so remained in 1936 and 1937. Exports of corn in 1937 rose to 26 percent of total exports; a large fraction of such exports went to the United States because of a crop shortage created by the drought in 1936 in this country. Exports of wheat in 1937 amounted to 21 percent. The shares of wheat and corn each dropped to about 13 percent in 1938, the decline being accounted for by an unfavorable crop year in Argentina and the virtual cessation of the demand of the United States for corn imports.

TABLE 5.—Argentina: Exports, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of paper pesos]

Commodity group, subgroup, or commodity <sup>1</sup>	1929 <sup>2</sup>	1932 <sup>2</sup>	1936	1937	1938 <sup>3</sup>
Grand total.....	2,167,600	1,287,782	1,655,712	2,310,998	1,400,453
Agricultural products.....	1,416,479	848,024	962,591	1,488,563	664,256
Cereals and linseed.....	1,354,448	803,876	864,422	1,411,158	590,053
Wheat.....	631,755	226,060	170,043	475,541	183,410
Flaxseed (linseed).....	273,088	186,779	211,296	275,284	181,223
Corn.....	381,902	320,750	445,270	598,473	180,522
Oats.....	31,462	36,499	9,927	24,654	22,662
Barley.....	19,028	17,988	14,675	21,241	18,388
Flour and other products from the mill- ing of wheat.....	34,192	21,010	33,975	40,666	32,550
All other agricultural products.....	27,839	23,138	64,194	36,739	41,653
Animals and animal products.....	680,516	393,424	613,876	727,751	638,279
Meats.....	304,124	193,284	267,472	312,225	317,568
Chilled beef.....	159,360	125,651	169,464	170,419	166,693
Canned meats.....	37,483	10,647	22,016	34,045	44,767
Frozen mutton.....	32,022	23,220	34,235	36,089	33,812
Frozen beef.....	47,917	11,319	9,366	28,663	33,301
Wool.....	158,306	75,659	151,405	171,188	153,752
Hides and skins.....	118,787	61,116	116,109	153,166	101,259
Cattle hides, dry and salted.....	95,552	51,731	91,264	126,880	83,597
Sheep and lamb skins.....	17,495	7,978	16,794	17,456	11,935
Animal byproducts.....	44,425	28,317	44,713	58,729	36,876
All other animals and animal products.....	54,874	35,048	34,177	32,443	28,824
Forest products.....	41,795	27,929	38,569	45,853	41,352
Quebracho extract.....	31,507	25,144	34,067	40,166	34,495
Game and fish products.....	771	934	8,813	7,969	6,814
Miscellaneous products, etc., and mineral products.....	28,039	17,471	31,864	40,862	49,752
Miscellaneous products and articles, national and nationalized goods.....	27,480	15,494	22,390	24,143	32,361
Mineral products.....	559	1,977	9,474	16,719	17,391

<sup>1</sup> Classifications employed in this table are those given in the Argentine export statistics for 1938. Groups are ranked according to value in 1938.

<sup>2</sup> Original statistics in gold pesos. Converted to paper pesos at the rate of 1 gold peso = 2.2727 paper pesos.

<sup>3</sup> In 1938 there were some shifts of commodities from subgroup to subgroup within the animals and animal products, mineral products, and miscellaneous products groups; there also was some shift of commodities between the animals and animal products and the miscellaneous products groups.

<sup>4</sup> Not strictly comparable with the years 1936-38. In 1934 the export schedule was revised, resulting in a slight difference in commodities included in or excluded from this group.

<sup>5</sup> Not comparable with the years 1936-38, inasmuch as there was a considerable shift in commodities from the miscellaneous group to the mineral products group in the 1934 revision of the export schedule, together with other minor changes by transfer of commodities to and from the other groups. There were only 236 items in the export schedule prior to the revision; there now are 673 items.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior de la República Argentina*.

The share of flaxseed in total exports was fairly stable in the decade 1929-38, ranging between 12 and 14 percent. Although the quantities of oats and barley and of flour and other wheat products exported from Argentina were large, they were unimportant in relation to total Argentine trade. In 1938, oats accounted for less than 2 percent of

the value of total exports, barley for little more than 1 percent, and flour and other products from the milling of wheat for somewhat over 2 percent.

TABLE 6.—*Argentina: Exports, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938*

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>1</sup>	1929 (1 paper peso = \$0.4186)		1932 (1 paper peso = \$0.2571)		1936 (1 paper peso = \$0.2918)		1937 (1 paper peso = \$0.3066)		1938 <sup>2</sup> (1 paper peso = \$0.2973)	
	Value <sup>3</sup>	Percent of total	Value <sup>3</sup>	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
Grand total.....	907,297	100.0	331,135	100.0	483,137	100.0	713,174	100.0	416,355	100.0
Agricultural products.....	4592,899	65.4	218,058	65.8	280,884	58.1	459,371	64.4	197,483	47.4
Cereals and linseed.....	4566,934	62.5	206,706	62.4	252,238	52.2	435,483	61.1	175,423	42.1
Wheat.....	294,435	29.1	58,128	17.6	49,618	10.3	146,752	20.6	54,528	13.1
Flaxseed (linseed).....	114,302	12.6	48,028	14.5	61,656	12.8	84,953	11.9	53,878	12.9
Corn.....	159,853	17.6	82,476	24.9	129,930	26.9	184,689	25.9	53,669	12.9
Oats.....	13,169	1.5	9,385	2.8	2,897	.6	7,698	1.1	6,738	1.6
Barley.....	7,965	.9	4,625	1.4	4,282	.9	6,555	.9	5,467	1.3
Flour and other products from the milling of wheat.....	414,312	1.6	5,402	1.6	9,914	2.1	12,550	1.8	9,677	2.3
All other agricultural products.....	11,653	1.3	5,950	1.8	18,732	3.8	11,338	1.5	12,383	3.0
Animals and animal products.....	284,845	31.4	101,364	30.5	179,129	37.1	224,584	31.5	189,761	45.6
Meats.....	4127,298	14.0	49,700	15.0	78,048	16.2	96,333	13.5	94,413	22.7
Chilled beef.....	69,704	7.4	32,309	9.8	49,449	10.2	52,591	7.4	49,558	11.9
Canned meats.....	15,689	1.7	2,738	.8	6,424	1.3	10,566	1.5	13,309	3.2
Frozen mutton.....	13,404	1.5	5,971	1.8	9,990	2.1	11,137	1.6	10,052	2.4
Frozen beef.....	20,057	2.2	2,910	.9	2,733	.6	8,852	1.2	9,900	2.4
Wool.....	66,263	7.3	19,455	5.9	44,180	9.2	52,829	7.4	45,710	11.0
Hides and skins.....	49,721	5.5	15,715	4.7	33,881	7.0	47,267	6.6	30,105	7.2
Cattle hides, dry and salted.....	39,966	4.4	13,302	4.0	26,631	5.5	39,155	5.5	24,853	6.0
Sheep and lamb skins.....	7,323	.8	2,051	.6	4,898	1.0	5,387	.8	3,548	.9
Animal byproducts.....	418,595	2.0	7,281	2.2	13,047	2.7	18,124	2.5	10,963	2.6
All other animals and animal products.....	22,968	2.6	9,213	2.7	9,973	2.0	10,011	1.5	8,570	2.1
Forest products.....	417,494	1.9	7,181	2.2	11,254	2.3	14,150	2.0	12,244	3.0
Quebracho extract.....	13,188	1.5	6,465	2.0	9,941	2.1	12,396	1.7	10,255	2.5
Game and fish products.....	4323	( <sup>4</sup> )	240	.1	2,572	.5	2,459	.3	2,026	.5
Miscellaneous products, etc., and mineral products.....	411,736	1.3	4,492	1.4	9,298	2.0	12,610	1.8	14,791	3.5
Miscellaneous products and articles, national and nationalized goods.....	411,502	1.3	4,394	1.2	6,533	1.4	7,451	1.1	9,621	2.3
Mineral products.....	4234	( <sup>4</sup> )	508	.2	2,765	.6	5,159	.7	5,170	1.2

<sup>1</sup> Classifications employed in this table are those given in the Argentine export statistics for 1938. Groups are ranked according to value in 1936.

<sup>2</sup> In 1938 there were some shifts of commodities from subgroup to subgroup within the animals and animal products, mineral products, and miscellaneous products groups; there also was some shift of commodities between the animals and animal products and the miscellaneous products groups.

<sup>3</sup> For 1929 and 1932 the U. S. dollar value has been converted from the gold peso value. The conversion rates for the gold peso are as follows: 1929, \$0.9513; 1932, \$0.5844. One gold peso equals 2.272727 paper pesos.

<sup>4</sup> Not strictly comparable with the years 1936-38. In 1934 the export schedule was revised, resulting in a slight difference in commodities included in or excluded from this group.

<sup>5</sup> Less than one-tenth of 1 percent.

<sup>6</sup> Not comparable with the years 1936-38, inasmuch as there was a considerable shift in commodities from the miscellaneous group to the mineral products group in the 1934 revision of the export schedule, together with other minor changes by transfer of commodities to and from the other groups. There were only 236 items in the export schedule prior to the revision; there now are 673 items.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior de la Republica Argentina*.

Certain other agricultural products in recent years have become important to Argentina, although exports of them still constitute a small part of total Argentine exports. Exports of cotton (103,000 bales in 1938) have fluctuated considerably in recent years; more than half of the Argentine cotton crop is consumed by the domestic textile industry. Exports of sugar (5.8 million pounds in 1938) have

also varied markedly. The production and exports of fruits have made substantial progress in recent years; total exports of fresh fruit increased regularly from 7,699 long tons valued at \$413,000 in 1933 to 32,404 long tons valued at \$2,187,000 in 1938. More than half of the total exports of fresh fruits in 1938 consisted of pears, about one-fourth of grapes, and about one-seventh of apples.

Animal products constitute the second most important Argentine export classification. In the period 1929-38 they remained fairly constant at a little over 30 percent of all exports, except in 1936, when they reached 37 percent, and in 1938, when they formed over 45 percent. The most important product in this classification, which ranged between 13 and 23 percent of all exports, was meats, including chilled beef, frozen mutton, canned meats, and frozen beef. Chilled beef in general accounted for more than one-half of all meat exports. Other animal products included wool, cattle hides, sheep and lamb skins, and animal byproducts.

The remaining exports—forest products, game and fish products, and miscellaneous products and mineral products—are not important elements in Argentina's export trade. These groups, which together formed approximately 3 percent of all exports in 1929, increased irregularly to 7 percent of the total in 1938. The increase in the share of these commodities in 1938 resulted largely from the decline in exports of cereals.

Quantities, values, and unit values of exports of selected commodities from Argentina, in specified years, 1929 to 1938, are shown in table 7. Exports of cereals, especially wheat, corn, and oats, have fluctuated widely from year to year because of the size of the crops in Argentina, in other exporting countries, and in the importing countries.

The general trend of exports of wheat (in terms of quantity) has been downward, largely as a result of the self-sufficiency policies of certain European importing countries. Exports of wheat, which amounted to 243 million bushels in 1929, dropped to 59 million bushels in 1936; they increased to 143 million bushels in 1937, but in 1938 were 71 million bushels or less than one-third those in 1929. Exports of corn increased from 199 million bushels in 1929 to 358 million in 1937, but fell to 104 million in 1938. Shipments of oats have varied widely; in 1937 and 1938, however, they were only slightly less than in 1929. In the years shown in table 7, exports of barley, used abroad largely for feed, have been relatively stable; the only marked decline occurred in 1938.

Exports of flaxseed have been more stable than those of wheat, corn, and oats, but nevertheless have shown variations which reflect not only the effect of weather conditions in Argentina and other flaxseed-growing countries, but also the effect of the commercial policies of importing countries and of variations in their business activity. Before the war the British policy of Imperial preference, French quotas and increased duties, and Germany's restriction of imports, operated to disrupt Argentina's markets for flaxseed. The increase in exports of flaxseed shown for 1937 (table 7) reflects the greatly expanded exports to the United States as a result of the short crop in this country in 1936 and the economic revival in 1937.

Exports of chilled beef from Argentina, practically all of which went to the United Kingdom, were fairly stable (in terms of quantity) although there was a slight downward trend in 1936-38 (see table 7). Exports of frozen beef, which went to a variety of markets, fluctuated markedly; the quantities in 1937 and 1938 were well below the quantity in 1929. Shipments of frozen and chilled mutton, approximately nine-tenths of which were taken by the United Kingdom, were smaller in 1936-38, reflecting the influence of the Ottawa Agreements and the United Kingdom quota and increased customs duties on non-Empire meats. Exports in 1938 were only about two-thirds of those in 1929, in terms of quantity.

TABLE 7.—Argentina: Exports of selected commodities, in specified years, 1929 to 1938

Commodity	1929	1932	1936	1937	1938
Wheat, 1,000 bushels	242,996	126,466	59,171	142,829	71,295
Flaxseed, 1,000 bushels	63,677	79,823	58,576	70,943	49,806
Corn, 1,000 bushels	198,721	277,755	329,969	357,750	104,016
Oats, 1,000 bushels	29,638	49,302	12,109	27,792	26,303
Barley, 1,000 bushels	11,483	12,909	11,344	11,639	9,708
Beef, chilled, 1,000 pounds	789,159	817,100	789,085	770,466	754,912
Beef, frozen, 1,000 pounds	298,324	80,821	87,415	203,072	226,481
Mutton, frozen and chilled, 1,000 pounds	177,576	156,494	110,307	113,892	104,990
Wool, 1,000 pounds	234,313	289,878	307,764	255,956	334,830
Cattle hides, dry and salted, 1,000 pounds	285,161	244,170	306,287	313,205	214,206
Quebracho logs, 1,000 pounds	360,024	113,160	132,977	193,943	192,332
Quebracho extract, 1,000 pounds	332,207	414,595	338,958	437,569	370,241
	Value (1,000 U. S. dollars) <sup>1</sup>				
Wheat	264,435	58,128	49,618	146,752	54,528
Flaxseed	114,302	48,028	61,650	84,953	53,878
Corn	159,853	82,476	129,930	184,689	53,669
Oats	13,169	9,385	2,897	7,608	6,738
Barley	7,965	4,625	4,282	6,555	5,467
Beef, chilled	66,704	32,309	49,449	52,591	49,558
Beef, frozen	20,057	2,910	2,733	8,852	9,900
Mutton, frozen and chilled	13,494	5,971	9,990	11,137	10,052
Wool	66,293	19,454	44,180	32,829	45,710
Cattle hides, dry and salted	39,996	13,302	26,631	39,155	24,853
Quebracho logs	3,723	527	827	1,213	1,240
Quebracho extract	13,188	6,466	9,941	12,396	10,255
	Unit value (U. S. dollars)				
Wheat, bushel	1.09	0.46	0.84	1.03	0.76
Flaxseed, bushel	1.80	.60	1.05	1.20	1.08
Corn, bushel	.804	.297	.394	.516	.516
Oats, bushel	.444	.190	.239	.274	.266
Barley, bushel	.694	.358	.377	.561	.563
Beef, chilled, pound	.085	.040	.063	.068	.066
Beef, frozen, pound	.075	.036	.031	.044	.044
Mutton, frozen and chilled, pound	.075	.038	.091	.098	.096
Wool, pound	.233	.067	.144	.206	.137
Cattle hides, dry and salted, pound	.140	.054	.087	.125	.094
Quebracho logs, pound	.010	.006	.006	.006	.006
Quebracho extract, pound	.040	.016	.029	.028	.028

<sup>1</sup> Converted at rates shown in table 9.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior de la Republica Argentina*.

Total exports of wool from Argentina (in terms of quantity) have also been relatively stable; the annual average for the 3 years 1936-38 was slightly higher than exports in either 1929 or 1932 (table 7).

Exports of unwashed wool, which constitute nearly six-sevenths of all wool exports, did not fluctuate greatly, except in 1937. Those of washed wool, however, increased after 1929, the quantity in 1938 being about five times that in 1929. Exports of cattle hides (both dry and salted) were greater in each of the 3 years 1936-38 (on the basis of quantity) than in either 1929 or 1932.

Exports of quebracho logs in recent years have been much smaller, in terms of quantity, than in 1929. Exports of quebracho extract increased from 1929 to 1932; although there was considerable fluctuation in the years 1936-38, the annual average in that period did not equal exports in 1932, and after 1935, exports were materially reduced as the result of an agreement between producers in both Argentina and Paraguay. Under this agreement, following a period of unlimited production and unrestricted competition which had demoralized the industry, the factories producing extract limit their output pro rata according to capacity, fix prices, and sell through predetermined agencies to assigned markets.

*Destinations.*—The principal destinations of exports from Argentina in 1938 were the United Kingdom (33 percent of the total value), Germany (12 percent), and the United States (8 percent). Other important purchasers in that year included Belgium, the Netherlands, Brazil, France, Italy, and Japan. Exports from Argentina to selected countries, in specified years, 1929 to 1938, are shown in tables 8 and 9. More detailed data for 1937 are shown in table 10.

TABLE 8.—*Argentina: Foreign trade with selected countries, in terms of pesos, in specified years, 1929 to 1938*

[Value in thousands of paper pesos <sup>1</sup>]

Country	1929	1932	1936	1937	1938
<b>Exports to—</b>					
All countries.....	2,167,600	1,287,782	1,655,712	2,310,998	1,400,453
UNITED STATES.....	212,633	43,859	201,517	294,866	118,553
United Kingdom <sup>2</sup> .....	697,346	464,959	581,660	671,878	459,495
Germany.....	216,937	112,664	96,650	157,182	163,544
Japan.....	2,715	1,912	25,683	24,058	16,229
Italy.....	124,547	69,095	40,726	142,524	35,559
France.....	154,273	118,671	88,513	95,868	75,394
All other.....	759,149	476,622	620,963	924,622	<sup>3</sup> 531,679
<b>Imports from—</b>					
All countries.....	1,959,085	836,265	1,116,711	1,557,684	1,460,888
UNITED STATES.....	516,307	112,656	160,865	250,511	254,685
United Kingdom <sup>2</sup> .....	345,384	180,004	262,702	322,856	293,006
Germany.....	225,163	77,461	103,379	166,488	150,527
Japan.....	10,823	12,354	44,438	56,299	54,494
Italy.....	172,284	89,438	46,439	72,508	88,756
France.....	119,901	46,819	49,060	65,288	69,229
All other.....	569,223	317,533	449,828	623,734	<sup>3</sup> 550,201

<sup>1</sup> One gold peso equals 2.272727 paper pesos.

<sup>2</sup> Eire is included for 1929 but not for subsequent years.

<sup>3</sup> Includes trade with the following principal countries:

Exports to—	Paper pesos (1,000)	Imports from—	Paper pesos (1,000)
Belgium-Luxemburg.....	103,897	Belgium-Luxemburg.....	100,439
Netherlands.....	103,265	Brazil.....	75,062
Brazil.....	98,308	Peru.....	48,652
		British India.....	50,834
		Netherlands West Indies.....	40,712
		Netherlands.....	24,705

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior de la Republica Argentina*.

TABLE 9.—Argentina: Foreign trade with selected countries, in terms of dollars, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Country	1929		1932		1936		1937		1938	
	Value <sup>1</sup>	Per-cent of total	Value <sup>1</sup>	Per-cent of total	Value	Per-cent of total	Value	Per-cent of total	Value	Per-cent of total
	(1 paper peso = \$0.4186)		(1 paper peso = \$0.2571)		(1 paper peso = \$0.2918)		(1 paper peso = \$0.3086)		(1 paper peso = \$0.2973)	
Exports to—										
All countries.....	907, 297	100.0	331, 135	100.0	483, 137	100.0	713, 174	100.0	416, 355	100.0
UNITED STATES.....	89, 002	9.8	11, 278	3.4	58, 803	12.2	90, 996	12.8	35, 246	8.5
United Kingdom <sup>2</sup> .....	291, 889	32.2	119, 558	36.1	169, 728	35.1	207, 342	29.1	136, 608	32.8
Germany.....	90, 894	10.0	28, 970	8.8	28, 263	5.8	48, 506	6.8	48, 621	11.7
Japan.....	1, 137	.1	491	.1	7, 494	1.1	7, 424	1.0	4, 825	1.1
Italy.....	52, 132	5.8	17, 767	5.4	11, 864	2.5	43, 983	6.2	10, 572	2.5
France.....	64, 674	7.1	30, 514	9.2	25, 828	5.3	29, 585	4.1	22, 415	5.4
All other.....	317, 759	35.0	122, 557	37.0	161, 197	37.5	263, 338	40.0	158, 068	38.0
	(1 paper peso = \$0.4186)		(1 paper peso = \$0.2571)		(1 paper peso = \$0.2933)		(1 paper peso = \$0.3080)		(1 paper peso = \$0.2941)	
Imports from—										
All countries.....	820, 018	100.0	215, 033	100.0	327, 531	100.0	479, 767	100.0	429, 647	100.0
UNITED STATES.....	216, 112	26.4	28, 998	13.5	47, 182	14.4	77, 157	16.1	74, 903	17.4
United Kingdom <sup>2</sup> .....	144, 568	17.6	46, 285	21.5	77, 050	23.5	99, 440	20.7	86, 173	20.1
Germany.....	94, 247	11.5	19, 918	9.2	30, 321	9.3	51, 278	10.7	44, 270	10.3
Japan.....	4, 530	.5	3, 177	1.5	13, 034	4.0	17, 340	3.6	16, 024	3.7
Italy.....	72, 113	8.8	22, 998	10.7	13, 620	4.1	22, 333	4.7	26, 103	6.1
France.....	50, 187	6.1	12, 039	5.6	14, 369	4.4	20, 109	4.2	20, 360	4.7
All other.....	238, 261	29.1	81, 648	38.0	131, 935	40.3	192, 110	40.0	161, 814	37.7

<sup>1</sup> For 1929 and 1932, the U. S. dollar value has been converted from the gold-peso value. The conversion rates for the gold peso were as follows: 1929, \$0.9513; 1932, \$0.5844. One gold peso equals 2.272727 paper pesos.

<sup>2</sup> Eire is included for 1929 but not for subsequent years.

<sup>3</sup> Includes trade with the following principal countries:

Exports to—	U. S. dollars (1,000)	Percent of total	Imports from—	U. S. dollars (1,000)	Percent of total
Belgium-Luxemburg.....	30, 889	7.4	Belgium-Luxemburg.....	29, 539	6.9
Netherlands.....	30, 701	7.4	Brazil.....	22, 076	5.1
Brazil.....	29, 227	7.0	Peru.....	14, 309	3.3
			British India.....	14, 950	3.5
			Netherlands West Indies.....	11, 973	2.8
			Netherlands.....	7, 266	1.7

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior de la República Argentina*.

The most significant developments in the distribution of Argentine exports in the decade 1929–38 were the maintenance of the position of the United Kingdom, the recent increase in the share obtained by Germany, and the fluctuations in the proportion taken by the United States.

The United Kingdom has long been the principal export market for Argentina; in the 10 years 1929–38, it purchased approximately one-third of all products shipped from Argentina, including large quantities of chilled, frozen, and canned meats, cattle hides, wool, corn, and wheat. Although the share of the United Kingdom has been relatively constant, the value of exports from Argentina to that country ranged from 120 million dollars (1932) to 292 million dollars (1929).

Exports to Germany varied between 28 million (1936) and 91 million dollars (1929). They represented 10 percent of the total in 1929, but declined to less than 6 percent in 1936. As a result of increased pur-

chases of wheat, wool, corn, cotton, frozen beef, and quebracho, Germany's share of Argentine exports reached nearly 12 percent in 1938.

TABLE 10.—*Argentina: Foreign trade, by geographic areas and principal countries, in 1937*

[Value in thousands of U. S. dollars]

Exports <sup>1</sup> (1 peso = \$0.3086)			Imports <sup>1</sup> (1 peso = \$0.3080)			
To—	"Real" values	Percent of total	From—	"Tariff" values	"Real" values	Percent of total <sup>2</sup>
<b>Western Hemisphere:</b>			<b>Western Hemisphere:</b>			
UNITED STATES.....	90,996	12.8	UNITED STATES.....	76,427	77,157	16.4
Canada.....	19,775	2.8	Canada.....	7,590	7,040	1.6
Brazil.....	40,724	5.7	Brazil.....	19,861	24,340	4.3
Chile.....	4,007	.6	Peru.....	13,951	9,447	3.0
Paraguay.....	3,183	.4	Netherlands West Indies.....	13,623	9,223	2.9
Peru.....	4,050	.6	All other Western Hemisphere countries.....	10,366	.....	2.2
Uruguay.....	3,540	.5	<b>Total.....</b>	<b>141,817</b>	.....	<b>30.4</b>
All other Western Hemisphere countries.....	5,404	.7				
<b>Total.....</b>	<b>171,679</b>	<b>24.1</b>				
<b>Europe:</b>			<b>Europe:</b>			
United Kingdom <sup>3</sup> .....	207,342	29.1	United Kingdom <sup>3</sup> .....	88,002	99,440	18.7
Germany.....	48,508	6.8	Germany.....	48,506	51,278	10.4
France.....	29,585	4.1	France.....	17,732	20,109	3.8
Italy.....	43,983	6.2	Italy.....	25,557	22,333	5.5
Belgium-Luxemburg.....	67,037	9.4	Belgium-Luxemburg.....	33,856	41,927	7.2
Netherlands.....	66,931	9.4	Netherlands.....	14,949	14,496	3.2
Denmark.....	11,463	1.6	Sweden.....	8,249	7,997	1.8
Sweden.....	9,538	1.3	Switzerland.....	6,023	6,062	1.3
All other European countries.....	45,802	6.4	Czechoslovakia.....	5,654	6,499	1.2
<b>Total.....</b>	<b>530,187</b>	<b>74.3</b>	Poland and Danzig.....	5,170	5,573	1.1
			Norway.....	4,254	3,804	.9
			Finland.....	4,150	3,723	.9
			All other European countries.....	13,744	.....	3.0
			<b>Total.....</b>	<b>275,845</b>	.....	<b>59.1</b>
<b>Asia:</b>			<b>Asia:</b>			
Japan.....	7,424	1.1	Japan.....	15,255	17,340	3.3
All other Asiatic countries.....	808	.1	British India.....	18,595	16,947	4.0
<b>Total.....</b>	<b>8,232</b>	<b>1.2</b>	British East Indies.....	7,217	3,302	1.5
			Ceylon.....	3,225	1,471	.7
<b>Africa:</b>			<b>All other Asiatic countries:</b>			
Oceania.....	2,449	.3	.....	3,266	.....	.7
On consignment (on order).....	424	.1				
	203	(*)	<b>Total.....</b>	<b>47,558</b>	.....	<b>10.2</b>
<b>Grand total.....</b>	<b>713,174</b>	<b>100.0</b>	Africa.....	705	.....	.1
			Oceania.....	732	.....	.2
			<b>Grand total.....</b>	<b>466,657</b>	<b>479,767</b>	<b>100.0</b>

<sup>1</sup> Imports for consumption. Exports of national and nationalized products. Specie and gold bullion are shown separately; silver bullion is included as "merchandise."

<sup>2</sup> Based on "tariff" values. <sup>3</sup> Includes Northern Ireland. <sup>4</sup> Less than one-tenth of 1 percent.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior de la República Argentina, 1937*.

Purchases of the United States, consisting chiefly of flaxseed, wool, cattle hides, quebracho, and occasionally corn (especially in 1936 and 1937) varied between 11 million (1932) and 94 million dollars (1937).<sup>24</sup> In 1929 nearly 10 percent of all Argentine exports were shipped to the United States. This, however, was a record proportion. The share of the United States had averaged 8 percent from 1924 to 1928, and the highest percentage prior to 1929 (9 percent) was reached in 1926

<sup>24</sup> In the period 1931-38, exports from Argentina to the United States probably were undervalued, on the average, by about 20 percent.



(table 2). In 1932 the share of the United States dropped to less than 4 percent. In the 3 years 1935-37, because of short crops following the droughts of 1934 and 1936, the United States took between 12 and 13 percent of all Argentine exports, but in 1938 the proportion declined to 8 percent.

Exports to France in the decade 1929-38 ranged between 4 percent and 9 percent of total Argentine exports.<sup>25</sup> The share of Italy was between 2 percent (1938) and 6 percent (1937).<sup>26</sup> The share of Japan, a minor factor in Argentine exports, increased from about one-tenth of 1 percent in 1929 to more than 1 percent in 1938. Exports from Argentina to other Latin American republics (principally Brazil) have been substantial. In 1937 they amounted to 63 million dollars, or approximately 9 percent of the value of total exports in that year.

Prior to 1940, the United Kingdom, the Netherlands, Belgium, and the United States were the outstanding markets for Argentine agricultural (as distinguished from pastoral) products. The United Kingdom, by far the largest single purchaser of Argentine corn, in the years 1935-37 took between 33 and 41 percent of all exports of corn. Belgium was the second most important market for that product; the Netherlands ordinarily occupied third place.

The relative positions of purchasers of Argentine wheat have varied considerably, but the United Kingdom and Brazil have been the principal purchasers since 1931. Exports of flaxseed from Argentina went principally to the Netherlands, the United States, and France. In 1935 and 1936, the Netherlands was the largest market, taking about one-fourth of the total, but in 1937, because of a crop shortage, the United States became the largest market (37 percent).<sup>27</sup>

In the period 1935-37, the leading markets for Argentine exports of animals and animal products were the United Kingdom, the United States, and Germany, in the order named. The principal market for meats was the United Kingdom, which took four-fifths of all meat exported in 1937. Practically all of the chilled beef, nearly all the frozen mutton, and over half of the canned meats exported in the 3 years 1935-37 were purchased by the United Kingdom. Germany was the leading purchaser of frozen beef, taking approximately one-half of all such exports, in terms of both quantity and value.

Inedible animal products exported from Argentina are accounted for chiefly by wool, hides and skins, and animal byproducts. The principal markets for wool in 1937 were the United Kingdom (22 percent), the United States (19 percent), and France (13 percent); these percentages indicate approximately the positions held in the 3 years 1935-37. Salted cattle hides in these years went principally to the United States, Germany, and the United Kingdom. There has been a considerable shift in the position of purchasers of Argentine dry cattle hides; first place, in the period 1935-37, was held successively by Germany, Poland, and Italy; the United Kingdom occupied second place in all 3 years.

From two-thirds to three-fourths of the exports of sheepskins from Argentina, in the years 1935-37, went to France, and about the same proportion of the goat and kid skins exported were absorbed by the

<sup>25</sup> The value of exports to France ranged from 22 million (1938) to 65 million dollars (1929).

<sup>26</sup> The value of Italian purchases ranged from 11 million (1938) to 52 million dollars (1929).

<sup>27</sup> The discussions of export commodities by countries of destination and of import commodities by countries of origin are largely based on statistics furnished by the Division of Regional Information, U. S. Department of Commerce. Data for years subsequent to 1937 are not readily available.

United States. The principal markets for casein were Germany and the United Kingdom; the United Kingdom led in purchases of grease, tallow, and butter.

Other Argentine exports are comparatively unimportant. The United States was the leading country of destination for forest products (largely quebracho extract) and game and fish products (largely fur skins). Exports of sugar went largely to Bolivia, and those of cotton in recent years were taken largely by Germany. Exports of fresh fruits in 1938 went to a variety of markets. The United Kingdom was the leading purchaser of pears; smaller quantities were taken by France and Brazil. The principal purchasers of Argentine apples in 1938 were Brazil, Sweden, and Germany. Table grapes went chiefly to the United States, Brazil, and Sweden.

#### Imports into Argentina.

*Composition.*—Imports into Argentina, by groups and principal subgroups, in specified years, 1929 to 1938, are shown in tables 11 and 12.<sup>28</sup> The six most important groups of Argentine imports—textiles and manufactures, combustibles and lubricants, iron and manufactures, machinery, foodstuffs, and chemical products—constituted approximately three-fourths of all Argentine imports in the decade 1929–38.

Variations in the buying power of Argentina in the past decade have affected certain groups of imports much more than others. Capital goods, for example, have been affected more than consumer goods. The very small imports of machinery and vehicles in 1932, at the bottom of the depression, make the shares of most other groups in the total trade higher in that year than in other years shown in table 11.

The changes in the absolute values from year to year have in some part been due to price fluctuations. In dollar value, imports in all the groups in 1937 and 1938 were smaller than in 1929, but larger—in most cases much larger—than in 1932. In terms of dollar value ("real" values), the ratios of imports in 1938 to those in 1929 for the major groups were as follows: Textiles and manufactures, 51 percent; combustibles and lubricants, 65 percent; machinery (including vehicles), 51 percent; iron and manufactures, 70 percent; foodstuffs, 35 percent; chemicals, 57 percent; paper, cardboard, and paper manufactures, 78 percent; metals, except iron and steel manufactures, 62 percent; wood and manufactures, 44 percent; stones, earths, glass, and ceramics, 42 percent; and rubber manufactures, 29 percent.

Textiles and manufactures, the leading Argentine import group, constituted between 23 percent (1938) and 33 percent (1932) of the "real" value of total imports into Argentina in the years shown in tables 11 and 12. The most important textile subgroups, and percentage that each was of total imports in 1938 ("real"-value basis) were cotton and manufactures, except thread (10 percent); wool and manufactures, except yarn (6 percent); jute, agave, hemp, and other fibers and their manufactures (4 percent); and silk and rayon and their manufactures (1 percent). Imports of cotton, woolen, and silk and rayon yarns are small in comparison with those of piece goods.

<sup>28</sup> Tables 11 and 12 show "real" values, which represent an attempt to adjust tariff valuations of groups of commodities to approximate market values.

The large quantity of jute sacking and sacks imported into Argentina is accounted for by the heavy demand for them in the packaging of cereals and meats.

Combustibles and lubricants, the second largest import group, accounted for from 9 percent (1937) to 12 percent (1938) of the total "real" value of imports into Argentina in the 10 years 1929-38 (15 to 17 percent in terms of "tariff" values). The major items in the group of combustibles were coal and petroleum and its derivatives. In 1938 imports of coal amounted to 2.8 million tons; those of petroleum and petroleum products, two-thirds of which consisted of fuel oil, gas oil, and Diesel oil, totaled 2.1 million tons.

TABLE 11.—*Argentina: Imports, by groups and principal subgroups, in specified years, 1929 to 1938*<sup>1</sup>

["Real" value in thousands of paper pesos<sup>2</sup>]

Commodity group or subgroup <sup>3</sup>	1929	1932	1936	1937	1938
Grand total.....	1,959,084	836,264	1,116,711	1,557,684	1,460,888
Tertiles and manufactures.....	464,959	278,380	306,544	358,808	340,157
Cotton, except thread.....	220,591	135,718	130,500	180,681	153,632
Wool, except yarn.....	91,820	61,623	78,394	85,604	93,142
Jute, agave (pita), hemp, and other fibers.....	124,132	59,248	66,946	73,647	65,696
Silk and rayon, except thread.....	21,320	18,123	23,553	28,226	19,300
Combustibles and lubricants.....	187,634	94,995	119,705	146,686	174,974
Combustibles.....	167,457	87,591	116,581	143,964	172,630
Machinery.....	342,273	36,443	116,289	195,566	250,140
Vehicles, excluding those of wood.....	166,998	17,207	47,883	84,318	123,128
Machinery and motors in general.....	107,395	16,863	61,234	69,017	63,728
Agricultural machinery and instruments.....	67,880	2,373	17,172	42,231	63,284
Iron and manufactures.....	170,870	49,325	123,964	234,412	169,802
Iron and steel in miscellaneous forms.....	124,759	32,850	95,498	192,588	131,999
Iron and steel manufactures.....	46,111	16,475	28,466	41,824	37,803
Foodstuffs.....	208,134	98,991	103,767	141,531	104,549
Vegetables.....	181,900	92,105	96,363	133,241	96,322
Chemicals and pharmaceutical products, drugs, oils, and paints.....	91,905	59,016	73,000	88,601	74,757
Chemical and pharmaceutical products for industrial and medicinal purposes.....	46,541	37,195	45,095	54,781	41,966
Paper, cardboard, and paper manufactures.....	48,425	38,248	41,626	63,888	53,600
Papers and cardboards.....	42,239	34,909	39,137	60,159	49,347
Metals, except iron and steel manufactures.....	69,061	28,068	60,216	79,850	61,155
Copper, bronze, or yellow metals and other metals.....	42,402	18,905	44,439	59,712	47,174
Wood and manufactures.....	107,139	48,675	51,914	80,081	67,711
Wood, except manufactures.....	95,877	46,441	49,812	76,823	64,918
Stones, earths, glass, and ceramics.....	71,977	26,016	31,036	40,779	43,097
Rubber and manufactures.....	30,764	11,732	10,468	18,239	12,800
Tobacco and manufactures.....	31,675	12,677	9,658	10,866	14,289
Beverages.....	23,777	8,200	7,493	9,105	9,828
Miscellaneous products.....	110,491	45,498	61,029	89,272	84,029
Electrical material.....	26,266	20,764	23,844	29,776	25,866

<sup>1</sup> "Real" values are not available except by groups and subgroups. Imports by commodities are shown only in "tariff" values. (See p. 9.)

<sup>2</sup> One paper peso equals 44 percent of one gold peso (one gold peso equals 2.272727 paper pesos).

<sup>3</sup> Classifications employed in this table are those given in the Argentine import statistics for 1938. Groups are ranked according to value in 1938.

<sup>4</sup> About one-half minerals.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior de la República Argentina*.

Iron and steel and manufactures ("real" value) accounted for from 6 percent (1932) to 15 percent (1937) of all imports into Argentina in the decade 1929-38 (12 percent in 1938). In addition to pig iron, such imports consisted of a wide range of semifabricated and fabricated products, including steel bars, plates, structural shapes, tubing, black and galvanized sheets, tin plate, wire and wire rope, tools, railway materials, cast-iron pipe, stoves, and heating and air-cooling plants and accessories.

TABLE 12.—*Argentina: Imports, by groups and principal subgroups, in specified years, 1929 to 1938<sup>1</sup>*

["Real" value in thousands of U. S. dollars]

Commodity group or subgroup <sup>2</sup>	1929 (1 gold peso = \$0.9513)		1932 (1 gold peso = \$0.6844)		1936 (1 paper peso = \$0.2933)		1937 (1 paper peso = \$0.3080)		1938 (1 paper peso = \$0.2941)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Grand total.....	820,018	100.0	215,033	100.0	327,531	100.0	479,766	100.0	429,647	100.0
Textiles and manufactures.....	194,619	23.7	71,581	33.3	89,909	27.5	110,513	23.0	100,040	23.3
Cotton, except thread.....	92,333	11.3	34,898	16.2	38,276	11.7	49,490	10.3	45,183	10.5
Wool, except yarn.....	38,433	4.7	16,845	7.4	22,990	7.0	26,674	5.6	27,393	6.4
Jute, agave (pita), hemp, and other fibers.....	51,959	6.3	15,285	7.1	19,635	6.0	22,683	4.7	19,321	4.5
Silk and rayon, except thread.....	8,924	1.1	4,660	2.2	6,908	2.1	8,694	1.8	5,676	1.3
Combustibles and lubricants.....	78,538	9.6	24,427	11.4	35,109	10.7	45,179	9.4	51,460	12.0
Combustibles.....	70,093	8.5	22,515	10.5	34,193	10.4	44,341	9.2	50,768	11.8
Machinery.....	143,266	17.5	9,371	4.3	34,108	10.4	60,234	12.6	73,566	17.1
Vehicles, excluding those of wood.....	69,901	8.5	4,425	2.0	14,044	4.3	25,970	5.4	36,212	8.4
Machinery and motors in general.....	44,953	5.5	4,336	2.0	15,027	4.6	21,257	4.4	18,742	4.4
Agricultural machinery and instruments.....	28,412	3.5	610	.3	5,037	1.5	13,007	2.7	18,612	4.3
Iron and manufactures.....	71,522	8.7	12,683	5.9	36,359	11.1	72,199	15.1	49,939	11.6
Iron and steel in miscella- neous forms.....	52,221	6.4	8,447	3.9	28,010	8.6	59,317	12.4	38,821	9.0
Iron and steel manufactures.....	19,301	2.4	4,236	2.0	8,349	2.5	12,882	2.7	11,118	2.6
Foodstuffs.....	87,119	10.6	25,454	11.8	30,435	9.3	43,991	9.1	30,748	7.1
Vegetables.....	76,138	9.3	23,683	11.0	28,263	8.6	41,038	8.6	28,328	6.6
Chemicals and pharmaceu- tical products, drugs, oils, and paints.....	38,469	4.7	15,175	7.1	21,411	6.5	27,289	5.7	21,986	5.1
Chemical and pharmaceu- tical products for indus- trial and medicinal pur- poses.....	19,481	2.4	9,564	4.4	13,226	4.0	16,873	3.5	12,342	2.9
Paper, cardboard, and paper manufactures.....	20,269	2.5	9,835	4.6	12,209	3.7	19,677	4.1	15,764	3.7
Papers and cardboard.....	17,680	2.2	8,976	4.2	11,479	3.5	18,829	3.9	14,513	3.4
Metals, except iron and steel manufactures.....	28,907	3.5	7,217	3.4	17,661	5.4	24,594	5.1	17,986	4.2
Copper, bronze or yellow metals, and other metals.....	17,748	2.2	4,861	2.3	13,034	4.0	18,391	3.8	13,874	3.2
Wood and manufactures.....	44,845	5.5	12,516	5.8	15,226	4.6	24,665	5.1	19,914	4.6
Wood, except manufac- tures.....	40,131	4.9	11,942	5.6	14,610	4.5	23,662	4.9	19,093	4.4
Stones, earthen, glass, and ceramics <sup>3</sup> .....	30,128	3.7	6,690	3.1	9,103	2.8	12,560	2.6	12,675	3.0
Rubber and manufactures.....	12,877	1.6	3,017	1.4	3,070	.9	5,618	1.2	3,764	.9
Tobacco and manufactures.....	13,258	1.6	3,260	1.5	2,833	.9	3,347	.7	2,202	1.0
Beverages.....	9,953	1.2	2,108	1.0	2,198	.7	2,804	.6	2,890	.7
Miscellaneous products.....	46,248	5.6	11,699	5.4	17,900	5.5	27,496	5.7	24,713	5.7
Electrical material.....	11,003	1.3	5,339	2.5	6,994	2.1	9,171	1.9	7,607	1.8

<sup>1</sup> "Real" values are not available except by groups and subgroups. Imports by commodities are shown only in "tariff" values.

<sup>2</sup> Classifications employed in this table are those given in the Argentine import statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> About one-half minerals in 1937.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior de la República Argentina*.

Imports of machinery and vehicles into Argentina have varied widely. From a share of 17 percent of the "real" value of total imports in 1929, they dropped sharply to 4 percent in 1932, "real" values declining from 143 million to 9 million dollars. By 1938 they had returned approximately to the share held in 1929, but both peso and dollar values were still considerably lower than in 1929. Vehicles, chiefly automobiles and trucks, in general accounted for about one-

half of all imports in the machinery group. The share of imports of machinery and motors fluctuated considerably, ranging from one-fourth to one-half (one-fourth in 1938). The share of agricultural machinery and instruments likewise varied, in general ranging from one-seventh to one-fourth (1938) of all machinery imported, except in 1932, when it was considerably lower.

Imports of foodstuffs into Argentina in the decade 1929-38 ranged from 7 percent (1938) to 12 percent (1932) of total imports, in terms of "real" value. Almost all such imports consisted of vegetable foodstuffs, the most important being coffee, cacao beans, potatoes, tea, yerba maté, rice, edible oils, apples, pears, prunes, and walnuts. Animal food products include dried codfish, herring, sardines, fresh and preserved fish, and eggs.

Chemical products imported into Argentina represented between 5 percent (1929) and 7 percent (1932) of total imports in the period 1929-38 (on the basis of "real" value). The chief commodities composing this group are industrial chemicals, drugs, pharmaceutical specialties, patent medicines, sheep and cattle dips, paints, enamels, and varnishes, and raw materials for the manufacture of paints, enamels, and varnishes.

Imports besides those already mentioned—metals (other than iron and steel); wood and manufactures; stones, earths, glass, and ceramics; rubber and manufactures; tobacco and manufactures; beverages; and miscellaneous articles—together formed about one-fourth of Argentina's imports in the decade 1929-38 (see tables 11 and 12).

*Sources.*—Imports into Argentina from selected countries, in specified years, 1929 to 1938, have already been shown in tables 8 and 9. More detailed data for 1937 are shown in table 10. The principal sources of imports in 1938 were the United Kingdom, the United States, and Germany, which together accounted for nearly one-half of the value of total imports. The remainder was distributed among a large number of suppliers, including Belgium-Luxemburg, Italy, Brazil, Peru, British India, France, the Netherlands, the West Indies, and Japan.

The most significant feature of the distribution of Argentine imports in the decade 1929-38 was the decline from the peak year of 1929 in the share obtained from the United States. Argentine purchases from the United States ranged between 29 million (1932) and 216 million dollars (1929). In 1929 this country supplied 26 percent of all Argentine imports; its share averaged 24 percent from 1924 to 1928 (table 2), dropped to less than 14 percent in 1932, but increased thereafter to more than 17 percent in 1938. The share of the United Kingdom was fairly constant. It increased from nearly 18 percent in 1929 to over 21 percent in 1932. In 1936 it reached 23 percent, but by 1938 had declined to 20 percent. In dollar value, however, Argentine imports from the United Kingdom varied considerably, ranging from 46 million (1932) to 145 million dollars (1929).

The decline in the share of the United States in the Argentine import trade after 1929 is attributable to the decline in imports of automobiles, machinery, and certain consumption goods utilized by high-income groups, purchases of which were drastically curtailed during the depression; the United States was the principal supplier of articles of these types. Argentina's imports from the United Kingdom, on the other hand, consist principally of staple products. The failure

of the United States to regain the share of the Argentine import trade held before 1932 may be attributed to lower Argentine purchasing power for such commodities as automobiles, machinery, and high-priced consumption goods; to the Argentine system of import control; and to the fact that the United States prior to 1941 received less favorable exchange treatment than have certain other countries, notably the United Kingdom.

Germany's position in the decade 1929-38 was fairly constant, varying from 9 percent (1932 and 1936) to 12 percent (1929 and 1937). The value of Argentine imports from Germany, however, varied between 20 million (1932) and 94 million dollars (1929). Italy and France each supplied Argentina a greater proportion of total imports in 1929 and 1932 than in recent years; exchange restrictions operated to reduce the Italian share.<sup>29</sup> Imports from Japan, which formed a negligible proportion of the total in 1929, rose in 1935 to nearly 5 percent, and then ranged between 3 and 4 percent.<sup>30</sup>

Countries other than those mentioned together furnished between 38 and 40 percent of Argentina's import trade in 1932 and 1936-38, as compared with 29 percent in 1929. Countries from which imports were substantially greater in the period 1936-38 than in 1929 and 1932 included Czechoslovakia, Finland, Hungary, the Netherlands Indies, and Poland. Smaller increases were recorded by Australia, Austria, Belgium, and Denmark. Countries the trade of which with Argentina declined in the decade 1928-38 were China, Cuba, Mexico, Paraguay, Rumania, the Soviet Union, Spain, Uruguay, and Venezuela. Imports from other Latin American republics (principally Brazil and Peru) were fairly large during the decade. In 1937 they were valued at 44 million dollars, or about 9 percent of total imports in that year.

The leading suppliers of textiles and their manufactures imported into Argentina in the period 1935-37 were the United Kingdom, British India, Italy, and Japan. The principal sources of cotton manufactures were the United Kingdom, Japan, and Italy, which in the 3 years mentioned furnished, respectively, two-fifths, one-fourth, and one-seventh of such imports. Cotton yarn and thread in 1937 came principally from the United Kingdom, and the United Kingdom and Japan each furnished approximately one-third of all imports of cotton piece goods, in terms of quantity.

The United Kingdom supplied over two-thirds of the value of imports of wool and manufactures in the years 1935-37. In 1937 approximately five-sixths of all pure woolen piece goods and three-fourths of all mixed woolen piece goods were from that source; Belgium, France, and the United Kingdom each supplied about one-fifth of the imports of woolen yarns.

The position of the suppliers of silk and rayon and manufactures thereof shifted considerably; in 1937 the leading suppliers were Italy, the Netherlands, and France. In that year Italy furnished more than one-half of all rayon yarn, the United Kingdom about two-thirds of the pure silk yarns, and Germany about three-fifths of the silk thread. France supplied about one-half of all imports of natural silk piece goods and nearly one-third of those of rayon piece goods. In the 3-year period 1935-37, more than two-thirds of all imports of jute, hemp,

<sup>29</sup> The share of Italy ranged from 4 percent (1936) to 11 percent (1932), and the value of imports from Italy from 14 million (1936) to 72 million dollars (1929). France varied from 4 percent (1936 and 1937) to 6 percent (1929), and the value of imports from France varied from 12 million (1932) to 30 million dollars (1929).

<sup>30</sup> The value of imports from Japan ranged from 3 million (1932) to 17 million dollars (1937).

and similar fibers and their manufactures (principally jute yarn, sack-  
ing, and sacks) came from British India.

In 1937 Argentina's principal suppliers of iron and steel and their manufactures were Germany (24 percent), Belgium (21 percent), and the United Kingdom (16 percent). Pig iron came chiefly from France; unworked steel in bars or plates from Belgium-Luxemburg, the United Kingdom, France, and Germany; steel rails from France; and structural shapes from Belgium-Luxemburg and France. Belgium was the principal source of wire, and Germany was the leading supplier of wire rope and iron and steel pipe, kitchen utensils, cutlery, tools, hardware, and miscellaneous iron and steel products.

Argentina's imports of combustibles and lubricants in 1935-37 were purchased principally from the United Kingdom, Peru, the Netherlands West Indies, and the United States; in 1937 these suppliers ranked in the order named. Approximately three-fourths of all coal imported into Argentina in 1937 (in terms of quantity) came from the United Kingdom. All imported fuel and diesel oil was from the Netherlands West Indies. More than half of the imports of crude petroleum came from Peru, and about one-third from the United States. Of the gasoline imported, three-fourths came from the United States and the remainder from the Netherlands West Indies. The United States, furnishing more than half, was the leading supplier of lubricating oils and greases; the United Kingdom provided most of the remainder.

The United States was by far the principal source of machinery of all kinds (including vehicles) imported into Argentina in the period 1935-37, furnishing approximately one-third of the value of the sub-group designated as machinery and motors, over two-thirds of all agricultural machinery and instruments, and one-half or more of all vehicles. In 1937, Germany was second as a supplier of machinery and motors, and third as a supplier of agricultural machinery and vehicles. Canada, in all 3 years, was the second supplier of agricultural machinery.

Other import groups individually account for small percentages of Argentina's import trade. In the period 1935-37, Spain and Brazil were the principal sources of animal and vegetable food products. Chemical, pharmaceutical, and allied products came chiefly from the United Kingdom, the United States, and Germany. Canada ranked first as a supplier of paper, cardboard, and manufactures; other important sources were the Scandinavian countries and Germany. Approximately one-third of the value of imports of nonferrous metals and manufactures came from the United Kingdom; in 1937, the United States and Germany were second and third suppliers.

For the following import groups the principal suppliers in 1937 were: Wood and manufactures, the United States; stones, earths, glass, and ceramics, Belgium; rubber and manufactures, British possessions in Asia (excluding India and Ceylon); tobacco and manufactures, Brazil; beverages, France; and miscellaneous articles, including electrical material, the United States.

### UNITED STATES TRADE WITH ARGENTINA

The productive resources and economic organization of Argentina in many respects more closely resemble those of the United States than do those of any other country in Latin America. Argentina is

situated largely in the Temperate Zone, is a leading world exporter of agricultural and pastoral products, and is the most highly industrialized country in Latin America. Although the United States is itself the world's largest producer and a leading exporter of agricultural products, it has regularly obtained from Argentina substantial quantities of flaxseed, hides and skins, wool, and canned beef to supplement domestic production. United States imports of most of these Argentine products have fluctuated widely. In years of high industrial activity in the United States, imports have been large, but in times of severe depression, when domestic output is more nearly sufficient to supply the smaller demand, they have been greatly reduced. Large quantities of corn have come from Argentina following years of severe drought, but customarily United States imports of corn are much smaller than exports.

#### **Trend of United States-Argentine trade.**

Reflecting the extreme variations in the United States demand for leading Argentine products, United States imports from Argentina have fluctuated more widely in value and in relation to total imports from Latin America than have imports from any other Latin American country.<sup>31</sup> As shown in table 13, general imports from Argentina declined drastically after 1929, the peak year since 1920; in 1932 they were only one-seventh as large as in 1929, and not much more than one-sixth of the average for the period 1924-28. Argentina's share of total United States imports from Latin America likewise decreased greatly.

The recovery in United States imports from Argentina after 1932 was marked but irregular, as was the increase in Argentina's share in the total trade. A large increase in imports occurred in 1937 when a crop shortage in the United States following the drought of 1936 led to greatly enlarged purchases of Argentine corn and flaxseed, and when the general industrial recovery resulted in a greater demand for wool. In that year one-fifth of the total United States imports from Latin America came from Argentina, the largest share contributed by that country in many years. The decrease in the trade in 1938 was even more precipitate than the preceding rise and was due chiefly to a recession in business activity and to improved crop conditions in the United States. Although imports increased materially in 1939 and 1940, they were still much smaller than in 1937; in value, imports in 1940 amounted to about 40 percent of those in 1929, but part of the decline was caused by lower prices. Argentina accounted for a larger part of total United States purchases from Latin America in 1940 than in any recent year except 1935 and 1937.

Argentina is of outstanding importance as a market for United States merchandise. In recent years it has been the seventh largest foreign purchaser of United States exports. It was the largest market in Latin America in 1927-29 and in 1938 and was the second or third largest in most other years; in 1940 it ranked second. In general, however, Argentina has been a less important market for United States merchandise in recent years than in the late 1920's (table 13).

The value of United States exports to Argentina since the peak year 1929 has fluctuated less than imports from Argentina, but more

<sup>31</sup> See table III in appendix B of pt. I of this report.



widely than exports to Latin America as a whole. Exports to Argentina in 1932 were 85 percent less than in 1929 and 80 percent below the average for 1924-28. They rose steadily thereafter, however, reaching a peak in 1937. They then declined and in 1939 were 47 percent of the 1924-28 average. In 1940, after the outbreak of war in Europe, exports increased sharply and were 50 percent larger than in 1939. This increase was considerably greater than the rise in exports to Latin America as a whole.

A part of the wide variation in exports after 1929 was due to the prominence in the trade of durable producer and consumer goods, the demand for which fluctuates greatly as national income varies. Prior to 1941 the variation in trade may also have been caused by the large year-to-year changes in the value of United States imports from Argentina, inasmuch as the Argentine exchange-control authorities attempted to restrict purchases from the United States, and from other countries with which it has an import trade balance. Thus, United States sales to Argentina were rather closely related to the amount of United States purchases from Argentina.

TABLE 13.—United States imports from and exports to Argentina, 1924-40

[Value in thousands of dollars]

Year	General imports		Exports (including reexports)		Year	General imports		Exports (including reexports)	
	Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America		Value	Percent of total United States exports from Latin America	Value	Percent of total United States imports to Latin America
1924.....	75,298	7.3	117,093	15.9	1933.....	33,841	10.7	36,927	17.1
1925.....	80,170	8.0	148,759	17.6	1934.....	29,487	8.0	42,688	13.9
1926.....	88,058	8.5	143,575	17.2	1935.....	65,408	14.2	49,374	14.3
1927.....	97,240	10.1	163,485	20.3	1936.....	65,882	13.1	56,910	14.4
1928.....	99,438	10.5	178,839	21.5	1937.....	138,940	20.7	94,183	16.3
1929.....	117,581	11.6	210,288	23.1	1938.....	40,709	9.0	86,793	17.5
1930.....	71,891	10.6	129,862	20.7	1939.....	61,914	12.0	70,945	12.5
1931.....	35,980	7.5	52,652	16.8	1940 <sup>1</sup> .....	83,301	13.4	106,874	14.7
1932.....	15,779	4.9	31,133	16.0					

<sup>1</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

#### United States imports from Argentina.

*Composition.*—United States imports from Argentina consist predominantly of agricultural and pastoral products. The principal commodities imported are shown, for specified years 1929 to 1939, in table 14. In examining this table, it should be borne in mind that 1929 was a peak year for total imports from Argentina and for a number of major individual commodities.

Flaxseed, customarily the largest import from Argentina by value, was in 1937 exceeded by corn, imports of which were large following the very scant corn crop in the United States in 1936. Among the leading products imported from Argentina in 1939 besides flaxseed, which represented 30 percent of the total value, were unmanufactured wool (20 percent), wet-salted cattle hides (12 percent), quebracho extract (7 percent), and canned beef (6 percent).

TABLE 14.—United States imports for consumption from Argentina of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Tariff status	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
			Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Beef, including corned beef, canned	Dutiable	1,000 lb.	44,998	6,198	8,255	680	39,973	3,081	41,360	4,508	33,902	3,741	34,723	3,650
Sheep, lamb, and goat casings	Free	1,000 lb.	486	680	498	273	541	444	660	668	549	488	431	476
Cattle hides:														
Wet-salted, over 25 pounds	Dutiable	1,000 pieces	2,570	22,183	631	1,944	1,501	7,555	1,177	8,148	490	2,361	1,695	7,060
Sheep and lamb skins:														
Pickled skins, not split, no wool	Free	1,000 pieces	3,825	3,267	3,170	726	4,417	2,185	4,057	2,491	2,873	1,003	4,826	1,687
Goat and kid skins:														
Dry and dry-salted	do	1,000 pieces	2,793	2,045	1,560	466	2,741	1,348	2,562	1,584	1,892	798	2,505	1,011
Furs, undressed:														
Guanaquito	do	1,000 pieces	116	300	107	120	190	184	276	375	151	212	104	151
Hare	do	1,000 pieces <sup>2</sup>	306	402	113	15	1,419	270	600	128	1,733	218	1,637	243
Bones, crude, steamed, or ground	do	1,000 lb.	73,017	1,039	58,780	515	53,155	421	79,220	729	20,267	184	80,211	697
Tankage	do	1,000 tons	11	429	4	65	23	869	29	1,294	15	567	36	1,468
Corn	Dutiable	1,000 bu.	154	183	122	49	25,635	11,758	79,559	50,392	62	52	78	83
Grapes	do	1,000 cu. ft.	83	181	219	410	326	433	328	434	295	396	319	466
Flaxseed	do	1,000 bu.	22,725	43,101	7,205	4,630	13,167	14,287	27,385	34,109	14,342	18,559	15,277	17,424
Dyeing and tanning materials:														
Quebracho wood	Free	1,000 tons	71	1,037	13	126	14	296	14	200	29	485	28	538
Quebracho extract	Dutiable	1,000 lb.	81,520	3,732	89,940	1,598	97,053	2,907	116,352	3,787	62,981	2,004	122,346	4,086
Wool, unmanufactured, total <sup>3</sup>		1,000 lb. (clean content)	( <sup>4</sup> )	11,472	7,504	1,052	39,802	9,547	46,445	17,362	22,528	6,273	44,294	11,954
Carpet wool		1,000 lb. (clean content)	( <sup>4</sup> )	5,537	7,355	1,002	35,611	8,147	39,242	13,645	20,770	5,395	39,891	10,117
Dutiable		1,000 lb. (clean content)	( <sup>4</sup> )	1,336	607	121	12,463	2,074	10,435	3,341	5,023	1,417	9,651	2,434
Free under bond for mfg. into carpets, etc.		1,000 lb. (clean content)	( <sup>4</sup> )	4,201	6,748	881	23,148	5,473	27,807	10,304	15,747	3,978	30,240	7,683
Apparel wools		1,000 lb. (clean content)	10,908	5,934	149	50	4,191	1,400	7,202	3,717	1,757	878	4,372	1,837
Finer than 40s but not finer than 44s	Dutiable	1,000 lb. (clean content)			123	42	1,066	216	1,468	358	224	57	595	162
Finer than 44s but not finer than 56s	do	1,000 lb. (clean content)	10,908	5,934	26	8	2,350	855	2,426	1,251	653	281	1,545	628
Finer than 56s	do	1,000 lb. (clean content)					775	329	3,308	2,108	880	540	2,232	1,047
Tin bars, blocks, pigs, grain, granulated, or scrap, and alloys, chief value tin, n.s.p.	Free <sup>5</sup>	1,000 lb.					226	104	291	164	1,080	438	562	256
Imports of commodities shown above				96,249		12,669		56,589		126,350		37,764		51,318
Total imports from Argentina <sup>6</sup>				117,581		15,779		65,318		136,302		41,674		58,555
Principal imports (shown above) as percent of total				81.9		80.3		86.6		92.7		90.6		87.6

- † Preliminary.
- ‡ Reported in pounds prior to 1936.
- § Includes minor items not shown separately.
- \* Not available.
- † Conditionally free, subject to provisions of par. 1785, Tariff Act of 1930.
- ‡ General imports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Most of the principal imports from Argentina have in recent years been materially smaller than before the depression. For a few selected products, however, the United States demand has tended to increase, and in 1939 imports of quebracho extract, tankage, and tin<sup>32</sup> were larger than a decade earlier. A seasonal demand has also developed in recent years for grapes and other fruits imported during the winter months.

*Dutiable status of imports.*—Between two-thirds and three-fourths of United States imports from Argentina are customarily represented by dutiable commodities. This high ratio, as compared with imports from most Latin American countries, reflects the dutiable status of a few large imports from Argentina.

More than one-half of the dutiable imports from Argentina usually consist of flaxseed, for which Argentina is almost the sole supplier. Prior to the trade agreement with Argentina, flaxseed was dutiable at 65 cents a bushel, the duty having been raised in the Tariff Act of 1930 from 56 cents a bushel; on the basis of imports from Argentina in 1939, the ad valorem equivalent of the duty was 57 percent. Flaxseed is now dutiable at 37.5 cents a bushel.<sup>33</sup> Cattle hides, the third largest item in 1939, were dutiable at 10 percent ad valorem prior to the trade agreement, and prior to the Tariff Act of 1930 they were on the free list. They are now dutiable at 5 percent ad valorem.<sup>34</sup> Quebracho extract, for which Argentina is also the leading supplier, was dutiable at 15 percent; it is now dutiable at 7.5 percent.<sup>34</sup> The leading dutiable wools (wools other than Donskoi, Smyrna, etc., not finer than 40s, worsted type, in the grease) were dutiable at 24 cents a pound, or an ad valorem equivalent of 95 percent on the basis of imports in 1939 from Argentina, the principal supplier of such wools; such wools are now dutiable at 13 cents a pound.<sup>34</sup> Corn, the leading product imported from Argentina in 1937, is dutiable at 25 cents a bushel, or an ad valorem equivalent of 35 percent in that year. Canned beef was dutiable at 6 cents a pound (but not less than 20 percent); on the basis of the 1939 imports from Argentina, the principal supplier, the ad valorem equivalent was 57 percent; the duty is now 3 cents a pound (but not less than 20 percent).<sup>34</sup> Frozen beef and mutton are important in Argentina's export trade, but quarantine restrictions, imposed because of the existence of foot-and-mouth disease in certain parts of Argentina, prevent the entry of these products into the United States.<sup>35</sup>

The principal duty-free products imported from Argentina are carpet wools (free under bond for manufacture into carpets, etc.), sheep and goat skins, tankage, crude bones, and quebracho wood.

<sup>32</sup> Imports from Argentina are part secondary tin (made from scrap which may have been imported). Argentine output of tin ore is small and only recently has there been a small tin-smelting industry.

<sup>33</sup> Under the trade agreement with Argentina, effective November 15, 1941. The agreement provides that 30 days after a proclamation by the President of the United States (after consultation with the Argentine Government) that the existing abnormal situation with respect to the trade in flaxseed has terminated, the rate of duty on flaxseed shall be 50 cents per bushel of 56 pounds.

<sup>34</sup> Under the trade agreement with Argentina, effective November 15, 1941.

<sup>35</sup> Effective January 1, 1927, under an order of the U. S. Department of Agriculture (Bureau of Animal Industry, Order 288) an embargo was placed on imports of fresh meat from the regions of countries affected by foot-and-mouth disease. In section 306 of the Tariff Act of 1930, imports of cattle and fresh meat are prohibited entry from any foreign country in which the Secretary of Agriculture finds foot-and-mouth disease to exist. In May 1935 a treaty between the United States and Argentina was signed permitting the importation of fresh meat from areas free from foot-and-mouth disease; however, this sanitary convention has not been ratified by the United States Senate.

**United States exports to Argentina.**

As in the trade with other Latin American countries, the United States sells to Argentina chiefly manufactured goods, and buys from that country largely crude materials. A great variety of machinery and vehicles, amounting to about two-thirds of the total trade, is exported to Argentina each year. The leading products in 1939 were passenger cars (9 percent of the total), automobile parts (8 percent), motor trucks (4 percent), crude petroleum (4 percent), Southern pine lumber (3 percent), and combines for harvesting (3 percent). In other recent years, tractors, agricultural implements, and airplanes (land) were also outstanding exports (see table 15).

In considering the comparative figures for the years shown in the table, it should be noted that total exports to Argentina in 1929 were the largest since 1920, exceeding by 40 percent the average for 1924-28.

The principal factors affecting the trend of particular United States exports to Argentina in recent years have been the prosperity or depression of the great agricultural and pastoral industries of Argentina, the growth of industrialization, import- and exchange-control policies,<sup>30</sup> the technical development of new products, and most recently, the outbreak of the war.

Because of Argentina's position as a leading world producer and exporter of agricultural and pastoral products, its purchases of agricultural machinery and implements have been notably large. They have, however, fluctuated widely in value, inasmuch as they are durable producers' goods, the purchase of which is customarily deferred during periods of depression. The rate of industrialization in Argentina has increased appreciably in the last decade and has had a marked influence upon the composition of United States exports to Argentina. The recent development of the country's petroleum resources and oil-refining industry, for example, has led to larger United States exports of oil-well-drilling apparatus and crude petroleum, while exports of refined petroleum products have declined. Moreover, the expansion of Argentina's textile industry has contributed to a drastic contraction of the market for United States textiles, although increased competition from Japan and the United Kingdom has also been an important factor. An automobile assembling industry has been established in Argentina, and exports from the United States of parts for assembly in recent years have more nearly recovered to the predepression level than have exports of automobiles. The substantially increased United States sales to Argentina in recent years of radio sets and parts, electric refrigerators, and motion-picture film are due mainly to the commercial newness of these products.

The effect of the present war upon United States sales to Argentina has been marked. The increased sales of many products appear to have resulted from the diversion of Argentine purchases from belligerent sources to the United States.

<sup>30</sup> See the section on Argentine commercial policy.

TABLE 15.—United States exports (domestic merchandise) to Argentina of principal commodities, in specified years, 1929 to 1939

[Value in thousands of U. S. dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 1	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Gum rosin	1,000 bbl.	98	1,362	49	269	49	495	47	751	28	305	35	381
Leaf tobacco, unmanufactured	1,000 lb.	3,552	1,549	1,594	540	954	353	2,244	757	1,607	550	894	235
Tobacco manufactures			217		200		390		468		713		573
Boards, planks, and scantlings, softwood:													
Douglas fir, rough	M bd. ft.	56,001	1,185	19,032	191	16,600	259	32,546	612	26,054	424	32,103	521
Southern pine, rough	M bd. ft.	170,047	6,678	72,201	1,617	68,419	2,058	86,836	3,243	74,780	2,472	67,113	2,294
Cooperage:													
Tight shooks	1,000 sets	655	2,072	163	322	285	498	350	732	243	451	286	448
Petroleum, crude	1,000 bbl.	101	223	143	153	1,284	1,764	1,420	2,175	1,504	2,374	2,125	2,789
Iron and steel plates, sheets, skelp, and strip 1	1,000 lb.	33,751	1,214	1,911	56	4,023	129	18,372	659	15,687	568	44,939	1,513
Tin plate and tagger's tin	1,000 lb.	46,340	2,103	5,211	189	30,419	1,384	47,174	2,483	9,932	550	22,037	1,150
Tubular products and fittings	1,000 lb.	39,601	2,268	18,852	955	7,803	434	9,578	616	6,221	398	9,734	592
Wire and manufactures	1,000 lb.	47,011	1,411	10,526	293	31,351	880	16,231	652	21,848	757	29,781	985
Tools			828		192		517		1,071		524		524
Refined copper, in ingots, bars, or other forms	1,000 lb.	710	142	2,325	152	2,039	203	5,166	735	5,028	512	3,192	404
Copper wire, insulated and other	1,000 lb.	5,025	1,012	300	60	1,436	285	1,893	480	875	226	353	98
Electric batteries			1,461		326		536		671		296		191
Electric refrigerators and parts			(9)		210		533		902		578		842
Radio receiving tubes	1,000 tubes	190	213	547	286	1,338	527	1,725	704	1,351	494	877	316
Radio receiving set components			416		574		754		1,357		1,094		801
Construction and conveying machinery			1,437		149		678		1,230		1,034		554
Mining and quarrying machinery			174		38		323		476		412		145
Petroleum- and gas-well drilling apparatus			680		575		659		1,010		959		1,737
Other petroleum well and refining machinery			767		383		468		1,172		248		1,446
Accounting and calculating machines	Number	3,514	556	381	59	2,637	328	3,800	538	1,594	459	1,466	505
Typewriters	Number	20,232	1,096	2,582	125	8,836	480	16,190	779	10,256	489	7,590	353
Printing and bookbinding machinery			1,032		773		265		591		709		661
Implements of cultivation:													
Plows, horse and power	Number	75,677	3,394	1,522	13	6,304	193	8,937	448	10,352	787	3,684	260
Harrows and cultivators	Number	37,505	1,602	673	9	6,193	228	13,632	635	7,646	400	3,537	184
Drills and seeders, horse and power	Number	13,610	1,589	12	1	1,431	108	4,445	671	4,705	861	1,109	149
Other cultivating implements and parts, including planters			1,994		205		707		1,219		878		444
Harvesting machinery:													
Combines or reaper-threshers	Number	6,214	8,607	32	30	315	423	864	1,105	2,564	3,205	1,808	2,091
Other harvesting implements and machinery (mowers, hay rakes, binders, etc.)			3,884		147		827		1,394		1,281		1,006
Track-laying tractors	Number	287	8,424	9	26	140	255	433	1,033	906	1,690	288	639
Wheel tractors	Number	8,705	8,431	8	17	567	608	3,248	3,058	3,441	3,185	502	367

Parts and accessories for tractors <sup>1</sup>			1,552		82		292		701		840			
Windmills and parts			1,325		48		356		491		350		426	
Other agricultural machinery, implements and parts (including beekeeping, dairy, and poultry equipment, sprayers, seed separators, feed cutters, grinders and crushers, hay presses, etc.)			2,540		137		448		709		809		432	
Motortrucks, buses, and chassis	Number	19,915	13,648	1,221	411	5,324	2,379	11,824	5,952	7,792	3,856	5,567	2,796	
Passenger automobiles and chassis	Number	39,158	25,839	2,207	1,016	11,065	5,689	20,699	10,399	18,747	10,123	11,683	6,249	
Automobile parts for assembly			7,591		693		2,494		4,456		6,499		2,760	
Automobile parts for replacement			5,857		983		2,007		3,082		2,639		2,782	
Automobile engines for assembly and replacement	Number	87	23	17	4	7,203	609	16,015	1,337	17,195	1,422	4,844	418	
Other automobile service appliances and accessories			1,166		116		344		612		398		303	
Aircraft and parts:														
Landplanes (powered)	Number	25	376	9	67	63	1,494	70	2,401	93	4,648	16	600	
Seaplanes and amphibians	Number													
Engines	Number													
Aircraft parts, instruments and accessories (except tires)			14	43	3	12	85	329	104	527	25	171	31	332
Sodium hydroxide (caustic soda)	M lbs.	12,663	487	16,804	279	10,278	394	24,076	429	24,924	549	34,210	762	
Motion-picture films	M lin. ft.	19,488	490	10,687	220	24,890	387	26,663	470	22,105	343	23,269	336	
Exports of commodities shown			120,996		13,418		36,437		67,375		64,175		44,563	
Total exports to Argentina			209,875		30,988		56,679		93,831		86,500		70,743	
Principal exports (shown above) as percent of total			57.7		43.3		64.3		71.8		74.2		63.0	

<sup>1</sup> Preliminary.

<sup>2</sup> Includes stainless steel and alloy steel other than stainless.

<sup>3</sup> Includes terneplate.

<sup>4</sup> Not separately classified.

<sup>5</sup> Printing machinery only.

<sup>6</sup> Includes engines.

Source: Compiled from official statistics of the U. S. Department of Commerce.

**Balance of payments between the United States and Argentina.**

Except in a few recent years, the United States has had a large, though widely fluctuating, export trade balance with Argentina—that is, the value of United States merchandise exports to Argentina has exceeded the value of imports from Argentina. This export trade balance is in sharp contrast with the substantial import trade balance that the United States customarily has with Latin America as a whole.<sup>37</sup>

The United States export trade balance with Argentina declined rather steadily between 1929 and 1934 and finally in the period 1935–37 became an import trade balance, the first in many years. (See table 16.) The import balance was especially large in 1937 when the drought in the United States, combined with greater industrial activity, led to large increases in the purchase of Argentine corn, flaxseed, wool, and hides. Recovery from the effects of the drought of 1936 and decreased industrial activity in the United States, however, resulted in smaller imports and caused an export trade balance in 1938 and in 1939.

Interest receipts from Argentina have been large in every year shown. They represent chiefly the payments on United States holdings of Argentine dollar bonds, which at the end of 1938 had a par value estimated at 194 million dollars, the third largest United States holding of dollar bonds of Latin American countries.<sup>38</sup> Aggregate interest receipts from Argentine dollar bonds are exceeded only by those from the bonds of Canada and Japan. Argentina is one of the few Latin American countries whose dollar bonds are not in default, interest having been paid in full on all the issues of the Argentine Republic. A new loan of 25 million dollars was floated in the New York market in October 1938.

Bond-redemption and sinking-fund receipts have also been large; they were particularly great in 1937 when the Argentine Government carried out an extensive redemption and refunding program during which bonds valued at more than 225 million dollars sold in the United States were retired.<sup>39</sup> The effects of the program are partly reflected in the reduction of interest receipts from Argentina in 1938.

To meet the heavy claims arising from the merchandise balance, and from the service, interest, and sinking-fund accounts, Argentina has frequently shipped large sums of gold to the United States, as in the years 1929–32 and 1938, when the United States export trade balances with Argentina were especially large. Since Argentina is not an important producer of gold, these shipments have a different significance from that of shipments from gold-producing countries in Latin America. The progressively restrictive trade and exchange controls which have been resorted to by Argentina since October 1931 were designed primarily to prevent the loss of monetary gold stocks and to conserve foreign exchange.

Despite the substantial movement of gold, the net credit balance with Argentina (the last item shown in table 16) has been large throughout the last 10 years. The size and the significance of this net balance, however, must be interpreted with caution. It should

<sup>37</sup> See table 21 in pt. I of this report.

<sup>38</sup> U. S. Department of Commerce, *The Balance of International Payments of the United States in 1938*, 1939, appendix D, p. 90. Repatriations of Argentine dollar bonds have been large.

<sup>39</sup> U. S. Department of Commerce, *The Balance of International Payments of the United States in 1937*, 1938, p. 84.



be noted that several service items in the balance-of-payments statement are merely estimates, and that the merchandise trade statistics include merchandise for reexport (in imports and exports), which, if it were possible, should be excluded from a bilateral balance of payments.<sup>40</sup> Furthermore, statistics for certain important capital items are not available, namely, new capital investments, the movement of banking funds, the movement of capital in security transactions, and, possibly the most important, the return on direct investments. These items may partly offset one another, but the return on direct investments appears to be especially important. United States direct investments in Argentina are substantial; in 1936 they were the fourth largest in Latin America and were valued at 348 million dollars.<sup>41</sup>

TABLE 16.—Partial balance of payments between the United States and Argentina, 1929-38

[In millions of dollars]

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Trade and service items:										
Merchandise exports to Argentina <sup>1</sup>	210.3	129.9	52.7	31.1	36.9	42.7	49.4	56.9	94.2	86.8
Merchandise imports from Argentina <sup>1</sup>	117.6	71.9	36.0	15.8	33.8	29.5	65.4	65.9	138.9	40.7
Excess of merchandise exports to (+) or imports from (-) Argentina	+92.7	+58.0	+16.7	+15.3	+3.1	+13.2	-16.0	-9.0	-44.7	+46.1
Receipts from Argentina for shipping services <sup>2</sup>	6.6	4.9	2.5	1.1	.6	.6	.7	.7	1.1	1.1
Expenditures of Argentine travelers in the United States <sup>2</sup>	.8	.8	.5	.4	.3	.4	.5	.7	.8	.7
Expenditures of United States travelers in Argentina <sup>2</sup>	.9	.9	.7	.5	.6	.8	1.0	1.1	1.0	1.2
Interest receipts from Argentina	22.0	23.0	26.4	24.8	22.3	20.5	19.5	18.2	18.6	16.5
Net receipts from Argentina for services <sup>3</sup>	+28.5	+27.8	+28.7	+25.8	+22.6	+20.7	+19.7	+18.5	+19.5	+7.1
Net receipts from (+) or payments to (-) Argentina on trade and service account <sup>4</sup>	+121.2	+85.8	+45.4	+41.1	+25.7	+33.9	+3.7	+9.5	-25.2	+53.2
Gold and silver:										
Net gold imports from Argentina <sup>5</sup>	-72.5	-20.2	-141.3	-13.0						-31.8
Net silver imports from Argentina <sup>5</sup>							-1	-4	-3	-6
Net gold and silver imports from Argentina	-72.5	-20.2	-141.3	-13.0			-1	-4	-3	-32.4
Capital items:										
Bond-redemption and sinking-fund receipts from Argentina <sup>6</sup>		+8.9	+51.1	+9.2	+7.9	+10.8	+15.5	+16.7	+77.4	+26.0
Net balance <sup>7</sup> (based on items listed above)	+48.7	+74.5	-44.8	+37.3	+33.6	+44.7	+19.1	+25.8	+51.9	+46.8

<sup>1</sup> United States statistics, unadjusted.  
<sup>2</sup> Rough estimates.  
<sup>3</sup> Allowance made for repurchases of Argentine dollar bonds by foreigners.  
<sup>4</sup> Excluding return on United States direct investments in Argentina.  
<sup>5</sup> Bond-redemption receipts adjusted for repurchases by foreigners in all years; sinking-fund receipts in 1938 only.  
<sup>6</sup> Exclusive of return on direct investments (receipts) and new investments (payments) in Argentina.

NOTE.—Net credit balances for the United States are indicated by +; net debit balances by -.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

<sup>40</sup> For balance-of-payments purposes the valuation of certain United States imports from Latin America is not altogether satisfactory. Some products are the output of corporations owned by United States citizens and are imported at arbitrary invoice values. Therefore, the amount of dollar exchange actually arising from such shipments to the United States may be greater or less than their value as reported in the official trade statistics.

<sup>41</sup> U. S. Department of Commerce, *American Direct Investments in Foreign Countries—1926, 1938*, table 6, p. 12.

The balance of financial transactions between the United States and Argentina involves, apart from the problems of statistical errors and omissions, triangular transactions with third countries which are not involved when the balance of payments refers to the transactions of one country with the rest of the world. Thus, the large debit balance customarily owing to the United States by Argentina does not necessarily indicate a condition of disequilibrium but merely represents a net balance that may be offset by foreign exchange obtained through Argentina's commercial and financial transactions with other countries.<sup>42</sup> Argentina, however, may have considerable difficulty in obtaining free foreign exchange with which to purchase dollars for remittance to the United States, because of the wartime control of trade and foreign exchange exercised by the belligerents.

In the latter part of June 1940 the Export-Import Bank of the United States made available to the Central Bank of Argentina 20 million dollars of credits to finance purchases from the United States of industrial and construction materials and transportation equipment.

<sup>42</sup> For Argentina's trade balance with other countries, see tables 8 and 9.

# BOLIVIA

## A DESCRIPTION

### Physical characteristics.

The Bolivian Republic<sup>1</sup> has an area estimated at 420,000 square miles, about equivalent to the combined areas of Texas and California. It is bounded on the north by Brazil, on the east by Brazil and Paraguay, on the west by Peru and Chile, and on the south by Argentina.

Bolivia is entirely landlocked, and all commerce goes through Argentina, Chile, or Peru, which grant special privileges to the entry and departure of commodities credited to Bolivia. There are several short railways in Bolivia, but the principal means of transportation are the thousands of miles of navigable waterways in the forested lowlands and pack animals in the interior highlands.

About three-fifths of Bolivia consists of low plains. The remainder of the country (the western two-fifths) is one of the highest inhabited areas in the world. The Andes reach their greatest width in Bolivia, separating into parallel ranges which enclose a plateau that is the most densely populated and productive section of the country. Practically all of this productive area is at an elevation of over 10,000 feet. Although Bolivia lies entirely within the Tropics, it possesses every gradation of climate from the heat of the equatorial lowlands to the Arctic cold of the Andean regions.

### Population.

According to the last census, that of 1900, the population of Bolivia was 1,816,000. It is estimated that by 1936 it had increased to approximately 3,000,000. On the basis of this estimate, the density of population is about six persons to the square mile. Actually, however, three-fourths of the population lives in the western two-fifths of the country. There are few large cities; only the seat of the Government, La Paz, has a population of more than 100,000 (about 200,000 in 1936).<sup>2</sup> According to an official estimate, more than half of the Bolivian population is Indian, nearly one-third is of mixed races, and about one-eighth is of European descent. There has been no considerable recent immigration from Europe, and the proportion of Europeans therefore has not increased.

### Natural resources and economy.

*Mining.*—Mining is the most important Bolivian industry, and the one on which Bolivian foreign trade very largely depends. Tin and silver are the most important minerals, but copper, gold, tungsten, bismuth, lead, antimony, zinc, and petroleum are also produced.<sup>3</sup> In

<sup>1</sup> In Spanish, República Boliviana.

<sup>2</sup> Sucre is nominally the capital, but La Paz is the actual seat of government.

<sup>3</sup> The estimated value of Bolivian gold production in 1938 was 1.1 million dollars. Silver production in 1939 was estimated to be 7 million ounces, valued at approximately 2.8 million dollars.

1938 nearly 92 percent of all exports consisted of minerals; tin alone accounted for 68 percent. Bolivian tin ores are complex; the production of good-quality metal from them is much more difficult than from the ores of Malaysia and Cornwall.

The production of tin in Bolivia was unimportant until 1895. In 1929 Bolivia produced 51,897 short tons, but by that time production in the Federated Malay States had reached 75,085 short tons, and Bolivia's share of world production was only 24 percent. From 1931 until the outbreak of war in the Pacific, world production of tin was controlled by the International Tin Committee, which set quotas for production in the various tin-producing countries. In 1937 the Bolivian quota was 49,400 metric tons. In that year 24,000 metric tons were exported; in 1938 exports amounted to 25,500 metric tons.

Failure of Bolivia to meet its quota in recent years is attributable in part to labor shortage resulting from the Chaco War. Tin mining in Bolivia is to a considerable extent an international enterprise. Chilean as well as Swiss, British, and United States capital is represented, but Bolivian capital apparently is predominant.

*Agricultural, pastoral, and forest industries.*—Because of the wide range of altitudes, a great variety of plant life is grown in Bolivia. About 5 million acres are estimated to be under cultivation; the tilling of the soil, however, is carried on largely under primitive conditions. Indigenous products include corn, potatoes (Irish and sweet), cassava, peanuts, pineapples, guavas, cotton, rubber, and a number of hardwoods such as quebracho, mahogany, rosewood, cedar, and walnut. Plants introduced from Europe are wheat, barley, oats, beans, peas, and many vegetables. Other agricultural and forest products grown in Bolivia include citrus fruits, figs, dates, grapes, bananas, cashews, avocados, coca (the source of cocaine), and cinchona (the source of quinine).

Agricultural products are raised chiefly for the domestic market; only a few (largely dried fruits and coffee) are exported. In an effort to overcome the shortage of agricultural workers and the deficiency in foodstuffs, the Bolivian Government recently has encouraged immigration, and has imposed regulations requiring millers to use a specified percentage of domestic wheat.

Small quantities of certain forest products—rubber, cinchona, coca, and Brazil and palm nuts—are exported from Bolivia. Stock raising is of considerable importance, and there is a small export trade in live cattle and cattle hides. Alpaca and llama hair is also exported. Sheep's wool is produced principally for domestic use.

*Manufacturing.*—During the decade 1929-38, Bolivian industry, aided by import duties and other restrictions, developed to the extent that imports of certain commodities customarily purchased abroad declined. There are, however, few modern manufacturing industries in the country, and no heavy industries. The most important industries are those producing cotton textiles, wheat flour, gasoline, cement, and cigarettes. Small plants produce such consumer goods as woolens, shoes, hats, leather, earthenware, matches, beer, alcohol, soap, paper, glass, and various prepared foodstuffs. A great deal of household industry exists, particularly spinning, weaving, dyeing, tanning, and saddle making. The production of such industries is for the domestic market.

## THE FOREIGN TRADE OF BOLIVIA

In 1938 Bolivia ranked tenth in foreign trade among the 20 nations of Latin America, and eighth among the 10 countries of South America. In that year Bolivian exports, which amounted to 95 million bolivianos (35 million dollars), represented about 2 percent of all Latin American exports. Imports, valued at 71 million bolivianos (26 million dollars), constituted about 1.6 percent of the value of all commodities imported into the 20 Latin American Republics.

Bolivian exports usually exceed imports; in the period 1936-38, the export balance ranged from 9 to 24 million dollars.

**Bolivian commercial policy.**

During the decade 1929-38, Bolivian foreign trade was greatly influenced by currency depreciation, exchange and import controls, tariff changes, and the Chaco War.

*The tariff.*<sup>4</sup>—Under the Bolivian Tariff Act of 1927, the same rates of duty are applicable to all nations. No provision is made for reducing rates by agreement. The Executive has wide powers to prohibit, limit, or regulate the importation of merchandise "to defend the State against the adoption of legal or regulatory measures which prejudice Bolivian commerce." According to available information, however, this authority has not been exercised.

Recent Bolivian tariff changes have consisted largely of additions to the basic rates of duty by the imposition of so-called currency-depreciation surcharges, applied to the rates contained in the Tariff Act of 1927. A decree of July 1, 1936, thus increased duties on nearly all articles, the surcharges ranging from 20 to 275 percent of the original rates. On March 10, 1937, these surcharges were increased by two-thirds, to compensate for the change in the official rate of exchange.

A supreme decree of October 6, 1938, established a new scale of surcharges substantially higher than those formerly imposed, ranging from 40 to 800 percent of the basic duties. The schedule of surcharges was again revised on July 1, 1939. Under the new schedule, surcharges were either reduced or eliminated on a number of articles of prime necessity, and were increased on certain specified luxury goods. The new surcharges ranged from 40 to 950 percent of the basic rates; at the same time, basic duties were substantially increased on a number of articles considered nonessential or luxury goods.

A new Bolivian customs tariff, based on the old tariff of 1927 and its amendments, was placed in effect June 1, 1940. The new tariff contains numerous changes in classifications; it retains the surcharges and most of the old duties.

*Exchange and import control.*—The gold standard was abandoned by Bolivia in September 1931, and the currency was linked to the pound sterling, inasmuch as a very large part of Bolivian exports customarily goes to the United Kingdom. For a short time in 1932 the exchange value of the boliviano varied with the London price of tin. With the rise in the price of tin, however, this practice was abandoned, and thereafter the boliviano was again linked to the

<sup>4</sup> Import valuations employed by Bolivia are declared values e. i. f. frontier, excluding import duties. Export valuations are declared values f. o. b. frontier, including export duties.

pound. On December 31, 1936, the gold and foreign-exchange reserves of the Central Bank were revalued at the rate of 80 bolivianos to the pound sterling.

Exchange control was officially established in Bolivia in 1932, after a period of unofficial control following the departure of the United Kingdom from the gold standard. There have been no clearing agreements or practices obviously favoring particular countries.<sup>5</sup>

The Bolivian system of exchange control has undergone frequent change. In general it has provided for delivery of a certain proportion of the proceeds of export bills to the Central Bank at the official rate, the proportion varying considerably from time to time and from commodity to commodity. In an endeavor to promote domestic production, import permits have been required on articles of prime necessity, such as sugar, rice, flour, and wheat. The numbers and types of exchange rates available have also varied considerably at different periods.

A Bolivian decree of June 12, 1936, authorized the Exchange Control Board, in conjunction with the Central Bank of Bolivia, to establish import and export quotas, to adopt measures designed to prohibit or restrict the importation of products which are or may be produced in Bolivia, and permanently or temporarily to restrict certain "dispensable" imports. On September 5, 1936, a decree prohibited imports of a large number of luxury products and empowered the Minister of Finance to modify the list. After November 1, 1936, the customs authorities were prohibited from releasing imported merchandise acquired with foreign exchange not authorized by the Exchange Control Board. An exception was made of shipments acquired by exporting companies with their available foreign-exchange balances, and intended exclusively for the improvement of the same exporting industry.

Except that exporters were required to continue the surrender of a part of the proceeds of export bills at the official rate, and that the prohibition on the export of capital for noncommercial purposes remained in force, exchange and import restrictions in Bolivia were abolished on August 14, 1937. The decline in the price of tin, together with heavy imports, however, resulted in the reimposition of such restrictions in a modified form on November 9, 1937. In the decree of October 6, 1938, the requirements for prior import permits on articles of prime necessity were continued in effect, but prohibitions on the importation of specified luxury goods were removed.

Since the reimposition of exchange and import control, the regulations respecting the requirements for delivery of exchange, and the types of exchange rates, have been altered frequently. In May 1940, rules were promulgated providing for a monthly quota system to apply to the importation of articles not deemed to be of prime necessity.<sup>6</sup>

There are now three types of exchange in Bolivia—official, controlled, and compensation. The official rate, 100 bolivianos to the pound sterling, is utilized for Government purposes only. The

<sup>5</sup> A private clearing agreement between the Central Bank of Bolivia and that of Chile was concluded in 1937.

<sup>6</sup> Prior permission from the Bolivian Government oil monopoly (Yacimientos Petroliferos Fiscales Bolivianos) is required for the importation of gasoline and other petroleum products. Petroleum products imported by mining companies and railroads for their own use are exempt from this requirement.

controlled or bank rate (140 bolivianos to the pound) is employed for all other purposes.<sup>7</sup>

#### Trend of the trade.

*Exports.*—In its export trade, Bolivia depends almost entirely on mineral products, especially tin. In the period 1929–38, approximately nine-tenths of all exports (in terms of value) consisted of mineral products, including gold and silver. From two-thirds to three-fourths of the value of all exports consisted of tin alone. Significant features of the Bolivian export trade during the decade include the decline in the ratio of tin and copper exports to total exports, the increasing importance of tungsten, zinc, and antimony, and the maintenance by the United Kingdom of its position as the predominant market for Bolivian exports.

Bolivian exports (including gold and silver) to all countries and to the United States in the period 1924–38 are shown in tables 1 and 2. The dollar value of exports to the world as a whole in 1929 (the earliest shown in the detailed tables hereinafter presented) was at a peak and nearly one-fourth larger than the average for the 5 years 1924–28. Exports to the United States in 1929, in terms of dollars, were more than double the average for the 4 years 1925–28 but were somewhat smaller than those in 1924. Exports to the United States are ordinarily a rather small fraction of total exports, and have varied much more than the total.

TABLE 1.—*Bolivia: Trade with the world, 1924–38*

(Value in thousands)

Year	Exports		Conversion rate: 1 boliviano equals—	Imports	
	Bolivianos	United States dollars		Bolivianos	United States dollars
1924.....	115,191	35,548	\$0.3086	62,863	19,399
1925.....	119,286	41,023	.3439	68,065	23,408
1926.....	122,681	41,822	.3409	70,831	24,146
1927.....	127,084	43,704	.3439	66,105	22,733
1928.....	116,073	41,078	.3539	64,391	22,788
1929.....	140,007	50,235	.3588	71,417	25,625
1930.....	101,561	35,973	.3542	58,135	20,591
1931.....	60,614	19,687	.3248	29,821	9,686
1932.....	48,904	10,377	.2122	22,352	4,743
1933.....	75,714	15,029	.1985	41,156	8,169
1934.....	147,226	35,172	.2389	66,430	15,870
1935.....	148,462	34,874	.2349	74,269	17,446
1936.....	100,008	36,503	.3650	55,464	20,244
1937.....	124,699	45,479	.3650	59,234	21,621
1938.....	94,830	34,613	.3650	70,559	25,754

Source: Compiled by the United States Tariff Commission from *Comercio Exterior de Bolivia* (Anuario), and from statistics of the Pan American Union.

<sup>7</sup> No information is available as to the nature of the transactions financed with the so-called compensation exchange. Average dollar equivalents of various exchange rates recently have been as follows: Controlled rate—1938 (June 13–December 31), \$0.0338; 1939, \$0.0310; July 1940, \$0.0247. Compensation rate—July 1940, \$0.0169 (*Commerce Reports*, August 31, 1940).

For the years covered in this report the Bolivian trade statistics were reported in bolivianos of 18 pence (except in 1932, when they were reported in bolivianos of 14-29/32 pence). The dollar equivalent of this boliviano was as follows: 1929, \$0.3588; 1932, \$0.2122; 1936–38, \$0.3650.

TABLE 2.—*Bolivia: Trade with the United States, 1924-38*<sup>1</sup>

[Value in thousands]

Year	Exports			Imports		
	Bolivianos	United States dollars	Percent of total to United States	Bolivianos	United States dollars	Percent of total from United States
1924	25,521	7,876	22.2	17,942	5,537	28.5
1925	9,795	3,369	8.2	18,339	6,307	26.9
1926	11,610	3,958	9.5	20,402	6,955	28.8
1927	10,655	3,664	8.4	19,073	6,559	28.9
1928	7,149	2,530	6.2	19,411	6,670	30.1
1929	19,490	6,993	13.9	24,082	8,641	33.7
1930	13,170	4,665	13.0	16,165	5,726	27.8
1931	3,028	984	5.0	7,515	2,441	25.2
1932	1,753	372	3.6	5,382	1,142	24.1
1933	3,487	692	4.6	12,446	2,471	30.2
1934	3,539	845	2.4	24,508	5,855	36.9
1935	6,007	1,411	4.0	17,665	4,149	23.8
1936	7,811	2,851	7.8	16,196	5,912	29.2
1937	9,075	3,313	7.3	16,429	5,997	27.7
1938	4,369	1,595	4.6	17,961	6,556	25.5

<sup>1</sup> For conversion rates, see table 1.Source: Compiled by the United States Tariff Commission from *Comercio Exterior de Bolivia* (Anuario), and from statistics of the Pan American Union.

Bolivian exports in 1929 amounted to 140 million bolivianos (50 million dollars). By 1932 the aggregate of exports was 49 million bolivianos (10.4 million dollars), or about one-third of the 1929 boliviano value and one-fifth of the 1929 dollar figure. After 1932 Bolivian exports increased, reaching 125 million bolivianos (45.5 million dollars) in 1937; both the boliviano and the dollar value in this year were approximately 90 percent of those in 1929. In 1938 total Bolivian exports declined to 95 million bolivianos (34.6 million dollars).

Price and quantum indexes of Bolivian exports are not available. The effect of fluctuations in prices and quantities on the export trade of Bolivia, however, is partially indicated by the export statistics for the leading Bolivian export commodity, tin concentrates. The quantities of tin exported and the average yearly prices for that metal suggest that the decline in the value of Bolivian exports from 1929 to 1932 may be attributed about equally to the decline in prices and to the decline in the quantity of goods exported; the subsequent recovery reflects in greater degree a recovery in prices. Bolivian exports of tin concentrates declined from 50,523 short tons in 1929 to 22,455 short tons in 1932, a drop of over one-half. The price of tin in the same period declined in about the same proportion (from 44.3 to 21.25 cents a pound).<sup>2</sup> Exports of tin from Bolivia increased after 1932, reaching 28,542 short tons in 1938, or about three-fifths of the quantity exported in 1929. The price of tin moved upward irregularly after 1932; in 1937 it reached 53.4 cents a pound, a figure about one-fifth higher than that for 1929. In 1938 it declined to 41.3 cents, or somewhat under the 1929 level.

*Imports.*—The most notable features of the Bolivian import trade in the decade 1929-38 were the decline in the importance of the

<sup>2</sup> Average yearly prices of standard tin in London (spot); *Engineering and Mining Journal*.



United Kingdom, France, and Italy as suppliers of Bolivian imports, the maintenance by the United States of its position as the principal supplier, the emergence of Germany as second supplier, and the increasing importance of Japan in recent years. The dollar value of Bolivian imports was slightly greater in 1938 than in 1929, whereas for Latin America as a whole the 1938 total was nearly 40 percent less than that in 1929.

Imports into Bolivia from all countries and from the United States in the period 1924-38 have already been shown in tables 1 and 2. The dollar value of imports from the world as a whole in 1929 (the earliest year shown in the detailed tables) was a peak figure, about one-seventh larger than the average for the 5 years 1924-28. Imports from the United States in 1929 were one-third greater than the 5-year average.

Bolivian imports, valued at 71 million bolivianos (26 million dollars) in 1929, declined to 22 million bolivianos (4.7 million dollars) in 1932, or 31 percent of the 1929 boliviano level and 18 percent of the dollar value. Thereafter the value of imports increased, in 1938 reaching 70 million bolivianos (26 million dollars), or approximately the same as the 1929 boliviano and dollar value.<sup>9</sup>

#### Exports from Bolivia.

*Composition.*—By far the major part of Bolivian exports consist of "raw and simply prepared materials" (chiefly tin concentrates) and precious metals. In 1938 these two groups, in terms of value, accounted for more than 96 percent of total exports. Other export groups are foodstuffs, live animals, and manufactured products. Exports from Bolivia, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938, are shown in bolivianos in table 3 and in dollars in table 4.

For all individual commodities shown in table 4, except zinc and cinchona, there was a sharp drop in the dollar value of exports between 1929 and 1932, caused in considerable part by lower prices. Most commodities for which data are given showed substantial increases in dollar value in 1937 over 1932; dollar values for many commodities in 1937 were in excess of those for 1929, but this was not true of tin, the dominant item. For most articles, exports in 1938 were smaller than in 1937.

For the principal groups, the ratios of the dollar value of exports in 1938 to that in 1929 were as follows: Raw and simply prepared materials, 69 percent; precious metals, 47 percent; and foodstuffs, 64 percent. The dollar value of exports of tin in 1938 was 64 percent of that in 1929.

By far the greater part of Bolivian exports are accounted for by mineral products (92 percent in 1938); these include tin (68 percent), silver (7 percent), lead, tungsten, zinc, antimony, copper, and gold. Minerals as a whole have shown little variation in share of total exports in recent years.

The composition of exports of minerals underwent some changes in the decade 1929-38. The share of tin, which was 73 percent of total exports in 1929 and 76 percent in 1932, ranged between 66 and 68 percent in the 3 years 1936-38. The shares of other mineral exports

<sup>9</sup> Price and quantum indexes of Bolivian imports are not available.

varied considerably from year to year. That of silver ranged from 5 to 11 percent; the share in 1938 (7 percent) was larger than that in 1929 (5 percent). Of the remaining metals, three constituted a substantially larger part of Bolivian exports in 1938 than in 1929. Tungsten, antimony, and zinc accounted for about 5 percent, 2 percent, and 3 percent, respectively, of the value of total exports in 1938; in 1929 tungsten and antimony each accounted for about 1 percent and zinc for less than one-half of 1 percent. Copper and gold represented smaller percentages of total exports in 1938 than in 1929, copper declining irregularly from approximately 4 percent to less than 2 percent, and gold from 7 percent to 1 percent. The share of lead varied considerably, but in 1938 (nearly 3 percent) was only slightly larger than in 1929.

TABLE 3.—*Bolivia: Exports,<sup>1</sup> by groups, principal subgroups, and commodities, in specified years, 1929 to 1938*

[Value in thousands of bolivianos]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	140,007	48,904	100,008	124,599	94,830
Raw and simply prepared materials.....	121,768	43,687	86,111	107,406	83,232
Tin, concentrates and slag.....	102,603	37,122	66,139	81,886	64,692
Lead.....	3,633	662	3,356	5,671	2,682
Tungsten.....	1,573	259	2,136	4,364	5,175
Zinc.....	469	2,292	2,677	3,554	2,012
Antimony.....	1,445	459	2,833	3,540	3,199
Copper.....	5,337	759	1,636	2,744	1,565
Hides, salted.....	1,047	433	2,175	1,667	799
Cattle hides, salted.....	( <sup>3</sup> )	397	1,770	1,459	671
Rubber.....	2,895	337	2,323	1,490	793
Cinchona.....	202	377	913	1,096	1,033
Coca.....	1,059	821	1,419	1,031	1,007
Precious metals.....	16,958	3,368	11,434	14,508	7,873
Silver.....	7,091	3,313	11,433	10,558	6,899
Gold.....	9,867	11	1	3,950	975
Foodstuffs.....	281	948	1,521	1,752	1,775
Brazil and palm nuts.....	( <sup>3</sup> )	( <sup>3</sup> )	1,520	1,703	1,747
Spirituos liquors and alcohol.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	8	12
Dried fruits.....	( <sup>3</sup> )	534	( <sup>3</sup> )	( <sup>3</sup> )	6
Coffee, in the grain.....	( <sup>3</sup> )	381	( <sup>3</sup> )	29	4
Live animals.....	694	113	438	509	1,246
Cattle.....	( <sup>3</sup> )	113	432	486	1,223
Manufactured products.....	306	788	504	424	703
Coverlets, quilts, etc., of wool.....	( <sup>3</sup> )	( <sup>3</sup> )	86	135	230
Cigarettes.....	( <sup>3</sup> )	( <sup>3</sup> )	15	44	110
Locomotives and tenders <sup>4</sup> .....	( <sup>3</sup> )	( <sup>3</sup> )	213	53	80

<sup>1</sup> Exports of Bolivian products and nationalized products. Gold and silver are included; transit trade is excluded. Values are declared values f. o. b. frontier, including export duties.

<sup>2</sup> Classifications employed in this table are those given in the export schedule of the Bolivian export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Not shown separately.

<sup>4</sup> Less than 500.

<sup>5</sup> Probably reexports.

Source: Compiled by the United States Tariff Commission from *Comercio Exterior de Bolivia* (Anuario).

Other Bolivian exports are relatively unimportant. Agricultural, forest, and pastoral products, including cattle hides, rubber, cinchona, coca, Brazil nuts and palm nuts, dried fruits, coffee, and cattle, together represented less than 8 percent of total exports in 1938.

*Destination.*—The principal purchasers of Bolivian products in 1938, with the share of total exports taken by each, were the United Kingdom, 63 percent; Belgium, 22 percent; the United States, 5 percent; and the Netherlands, 5 percent. Germany took but 1 percent

of Bolivian exports in that year. Exports from Bolivia to selected countries, in specified years, 1929 to 1938, are shown in bolivianos in table 5 and in dollars in table 6. More detailed data for 1937 are shown in table 7.<sup>10</sup>

TABLE 4.—*Bolivia: Exports,<sup>1</sup> by groups, principal subgroups, and commodities, in specified years, 1929 to 1938*

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 boliviano of 18d. = \$0.3588)		1932 (1 boliviano of 14-2/32d. = \$0.2122)		1936 (1 boliviano of 18d. = \$0.3650)		1937 (1 boliviano of 18d. = \$0.3650)		1938 (1 boliviano of 181. = \$0.3650)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Grand total.....	50,235	100.0	10,377	100.0	36,503	100.0	45,479	100.0	34,613	100.0
Raw and simply prepared materials.....	43,670	87.0	9,270	89.3	31,431	86.1	39,201	86.2	30,380	87.8
Tin, concentrates and slag.....	36,814	73.2	7,877	75.9	24,141	66.1	27,898	65.7	23,613	68.2
Lead.....	1,303	2.6	140	1.4	1,225	3.4	2,070	4.6	979	2.8
Tungsten.....	565	1.1	55	.5	780	2.1	1,573	3.5	1,899	5.5
Zinc.....	168	.3	486	4.7	977	2.7	1,277	2.9	734	2.1
Antimony.....	519	1.0	97	.9	1,034	2.8	1,272	2.8	1,168	3.4
Copper.....	1,915	3.8	161	1.6	597	1.6	1,001	2.2	568	1.6
Hides, salted.....	376	.7	92	.9	794	2.2	603	1.3	272	.8
Cattle hides, salted.....	( <sup>3</sup> )		84	.8	646	1.8	533	1.2	245	.7
Rubber.....	1,039	2.1	71	.9	848	2.3	5-4	1.2	289	.8
Cinchona.....	72	.1	80	.8	333	.9	400	.9	377	1.1
Coca.....	390	.8	174	1.7	518	1.4	376	.8	367	1.1
Precious metals.....	6,085	12.1	715	6.9	4,173	11.4	5,296	11.7	2,874	8.3
Silver.....	2,545	5.1	703	6.8	4,173	11.4	3,854	8.5	2,518	7.3
Gold.....	3,540	7.0	2	( <sup>4</sup> )	( <sup>5</sup> )	( <sup>6</sup> )	1,442	3.2	356	1.0
Foodstuffs.....	101	.2	202	2.0	555	1.5	639	1.4	648	1.9
Brazil and palm nuts.....	( <sup>7</sup> )		( <sup>8</sup> )		555	1.5	622	1.4	638	1.8
Spirituoso liquors and alcohol.....	( <sup>9</sup> )		( <sup>9</sup> )		( <sup>9</sup> )		3	( <sup>9</sup> )	4	( <sup>9</sup> )
Dried fruits.....	( <sup>9</sup> )		113	1.1	( <sup>9</sup> )		( <sup>9</sup> )		2	( <sup>9</sup> )
Coffee, in the grain.....	( <sup>9</sup> )		81	.8	( <sup>9</sup> )		( <sup>9</sup> )		1	( <sup>9</sup> )
Live animals.....	249	.5	24	.2	160	.5	186	.4	455	1.3
Cattle.....	( <sup>9</sup> )		24	.2	158	.4	177	.4	447	1.3
Manufactured products.....	110	.2	167	1.6	184	.5	155	.3	256	.7
Coverlets, quilts, etc., of wool.....	( <sup>9</sup> )		( <sup>9</sup> )		31	.1	49	.1	84	.2
Cigarettes.....	( <sup>9</sup> )		( <sup>9</sup> )		5	( <sup>9</sup> )	16	( <sup>9</sup> )	40	.1
Locomotives and tenders.....	( <sup>9</sup> )		( <sup>9</sup> )		78	.2	19	( <sup>9</sup> )	29	.1

<sup>1</sup> Exports of Bolivian products and nationalized products. Gold and silver are included; transit trade is excluded. Values are declared values f. o. b. frontier, including export duties.

<sup>2</sup> Classifications employed in this table are those given in the Bolivian export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Not shown separately.

<sup>4</sup> Less than one-tenth of 1 percent.

<sup>5</sup> Less than 500.

<sup>6</sup> Probably reexports.

Source: Compiled by the United States Tariff Commission from *Comercio Exterior de Bolivia* (Anuario)

The United Kingdom has long been the principal destination of Bolivian products, its share of total exports in the decade 1929-38 ranging between 60 percent (1937) and 83 percent (1932). Purchases by the United Kingdom, principally tin, ranged in value from 8.6 million (1932) to 39 million dollars (1929); in 1938 they amounted to 22 million dollars. In 1937 and 1938 the share of the United Kingdom declined markedly, and sales to Belgium increased.

<sup>10</sup> Inasmuch as Bolivia is an inland country, its imports and exports must be shipped through neighboring Latin American countries. For this reason it is possible that the Bolivian trade statistics may not accurately reflect the sources of imports or the destinations of exports.

TABLE 5.—*Bolivia: Foreign trade with selected countries, in terms of bolivianos, in specified years, 1929 to 1938*

[Value in thousands of bolivianos]

Country	1929	1932	1936	1937	1938
<b>Exports to <sup>1</sup>—</b>					
All countries.....	140,007	48,904	100,008	124,599	94,830
<b>UNITED STATES.....</b>	19,490	1,753	7,811	9,075	4,369
United Kingdom.....	108,117	40,452	74,831	74,646	59,251
Germany.....	1,901	346	1,513	1,345	1,081
Japan.....		( <sup>2</sup> )	22	36	322
Italy.....		238	13	27	11
France.....	444	78	53	38	17
Belgium.....	4,963	1,904	8,023	29,179	20,623
Netherlands.....	519	1,429	3,837	5,838	4,356
All other.....	4,573	2,704	3,910	4,415	4,800
<b>Imports from <sup>1</sup>—</b>					
All countries.....	71,417	22,352	55,464	59,234	70,559
<b>UNITED STATES.....</b>	24,082	5,382	16,196	16,423	17,961
United Kingdom.....	11,842	4,089	6,202	4,750	4,939
Germany.....	9,736	2,742	7,074	7,887	12,653
Japan.....	328	149	3,455	2,868	4,937
Italy.....	2,766	618	578	482	699
France.....	2,317	455	742	608	1,004
Argentina.....	6,892	2,924	7,688	7,639	9,124
Peru.....	3,201	2,272	4,790	9,272	9,019
All other.....	10,255	3,721	8,780	9,299	10,223

<sup>1</sup> Exports of Bolivian products and nationalized products. Gold and silver are included; transit trade and parcel post are excluded. Values are declared values f. o. b. frontier, including export duties.

<sup>2</sup> Less than 500.

<sup>3</sup> Imports for consumption, including parcel post. Gold and silver are included; transit trade is excluded. Values are declared values e. i. f. frontier, excluding import duties.

Source: Compiled by the United States Tariff Commission from *Comercio Exterior de Bolivia* (Anuario).

In most recent years the United States has been the second destination of Bolivian exports, but dropped to third place in 1937 and 1938 as a result of increased exports to Belgium. The share of total exports taken by the United States in 1929 was 14 percent. It declined to less than 4 percent in 1932; in 1936 and 1937 it was between 7 and 8 percent, and in 1938, 5 percent. The value of United States purchases has varied from 372,000 (1932) to 7 million dollars (1929); in 1938 purchases amounted to 1.6 million dollars.

The German share of Bolivian exports has been small, and exports to France, Italy, and Japan have been unimportant (see table 6). Other countries, which in 1929 were minor purchasers of Bolivian commodities, took substantial quantities in 1937 and 1938; among these were Belgium, the Netherlands, Sweden, Switzerland, and Peru. The marked increase in Bolivian exports to Belgium, reaching 23 percent of the total in 1937 and 22 percent in 1938, was largely accounted for by exports of lead, zinc, antimony, and tungsten.

Bolivian exports to other countries of Latin America form but a small part of total exports. In 1937 they amounted to 1.3 million dollars, or less than 3 percent of the total in that year. The principal Latin American markets are Argentina and Brazil.

In the past, Bolivian tin ore has not been smelted without mixing it with the purer ore of Malaysia, which it has been difficult for the United States to obtain because the United Kingdom has imposed an export tax on shipments of ore from the Federated Malay States, except to Empire countries. For these reasons, and because of financial interrelationships, almost all of the Bolivian ore has in the past been shipped to the United Kingdom for smelting. In 1938 tin

concentrates went principally to the United Kingdom (87 percent), Belgium (nearly 8 percent), and the Netherlands (nearly 5 percent). Other purchasers were Germany and the United States. More than half of the tin slag in 1937<sup>11</sup> was purchased by Belgium, and smaller quantities by the United Kingdom, the Netherlands, and France. Silver went principally to Belgium.

TABLE 6.—*Bolivia: Foreign trade with selected countries, in terms of dollars, in specified years, 1929 to 1938*

[Value in thousands of U. S. dollars]

Country	1929 (1 boliviano of 18d. = \$0.3588)		1932 (1 boliviano of 14-29/32d. = \$0.2122)		1936 (1 boliviano of 18d. = \$0.3650)		1937 (1 boliviano of 18d. = \$0.3650)		1938 (1 boliviano of 18d. = \$0.3650)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
<b>Exports to<sup>1</sup>—</b>										
All countries.....	50,235	100.0	10,377	100.0	36,503	100.0	45,479	100.0	34,613	100.0
UNITED STATES.....	6,993	13.9	372	3.6	2,851	7.8	3,313	7.3	1,595	4.6
United Kingdom.....	38,793	77.2	8,584	82.7	27,313	74.8	27,246	59.9	21,626	62.6
Germany.....	682	1.4	73	.7	652	1.5	491	1.1	395	1.1
Japan.....			( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	13	( <sup>2</sup> )	118	.3
Italy.....			51	.5	5	( <sup>2</sup> )	10	( <sup>2</sup> )	4	( <sup>2</sup> )
France.....	159	.3	17	.2	19	.1	14	( <sup>2</sup> )	6	( <sup>2</sup> )
Belgium.....	1,781	3.5	404	3.9	2,928	8.0	10,650	23.4	7,527	21.7
Netherlands.....	196	.4	303	2.9	1,399	3.8	2,131	4.7	1,590	4.6
All other.....	1,641	3.3	573	5.5	1,428	3.9	1,611	3.5	1,752	5.1
<b>Imports from<sup>4</sup>—</b>										
All countries.....	25,625	100.0	4,743	100.0	20,244	100.0	21,621	100.0	25,754	100.0
UNITED STATES.....	8,641	33.7	1,142	24.1	5,911	29.2	5,997	27.7	6,556	25.5
United Kingdom.....	4,249	16.6	868	18.3	2,264	11.2	1,734	8.0	1,803	7.0
Germany.....	3,493	13.6	582	12.3	2,564	12.7	2,878	13.3	4,618	17.9
Japan.....	117	.5	32	.7	1,261	6.2	1,047	4.9	1,872	7.0
Italy.....	993	3.9	131	2.7	211	1.0	176	.8	255	1.0
France.....	831	3.2	97	2.0	271	1.3	222	1.0	367	1.4
Argentina.....	2,473	9.7	620	13.1	2,806	13.9	2,788	12.9	3,330	12.9
Peru.....	1,149	4.5	482	10.2	1,748	8.6	3,384	15.7	3,292	12.8
All other.....	3,679	14.3	789	16.6	3,208	15.9	3,395	15.7	3,731	14.5

<sup>1</sup> Exports of Bolivian products and nationalized products. Gold and silver are included; transit trade and parcel post are excluded. Values are declared values f. o. b. frontier, including export duties.

<sup>2</sup> Less than 500.

<sup>3</sup> Less than one-tenth of 1 percent.

<sup>4</sup> Imports for consumption, including parcel post. Gold and silver are included; transit trade is excluded. Values are declared values c. i. f. frontier, excluding import duties.

Source: Compiled by the United States Tariff Commission from *Comercio Exterior de Bolivia* (Anuario).

Of all Bolivian exports of tungsten in 1937, more than half were shipped to Belgium; other destinations were the United Kingdom, Sweden, the United States, and Germany. Belgium likewise was the principal market for antimony and for lead and lead slag, taking 74 percent and 78 percent, respectively, of such exports in 1937. All Bolivian exports of zinc in that year went to Belgium. The United States took more than half of all shipments of copper in 1937, the remainder going principally to Belgium. More than 85 percent of the bismuth exported by Bolivia in that year was taken by the United Kingdom.

<sup>11</sup> For this and the other export commodities discussed below, 1937 is the latest year for which statistics of countries of destination are readily available.

Only a few of the other Bolivian export commodities need be mentioned. Cattle hides were purchased in 1937 principally by Germany, the Netherlands, and the United Kingdom. Practically all Bolivian exports of cinchona in that year went to the Netherlands, the United Kingdom, and Germany. Exports of coca went almost entirely to Argentina; it is probable that in large part they were reexported.

TABLE 7.—*Bolivia: Foreign trade, by geographic areas and principal countries, in 1937*

(Value in thousands of U. S. dollars)

Exports <sup>1</sup> (1 boliviano of 18d. = \$0.3650)			Imports <sup>2</sup> (1 boliviano of 18d. = \$0.3650)		
To—	Value	Percent of total	From	Value	Percent of total
Western Hemisphere:			Western Hemisphere:		
UNITED STATES.....	3,313	7.3	UNITED STATES.....	5,997	27.7
Canada.....			Canada.....	5	( <sup>3</sup> )
Argentina.....	804	1.8	Peru.....	3,384	15.7
Brazil.....	272	.8	Argentina.....	2,788	12.9
Chile.....	128	.3	Chile.....	836	3.9
All other Western Hemisphere countries.....	110	.2	Brazil.....	283	1.3
Total.....	4,627	10.2	All other Western Hemisphere countries.....	63	.3
Total.....	4,627	10.2	Total.....	13,356	61.8
Europe:			Europe:		
United Kingdom.....	27,246	59.9	United Kingdom.....	1,734	8.0
Germany.....	491	1.1	Germany.....	2,879	13.3
France.....	14	( <sup>3</sup> )	France.....	222	1.0
Italy.....	10	( <sup>3</sup> )	Italy.....	176	.8
Belgium.....	10,650	23.4	Belgium.....	1,042	4.8
Sweden.....	186	.4	Netherlands.....	226	1.1
Switzerland.....	111	.3	Sweden.....	206	1.4
Netherlands.....	2,131	4.7	Czechoslovakia.....	150	.7
All other European countries.....	( <sup>4</sup> )	( <sup>4</sup> )	All other European countries.....	382	1.8
Total.....	40,839	89.8	Total.....	7,106	32.9
Asia:			Asia:		
Japan.....	13	( <sup>4</sup> )	Japan.....	1,047	4.8
All other Asiatic countries.....			All other Asiatic countries.....	107	.5
Total.....	13	( <sup>4</sup> )	Total.....	1,154	5.3
Africa.....			Africa.....	5	( <sup>4</sup> )
Oceania.....			Oceania.....		
Grand total.....	45,479	100.0	Grand total.....	21,621	100.0

<sup>1</sup> Exports of Bolivian products and nationalized products. Gold and silver are included; transit trade and parcel post are excluded. Values are declared values f. o. b. frontier, including export duties.

<sup>2</sup> Imports for consumption, including parcel post. Gold and silver are included; transit trade is excluded. Values are declared values c. i. f. frontier, excluding import duties.

<sup>3</sup> Less than one-tenth of 1 percent.

<sup>4</sup> Less than 500.

Source: Compiled by the United States Tariff Commission from *Comercio Exterior de Bolivia* (Anuario), 1937.

#### Imports into Bolivia.

*Composition.*—By far the most important Bolivian import group is manufactured products, which, in terms of value, have customarily accounted for three-fifths to two-thirds of all imports. Other groups are foodstuffs and beverages, raw and simply worked materials, and live animals. Imports into Bolivia, by groups, principal subgroups,

and commodities, in specified years, 1929 to 1938, are shown in bolivianos in table 8, and in dollars in table 9.<sup>12</sup>

In terms of dollar value, imports in the manufactured products and foodstuffs and beverages groups in 1937 were smaller than in 1929, but much larger than in 1932. Imports of raw and slightly worked materials also declined markedly in 1932 as compared with 1929, but in 1937 were slightly higher than in 1929. Three of the four groups showed increases in 1938 as compared with 1937. For the principal groups, the ratios of the dollar value of imports in 1938 to that in 1929 were as follows: Manufactured products, 93 percent; foodstuffs and beverages, 97 percent; and raw and slightly worked materials, 93 percent.

TABLE 8.—*Bolivia: Imports,<sup>1</sup> in terms of bolivianos, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938*

[Value in thousands of bolivianos]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	71,417	22,352	55,464	\$ 59,234	\$ 70,569
Manufactured products.....	48,031	14,581	36,109	34,393	44,042
Metals and manufactures.....			13,197	11,956	15,614
Metal products, except tools.....			6,078	5,622	8,245
Iron and steel products.....			3,760	3,643	5,235
Electrical products.....			1,407	1,382	2,212
Copper products.....			280	246	339
Machinery and equipment.....			5,535	5,233	5,561
Machinery.....			5,485	4,954	5,228
Equipment.....			350	279	333
Tools, apparatus, instruments, etc.....			1,283	1,101	1,808
Transportation equipment.....			3,748	4,379	5,966
Automobiles, trucks, busses, and similar vehicles.....			2,218	2,910	2,628
Airplanes and accessories.....			488	568	2,210
Wagons.....			303	416	458
Parts and accessories for vehicles.....			580	363	484
Arms, ammunition, explosives, and other inflammable materials.....			1,943	3,965	2,749
Arms and ammunition.....			204	2,300	885
Dynamite, powder, fuses, etc., for industrial use.....			1,321	1,113	1,342
Matches.....			414	539	508
Textiles (piece goods).....			5,621	3,667	5,798
Cotton fabrics.....			3,634	2,166	4,024
Wool fabrics.....	(9)	(9)	1,332	1,064	1,188
Silk fabrics.....			585	391	537
Chemical products, dyes, drugs, etc., and pharmaceutical specialties.....			2,884	2,531	2,817
Essential oils and pharmaceutical specialties.....			989	682	847
Chemical products for industrial and commercial purposes.....			650	489	659
Indigo, bluing for clothes, etc.....			348	407	283
Paper, cardboard, and manufactures.....			925	1,492	944
Clothing, made-up articles, and sacks.....			3,101	2,050	3,065
Bags and sacks for grain and metal.....			1,118	785	785
Hosiery.....			294	351	536
Clothing.....			596	152	373
Yarns and threads of all kinds.....			917	632	1,053
Ceramic products.....			554	576	781
Rubber products.....			352	449	594
Hats and hatmakers' wares.....			394	439	552
Leather and leather manufactures.....			682	380	746
Hides and skins, tanned, and furs.....			150	159	190
Footwear.....			423	144	278
Musical instruments.....			252	352	531
Scientific instruments.....			305	268	437
Perfumery, cosmetics, soaps, etc.....			349	341	317
Wood manufactures, furniture etc.....			248	169	117

See footnotes at end of table.

<sup>12</sup> Because of changes in the Bolivian import classifications, it has been impracticable to provide data for subgroups and commodities prior to 1936. Totals for the main import groups, however, are shown for all the years specified.

TABLE 8.—*Bolivia: Imports,<sup>1</sup> in terms of bolivianos, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938—Continued*

[Value in thousands of bolivianos]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
<b>Foodstuffs and beverages</b> .....	13,469	4,953	10,309	11,034	12,792
Grains.....			4,077	4,248	4,708
Wheat, in the grain.....			3,065	3,376	3,372
Rice.....			978	817	1,244
Sugar.....			2,095	2,618	2,623
Flour of all kinds.....			1,198	1,226	1,470
Wheat flour.....			1,169	1,200	1,430
Animals and animal products.....			518	788	960
Meat, fresh.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	6	318
Lard.....			212	408	193
Milk, preserved.....			129	184	240
Barley malt.....			394	567	975
Coffee, cocoa, chocolate, and tea.....			314	245	344
Tea.....			278	212	279
Wines and beverages.....			349	189	227
<b>Raw and slightly worked materials</b> .....	7,849	2,414	7,895	8,089	7,215
Combustibles and products.....			4,638	4,055	4,638
Gasoline.....			1,324	1,250	1,000
Lubricating oils.....			898	819	542
Petroleum, crude.....			1,313	832	1,134
Coal.....			568	561	640
Paraffin and other mineral waxes.....			244	308	227
Kerosene.....	( <sup>3</sup> )	( <sup>3</sup> )	308	267	209
Cotton, raw.....			1,070	1,291	811
Wood of all kinds.....			850	1,213	1,063
Wood, not planed.....			618	808	658
Cement, roman.....			87	260	100
Charcoal.....			84	236	219
<b>Live animals</b> .....	2,068	404	1,152	5,574	6,446
Cattle.....			808	3,657	4,386
Mules.....	( <sup>3</sup> )	( <sup>3</sup> )	93	482	483
Horses.....			103	313	386

<sup>1</sup> Imports for consumption. Gold and silver are included; transit trade is excluded. Values are declared values c. i. f. frontier, excluding import duties.

<sup>2</sup> Group classifications employed in this table are those given in the Bolivian import statistics for 1938. Groups are ranked according to value in 1938. Subgroups and most of the commodities here listed have been established by combination and arrangement of appropriate items.

<sup>3</sup> Includes unmanufactured gold and silver valued at 114,000 bolivianos in 1937 and 64,000 bolivianos in 1938.

<sup>4</sup> Because of changes in the Bolivian import classifications, it has been impracticable to provide data for subgroups and commodities prior to 1936.

<sup>5</sup> Less than 500.

Source: Compiled by the United States Tariff Commission from *Comercio Exterior de Bolivia* (Anuario).

The most important subgroups in the manufactured-products classification in 1938, with their share of the value of total imports, were metals and manufactures (chiefly machinery and iron and steel manufactures), 22 percent; transport equipment (largely automobiles, trucks, and busses), 9 percent; textiles (principally cotton and wool fabrics), 8 percent; chemical products, 4 percent; and arms, ammunition, and explosives, 4 percent. The shares of metals and manufactures, transport equipment, and textiles increased in 1938, as compared with 1937, and those of chemical products and of arms, ammunition, and explosives declined.

Foodstuffs and beverages, the second important Bolivian import group, ordinarily constitute about one-fifth of all imports; the outstanding individual commodities are rice, sugar, wheat, and wheat flour.

Raw and slightly worked materials, which formed more than 10 percent of the total import trade in 1938, had maintained almost the same share in other years. The principal commodities included in the group are combustibles and products (chiefly petroleum and derivatives), raw cotton, and wood of all kinds. The live-animals group, which in earlier years constituted from 2 to 3 percent of all imports, increased in 1937 and 1938 to over 9 percent.



TABLE 9.—Bolivia: Imports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of United States dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 boliviano of 18d. = \$0.3588)		1932 (1 boliviano of 14-29/32d. = \$0.2122)		1936 (1 boliviano of 18d. = \$0.3650)		1937 (1 boliviano of 18d. = \$0.3650)		1938 (1 boliviano of 18d. = \$0.3650)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Grand total.....	25,625	100.0	4,743	100.0	30,244	100.0	21,621	100.0	25,754	100.0
Manufactured products.....	17,234	67.2	3,094	65.2	13,180	65.1	12,553	58.1	16,075	62.4
Metals and manufactures.....					4,817	23.8	4,364	20.2	5,699	22.1
Metal products, except tools.....					2,219	11.0	2,052	9.5	3,009	11.7
Iron and steel products.....					1,373	6.8	1,330	6.2	1,911	7.4
Electrical products.....					513	2.5	604	2.8	807	3.1
Copper products.....					102	.5	90	.4	124	.5
Machinery and equip- ment.....					2,130	10.5	1,910	8.8	2,030	7.9
Machinery.....					2,002	9.9	1,808	8.3	1,903	7.4
Equipment.....					128	.6	102	.5	122	.5
Tools, apparatus, instru- ments, etc.....					468	2.3	402	1.9	660	2.5
Transportation equipment.....					1,368	6.8	1,568	7.4	2,178	8.6
Automobiles, trucks, busses, and similar ve- hicles.....					810	4.0	1,062	4.9	959	3.7
Airplanes and accessories.....					178	.9	207	1.0	807	3.1
Wagons.....					111	.5	152	.7	167	.6
Parts and accessories for vehicles.....					212	1.0	133	.6	177	.7
Arms, ammunition, explo- sives, and other inflam- mable materials.....					709	3.5	1,447	6.7	1,004	3.9
Arms and ammunition.....					74	.4	839	3.9	323	1.3
Dynamite, powder, fuses, etc. for industrial use.....					482	2.4	406	1.9	490	1.9
Matches.....					151	.7	197	.9	186	.7
Textiles (piece goods).....					2,052	10.1	1,338	6.2	2,116	8.2
Cotton fabrics.....					1,326	6.6	791	3.7	1,469	5.7
Wool fabrics.....					486	2.4	289	1.8	434	1.7
Silk fabrics.....					217	1.1	143	.7	196	.8
Chemical products, dyes, drugs, etc., and phar- maceutical specialties.....	(4)		(4)		1,053	5.2	924	4.3	1,028	4.0
Essential oils and phar- maceutical specialties.....					361	1.8	249	1.2	309	1.2
Chemical products for in- dustrial and commer- cial purposes.....					237	1.2	178	.8	241	.9
Indigo, bluing for clothes, etc.....					127	.6	148	.7	103	.4
Paper, cardboard, and manufactures.....					337	1.7	545	2.5	345	1.3
Clothing, made-up articles, and sacks.....					1,132	5.6	748	3.5	1,119	4.3
Bags and sacks for grain and metal.....					408	2.0	287	1.3	286	1.1
Hosiery.....					107	.5	128	.6	196	.8
Clothing.....					218	1.1	55	.3	136	.5
Yarns and threads of all kinds.....					335	1.7	231	1.1	384	1.5
Ceramic products.....					202	1.0	210	1.0	285	1.1
Rubber products.....					129	.6	164	.8	213	.8
Hats and hatmakers' wares.....					144	.7	160	.7	202	.8
Leather and leather manu- factures.....					249	1.2	139	.6	272	1.1
Hides and skins, tanned, and furs.....					55	.3	58	.3	69	.3
Footwear.....					154	.8	52	.2	102	.4
Musical instruments.....					92	.5	129	.6	194	.8
Scientific instruments.....					111	.6	105	.5	160	.6
Perfumery, cosmetics, soaps, etc.....					127	.6	124	.6	115	.4
Wood manufactures, fur- niture, etc.....					109	.5	62	.3	65	.3

See footnotes at end of table.

TABLE 9.—*Bolivia: Imports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938—Continued*

[Value in thousands of United States dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 boliviano of 18d. = \$0.3568)		1932 (1 boliviano of 14-29/32d. = \$0.2122)		1936 (1 boliviano of 18d. = \$0.3650)		1937 (1 boliviano of 18d. = \$0.3650)		1938 (1 boliviano of 18d. = \$0.3650)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Foodstuffs and beverages.....	4,833	18.9	1,051	22.2	3,762	18.6	4,028	18.6	4,669	18.1
Grains.....					1,488	7.4	1,550	7.2	1,719	6.7
Wheat, in the grain.....					1,119	5.5	1,232	5.7	1,231	4.8
Rice.....					357	1.8	299	1.4	454	1.8
Sugar.....					765	3.8	955	4.4	958	3.7
Flour of all kinds.....					437	2.2	447	2.1	537	2.1
Wheat flour.....					427	2.1	438	2.0	529	2.1
Animals and animal products.....					189	.9	288	1.3	350	1.4
Meat, fresh.....	( <sup>3</sup> )		( <sup>3</sup> )		( <sup>3</sup> )		( <sup>3</sup> )		116	.5
Lard.....					77	.4	171	.8	70	.3
Milk, preserved.....					47	.2	67	.3	88	.3
Barley, malt.....					144	.7	207	1.0	356	1.4
Coffee, cocoa, chocolate, and tea.....					115	.6	89	.4	126	.5
Tea.....					101	.5	77	.4	102	.4
Wines and beverages.....					177	.6	69	.3	83	.3
Raw and slightly worked materials.....	2,816	11.0	512	10.8	2,882	14.2	2,952	13.7	2,634	10.2
Combustibles and products.....					1,693	8.4	1,480	6.8	1,474	5.7
Gasoline.....					483	2.4	456	2.1	365	1.4
Lubricating oils.....					328	1.6	239	1.1	198	.8
Petroleum, crude.....					479	2.4	304	1.4	414	1.6
Coal.....					186	.9	205	.9	233	.9
Paraffin and other mineral waxes.....	( <sup>3</sup> )		( <sup>3</sup> )		89	.4	113	.5	82	.3
Kerosene.....					112	.6	97	.5	76	.3
Cotton, raw.....					391	1.9	471	2.2	296	1.1
Wood of all kinds.....					310	1.5	443	2.0	368	1.5
Wood, not planed.....					189	.9	329	1.5	240	.9
Cement, roman.....					32	.2	95	.4	38	.1
Charcoal.....					31	.2	86	.4	80	.3
Live animals.....	742	2.9	86	1.8	420	2.1	2,045	9.4	2,353	9.2
Cattle.....					215	1.1	1,335	6.2	1,501	6.2
Mules.....	( <sup>3</sup> )		( <sup>3</sup> )		34	.2	176	.8	176	.7
Horses.....					34	.2	114	.5	141	.5

<sup>1</sup> Imports for consumption. Gold and silver are included; transit trade is excluded. Values are declared values c. i. f. frontier, excluding import duties.

<sup>2</sup> Group classifications employed in this table are those given in the Bolivian imports statistics for 1938. Groups are ranked according to value in 1938. Subgroups and most of the commodities here listed have been established by combination and arrangement of appropriate items.

<sup>3</sup> Includes unmanufactured gold and silver valued at \$53,000 in 1937, and \$23,000 in 1938.

<sup>4</sup> Because of changes in the Bolivian import classifications, it has been impracticable to provide data for subgroups and commodities prior to 1936.

<sup>5</sup> Less than one-tenth of 1 percent.

Sources: Compiled by the United States Tariff Commission from *Comercio Exterior de Bolivia* (Anuario).

*Sources.*—The principal sources of Bolivian imports in 1938 were the United States (25 percent), Germany (18 percent), Argentina (13 percent), Peru (13 percent), and the United Kingdom (7 percent). These five countries in 1938 supplied more than three-fourths of the aggregate value of all imports. Other suppliers included Japan, Chile, and Belgium. Imports into Bolivia from selected countries, in specified years, 1929 to 1938, have already been shown in tables 5 and 6. More detailed data for 1937 are shown in table 7.<sup>13</sup>

In 1929, 1932, and 1936-38, the United States furnished between one-fourth and one-third of the value of all Bolivian imports; the highest proportion was in 1929, but the ratio for that year was con-

<sup>13</sup> Inasmuch as Bolivia is an inland country, its imports and exports must be shipped through neighboring Latin American nations. For this reason, it is possible that the Bolivian trade statistics may not accurately reflect the sources of imports and the destinations of exports.

siderably above those for the years preceding 1929 (see table 2). The value of imports from the United States has ranged from 1.1 million (1932) to 8.6 million dollars (1929); in 1938, imports were valued at 6.6 million dollars. The share of the United Kingdom, which was 17 to 18 percent in 1929 and 1932, declined to 11 percent in 1936, and to 7 percent in 1938. The value of imports from the United Kingdom has varied from 868,000 (1932) to 4.2 million dollars (1929); in 1938 it was 1.8 million dollars.

Germany's share of the import trade was fairly stable, at about 13 percent of the total, except in 1938, when it reached 18 percent. In value, imports from Germany ranged from 582,000 (1932) to 4.6 million dollars (1938). Among the minor suppliers, Japan was more important in the years 1936-38 than in 1929 and 1932. The shares of Italy and France in the Bolivian import trade have been small, and have declined in recent years (see table 6).

Imports from other countries of Latin America constitute a large part of total Bolivian imports, but some of this trade may originate elsewhere. In 1937 such imports were valued at 7.3 million dollars, or 34 percent of the total; Argentina, Peru, and Chile were the principal suppliers.

In the manufactured-products group, the most important suppliers of machinery and iron and steel products in 1937 were the United States, Germany, the United Kingdom, and Belgium. The United States furnished more than three-fourths of all mining machinery, more than one third of the iron bars, sheets, and plates, one-third of the tools and implements, and one-half of the pipes and tubing.

The United States was the leading supplier of Bolivian imports of transport materials in 1937, furnishing nearly all of the automobiles, busses, trucks, parts, and accessories. Germany, however, supplied almost all of the imports of airplanes and accessories. Explosives for industrial use came principally from Germany, Chile, and the United States.

Japan led in furnishing cotton textiles, and likewise was the principal supplier of silk and rayon textiles; nearly half of all imports of these commodities came from this source. Cotton thread came largely from the United Kingdom. The United States was the leading supplier of chemical products in 1937, furnishing approximately three-fifths of the total.

Bolivian imports of foodstuffs come from a variety of sources. Almost all of the imports of sugar and sugar products in 1937 came from Peru. Three-fourths of the wheat flour originated in Argentina, but small quantities came from the United States and Brazil. Chile was the principal source of rice and malt.

Of the remaining Bolivian imports in 1937, livestock originated chiefly in Peru and Argentina. Most of the gasoline was imported from Peru, and more than one-half of the crude petroleum was furnished by the United States. The United States also was the principal source of raw cotton, supplying nearly all of the imports in 1937.

#### UNITED STATES TRADE WITH BOLIVIA

Bolivia's international economic position is centered mainly around tin, the output of which is the second largest in the world. Prior to the war, however, only small amounts of the metal entered directly

into the trade between the United States and Bolivia. The United States obtained most of its tin in refined form from the United Kingdom and British Malaya and little from Bolivia, inasmuch as the United States no longer operated tin smelters and the smelting and refining capacity in Bolivia was small.<sup>14</sup> Because most of Bolivia's output of tin moved to the United Kingdom for refining, a portion of the refined tin purchased from the United Kingdom by the United States was made from Bolivian ore. For this reason, Bolivia has been a substantially greater contributor to United States import trade than the import statistics indicate.

#### Trend of United States-Bolivian trade.

As indicated by the statistics of direct trade, Bolivia has been one of the smallest suppliers of United States imports among the Latin American countries. In 1939, general imports from Bolivia amounted to only 2.2 million dollars and represented but 0.4 percent of total United States purchases from Latin America. In recent years, however, there has been a very considerable growth in the trade (see table 10). In 1939 imports were several times greater than in any other year in the period 1924-39. Moreover, the share of total imports from Latin America accounted for by Bolivia also increased. In 1940, imports from Bolivia rose sharply to 5.7 million dollars, an increase of more than 150 percent as compared with the previous year. These imports represented nearly 1 percent of total imports from all Latin American countries.

The statistics of the direct import trade of the United States with Bolivia shown in table 10 are not, however, altogether satisfactory measures of the trend or volume of the actual trade between the two countries (see table 2 for comparable Bolivian statistics). In addition to the indirect trade in tin, there is other indirect trade, since general imports from Bolivia have not been all for consumption in the United States, but have been in considerable part for reexport. Imports for consumption from Bolivia represented 63 percent of general imports in 1934, 58 percent in 1935, 46 percent in 1936, 43 percent in 1937, 40 percent in 1938, and 37 percent in 1939.<sup>15</sup> Furthermore, part of the ores reported as imports for consumption were for smelting, refining, and export. It is probable also that some United States imports originating in Bolivia have been reported, even in the most recent years, as imports from Argentina or other countries contiguous to Bolivia through which the merchandise was transshipped; this was undoubtedly the case, and on a very large scale, until a few years ago.<sup>16</sup>

United States exports to Bolivia have been large compared with reported imports therefrom, but have been small compared with total United States exports to Latin America. In 1939 sales to Bolivia totaled 4.5 million dollars and represented only 0.8 percent of aggregate United States sales to the Latin American area; the United States, however, is the largest supplier of Bolivian imports. While no long-

<sup>14</sup> Lack of available capital, the complexity and the impurity of the Bolivian ore, and the consequent difficulty of refining it, and generally disturbed business and political conditions during the Chaco War, 1932-35, and for some time thereafter, have deterred the construction of plants. In 1937, however, a tin smelter was constructed by French interests.

<sup>15</sup> United States imports for consumption have been compiled by countries only since 1933.

<sup>16</sup> In recent years, greater care has been given to the reporting of imports in general on the basis of country of origin.

run trend is indicated by the value of the trade since 1924, the share of total sales to Latin America accounted for by Bolivia since 1931 has been materially greater than it had been (see table 10). Bolivia is one of the few countries in South America which did not take substantially larger quantities of United States merchandise in 1939 than previously. Sales to Bolivia in 1939 were considerably smaller than in 1938. In 1940, however, they were substantially larger than those in the peak year of 1929 (see table 10).

TABLE 10.—United States imports from and exports to Bolivia, 1924-40

[Value in thousands of dollars]

Year	General imports		Exports (including reexports)		Year	General imports		Exports (including reexports)	
	Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America		Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America
1924.....	84	( <sup>1</sup> )	4,122	0.56	1933.....	105	.03	2,629	1.22
1925.....	84	( <sup>1</sup> )	5,088	.60	1934.....	152	.04	5,118	1.67
1926.....	280	0.03	5,163	.62	1935.....	370	.08	2,629	.82
1927.....	218	.02	4,942	.61	1936.....	567	.11	3,564	.90
1928.....	176	.02	4,951	.60	1937.....	1,363	.20	5,863	1.01
1929.....	379	.04	5,985	.66	1938.....	865	.19	5,395	1.09
1930.....	152	.02	4,219	.67	1939.....	2,184	.42	4,512	.79
1931.....	43	.01	1,775	.57	1940 <sup>2</sup> .....	5,668	.91	7,763	1.07
1932.....	0	( <sup>1</sup> )	2,163	1.11					

<sup>1</sup> Less than one-tenth of 1 percent.<sup>2</sup> Preliminary.

NOTE.—See accompanying text for discussion of understatement of imports, especially in years preceding 1937.

Source: Compiled from official statistics of the U. S. Department of Commerce.

**United States imports from Bolivia.**

*Composition.*—Direct United States imports for consumption from Bolivia are mainly unrefined metals, the most important being antimony and tungsten ores. Small amounts of copper, lead, and tin have also been imported. Other leading imports are crude rubber, Brazil nuts, and hides and skins (see table 11). The reported values of practically all the principal imports have been much larger recently than in the predepression year 1929, but this fact is attributable almost entirely to failure to report indirect trade in 1929.

Though imports of metals from Bolivia are small in value, they are nevertheless of special importance to the United States, inasmuch as three of them—antimony, tin, and tungsten—are strategic raw materials for which problems of procurement have arisen as a result of the war.

All but a small fraction of the United States consumption of antimony, chiefly used in storage batteries and bearing metal, is supplied by imports. Bolivia became the leading world producer in 1938 because of the greatly decreased output in China, and recently it has been an increasingly important secondary source of United States imports, following Mexico.

TABLE 11.—United States imports for consumption from Bolivia of principal commodities, 1936-39

[Value in thousands of dollars]

Commodity	Tariff status	Unit of quantity	1936		1937		1938		1939 <sup>1</sup>	
			Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Hides and skins, n. s. p. f. <sup>2</sup>	Free	1,000 pc.	2.5	2	7.2	9	16.2	15	14.4	13
Brazil or coconuts, shelled	Dutiable	1,000 lb.			176.7	49	255.3	47	187.8	32
Crude rubber (Hevea, Caucho, and other natural)	Free <sup>3</sup>	1,000 lb.	165.0	23	52.0	13	465.1	53	543.1	67
Tungsten ore and concentrates	Dutiable	Short tons of tungsten content	23.5	18	37.5	30	5	1	48.1	77
For smelting, refining and export	Free					14.6	28	111.8	147	
Copper ore	Taxable <sup>4</sup>	Short tons of copper content								
For smelting, refining and export	Free		4	( <sup>5</sup> )	50.5	13			113.1	26
Copper concentrates	Taxable <sup>4</sup>	Short tons of copper content	372.5	66	162.8	35	1.4	( <sup>5</sup> )	67.8	14
For smelting, refining and export	Free								1.8	( <sup>5</sup> )
Lead ores, flue dust and mattes, n. s. p. f.	Dutiable	Short tons of lead content	.5	( <sup>5</sup> )					14.5	1
For smelting, refining and export	Free					94.7	7			
Tin:										
Ore, cassiterite, and black oxide of tin	do.	Short tons of tin content	2.1	6	143.0	123			20.0	25
Bars, blocks, pigs, grain, granulated or scrap and alloys, chief value tin, n. s. p. f.	do.		66.0	50	125.4	137	28.0	22		
Antimony ore	do.	Short tons of antimony content	626.8	83	1,044.7	169	1,132.7	160	2,454.3	371
Imports of commodities shown above				258		578		333		773
Total imports from Bolivia				261		583		344		804
Principal imports (shown above) as percent of total				98.9		98.1		96.7		96.2

<sup>1</sup> Preliminary.<sup>2</sup> Other than cattle, calf, goat, sheep and lamb, reptile and deer, and buck or doe skins.<sup>3</sup> Other than guayule rubber, and milk of rubber, or latex.<sup>4</sup> Taxable under the Revenue Act of 1932, effective June 21, 1932.<sup>5</sup> Less than \$500.

NOTE:—Because of the understatement of imports arising out of indirect trade, statistics for 1929 and 1932 have been omitted.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Tin is used mainly in the production of tin plate for containers, but substantial quantities are also used in making bronze solder and bearing metal. Until recently the United States obtained about three-fourths of its supply of tin from British Malaya, and the remainder from a number of other countries, including the United Kingdom, the Netherlands Indies, the Netherlands, and China. It has been suggested that, for purposes of national defense, the United States might construct smelters to handle Bolivian ore. It is unlikely, however, that Bolivia alone could supply all or even most of the customary requirements of the United States. Bolivian ore is impure and complex, and it has hitherto been necessary, in order to make a suitable and economical refined product, to add substantial amounts of purer ore obtained from other sources. The output of Bolivian tin ore declined from 51,900 short tons (tin content) in 1927 to 28,400 short tons in 1938, or about one-third of recent United States imports, but it is possible that it could again be increased.

Tungsten, used mainly in the production of hard tool steel, is supplied mainly by domestic output during periods of reduced industrial activity, but during the periods of increased activity, imports, chiefly from China and British Malaya, supplement domestic production. Imports from Bolivia, the principal producer of tungsten other than the United States in the Western Hemisphere, have represented only a small part of total imports in recent years.

*Dutiable status of imports.*—Only about 15 percent of the imports for consumption from Bolivia are in dutiable classifications; practically all of the leading items in the trade enter free of duty. The leading dutiable import in 1939 was tungsten ore, which is subject to a duty of 50 cents per pound of tungsten content; the ad valorem equivalent on such imports from Bolivia in 1939 was 62 percent. Most of the recent imports of tungsten, however, have been for smelting, refining, and export, and therefore have entered free of duty. Likewise most of the copper and lead imported from Bolivia have entered free of duty for refining and export. The only other large dutiable item is shelled Brazil nuts, dutiable at 2½ cents per pound, or an ad valorem equivalent of 13 percent on imports from Bolivia in 1939.<sup>17</sup>

#### United States exports to Bolivia.

United States shipments to Bolivia consist largely of machinery and vehicles (see table 12). Because of Bolivia's extensive mining activities, mining machinery bulks large in the trade. In 1939, as shown in table 13, the leading individual exports to Bolivia, together with their share in total United States sales to that country, were as follows: Motor trucks, 11 percent; mining machinery, 10 percent; passenger cars, 5 percent; raw cotton,<sup>18</sup> 4 percent; and auto parts, 3 percent. These exports together amounted to 1.5 million dollars, or almost one-third of total United States sales to Bolivia in 1939. The remainder of the exports were accounted for by a large number of items, none of which represented a substantial part of the total trade.

Total United States exports to Bolivia in 1939 were somewhat smaller than in the predepression peak year, 1929, yet sales of a

<sup>17</sup> In the trade agreement with Brazil, effective January 1, 1936, the duty on shelled Brazil nuts was reduced from 4½ cents per pound to 2½ cents per pound.

<sup>18</sup> Bolivia's only cotton-textile mill has obtained most of its raw cotton from the United States in recent years.

number of particular products were larger than in 1929. Among these were motor trucks (which were double those in 1929), passenger cars, automobile parts, radio sets, and rough Douglas-fir lumber.

TABLE 12.—United States exports (domestic merchandise) to Bolivia, by commodity groups, in 1938 and 1939

[Value in thousands of dollars]

Commodity group	Value		Percent of total	
	1938	1939 <sup>1</sup>	1938	1939 <sup>1</sup>
Animals and animal products, edible.....	47	72	0.9	1.6
Animal and animal products, inedible (except wool and hair).....	37	23	.7	1.5
Vegetable food products and beverages.....	141	86	2.6	1.9
Vegetable products, inedible (except fibers and wood).....	168	148	3.1	3.3
Textile fibers and manufactures.....	377	309	7.0	6.8
Wood and paper.....	173	176	3.2	3.9
Nonmetallic minerals.....	277	302	5.2	6.7
Metals and manufactures (except machinery and vehicles).....	539	554	10.0	12.3
Machinery and vehicles.....	3,026	2,324	56.2	51.7
Chemicals and related products.....	292	296	5.4	6.6
Miscellaneous.....	308	206	5.7	4.6
Total.....	5,385	4,496	100.0	100.0

<sup>1</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

#### Balance of payments between the United States and Bolivia.

Any statement of the balance of payments between the United States and Bolivia (see table 14) cannot be considered apart from the triangular character of United States-Bolivian trade. The statistics of direct United States imports from Bolivia cover only part of the trade, because the United States has in the past made large purchases from the United Kingdom of refined tin, some of which was refined from ore shipped from Bolivian mines. Moreover, in years preceding 1937, a large part of the import trade in commodities other than tin was credited to countries contiguous to Bolivia. If these indirect imports from Bolivia are considered a part of the merchandise account, the large export trade balance of the United States shown in the table would be materially reduced. The indirect trade also has a bearing upon the heavy net debit balance (the last item in table 14) which Bolivia apparently has had in its financial transactions with the United States. From its shipments of tin ore and other products to world markets, Bolivia has obtained foreign credits which were used to offset its heavy debit balance with the United States. The flow of Bolivian gold and silver to the United States has also been a compensating factor, making available additional dollar exchange.

In most years from 1929 to 1938, the large net balance shown in table 14 resulted almost entirely from the merchandise account, but at the beginning of the period it was caused in part by the service account. For a time, the interest and sinking-fund remittances which Bolivia made to the United States were comparatively large, but there have been no interest receipts since 1930, when the Bolivian dollar bonds, estimated holdings of which totaled 54 million dollars at the end of 1938,<sup>19</sup> went into default.

<sup>19</sup> U. S. Department of Commerce, *The Balance of International Payments of the United States in 1938, 1939*, appendix D, p. 90.



TABLE 13.—United States exports (domestic merchandise) to Bolivia of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Rice	1,000 lb	260	9					720	16	1,220	34	80	2
Wheat	1,000 bu			19	12			394	431				
Wheat flour, wholly of United States wheat	1,000 bbl <sup>2</sup>	84	487	13	10	2	9	19	90	8	44	5	13
Automobile tire casings	Number	2,384	51	657	10	1,416	23	2,210	46	1,736	40	1,307	36
Rubber belts and bolting	1,000 lb	114	69	16	8	84	38	118	56	67	34	42	23
Raw cotton, except linters:													
Upland, under 1½ inches (United States official standard)	Bale (500 lb.)	1,633	187	2,750	117	2,800	207	4,000	321	3,600	224	3,200	181
Cotton bags	1,000 lb	10	3	147	25	129	85	98	24	238	52	110	22
Boards, planks and scantlings, softwood, Douglas fir rough	M feet	811	20	200	32	2,959	49	2,655	51	4,753	82	5,180	90
Sawed timber, softwood—Douglas fir	M feet	71	1	120	1	697	9	631	12	2,101	32	2,031	28
Lubricating oil, Red and pale, cylinder	1,000 bbl	7	133	2	48	8	134	8	128	8	111	47	103
Lubricating greases	1,000 lb	378	35	159	9	399	23	485	33	418	29	256	18
Paraffin wax, refined and unrefined	1,000 lb	2,322	98	2,977	72	2,088	72	2,342	74	1,668	40	2,095	88
Rails, including relaying rails	Ton	50	2			996	19	1,132	36	172	5	304	12
Steel sheets, galvanized	1,000 lb	( <sup>3</sup> )	( <sup>3</sup> )			458	12	205	11	860	35	1,027	89
Steel castings	1,000 lb	225	27	133	18	523	54	443	58	87	10	59	7
Miscellaneous iron and steel manufactures <sup>4</sup>			31	2	2	14	14	43	33		32		14
Insulated copper wire	1,000 lb	158	30	5	1	105	23	177	88	138	33	158	34
Stationary motors	Number	114	82	5	2	197	28	206	82	114	33	106	25
Electric locomotives, railway, mining, and industrial	Number	4	12			5	13	7	31	9	3	5	26
Radio receiving sets	Number	56	3	100	4	593	26	1,872	71	2,741	90	4,155	108
Water wheels, water turbines and parts			8		8				8		23		2
Miscellaneous conveying equipment and parts <sup>5</sup>			18		1		26		29		31		12
Mining and quarrying machinery			635		140		431		500		462		439
Pumps and parts, other than centrifugal rotary, reciprocating steam and power pumps, and hand and wind-mill pumps			31		15		28		43		46		31
Miscellaneous industrial machinery and parts <sup>4</sup>			50		6		10		59		28		33
Typewriters	Number	744	45	147	8	470	30	1,295	72	1,065	55	960	48
Motor trucks, buses, and chassis	Number	424	240	392	312	325	238	953	806	468	470	850	495
Passenger cars and chassis	Number	4236	145			259	210	330	253	311	254	260	218
Automobile parts for replacement			69		17		89		99		143		125
Landplanes (powered)	Number			15	345					8	291	1	7
Seaplanes and amphibians										1	62	1	8

See footnotes at end of table

BOLIVIA

TABLE 13.—United States exports (domestic merchandise) to Bolivia of principal commodities, in specified years, 1929 to 1939—Continued  
[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Aircraft parts, instruments, and accessories (except tires)			1		7		62		16		110		31
Miscellaneous cars <sup>1</sup>	Number	176	33	2	( <sup>2</sup> )	27	3	295	62	199	36	59	10
Mine chemical specialty compounds <sup>3</sup>			1		( <sup>4</sup> )		2		5		50		2
Synthetic collecting reagents for concentration of ores, metals or minerals.	1,000 lb.	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	168	24	158	28	230	38
Machine and heavy ordnance guns and carriages	Number									200	132		
Miscellaneous printed matter <sup>6</sup>			13		103		36		130		11		55
Exports of commodities shown above			2,534		1,298		1,951		3,795		3,227		2,413
Total exports to Bolivia			5,997		2,160		3,556		5,891		5,385		4,496
Principal exports (shown above) as percent of total			42.4		60.1		54.9		64.8		59.9		53.7

<sup>1</sup> Preliminary.

<sup>2</sup> Wheat flour, all kinds.

<sup>3</sup> Not separately classified.

<sup>4</sup> Data not strictly comparable for the series.

<sup>5</sup> May include some second-hand articles.

<sup>6</sup> Classified as "Automobile parts for replacement on vehicles with either United States or foreign trade name or assembly on new vehicles with foreign trade name."

<sup>7</sup> Classified as "Mine cars" in 1929, "Mine cars not over 15 tons capacity" in 1932, and "Mine cars not over 10 tons capacity" in 1936-39.

<sup>8</sup> Less than \$500.

Source: Compiled from official statistics of the U. S. Department of Commerce

The statistics in table 14 do not show the return on direct investments in Bolivia, the movement of banking funds or of capital through security transactions, or the investment of new United States capital in Bolivia. Because the statement is incomplete from the standpoint of capital movements and indirect trade, the magnitude of the actual net debit balance which Bolivia has with the United States may differ greatly from that indicated in table 14.

TABLE 14.—*Partial balance of payments between the United States and Bolivia, 1929-38*

[In millions of dollars]

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
<b>Trade and service items:</b>										
Merchandise exports to Bolivia <sup>1</sup> .....	6.0	4.2	1.8	2.2	2.6	5.1	2.8	3.6	5.9	5.4
Merchandise imports from Bolivia <sup>1</sup> .....	.4	.2	.....	.....	.1	.2	.4	.6	1.4	.9
Net merchandise exports to Bolivia.....	+5.6	+4.0	+1.8	+2.2	+2.5	+4.9	+2.4	+3.0	+4.5	+4.5
Receipts from Bolivia for shipping services <sup>2</sup> .....	.1	.1	.....	.1	.1	.1	.1	.1	.1	.1
Expenditures of Bolivian travelers in U. S. <sup>2</sup> .....	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
Interest receipts from Bolivia.....	4.2	4.2	.....	.....	.....	.....	.....	.....	.....	.....
Net receipts from Bolivia for services <sup>3</sup> .....	+4.4	+4.4	+1	+2	+2	+2	+2	+2	+2	+2
Net receipts from Bolivia on trade and service account <sup>3</sup> .....	+10.0	+8.4	+1.9	+2.4	+2.7	+5.1	+2.6	+3.2	+4.7	+4.7
<b>Gold and silver:</b>										
Net gold imports from Bolivia <sup>4</sup> .....	-3.6	-2.7	.....	.....	-.1	-.1	.....	.....	-1.4	-.2
Net silver imports from Bolivia <sup>4</sup> .....	-.7	-.7	-.5	.....	.....	-.1	.....	-.8	-.6	-.4
Net gold and silver imports from Bolivia.....	-4.3	-3.4	-.5	.....	-.1	-.2	.....	-.8	-2.0	-.6
<b>Capital items:</b>										
Bond-redemption and sinking-fund receipts from Bolivia <sup>5</sup> .....	.....	+1.7	+1	.....	.....	.....	.....	.....	.....	.....
<b>Net balance on items shown <sup>6</sup>.....</b>	<b>+5.7</b>	<b>+6.7</b>	<b>+1.5</b>	<b>+2.4</b>	<b>+2.6</b>	<b>+4.9</b>	<b>+2.6</b>	<b>+2.4</b>	<b>+2.7</b>	<b>+4.1</b>

<sup>1</sup> United States statistics, unadjusted.

<sup>2</sup> Rough estimates.

<sup>3</sup> Excluding return on U. S. direct investments in Bolivia.

<sup>4</sup> Bond-redemption receipts adjusted for repurchases by foreigners in all years; sinking-fund receipts in 1938 only.

<sup>5</sup> Exclusive of return on direct investments (receipts) and new investments (payments) in Bolivia.

NOTE.—Net credit balances for the United States are indicated by +; net debit balances by -.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

# BRAZIL

## A DESCRIPTION

### Physical characteristics.

The United States of Brazil,<sup>1</sup> the largest country of Latin America, and the fourth largest in the world, occupies nearly half of the entire South American Continent. It extends approximately 2,600 miles north and south and has a maximum width (in the Amazon basin) of nearly 2,700 miles. The coast line is more than 3,600 miles long. The total area of Brazil, 3,275,510 square miles, exceeds that of the continental United States by about 250,000 square miles and is exceeded only by that of the Soviet Union, Canada, and China. Brazil is bordered on the north by Venezuela and the Guianas, on the west by Colombia, Peru, Bolivia, Paraguay, and Argentina, and on the south by Uruguay.

Because of its expanse, the Brazilian area varies greatly in topography. It may be divided into five regions: The lowlands drained by the Amazon and its tributaries, the La Plata basin, the Guiana highlands, the Brazilian plateau, and the coastal plain. The Amazon basin and the La Plata River basin together constitute about three-fifths of the total Brazilian area.

The whole northwest section of Brazil, embracing more than one-third of its total area, is drained by the world's largest river, the Amazon, and its tributaries. Most of this area, which has an elevation of less than 800 feet, receives excessive rainfall, the trade winds from the northeast and southeast losing their moisture as they reach the Andes. The range of rainfall in the Amazon basin is for the most part from 60 to 100 inches a year, although areas having 150 to 200 inches are not uncommon. Because of the heavy precipitation, a wide area in the Amazon basin is annually in flood. The region is a typical tropical rain forest with a great variety of trees and a dense undergrowth; the climate is hot and humid throughout the year.

The La Plata basin in the southern part of Brazil is more varied physically than that of the Amazon, and is less heavily forested; it has a higher elevation and a milder climate.

The Guiana highlands, only a portion of which lies in Brazil, is in part forested and in part a hot, stony desert. Sections of the area receive heavy rainfall from the northwest trade winds; the southern slopes are arid, as are sections of northeastern Brazil. The summers are extremely hot, but the winters are cool. In the forested area the rainfall, which occurs in the hot season, averages about 50 inches annually.

The Brazilian plateau is a tableland varying from 1,000 to 3,000 feet in elevation, traversed by several mountain ranges. The coast

<sup>1</sup> In Portuguese, *Estados Unidos do Brasil*. The federation consists of 20 States, the Territory of Acre, and the Federal District.

range, which forms the eastern edge of the plateau, rises to elevations of 7,000 feet, and the interior ranges contain elevations of 10,000 feet. The plateau is largely a forest area, but there are also open prairies. Climatic conditions in the plateau differ widely from those in the Amazon basin and in the coastal plain. The temperature is less uniform than in the Amazon basin, and the precipitation varies considerably. In the northeastern section the rainy season fails altogether in some years. The climate of the States of Minas Geraes, São Paulo, and Rio de Janeiro ranges from subtropical to temperate, with adequate rainfall, while that of Paraná, Santa Catharina, and Rio Grande do Sul is temperate. The climate of the interior States of Matto Grosso and Goyaz is cool and healthful.

The Brazilian coastal plain varies in width; in some parts of the coast it disappears entirely. In the south it widens and merges with an extensive rolling, grassy plain. South to the Tropic of Capricorn the temperature in this region is high, and the humidity is great; beyond, the temperature decreases and the rainfall declines in volume.

#### Population.

According to the census of 1920, the population of the United States of Brazil totaled 30,636,000. It is estimated that in 1936 it was 42,395,000, a figure reflecting an increase of nearly 40 percent in 16 years.

While the population density of Brazil as a whole is approximately 13 to the square mile, three-fourths of the entire Brazilian population is concentrated in an area within about 100 miles of the coast, especially in the southern portion. Lack of capital and transportation facilities and climatic factors have retarded the settlement of the interior regions. Vast areas in the Amazon basin have a population which does not exceed two persons to the square mile. Brazil contains two of the three largest cities in South America—Rio de Janeiro, the capital, with an estimated population of 1,711,000, and São Paulo, with a population of 1,120,000 (1936). Four other cities—Recife, São Salvador, Porto Alegre, and Belém—have populations of more than 200,000 each.

It is difficult to determine with any exactitude the racial composition of Brazil's population. Approximately one-half of the 42 million inhabitants are estimated to be of European extraction, a large proportion of the remainder being of non-Caucasian blood. Full-blooded Negroes number about 2 million (nearly one-half of all the Negroes on the South American Continent); they are found principally in the coastal regions of the central and northern parts of the country. In the colonial period the Brazilian economy rested upon slavery to a greater extent than did that of other parts of Latin America. It is estimated that in the four centuries after the discovery of Brazil, approximately 12 million Negro slaves were brought from Africa.

Although small numbers of Swiss immigrants settled in Brazil as early as 1817, Brazilian immigration during most of the nineteenth century was predominantly of Portuguese, as it had been during the colonial period. After the middle of the nineteenth century Italians began to enter in numbers, and by the beginning of the World War of 1914-18, 1,361,000 had emigrated to Brazil.

Since the beginning of the twentieth century, large numbers of Germans and Japanese have migrated to Brazil. By 1914, a quarter

of a million Germans had settled in the southern part of the country. Between 1920 and 1929, more than 58,000 Japanese emigrated to Brazil, most of them settling in the Amazon basin and the São Paulo region; since 1929 the movement has been accentuated. Between 1820 and 1927, it is estimated that 4,269,000 immigrants, about two-thirds of them Italians and Portuguese, entered Brazil. In the 50 years 1887-1936, it is estimated that there were 4,098,000 entrants. Immigrants in 1937 numbered 34,677, and emigrants 18,084, leaving a net balance of 16,593 for that year.

In contrast with most of the countries of Latin America, in which the language is Spanish, the language of Brazil is Portuguese. Italian and German, however, are widely spoken in the southern States.

#### Natural resources and economy.<sup>1</sup>

*Agricultural and forest industries.*—Brazil is predominantly an agricultural country. Only about 4 percent of its area, however, is actually under cultivation. Between one-half and two-thirds of this cultivated area is in the three States of São Paulo, Minas Geraes, and Rio Grande do Sul.

The agricultural production of Brazil is diverse and includes coffee, cacao, tobacco, cotton, rice, sugar, fruits, grapes, wheat, corn, barley, rye, cassava, potatoes, yams, and beans. Forest products include Brazil nuts, carnauba wax, maté (Brazilian tea), rubber, and timber. Among Brazilian agricultural and forest products are a great variety of oil-bearing seeds and nuts, including castor beans, cottonseed, babassu nuts, peanuts, tucum nuts, muru muru nuts, ouricury nuts, and oiticica seeds, as well as a variety of medicinal plants; the first three of these products are of special importance in Brazilian economy.

Coffee is the principal Brazilian product, notwithstanding the recent increased production of other commodities. Brazil leads the world in the production and export of coffee; in the three seasons ended 1937-38 it produced an average of 3.1 billion pounds annually, as compared with a total Latin American production in 1937-38 of 4.4 billion pounds, and an estimated world production of 5.5 billion pounds. Coffee is grown in most of the Brazilian States, but two-thirds of the industry is in the State of São Paulo.

The production of cotton in Brazil increased considerably in the decade 1929-38. The poor returns from the coffee crop since 1930 and the relatively high price of United States cotton in world markets led to the transfer of large acreages from the production of coffee to that of cotton. In 1929-30, production of cotton in Brazil was 571,000 bales; in 1937-38 it increased nearly fourfold to more than 2 million bales, and in 1938-39 amounted to 1.9 million bales.

Production of cacao, the third most important Brazilian export commodity, also has increased in recent years. In 1929 it amounted to 142 million pounds; in 1938 it totaled 282 million pounds, an increase of nearly 100 percent.

Until about 1910, Brazil was the world's principal source of rubber, but the development of plantations in the Netherlands Indies and British Malaya after 1900 resulted in the virtual eclipse of Brazil as a supplier, and it now furnishes only about 1 percent of world production.

<sup>1</sup> For a more complete discussion of certain Brazilian agricultural, pastoral, forest, and mineral products, see pt. III of this report.

*Pastoral industries.*—Suitable climate, abundance of grazing lands, and ample vegetation make large parts of Brazil suitable for the raising of livestock, but only a small part of the available land is in use. During the colonial period and the first half of the nineteenth century there developed a fairly substantial pastoral industry, based largely on the production and export of dried or jerked beef, tallow, and hides, the last two products being by far the most important in the export trade. Production of jerked beef took place principally in the *saladeros* (salting establishments) in the State of Rio Grande do Sul. Exports of salted beef and hides from that State began in the eighteenth century, and in the early part of the nineteenth century an important industry developed.

Meat from South America began to be an important item in British imports in the 1860's, shipments coming largely from Rio Grande do Sul, Brazil, and from Montevideo, Uruguay. It was not until the development of facilities for refrigeration that the Argentine-Uruguay region became the important source of supply. While the quantities of pastoral products exported from Brazil are still considerable, such commodities accounted for but 9 percent of total exports in 1938. The largest single item is hides and skins; other important exports are frozen, chilled, and canned meats.

Because of diverse topography, the cattle industry of Brazil has developed on a regional basis. The largest cattle-raising area is that of central Brazil, which accounts for over 40 percent of all the cattle in the country. Southern Brazil, containing the finest grazing area in the country, has about 25 percent of the country's cattle, while the northeastern and eastern regions account, respectively, for about 14 and 17 percent of the total. The number of cattle in Brazil, which was approximately 29 million in 1916, increased to more than 47 million in 1931; in 1935, the latest year for which statistics are available, it totaled nearly 41 million.

Brazil's sheep-raising industry, an outgrowth of that in Argentina and Uruguay, is centered largely in the southern and eastern parts of the State of Rio Grande do Sul. In 1931 the number of sheep in Brazil was 10,702,000; by 1935 it had increased to 13,049,000. The raising of goats is also important in the pastoral activities of Brazil. Large quantities of goat meat are consumed, and the exports of goatskins are substantial. Brazil is the leading Latin American country in the production of goatskins, and ranks third in world production. The Brazilian census of 1920 recorded more than 5 million goats, nearly one-half of which were concentrated in the States of Bahia and Pernambuco.

*Mining.*—In mineral resources, Brazil is one of the richest countries in the world. In addition to coal, iron, and copper, it has what are probably the world's largest manganese deposits, as well as deposits of mica, lead, zinc, mercury, chromium, nickel, bauxite, gold,<sup>2</sup> platinum, diamonds and many other precious and semiprecious stones, kaolin, marble and other valuable building stones, phosphate of lime, and rock salt. Petroleum in quantities suitable for commercial development has not been found in Brazil.

Some of the world's outstanding iron reserves are to be found in Brazil. The huge Brazilian deposits are of high grade and are easily

<sup>2</sup>The value of Brazilian gold production in 1939 was estimated to be 6.3 million dollars.

mined. They are located in the interior, however, and have been exploited to only a limited degree. About one-half of the deposits, averaging 63 to 70 percent iron, are in the State of Minas Gerais. Most of the remainder, which is also high-grade ore, is in the States of Bahia and Matto Grosso. Although production of iron ore in Brazil is not reported regularly, the average annual output in the 3 years 1933-35 was estimated at 30,000 tons. Production data for later years are not available. The output must have increased markedly, however, since exports alone accounted for 109,000 long tons in 1936, 206,000 in 1937, and 353,000 in 1938.

Brazil possesses large deposits of low-grade bituminous coal, but these are to be found for the most part in remote regions of the country, and much of the coal is not of the type desirable for use in the iron industry. The transportation problem, the character of the deposits, and the lack of population in these areas have retarded the development of these coal resources. The smaller south Brazilian fields are being worked, and now produce over 10 percent of the coal consumed in Brazil, but the Matto Grosso fields have not as yet been developed. As a result, the greater part of the coal consumed in Brazil must be imported. The United Kingdom has ordinarily furnished most of such imported coal, but small quantities have come from the United States. Domestic production is encouraged by import duties.

*Manufacturing.*—Since the beginning of the century, the Brazilian manufacturing industry has undergone considerable development. Especially in the decade 1929-38, as a result of import duties, import controls, depreciation of the currency, and special concessions, Brazilian industry expanded significantly, and the country attained practical self-sufficiency in the production of many consumers' goods. Special efforts have been made to diversify industry, and, in order to facilitate control of manufacturing by Brazilian nationals, restrictions have been placed on the operations of foreign-owned companies.

Special tariff concessions are granted on equipment and materials imported by companies engaged in a great many industries, including those producing coal, petroleum, cement, glass, cellulose, beer, linseed oil, caustic soda, quebracho, sugar, rubber, and asphalt, and also by banana plantations, fisheries, and newspapers. Whenever the Similar Products Committee (Comissão de Similares) finds that products required by these industries are adequately produced locally, the Minister of Finance may declare that similar foreign products shall no longer be entitled to duty exemptions or reductions.

The largest Brazilian manufacturing industries are located in and around Rio de Janeiro and São Paulo. In 1936 there were reported to be 338 cotton factories in Brazil, 13 silk mills, 162 hosiery mills, 16 jute mills, 18 paper mills, over 2,000 tobacco factories, 1,625 metallurgical and machinery factories, and 1,342 factories for construction materials.

Brazil's most important manufacturing industry, cotton textiles, now supplies nearly all of the country's requirements. About 40 percent of Brazil's raw cotton is absorbed in the home market. The woolen industry consists of more than 30 mills, but domestic manufactures contribute but a small part of total consumption. Domestic plants supply a large portion of Brazil's requirements of hosiery, and all but a small part of the demand for men's and women's clothing.



There is a considerable production of piece goods of hemp, jute, and similar fibers. Linens are manufactured from imported flax and yarns. There are numerous small silk and rayon weaving establishments; production of rayon in 1938 amounted to nearly 12 million pounds, as compared with 7 million in 1937.

Other important Brazilian manufacturing industries include those producing containers, shoes, hats, tobacco, dairy products, canned fruits and vegetables, paper, furniture, matches, metal art goods, lumber products, cement, pig iron, rolled iron and steel, and other steel products. In order to prevent overexpansion in industry, the Government has from time to time required permits for imports of certain types of factory machinery.

### THE FOREIGN TRADE OF BRAZIL

Brazil is the second most important trading nation of Latin America, being surpassed only by Argentina. In 1938, Brazilian exports, which were valued at 5,097 million milreis (296 million dollars), represented about 16 percent of the value of all exports from the 20 Latin American republics, and 21 percent of those from the 10 South American countries. Imports into Brazil in the same year totaled 5,196 million milreis (296 million dollars) and accounted for 20 percent of the value of commodities purchased abroad by all Latin American countries, and 25 percent of those by the 10 South American Republics.

Brazilian exports have customarily exceeded imports, but in recent years, the size of the export balance in terms of dollars has been declining. In 1936 and 1937 the export balances were, respectively, 73 million and 17 million dollars. In 1938, however, the dollar values of imports and exports were almost the same.

#### **Brazilian commercial policy.**

Brazilian foreign trade in the decade 1929-38 has been greatly influenced by the exchange-control system, compensation arrangements, currency depreciation, import controls, and tariff changes.

*The tariff.*—The Brazilian tariff has three columns, with "general" and "minimum" rates, and a limited number of conventional rates (made by agreements with other countries) below the minimum. Both the tariff revision of 1931, and the more comprehensive one of September 1934, which is still the basic tariff, were determined and made effective by the Brazilian Executive. The Tariff Law of 1934 empowers the Executive temporarily to reduce or remove import duties (1) on goods that compete with similar goods produced in Brazil by trusts or cartels or those sold at excessive prices, and (2) on goods of a type not produced in Brazil, intended for consumption in a specified region, when they are judged necessary to the development of that region.

Under the transitory provisions of the constitution of November 10, 1937, the President of Brazil was given discretionary power to legislate by decree-law, and accordingly to deal with the tariff and other import controls, until a plebiscite on that Constitution had been held and the National Parliament elected. Irrespective of the transitory provisions, the President has discretionary power under the Constitution of 1937 to put international agreements into force

provisionally before their approval by the Legislature, and to legislate by decree-law during recess or dissolution of the Chamber of Deputies.<sup>4</sup> Both the Superior Tariff Council (Conselho Superior da Tarifa) and the Federal Foreign Trade Council (Conselho Federal do Commercio Exterior) have advisory functions respecting tariff rates. A Brazilian decree of September 29, 1939 (effective October 2) created the National Economic Defense Council to protect the national economy in the emergency arising from the war. This council has broad powers, including the regulation of imports and exports, and its measures become effective upon approval by the Executive.

The present Brazilian tariff act (September 1, 1934) provides for minimum rates to products of countries which guarantee similar treatment to Brazilian products. The general rates in the tariff of 1934 exceed the minimum rates by a little more than one-fifth. Under the tariff act, the Brazilian Executive may by decree increase tariff duties by as much as 100 percent on articles from those countries which attempt to restrict the importation of Brazilian products by means of discriminatory duties or by other devices. The Executive may also increase duties on specified products which are "dumped" to the prejudice of the Brazilian economy.

Tariff reductions and exemptions are authorized as concessions to aid in the development of Brazilian industries, with provision for modification of such concessions when local producers can adequately supply the materials required for the operation of such industries. Importations for the Brazilian Government are free of duty, except when it is established that similar merchandise is adequately produced and readily available in Brazil.<sup>5</sup>

Brazilian nontariff trade controls include requirements for the admixture of flour from local products with imported flour consumed within the country, and purchase-ratio requirements for domestic and imported coal and for native alcohol and imported gasoline. Permits are required for the importation of certain industrial machinery, and the importation of arms and munitions of war is restricted. On June 16, 1934, the Federal Foreign Trade Council was established, with powers so broad that they governed the entire field of commercial policy, including tariffs, trade agreements, and other trade controls. In April 1938 all branches of the Brazilian petroleum industry were nationalized, and the production, importation, distribution, and sale of crude petroleum and its derivatives, and the refining of imported petroleum, were made subject to regulation by the Federal Government.

The Brazilian Federal Government levies no export duties, except on coffee. Practically all exports, however, are subject to export duties levied by the various States. These duties vary widely from State to State, and from commodity to commodity. The export of certain commodities is prohibited. By decrees of December 7, 1933, and February 19, 1934, the export of scrap iron and other metal scrap was prohibited; shipment abroad of oiticica seeds was prohibited by a decree of December 2, 1938.

*Commercial treaties and agreements pertaining to tariff treatment.*—In 1931 Brazil invited foreign countries to join in the negotiation of reciprocal unconditional most-favored-nation agreements. As a

<sup>4</sup> With certain exceptions, among them the budget and taxes.

<sup>5</sup> Import values employed by Brazil are c. i. f., excluding duties, as declared by merchants. Export values are f. o. b., including export duties, as declared by merchants.

result, most of the important commercial nations, including the United States, were accorded the minimum Brazilian tariff rates, a few by virtue of agreements already in existence, and others by new exchanges of notes.<sup>6</sup>

By a decree of December 30, 1935, the Brazilian Executive gave instructions to revise all commercial agreements concluded before January 1, 1934, and to terminate them not later than July 30, 1936. Consequently, all of the commercial agreements of Brazil except those with the United States, Argentina, Uruguay, and Portugal were denounced. Provisional agreements renewing or continuing the previously accorded unconditional most-favored-nation treatment were subsequently negotiated with practically all of the countries affected.

Under the Constitution of 1934, the Executive was authorized to negotiate international agreements and treaties and was required to submit them to the Legislature ad referendum, no time limit being fixed. The Legislature had the exclusive right to approve or disapprove treaties and agreements. Thus the trade agreement with the United States, signed on February 2, 1935, by which a number of duties were reduced and others were bound, was approved by the Legislature before it came into force on January 1, 1936. During the life of the 1934 Constitution, however, the Brazilian Executive negotiated and put into force provisionally, without previous submission to the Legislature, agreements with most countries of commercial importance. These agreements continued or assured most-favored-nation or minimum-column treatment to countries which by commercial agreement guaranteed their minimum tariffs to Brazilian products. They similarly extended to such countries the conventional rates (below the minimum) accorded the United States in its trade agreement with Brazil.

Under the trade agreement between Brazil and the United States, Brazil granted reductions in duty on 67 United States industrial and agricultural products, and bound 39 additional classifications against the imposition of or increase in import duties. The Brazilian reductions ranged between 20 and 67 percent of the duties in force prior to the agreement. The United States assured Brazil of continued duty-free entry into the United States of coffee and 11 other Brazilian products (which together make up 90 percent of United States imports from Brazil). Reductions in duties were also provided for seven commodities.

*Exchange control.*—The Brazilian Government, operating through the Banco do Brasil (Bank of Brazil) has at times during the last decade put into effect a rigid control of foreign-exchange transactions. As a majority stockholder in the bank, the Government exercises both *de facto* and *de jure* control over its functions and policies.

Exchange control was inaugurated in Brazil on August 12, 1931, when it was required that all foreign-exchange transactions be conducted through the Bank of Brazil. Since that date some type of exchange control has intermittently been enforced. In addition to the official foreign-exchange market, there has usually been a so-called free market, in which the milreis has been valued at a rate lower than that maintained in the official market. Sometimes two or more such free markets, with different rates of exchange, have been in existence.

<sup>6</sup> The minimum rates guaranteed by the tariff act were extended to practically all commercially important nations except the Soviet Union.

Exporters have been required to sell a certain percentage of their export bills to the Bank of Brazil at the official rate; the remainder they were permitted to dispose of in the free market. Because of the lower value of the milreis in that market, this privilege was of considerable importance, inasmuch as exporters realized more milreis per unit of foreign currency on their bills. The percentage reserved for the Bank of Brazil has varied from time to time and as between commodities. Thus, in the Brazilian export trade, certain commodities have been favored over others.

For a short time, late in 1937, the obligatory sale of export bills to the Bank of Brazil at the official rate was abolished, thus permitting disposal of the full amount of all export bills in the free market. On December 23, 1937, however, exchange control was reestablished, and a 3-percent tax was imposed on all purchases of foreign exchange.<sup>7</sup> After the outbreak of war in Europe in September 1939, the Bank of Brazil informed banks that it would control buying and selling rates for foreign exchange, but no important changes were made in the control system.

Under the present Brazilian system of exchange control (effective April 8, 1939) there are three types of exchange—official, free, and special free.<sup>8</sup>

The official exchange market is reserved to the Bank of Brazil. It is required that 30 percent of the value of all export bills be sold to that bank, the exchange resulting therefrom being utilized only to satisfy commitments of the Government.

All banks (including the Bank of Brazil) are authorized to operate in the free-exchange market. Export bills may be negotiated in this market, subject only to the sale of the specified 30 percent to the Bank of Brazil. After authorization from that bank, the necessary exchange to effect payment of merchandise imported by nongovernmental organizations (cost, insurance, and freight) as well as expenses incurred in connection with exports (such as insurance, freight, and commissions) must be obtained in this market.

All banks are also allowed to operate in the special-free-exchange market. Exchange sold in this market is obtained from foreign tourists in the form of letters of credit, traveler's checks, or foreign paper currency. Exchange thus obtained must be applied exclusively toward the sale of drafts, letters of credit and payment orders, or foreign paper currency to those persons authorized by the Bank of Brazil to purchase such exchange for travel or maintenance abroad.

The exchange-control system, particularly since 1937, has been the chief instrument of Brazilian commercial policy. According to available information, remittances for the financing of imports are authorized to receive the same exchange treatment regardless of the commodities involved or their countries of origin. Under nearly all systems of exchange control, however, the control agencies have considerable discretion in granting or withholding foreign-exchange accommodations. Trade in certain commodities and with certain countries,

<sup>7</sup> In June 1938 the tax was increased to 6 percent on all bills except those covering imports of merchandise, the proceeds to be devoted to the 5-year plan of public works and national defense.

<sup>8</sup> For the years covered in this report, the average dollar equivalent of the milreis (official rate) was as follows: 1929, \$0.1181; 1932, \$0.0712; 1936, \$0.0857; 1937, \$0.0664; 1938, \$0.0584; 1939, \$0.0600. The free-market rate has been as follows: 1936, \$0.0388; 1937, \$0.0620; 1939, \$0.0512. (*Federal Reserve Bulletin*, February 1939 and June 1940). The special-free-market rate in 1939 (average April 10-December 31) was \$0.0464. Recent quotations for the various Brazilian exchange rates (averages for March 1940) are as follows: Official, \$0.0606; free market, \$0.0504; special free market, \$0.0463. (*Commerce Reports*, June 8, 1940.)

therefore, may have been accorded advantages through the allotment of exchange. It is not possible, however, to appraise the extent to which the Brazilian exchange control has favored imports of particular commodities or imports from particular countries.

*Clearing and compensation agreements.*<sup>9</sup>—The unilateral exchange control of Brazil has in practice been modified by special exchange arrangements (referred to as clearing, payments, or compensation agreements), under which the trade of Brazil with some countries has been financed. Clearing and payments arrangements have usually been introduced by bilateral agreements with the countries concerned. Such agreements usually arise out of exchange controls exercised by one or both of the contracting countries. It cannot be determined, however, to what extent Brazilian clearing agreements have actually affected the trade of third countries.

Brazil carried on trade with Germany under a compensation system after October 1934. Imports of German goods increased substantially thereafter, and accounted for a larger share of Brazilian imports. The original German-Brazilian compensation agreement expired in 1936, but the arrangement was continued under a *modus vivendi*. The agreement was discontinued by Brazil on December 12, 1939.<sup>10</sup> Under the operation of the compensation agreement Brazilian imports from Germany more than doubled in value between 1934 and 1937. Exports to Germany in the same period increased by 58 percent.

In addition to the Brazilian-German compensation agreement, payments or compensation agreements with the Netherlands (1937) and Italy (1935-40) were put into force by executive action, and agreements with clearing provisions were concluded with the following countries: Chile (1934 and 1940); France (1934); Norway (1935); Sweden (1935); Denmark (1935); the United Kingdom (1935); Portugal (1936); and Argentina (1939).<sup>11</sup>

Brazilian exports to Germany in 1932 were greater than imports from that country; in later years, however, the balance was reversed. It has generally been represented that clearing and similar agreements operate to balance the trade between pairs of countries. The failure of the Brazilian-German compensation agreement to equalize the value of the goods exchanged between the two countries may have been due to the fact that certain commodities entering the trade are not covered by the agreement. Moreover, a balance in favor of one country or the other may appear in the compensation accounts in any given year, and be liquidated at a later time. The compensation agreement may also have provided for certain transfers on nonmerchandise account.

<sup>9</sup> A clearing agreement in its simplest form provides that the importers of each of the two contracting countries shall pay the cost of their imports from the other country into accounts in their own national currency maintained by agencies selected or established for that purpose. These funds are paid out to those who have exported commodities from the country in question to the other. Thus, if payments to exporters in the trade between the two countries just equal the expenditures of the importers, no movement of foreign exchange is required. In payments agreements the exchange usually is controlled in only one of the two countries; the other maintains a free-exchange market.

<sup>10</sup> Complete information on the terms of the Brazilian-German compensation agreement is not available. Apparently, it provided for the exchange of certain products on the basis of special accounts (*sonderkouten*). It was designated a compensation rather than a clearing agreement, because it differed from a clearing agreement in the strict sense, providing, as it did, for payments through special accounts, rather than through a single clearing account.

<sup>11</sup> It is reported that a new agreement between Brazil and the United Kingdom (effective June 20, 1940), provides, among other things, that British pound exchange resulting from Brazilian exports to the British Empire (excluding Canada, Newfoundland, and Hong Kong), will be utilized to pay for British Empire exports to Brazil.

*Coffee control.*—During most of this century the Brazilian Government has attempted to maintain the price of coffee. Brazilian coffee control, exercised by the Federal Government or by the State of São Paulo, first took the form of withholding surplus stocks from the market in years of large crops and low prices, and releasing them later when crops were small and prices were higher. The surplus coffee was withheld either by Government purchase or by loan. Such action carried on during the period 1921–30 operated toward the stabilization of the price of coffee, but it also aggravated the problem by stimulating production in other coffee-producing countries, and encouraging the development of new coffee lands in Brazil.

In 1931 two additional features were added to the current coffee-control program. A prohibitive tax on new plantings and an export tax to provide for the purchase and destruction of the large coffee stocks were imposed. The export tax was later revised by the adoption of a "sacrifice" quota plan, under which the Government acquired at an arbitrarily low price and destroyed a substantial proportion of each grower's stock. In 1933, in an effort to popularize Brazilian coffee in foreign markets, the National Coffee Department inaugurated a policy of granting a bonus in kind, amounting to 10 percent of the coffee shipped against regular orders, to coffee exporters for the benefit of their foreign customers.<sup>12</sup>

As a result of a change in policy in November 1937, the export tax on coffee was reduced from 45 to 12 milreis (about 66 cents) per bag, and the requirement that 35 percent of the proceeds of export bills be sold to the Bank of Brazil at official rates was abolished. Prices declined after the adoption of these measures, but in 1938 the adjusted price level which followed the change in policy continued fairly steady. Sacrifice quotas were fixed at 30 percent for regular or common coffee and 15 percent for preferential or high-grade coffee, and growers were compensated at the rate of 2 milreis (approximately 11 cents) per bag. The destruction of coffee declined from more than 17 million bags in 1937 to 8 million bags in 1938.

Plans for the stabilization of the 1939–40 and 1940–41 coffee crops included the same provisions for sacrifice quotas and growers' compensation as were adopted in the immediately preceding years. The coffee acquired under these plans will eventually be destroyed. Funds to finance its purchase are derived partly from the tax on coffee exported and partly from a portion of the assessment imposed by decree law in November 1937. The planting of new coffee trees was prohibited until June 30, 1941. The regulation did not apply, however, to replacement or substitution of trees on existing plantations, or to plantings in those States which have not yet reached the prescribed limit of 50 million trees.

#### **Trend of the trade.**

*Exports.*—The outstanding feature of the Brazilian export trade is the extent of the country's dependence upon two commodities—coffee and cotton. Brazil leads the world in the production and exportation of coffee. In the three seasons ending 1937–38, it produced an average of 3.1 billion pounds annually, and supplied about 52 percent of total international trade in coffee. Exports of cotton, which were relatively unimportant in 1929, now represent about one-fifth of total Brazilian

<sup>12</sup> This bonus was later suspended on exports to the United States.

exports. Brazil is also an important producer of cacao beans, being second only to the Gold Coast. In recent years Brazilian production has been more than twice that of all other Latin American countries combined.

Significant developments in the Brazilian export trade in the decade 1929-38 were the decline in the relative importance of coffee, the increasing significance of cotton, and the increasing importance of Germany as a market for Brazilian products. Brazilian exports to all countries and to the United States, in the period 1924-38, are shown in tables 1 and 2. The year 1929, which is the earliest year shown in the detailed tables hereinafter presented, was not a peak year in exports either to the world as a whole or to the United States. Exports to the world in 1925, 1926, and 1928, and exports to the United States in each of the 4 years 1925-28, exceeded in dollar value those in 1929.

Total Brazilian exports in 1929 were valued at 3,860 million milreis (456 million dollars). Following the trend of world commerce, the value of shipments from Brazil declined in 1932 to 2,537 million milreis (181 million dollars), or approximately 66 percent of the 1929 milreis value and 39 percent of the dollar value. The decline was caused in large part by lower prices. All commodities except oranges, rice, Brazil nuts, and sugar shared in this decline in values. The most marked decreases in value were in the products classified as animal materials and vegetable raw materials.

After 1932, Brazilian exports increased regularly in value, reaching 5,092 million milreis (348 million dollars) in 1937. This represented an increase in milreis value of 32 percent over 1929; the dollar value, however, was only 76 percent of that in 1929. In 1938 the milreis value increased to 5,097 million, but the dollar value declined to 296 million. Exports in the first 11 months of 1939 reached 5,210 million milreis<sup>13</sup> (309 million dollars), as compared with 4,679 million milreis (271 million dollars) in the same period in 1938.

Price and quantum indexes of Brazilian exports are not available. The effect of fluctuations in prices and quantities on the export trade of Brazil, however, is indicated by the export statistics for three commodities—coffee, cacao, and cotton. In the decade 1929-38 these three commodities constituted from two-thirds to three-fourths of all Brazilian exports, in terms of value. The quantities of these commodities exported from Brazil, and the average yearly prices of representative types of Brazilian coffee, cacao, and cotton, indicate that the decline in the value of Brazilian exports from 1929 to 1932, and the subsequent recovery, may be attributed primarily to variations in prices and secondarily to fluctuations in the quantities of goods exported.

Brazilian exports of coffee declined from 1,889 million pounds in 1929 to 1,579 million pounds in 1932, a drop of 16 percent. The price<sup>14</sup> of coffee in the same period declined irregularly by approximately one-half (from 15½ to 8½ cents per pound in the case of Rio No. 7). The quantity of coffee exports increased irregularly after 1932, in 1936 reaching approximately the 1929 level, but declined to 1,604 million pounds in 1937. The price, however, continued low, and in 1937 was but slightly more than one-half that in 1929 (8½

<sup>13</sup> Preliminary.

<sup>14</sup> Average yearly prices of Rio No. 7 and Santos No. 4 in New York (spot). *International Yearbook of Agricultural Statistics, 1933-34, 1938-39.*

cents). In 1938 the quantity of coffee exported increased sharply to 2,273 million pounds, but the price of Rio No. 7 dropped to 5¼ cents.

TABLE 1.—Brazil: Trade with the world, 1924-38

[Value in thousands]

Year	Exports		Conversion rate: 1 paper mil- reis equals—	Imports	
	Paper milreis	United States dollars		Paper milreis	United States dollars
1924	3,863,554	422,673	\$0.1094	2,789,557	305,178
1925	4,021,965	490,690	.1220	3,376,832	411,974
1926	3,190,559	460,717	.1444	2,705,553	390,682
1927	3,644,117	431,463	.1184	3,273,163	387,542
1928	3,970,273	475,242	.1197	3,694,990	442,290
1929	3,860,482	455,923	.1181	3,527,738	416,626
1930	2,907,354	311,378	.1071	2,343,705	251,011
1931	3,398,164	238,801	.0703	1,880,934	132,230
1932	2,536,765	180,618	.0712	1,518,694	108,131
1933	2,820,271	221,955	.0787	2,165,254	170,405
1934	3,459,006	286,752	1.0829 1.0830	2,502,785	207,731
1935	4,104,008	269,223	1.0656 1.0583	3,855,917	224,800
1936	4,895,435	320,044	1.06537 1.0578	4,268,667	246,729
1937	5,092,059	347,584	1.06826 1.0622	5,314,551	330,565
1938	5,096,890	295,620	1.0580 1.0569	5,195,570	295,628

<sup>1</sup> Exports.  
<sup>2</sup> Imports.

Source: Compiled by the United States Tariff Commission from *Comercio Exterior do Brasil* (annual) and *Comercio Exterior do Brasil* (monthly), N. 12A, Janeiro a Dezembro 1938.

TABLE 2.—Brazil: Trade with the United States, 1924-38<sup>1</sup>

[Value in thousands]

Year	Exports			Imports		
	Paper milreis	United States dollars	Percent of total to United States	Paper milreis	United States dollars	Percent of total from United States
1924	1,656,461	181,217	42.9	674,662	73,808	24.2
1925	1,813,857	221,291	45.1	838,222	102,263	24.8
1926	1,526,390	220,411	47.8	793,807	114,626	29.3
1927	1,683,813	199,363	46.2	939,072	111,186	28.7
1928	1,804,442	215,992	45.4	981,710	117,511	26.6
1929	1,629,807	192,480	42.2	1,063,100	125,552	30.1
1930	1,179,421	126,316	40.6	566,184	60,638	24.2
1931	1,487,733	104,588	43.8	472,436	33,212	25.1
1932	1,173,129	83,527	46.3	456,912	32,532	30.1
1933	1,309,569	103,063	46.4	455,400	35,840	21.0
1934	1,347,168	111,680	38.9	590,901	49,045	23.6
1935	1,616,885	106,068	39.4	897,587	52,329	23.3
1936	1,901,744	124,329	38.8	945,735	54,663	22.2
1937	1,850,796	126,335	36.4	1,228,503	76,413	23.1
1938	1,749,281	101,458	34.3	1,257,926	71,576	24.2

<sup>1</sup> For conversion rates, see table 1.

Source: Compiled by the United States Tariff Commission from *Comercio Exterior do Brasil* (annual), and *Comercio Exterior do Brasil* (monthly), N. 12A, Janeiro a Dezembro 1938.

In contrast with exports of coffee, exports of cacao from Brazil increased by nearly one-half between 1929 and 1932 (from 145 to 215



million pounds); prices meanwhile declined to about two-fifths of their 1929 level (from 10.6 to 4.3 cents per pound).<sup>15</sup> Between 1932 and 1937 the quantity of cacao exported from Brazil increased irregularly to 232 million pounds; in the same period prices nearly doubled (8.5 cents in 1937). In 1938, exports were nearly twice those in 1929 (275 million pounds), but the average yearly price was less than half that in 1929 (5.2 cents per pound).

Exports of cotton from Brazil in 1929 amounted to 224,000 bales, but declined drastically to 2,000 bales in 1932. Prices<sup>16</sup> fell by nearly one-half between 1929 and 1931 (from 15.5 to 8.99 cents per pound); in 1932, however, they returned almost to the 1929 level. By 1936 exports of Brazilian cotton totaled 924,000 bales, and by 1938 had further increased to 1,239,000 bales or more than five times the quantity exported in 1929. Prices, meanwhile, declined from 12.9 cents per pound in 1936 to 8.5 cents in 1939 (8 months).

*Imports.*—Significant trends in Brazil's import trade in the decade 1929-38 included the decline of the United States and the United Kingdom as suppliers, and the increasing importance of Germany. The declining importance of imports of foodstuffs was accompanied by an increase in the ratio of imports of manufactured products to total imports. Brazilian imports from all countries and from the United States, in the period 1924-38, have already been shown in tables 1 and 2. The year 1929 (the earliest shown in the detailed tables) was not a peak year in imports from the world as a whole, having been exceeded in 1928, both in milreis and dollar value. Imports from the United States, however, were larger in 1929 than in earlier years.

Brazilian imports in 1929 were valued at 3,528 million milreis (417 million dollars). In 1932 they declined in value to 1,519 million milreis (108 million dollars), or 43 percent of the 1929 milreis figure and 26 percent of the dollar value, largely because of reduced buying power resulting from the fall in the value of exports. They increased regularly to 5,315 million milreis (331 million dollars) in 1937, but declined to 5,196 million milreis (296 million dollars) in 1938. In the first 11 months of 1939 imports were valued at 4,445 million milreis (264 million dollars),<sup>17</sup> as compared with 4,459 million milreis (258 million dollars) for the same period in 1938.<sup>18</sup>

#### Exports from Brazil.

*Composition.*—The Brazilian export classification distinguishes four main groups—foodstuffs, raw materials, manufactures, and live animals. The major portion of Brazilian exports, however, is accounted for by the first two of these categories. In 1938, two Brazilian export commodities, coffee and cotton, together accounted for more than 63 percent of all exports. Exports from Brazil, by groups, subgroups and commodities, in specified years, 1929 to 1938, are shown in tables 3 and 4.<sup>19</sup>

<sup>15</sup> Average yearly prices of Brazilian cacao (Bahia I) in New York (spot). *International Yearbook of Agricultural Statistics*, 1933-34, 1938-39.

<sup>16</sup> Average yearly prices of Brazilian type 5 in São Paulo (spot). U. S. Department of Agriculture, *Agricultural Statistics*, 1939.

<sup>17</sup> Preliminary.

<sup>18</sup> Price and quantum indexes of Brazilian imports are not available.

<sup>19</sup> Because of the successive changes in the Brazilian export classifications during the decade 1929-38, it has not been practicable to provide totals for commodity groups and subgroups for 1929 and 1932. In most cases it has been possible to give comparable data for individual commodities.

TABLE 3.—Brazil: Exports,<sup>1</sup> by commodity groups, subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of milreis]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	3,860,482	2,536,765	4,895,435	5,092,060	5,096,890
Foodstuffs.....	(3)	(3)	3,056,285	2,989,500	3,167,994
Vegetable materials.....	(3)	(3)	2,795,651	2,679,428	2,830,529
Coffee, raw.....	2,740,073	1,823,948	2,231,472	2,159,431	2,296,110
Cacao beans.....	104,944	113,851	258,015	229,209	212,996
Oranges.....	15,307	40,179	75,830	123,290	112,472
Maté (Brazilian tea).....	106,359	86,988	64,074	66,347	59,378
Maize (corn), other than white.....	8,876	6	1,333	5,769	44,933
Rice, cleaned and in the husk.....	4,575	18,137	37,500	21,065	39,162
Bananas.....	18,361	19,827	27,744	27,791	26,557
Brazil nuts, shelled.....	1,671	8,142	48,037	32,016	23,772
Fruits and nuts (edible), unenumerated.....	2,137	1,589	8,505	9,959	6,473
Sugar.....	9,030	19,174	43,724	328	2,882
Manioc meal.....	2,474	2,207	3,764	1,637	2,533
Vegetable nutrients, unenumerated.....	(3)	(3)	6,083	3,586	3,241
Animal materials.....	(3)	(3)	170,888	175,613	190,941
Beef, mutton, and pork, frozen and chilled.....	101,077	54,086	70,144	96,251	88,094
Meats, preserved (canned).....	9,045	9,259	55,101	50,804	62,931
Lard.....	1,019	1	23,296	1,170	4,163
Beef, jerked.....	8,515	618	2,108	1,970	2,274
Meat products, unenumerated.....	(3)	(3)	20,239	25,414	33,479
Haricots (pickled tripe), frozen and chilled.....	10,191	6,757	6,669	(4)	(4)
All other foodstuffs, unenumerated, including beverages.....	(3)	(3)	1,324	1,147	2,825
Fodder.....	(3)	(3)	88,422	133,312	143,609
Oilseed cake.....	7,021	10,726	54,319	84,826	84,802
Bran of all kinds.....	19,146	16,550	31,932	46,018	54,702
Feedstuffs for animals.....	(3)	(3)	2,171	2,468	4,195
Raw materials.....	(3)	(3)	1,823,798	2,077,187	1,910,585
Vegetable materials.....	(3)	(3)	1,801,807	1,613,924	1,555,089
Cotton, raw.....	153,915	1,767	930,281	944,363	929,856
Caruaba wax.....	24,766	19,885	97,526	96,822	101,016
Tobacco, twist and leaf.....	64,184	38,777	66,002	67,694	85,518
Castor beans.....	12,326	5,951	73,943	91,299	79,777
Timber.....	26,662	21,673	42,904	65,117	76,907
Vegetable oils.....	542	648	53,799	46,770	60,957
Brazil nuts, in the shell.....	37,216	19,977	45,926	47,498	47,111
Rubber.....	61,114	10,626	68,018	76,001	46,649
Babassu nuts.....	6,109	5,036	39,122	39,641	33,565
Cottonseed.....	7,250	204	18,856	19,355	14,867
Oil-bearing seeds, unenumerated.....	3,936	591	9,818	17,032	8,023
Textile and synthetic materials, unenumerated.....	(3)	(3)	29,199	48,523	36,282
Raw materials of vegetable origin, unenumerated.....	(3)	(3)	26,415	33,809	42,036
Animal materials.....	(3)	(3)	291,424	369,568	273,954
Hides and skins.....	(4)	(4)	209,253	301,677	203,959
Wool, raw (sheep's wool).....	30,401	6,277	47,851	26,342	40,462
Tallow and grease.....	7,657	138	13,538	15,082	5,265
Raw materials of animal origin, unenumerated.....	(3)	(3)	20,782	26,467	19,288
Mineral materials.....	(3)	(3)	30,567	93,695	81,543
Precious and semiprecious stones.....	9,427	1,016	513	26,595	16,650
Manganese ore.....	28,579	1,309	16,342	44,730	16,313
All other ores.....	1,614	873	8,826	13,171	25,243
Raw materials of mineral origin, unenumerated.....	(3)	(3)	4,886	9,199	23,337
Manufactured products.....	(3)	(3)	15,129	25,206	18,040
Livestock.....	(3)	(3)	223	167	271

<sup>1</sup> Exports of Brazilian merchandise (net exports, excluding reexports). Values are f.o.b., including export duties. Valuations are according to merchants' declarations.

<sup>2</sup> Classifications employed in this table are those given in the Brazilian export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Because of successive changes in the Brazilian export classifications, and because the 1937 and 1938 annuals are not yet available, it has not been possible to provide totals for groups and subgroups for 1929 and 1932.

<sup>4</sup> Includes broken and crushed rice, not shown separately; the amount involved is probably small, since it amounted to only 906,381 pa'er milreis or 364,741 in 1936.

<sup>5</sup> Because of the shift of certain commodities from group to group, it has been impracticable to provide data for 1929 and 1932.

<sup>6</sup> Not shown separately.

<sup>7</sup> Probably comparable with subsequent years, but may not be strictly so.

Source: Compiled by the United States Tariff Commission from *Foreign Trade of Brazil* (annual), and *Foreign Trade of Brazil* (monthly), January-December 1938.

TABLE 4.—Brazil: Exports,<sup>1</sup> by commodity groups, subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 milreis= \$0.1181)		1932 (1 milreis= \$0.0712)		1936 (1 milreis= \$0.06537)		1937 (1 milreis= \$0.06826)		1938 (1 milreis= \$0.0580)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Grand total.....	455,923	100.0	180,618	100.0	320,016	100.0	347,584	100.0	295,620	100.0
Foodstuffs.....	(?)		(?)		199,789	62.4	204,063	58.7	183,744	62.1
Vegetable materials.....	(?)		(?)		182,752	57.1	182,898	52.6	164,171	55.5
Coffee, raw.....	323,603	71.0	129,865	71.9	145,871	45.6	147,403	42.4	133,174	45.0
Cacao beans.....	12,394	2.7	8,106	4.5	16,866	5.3	15,646	4.5	12,354	4.2
Oranges.....	1,808	.4	2,851	1.6	4,926	1.5	8,416	2.4	6,823	2.2
Maté (Brazilian tea).....	12,561	2.8	6,194	3.4	4,189	1.3	4,529	1.3	3,444	1.2
Maize (corn), other than white.....	694	.2	(?)	(?)	90	(?)	394	.1	2,606	.9
Rice, cleaned and in the husk.....	* 658	.1	* 1,291	.7	2,451	.7	1,370	.4	2,271	.8
Bananas.....	2,168	.5	1,412	.8	1,814	.6	1,897	.5	1,540	.5
Brazil nuts, shelled.....	197	(?)	580	.3	2,813	.9	2,185	.6	1,379	.5
Fruits and nuts (edible), unenumerated.....	252	.1	113	(?)	229	.1	680	.2	375	.1
Sugar.....	1,066	.2	1,365	.8	2,858	.9	22	(?)	167	(?)
Manioc meal.....	292	.1	157	.1	246	.1	112	(?)	148	(?)
Vegetable nutrients, un- enumerated.....	(?)		(?)		398	.1	245	.1	188	.1
Animal materials.....	(?)		(?)		11,171	3.5	11,987	3.4	11,075	3.7
Beef, mutton, and pork, frozen and chilled.....	11,937	2.6	3,851	2.1	4,585	1.4	6,570	1.9	5,109	1.7
Meats, preserved (canned).....	1,068	.2	659	.4	3,602	1.1	3,468	1.0	3,650	1.2
Lard.....	120	(?)	4	(?)	1,523	.5	80	(?)	241	.1
Beef, jerked.....	1,006	.2	44	(?)	138	(?)	134	(?)	132	(?)
Meat products, unnu- merated.....	(?)		(?)		1,323	.4	1,735	.5	1,942	.7
Haskets (pickled tripe), frozen and chilled.....	1,204	.3	481	.3	436	.1	(?)		(?)	
All other foodstuffs, unnu- merated, including bever- ages.....	(?)		(?)		87	(?)	78	(?)	164	.1
Fodder.....	(?)		(?)		5,780	1.8	9,100	2.6	8,335	2.8
Oilseed cake.....	* 829	.2	* 764	.4	3,551	1.1	5,790	1.7	4,919	1.6
Bran of all kinds.....	2,261	.5	1,178	.7	2,087	.7	3,141	.9	3,173	1.1
Feedstuffs for animals.....	(?)		(?)		142	(?)	168	(?)	243	.1
Raw materials.....	(?)		(?)		119,222	37.3	141,789	40.8	110,314	37.5
Vegetable materials.....	(?)		(?)		98,173	30.7	110,166	31.7	90,195	30.5
Cotton, raw.....	18,177	4.0	126	.1	60,812	19.0	64,462	18.5	53,932	18.2
Carnauba wax.....	2,925	.6	1,416	.8	6,375	2.0	6,609	1.9	5,859	2.0
Tobacco, twist and leaf.....	7,580	1.7	2,761	1.5	4,315	1.3	5,966	1.7	4,960	1.7
Castor beans.....	1,458	.3	424	.2	4,834	1.5	6,232	1.8	4,627	1.6
Timber.....	3,149	.7	1,543	.9	2,805	.9	4,445	1.3	4,461	1.5
Vegetable oils.....	64	(?)	46	(?)	3,517	1.1	3,193	.9	3,536	1.2
Brazil nuts, in the shell.....	4,395	1.0	1,422	.8	3,002	.9	3,242	.9	2,732	.9
Rubber.....	7,218	1.6	757	.4	4,446	1.4	5,188	1.5	2,706	.9
Babassu nuts.....	721	.2	362	.2	2,557	.8	2,706	.8	2,237	.8
Cottonseed.....	856	.2	15	(?)	1,233	.4	1,321	.4	862	.3
Oil-bearing seeds, unnu- merated.....	472	.1	42	(?)	642	.2	1,163	.3	465	.1
Textile and synthetic ma- terials, unenumerated.....	(?)		(?)		1,909	.6	3,312	1.0	2,104	.7
Raw materials of vege- table origin, unnu- merated.....	(?)		(?)		1,727	.5	2,308	.7	2,438	.8
Animal materials.....	(?)		(?)		19,051	6.0	25,227	7.3	15,889	5.4
Hides and skins.....	(?)		(?)		13,679	4.3	20,592	5.9	12,120	4.1
Wool, raw (sheep's wool).....	3,590	.8	447	.2	3,128	1.0	1,798	.5	2,347	.8
Tallow and grease.....	* 78	(?)	10	(?)	855	.3	1,029	.3	305	.1
Raw materials of animal origin, unenumerated.....	(?)		(?)		1,359	.4	1,807	.5	1,118	.4

See footnotes at end of table.

TABLE 4.—Brazil: Exports,<sup>1</sup> by commodity groups, subgroups, and commodities, in specified years, 1929 to 1938—Continued

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity	1929 (1 milreis= \$0.1181)		1932 (1 milreis= \$0.0712)		1936 (1 milreis= \$0.06537)		1937 (1 milreis= \$0.06826)		1938 (1 milreis= \$0.0580)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Raw materials—Continued.										
Mineral materials	( <sup>1</sup> )		( <sup>1</sup> )		1,998	0.6	6,396	1.8	4,729	1.6
Precious and semiprecious stones	1,113	0.2	79	( <sup>1</sup> )	34	( <sup>1</sup> )	1,815	.5	966	.3
Manganese ore	3,375	.7	93	.1	1,068	.3	3,053	.9	946	.3
All other ores	191	( <sup>1</sup> )	62	( <sup>1</sup> )	577	.2	899	.3	1,464	.5
Raw materials of mineral origin, unenumerated					319	.1	628	.2	1,354	.5
Manufactured products	( <sup>1</sup> )		( <sup>1</sup> )		989	.3	1,721	.5	1,046	.4
Livestock	( <sup>1</sup> )		( <sup>1</sup> )		15	( <sup>1</sup> )	11	( <sup>1</sup> )	16	( <sup>1</sup> )

<sup>1</sup> Exports of Brazilian merchandise (net exports, excluding reexports). Values are f. o. b., including export duties. Valuations are according to merchants' declarations.

<sup>2</sup> Classifications employed in this table are those given in the Brazilian export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Because of successive changes in the Brazilian export classifications, and because the 1937 and 1938 annuals are not yet available, it was not possible to provide totals for groups and subgroups for 1929 and 1932.

<sup>4</sup> Less than \$500.

<sup>5</sup> Less than one-tenth of 1 percent.

<sup>6</sup> Includes broken and crushed rice, not shown separately; the amount involved is probably small, since it amounted to only 990,381 paper milreis or \$64,741 in 1936.

<sup>7</sup> Because of the shift of certain commodities from group to group, it has been impracticable to provide data for 1929 and 1932.

<sup>8</sup> Not shown separately.

<sup>9</sup> Probably comparable with subsequent years, but may not be strictly so.

Source: Compiled by the United States Tariff Commission from *Foreign Trade of Brazil* (annual), and *Foreign Trade of Brazil* (monthly), January–December 1938.

For almost every individual commodity shown in table 4 there was a sharp drop in the dollar value of exports between 1929 and 1932, in most cases caused in considerable part by lower prices. Nearly all commodities for which data are given showed marked increases in dollar value in 1937 over 1932. For a large number of commodities (including cacao beans, oranges, rice, Brazil nuts, preserved meats, cotton, carnauba wax, castor beans, timber, babassu nuts, and cottonseed), the figures in 1937 exceeded those of 1929.

For the principal commodities, the ratios of the dollar value of exports in 1938 to those in 1929 were as follows: Coffee, 41 percent; cacao beans, nearly 100 percent; oranges, 361 percent; fresh and chilled beef, mutton, and pork, 43 percent; preserved meats, 342 percent; oilseed cake, 593 percent; raw cotton, 297 percent; carnauba wax, 200 percent; twist and leaf tobacco, 65 percent; castor beans, 318 percent; and timber, 142 percent.

Nearly two-thirds of all exports from Brazil in recent years have consisted of foodstuffs. Almost all of the foodstuffs were accounted for by vegetable food products, principally coffee. In the years 1936–38, exports of coffee constituted between 42 and 46 percent of total Brazilian exports. Although large, these figures represent a substantial decline in the importance of coffee as compared with 1929 and 1932, when the share of this commodity was 71 percent. Although the dollar value of coffee exports fluctuated widely, varying from 129 million (1932) to 324 million dollars (1929), the milreis value remained fairly constant, except in 1932. The decline in the importance of coffee in total Brazilian exports in the decade 1929–38 is

largely accounted for by the increasing importance of several other exports, principally raw cotton.

Vegetable food products other than coffee constitute a small proportion of Brazil's total export trade, but the Government has been endeavoring to expand foreign markets for them in order to reduce the degree of dependence upon coffee. They consist of a wide variety of foodstuffs, including cacao beans, oranges, maize, corn, rice, bananas, Brazil and other nuts, fruits, sugar, and manioc meal (see tables 3 and 4).

Although Brazil ranks as an important livestock-raising country, exports of animal food products are not a large part of total exports. In 1938, only 11 million dollars, or less than 4 percent of all exports, came under this classification; the most important items were frozen and chilled beef, mutton and pork, and preserved meats. Exports of fodder, including oilseed cake, bran of all kinds, and other feedstuffs, valued at 8 million dollars, constituted about 3 percent of all exports in 1938.

Raw materials accounted for about one-third of all Brazilian exports in the period 1936-38. Almost all of the exports in this classification consisted of vegetable materials, including cotton, carnauba wax, tobacco, castor beans, timber, rubber, vegetable oils, babassu nuts, cottonseed, and other oil-bearing seeds and nuts.

With the exception of cotton, none of these commodities accounted for over 2 percent of total exports, and there was no substantial variation in their position in the decade 1929-38. Cotton, however, which constituted 4 percent of Brazilian exports in 1929, and of which exports were insignificant in 1932, accounted for between 18 and 19 percent of the total in 1936, 1937, and 1938. This increase reflects the transfer in recent years of large acreages from the production of coffee to cotton growing, and the opening up of new lands for cotton cultivation.

Exports of inedible animal materials, including hides and skins, sheep's wool, and tallow and grease, ranged between 5 percent and 7 percent of total exports in the period 1936-38. Mineral products, including precious and semiprecious stones, and manganese and other ores, form only a small part of Brazilian exports.

Quantities, values, and unit values of selected exports from Brazil, in specified years, 1929 to 1938, are shown in table 5. The trend of exports of the major Brazilian commodities (coffee, cotton, and cacao) has already been discussed. Among the other exports listed in table 5, a number became increasingly important during the decade 1929-38. Exports of babassu nuts in 1938, for example, were more than three times those in 1929, in terms of both quantity and dollar value. Those of castor beans increased in quantity more than five-fold during the decade (more than three times in dollar value). The quantity of cottonseed exports in 1938 was more than two and one-half times that in 1929; dollar values, however, were approximately the same in the two years.

Exports of bananas nearly doubled in quantity during the decade, but the dollar value in 1938 was less than three-fourths that in 1929. Exports of sugar have varied widely. Those of maté (Brazilian tea) have shown a downward trend; the quantity in 1938 was about three-

fourths of that in 1929, but the dollar value was only a little over one-fourth. Although exports of frozen and chilled meats have fluctuated considerably, the general trend has been downward, quantity and dollar value in 1938 being, respectively, 57 percent and 39 percent of those in 1929.

TABLE 5.—Brazil: Exports of selected commodities, in specified years, 1929 to 1938

Commodity	1929	1932	1936	1937	1938
Quantity					
Babassu nuts, 1,000 lb.....	19,182	19,658	67,814	48,490	66,588
Bananas, 1,000 bunches of 50 lb. <sup>1</sup> .....	3,585	4,242	6,991	6,981	6,846
Cacao beans, 1,000 lb.....	144,528	214,976	268,345	231,732	274,590
Castor beans, 1,000 lb.....	45,995	27,222	224,993	264,367	277,502
Coffee, 1,000 lb.....	1,889,009	1,578,746	1,876,402	1,603,557	2,272,948
Cotton, bales.....	224,739	2,377	923,873	1,089,298	1,239,368
Cottonseed, 1,000 lb.....	53,537	1,834	180,671	144,939	135,825
Manganese ore, long tons.....	288,683	20,555	163,840	243,210	134,680
Meats, frozen and chilled, 1,000 lb.....	174,916	101,378	131,989	155,647	99,571
Rubber, long tons.....	19,547	6,126	13,038	14,558	11,873
Sugar, 1,000 lb.....	32,799	89,196	198,798	686	17,948
Maté (Brazilian tea), 1,000 lb.....	189,534	179,455	146,829	144,443	139,421
Value (1,000 U. S. dollars) <sup>2</sup>					
Babassu nuts.....	722	362	2,557	2,706	2,237
Bananas.....	2,168	1,412	1,814	1,897	1,540
Cacao beans.....	12,394	8,106	16,866	15,853	12,354
Castor beans.....	1,456	424	4,834	6,232	4,627
Coffee.....	323,603	129,865	145,871	147,384	133,174
Cotton.....	18,177	126	60,812	64,462	53,932
Cottonseed.....	856	15	1,233	1,321	862
Manganese ore.....	3,375	93	1,068	3,053	946
Meats, frozen and chilled.....	13,150	4,346	5,053	7,266	5,109
Rubber.....	7,218	757	4,446	5,188	2,706
Sugar.....	1,066	1,365	2,858	22	167
Maté (Brazilian tea).....	12,561	6,194	4,189	4,529	3,444
Unit value (U. S. dollars)					
Babassu nuts, lb.....	0.038	0.018	0.038	0.056	0.034
Bananas, bunch of 50 lb.....	.605	.333	.259	.271	.225
Cacao beans, lb.....	.086	.038	.063	.068	.045
Castor beans, lb.....	.032	.016	.021	.024	.017
Coffee, lb.....	.171	.082	.078	.092	.059
Cotton, bale.....	80.88	53.01	65.82	59.18	43.52
Cottonseed, lb.....	.016	.008	.007	.009	.006
Manganese ore, long ton.....	11.69	4.52	6.52	12.55	7.02
Meats, frozen and chilled, lb.....	.075	.043	.038	.047	.051
Rubber, long ton.....	369.26	123.57	341.00	356.37	227.91
Sugar, lb.....	.033	.015	.014	.032	.009
Maté (Brazilian tea), lb.....	.066	.035	.029	.031	.025

<sup>1</sup> See the section on bananas in part III of this report.

<sup>2</sup> Probably excludes frozen haslets (pickled tripe) and tongues.

<sup>3</sup> Converted at rates shown in table 3.

<sup>4</sup> Because these values have been converted from the gold pound, the totals vary slightly from those shown in table 4.

Source: Compiled by the United States Tariff Commission from *Commercio Exterior do Brasil* (annual), and *Commercio Exterior do Brasil* (monthly), N. 12A, Janeiro a Dezembro 1938.

Exports of manganese ore also showed marked variations during the decade, being influenced by activity in the steel mills, especially those in the United States. After declining precipitately in 1932 as compared with 1929, exports recovered, approaching the 1929 level in 1937. In 1938, however, they declined to less than half the 1929 quantity figure and to less than one-third of their 1929 dollar value.

The quantity of rubber exported in 1932 was less than one-third of that in 1929 (about one-tenth in terms of dollar value). Thereafter the quantity of exports increased, in 1937 reaching three-fourths of that in 1929, but in 1938 declining to about three-fifths. The dollar value of exports of rubber in 1938 was somewhat over one-third that in 1929.

*Destination.*—The principal destinations of Brazilian exports in 1938, with the share of the total value taken by each country, were the United States, 34 percent; Germany, 19 percent; the United Kingdom, 9 percent; France, 6 percent; Argentina, 6 percent; and Japan, 5 percent. Other purchasers of Brazilian products in that year included Belgium-Luxemburg, Sweden, Italy, and Portugal. Exports from Brazil to selected countries, in specified years, 1929 to 1938, are shown in tables 6 and 7. More detailed data for 1937 are shown in table 8.

TABLE 6.—Brazil: Foreign trade with selected countries, in specified years, 1929 to 1938

[Value in thousands of paper milreis]

Country	1929	1932	1936	1937 <sup>1</sup>	1938 <sup>1</sup>
<b>Exports to ←</b>					
All countries.....	3,860,482	2,536,765	4,895,435	5,092,059	5,096,890
UNITED STATES.....	1,629,807	1,173,129	1,901,744	1,850,796	1,749,281
United Kingdom.....	251,377	175,826	584,732	458,512	446,807
Germany.....	338,122	223,618	645,639	871,741	971,516
Japan.....	1,612	3,626	209,846	240,336	233,922
Italy.....	180,044	94,981	159,677	112,782	108,609
France.....	429,440	224,878	362,231	326,982	325,869
All other.....	1,030,080	640,707	1,031,566	1,230,910	* 1,260,866
<b>Imports from ←</b>					
All countries.....	3,527,738	1,518,694	4,268,667	5,314,551	5,195,570
UNITED STATES.....	1,063,100	456,912	945,735	1,228,503	1,257,926
United Kingdom.....	677,546	292,498	470,933	641,924	539,291
Germany.....	447,534	136,461	1,002,597	1,270,348	1,298,356
Japan.....	7,634	5,542	49,572	85,626	68,414
Italy.....	114,083	61,657	75,709	79,692	93,435
France.....	187,363	77,354	125,597	125,347	166,985
All other.....	1,030,478	488,270	1,589,524	1,883,111	* 1,771,163

<sup>1</sup> Preliminary.

<sup>2</sup> Exports of Brazilian merchandise. Values are f. o. b.

<sup>3</sup> Includes trade with the following countries:

Exports to—	Paper milreis (1,000)	Imports from—	Paper milreis (1,000)
Argentina.....	320,427	Argentina.....	614,598
Belgium-Luxemburg.....	182,202	Belgium-Luxemburg.....	208,563
Sweden.....	109,493	Sweden.....	127,605
Portugal.....	31,096	Netherlands.....	47,016

<sup>4</sup> General imports. Values are c. l. f.

Source: Compiled by the United States Tariff Commission from *Comercio Exterior do Brasil* (annual) and *Comercio Exterior do Brasil* (monthly), N. 12A, Janeiro a Dezembro 1938.

The most significant trends in the distribution of Brazilian exports in the period 1929-38 were the decline in the proportions taken by the United States and the United Kingdom and the substantial increase in the share of exports taken by Germany. The United States has for more than half a century been the most important Brazilian export market. In the decade 1929-38 its purchases of Brazilian products ranged from \$4 million (1932) to 192 million dollars (1929); in 1938 they amounted to 101 million dollars. The share of the

United States in Brazilian exports, which was 42 percent in 1929, increased to 46 percent in 1932. In the 3-year period 1936-38 it declined regularly from 39 percent to 34 percent.

TABLE 7.—Brazil: Foreign trade with selected countries, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Country	1929		1932		1936		1937 <sup>1</sup>		1938 <sup>1</sup>	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
	(1 milreis= \$0.1181)		(1 milreis= \$0.0712)		(1 milreis= \$0.06537)		(1 milreis= \$0.06826)		(1 milreis= \$0.0580)	
<b>Exports to—</b>										
All countries.....	455,923	100.0	180,618	100.0	320,044	100.0	347,584	100.0	295,620	100.0
UNITED STATES.....	192,490	42.2	83,527	46.3	124,329	38.8	126,335	36.4	101,458	34.3
United Kingdom.....	29,688	6.5	12,519	6.9	38,227	11.9	31,298	9.0	25,915	8.8
Germany.....	39,932	8.8	15,922	8.8	42,209	13.2	59,505	17.1	56,348	19.1
Japan.....	190	(3)	258	1	13,719	4.3	16,405	4.7	13,568	4.6
Italy.....	21,263	4.7	6,763	3.7	10,439	3.3	7,699	2.2	6,299	2.1
France.....	50,717	11.1	16,011	8.9	23,681	7.4	22,320	6.4	18,901	6.4
All other.....	121,653	26.7	45,618	25.3	67,440	21.1	84,022	24.2	73,131	24.7
	(1 milreis= \$0.1181)		(1 milreis= \$0.0712)		(1 milreis= \$0.0578)		(1 milreis= \$0.0622)		(1 milreis= \$0.0569)	
<b>Imports from—</b>										
All countries.....	416,626	100.0	108,131	100.0	246,729	100.0	330,565	100.0	295,628	100.0
UNITED STATES.....	128,552	30.1	32,532	30.1	54,663	22.2	76,413	23.1	71,576	24.2
United Kingdom.....	80,018	19.2	20,826	19.3	27,740	11.2	39,928	12.1	30,686	10.4
Germany.....	52,854	12.7	9,716	9.0	57,950	23.5	79,015	23.9	73,876	25.0
Japan.....	902	2	394	3	2,865	1.2	5,326	1.6	3,893	1.3
Italy.....	13,473	3.2	4,390	4.1	4,376	1.8	4,957	1.5	5,317	1.8
France.....	22,128	5.3	5,508	5.1	7,260	2.9	7,796	2.4	9,501	3.2
All other.....	121,699	29.3	34,765	32.1	91,875	37.2	117,130	35.4	100,779	34.1

<sup>1</sup> Preliminary.

<sup>2</sup> Exports of Brazilian merchandise. Values are f. o. b.

<sup>3</sup> Less than one-tenth of 1 percent.

<sup>4</sup> Includes trade with the following countries:

Exports to—	U. S. dollars (1,000)	Percent of total	Imports from—	U. S. dollars (1,000)	Percent of total
Argentina.....	18,585	6.3	Argentina.....	34,971	11.8
Belgium-Luxemburg.....	10,568	3.6	Belgium-Luxemburg.....	11,867	4.0
Sweden.....	6,351	2.1	Sweden.....	7,261	2.5
Portugal.....	1,804	.6	Netherlands.....	2,675	.9

<sup>5</sup> General imports. Values are c. i. f.

Source: Compiled by the United States Tariff Commission from *Commercio Exterior do Brasil* (annual), and *Commercio Exterior do Brasil* (monthly), N. 12A, Janeiro a Dezembro 1938.

The proportion of exports taken by the United Kingdom declined from 12 percent in 1936 to 9 percent in 1938. Its share in 1938, however, was somewhat larger than in 1929 and 1932, when it was less than 7 percent. The value of Brazilian exports to the United Kingdom has ranged between 13 million (1932) and 38 million dollars (1936). Dollar values in 1938 (26 million dollars), however, approached those in 1929.

The substantial increase in the share of Brazilian exports taken by Germany in recent years prior to the war was largely the result of increased purchases of cotton and coffee. In 1929 Germany took about 9 percent of all Brazilian exports. In the 3 years 1936-38 its share increased from 13 percent to 19 percent, and in each of these years it occupied second place as a market for Brazil's exports. In



value, German purchases varied from 16 million (1932) to 60 million dollars (1937). Japan's share in the Brazilian export trade in 1929 and 1932 was negligible, but in the period 1936-38, as a result of Japanese purchases of cotton, it ranged between 4 and 5 percent, values varying from 14 to 16 million dollars.

TABLE 8.—Brazil: Foreign trade, by geographic areas and principal countries, in 1937

[Value in thousands of U. S. dollars]

Exports <sup>1</sup> (1 milreis = \$0.06826)			Imports <sup>1</sup> (1 milreis = \$0.0622)		
To—	Value	Percent of total	From—	Value	Percent of total
Western Hemisphere:			Western Hemisphere:		
UNITED STATES.....	126,335	36.3	UNITED STATES.....	76,412	23.1
Canada.....	995	.3	Canada.....	4,753	1.4
Argentina.....	16,503	4.8	Netherlands West Indies.....	9,153	2.8
Uruguay.....	6,320	1.8	Argentina.....	43,829	13.9
All other Western Hemisphere countries.....	2,022	.6	All other Western Hemisphere countries.....	7,006	2.1
Total.....	152,175	43.8	Total.....	143,153	43.3
Europe:			Europe:		
United Kingdom.....	31,298	9.0	United Kingdom.....	39,928	12.1
Germany.....	59,505	17.1	Germany.....	79,016	23.9
France.....	22,320	6.4	France.....	7,796	2.4
Italy.....	7,699	2.2	Italy.....	4,957	1.5
Netherlands.....	11,454	3.3	Belgium-Luxemburg.....	14,529	4.4
Belgium-Luxemburg.....	10,969	3.2	All other European countries.....	30,612	9.2
Sweden.....	7,281	2.1	Total.....	176,838	53.5
All other European countries.....	21,127	6.1			
Total.....	171,653	49.4	Asia:		
Asia:			Japan.....	5,326	1.6
Japan.....	16,405	4.7	British India.....	3,356	1.0
All other Asiatic countries.....	2,088	.6	All other Asiatic countries.....	474	.2
Total.....	18,493	5.3	Total.....	9,156	2.8
Africa.....	5,008	1.4	Africa.....	1,302	.4
Oceania.....	255	.1	Oceania.....	116	(?)
Grand total.....	347,594	100.0	Grand total.....	330,565	100.0

<sup>1</sup> General imports (whether or not for consumption). Net exports (excluding reexports). Import values are c. i. f. (excluding duties); export values are f. o. b. (including export duties). Valuations are according to merchant's declarations.

<sup>2</sup> Less than one-tenth of 1 percent.

Source: Compiled by the United States Tariff Commission from *Comercio Exterior do Brasil* (monthly), N. 12A, Janeiro e Dezembro 1937.

The proportions of total exports taken by Italy and France declined in the decade 1929-38, that of France decreasing from 11 percent to 6 percent, and that of Italy from nearly 5 percent to 2 percent.<sup>20</sup> Brazilian shipments to all other Latin American countries (principally Argentina) ordinarily constitute a small part of total exports. In 1937 they were valued at 24 million dollars, or less than 7 percent of the total.

Exports of coffee from Brazil go principally to the United States. In the 3-year period 1936-38, between 54 and 57 percent of such exports, in terms of value, was shipped to this country. Germany

<sup>20</sup> Italian purchases in 1929 were valued at 21 million dollars, as compared with 6 million in 1938. French purchases in 1929 amounted to 51 million dollars, and in 1938 to 19 million (see table 7).

and France were the other principal markets, taking, respectively, 10 percent and 9 percent of the coffee exported in 1938. Between two-thirds and three-fourths of all cacao exported in the 3 years mentioned went to the United States; other purchasers included Argentina, Italy, and the Netherlands. In ordinary times, Brazilian oranges go principally to the United Kingdom and Argentina; bananas to Argentina and the United Kingdom; Brazil nuts to the United States, the United Kingdom, and Germany; and rice to a number of markets, including Argentina, France, Uruguay, and Germany.<sup>21</sup>

Of the animal products included within the foodstuffs classification, meats, in the period 1934-36,<sup>22</sup> went chiefly to the United Kingdom, Uruguay (for reexport), and Italy; in 1936 the percentage shares were, respectively, 37, 30, and 19. Preserved meats in 1936 were purchased principally by Uruguay (59 percent), the United Kingdom (20 percent), and the United States (4 percent). In the same year, the chief markets for frozen and chilled meats were the United Kingdom (48 percent), Italy (32 percent), and Uruguay (10 percent). The most important markets for oilseed cake were Denmark, Germany, and Belgium-Luxemburg.

More than one-half of the exports of vegetable raw materials from Brazil ordinarily consist of raw cotton. In the 3 years 1936-38, the positions of the principal purchasers shifted. In 1936, the United Kingdom was the chief destination of Brazilian cotton (32 percent); in 1937 and 1938 Germany occupied this position (36 and 30 percent, respectively), and the United Kingdom moved into third place. Japan occupied second place in all 3 years (22, 24, and 23 percent, respectively). For the remaining exports of Brazilian raw materials, the principal markets have been: Carnauba wax, the United States; leaf tobacco, Germany; flaxseed, castor beans, and babassu nuts, the United States; timber, Argentina; and rubber, Germany.

Hides and skins and raw sheep's wool are the important animal raw materials exported from Brazil. In 1936 the United States took two-fifths of all shipments of hides and skins, Germany took nearly one-third, and the United Kingdom about one-twentieth. Nearly nine-tenths of all sheep's wool in the same year went to Germany.

#### Imports into Brazil.

*Composition.*—The Brazilian import classification includes four main groups—manufactured articles, raw materials, foodstuffs, and live animals; the last-named group is unimportant in relation to total imports. Imports into Brazil, by groups, subgroups, and commodities, in specified years, 1929 to 1938, are shown in tables 9 and 10.

During the decade 1929-38, the Brazilian import classifications were changed several times. Because of these successive changes, it has not been possible to provide group totals for 1929.<sup>23</sup> The ratios of the dollar value of imports in 1938 to those in 1932 (the year of smallest total imports) for the major groups, however, are as follows: Manufactured products, 386 percent; raw materials, 228 percent; and foodstuffs, 163 percent.

<sup>21</sup> The discussions of export commodities by countries of destination and of import commodities by countries of origin are largely based on statistics furnished by the Division of Regional Information, U. S. Department of Commerce.

<sup>22</sup> Except for coffee and cotton, complete statistics of exports from Brazil by commodities and countries of destination are not available for years subsequent to 1936.

<sup>23</sup> In the manufactured-articles group, it has not been practicable to provide data for subgroups and commodities for 1929 and 1932.

TABLE 9.—Brazil: Imports,<sup>1</sup> by commodity groups, subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of paper milreis]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	3,527,738	1,518,604	4,268,667	5,314,551	5,195,570
Manufactured products.....	( <sup>3</sup> )	*592,620	2,130,511	2,800,200	2,860,421
Machinery, apparatus, utensils, and tools.....			729,726	953,635	1,104,196
Iron and steel.....			360,403	503,068	377,354
Vehicles and accessories, except motorcars and trucks.....			138,862	252,716	307,054
Motorcars and trucks.....			200,049	267,071	244,881
Chemical products, drugs, and pharmaceutical specialties.....			203,389	235,173	235,011
Paper and manufactures.....			104,043	113,302	113,486
Earthenware, porcelain, glass and crystal.....			44,854	55,811	52,454
Rubber tires and inner tubes for motorcars.....			44,892	45,209	46,916
Linen.....			42,536	51,245	42,317
Wool.....			18,011	22,985	25,691
Copper.....			21,517	24,501	21,161
Cotton, except piece goods.....			6,646	7,937	12,033
Cotton piece goods.....			10,924	15,279	9,906
All other manufactured articles.....			204,659	252,268	267,972
Raw materials.....	( <sup>3</sup> )	*623,843	1,233,444	1,560,542	1,496,232
Patent fuel, coal, and coke.....	146,059	78,877	167,254	233,859	263,056
Gasoline.....	147,130	53,922	155,956	185,131	172,638
Iron and steel.....	52,457	18,470	99,034	173,126	143,660
Fuel oil.....	34,471	47,988	78,701	89,000	111,892
Wood pulp for manufacture of paper.....	24,667	21,661	96,437	87,409	94,191
Jute.....	48,823	27,632	64,875	73,846	66,093
Lubricating oil.....	41,157	24,162	41,357	47,146	53,142
Kerosene.....	58,022	25,047	55,581	66,886	51,354
Wool.....	39,617	12,890	37,985	53,905	45,388
Copper.....	32,520	10,711	38,108	58,021	43,746
Aniline or fuchsine dyes.....	5,408	19,915	40,396	46,191	40,597
Animal silk.....	32,888	36,554	38,458	39,259	38,366
Cotton.....	41,686	19,274	34,356	34,553	36,670
Acetate of cellulose.....	( <sup>4</sup> )	( <sup>4</sup> )	19,604	10,953	25,922
Skins and hides.....	32,588	9,319	20,478	30,445	21,649
Aluminum.....	3,335	2,650	8,959	12,114	12,294
Cement, common.....	*62,662	*18,164	11,919	11,668	9,586
Hops.....	2,924	1,449	7,196	7,674	5,796
All other raw materials.....			246,788	299,356	260,292
Foodstuffs.....	( <sup>3</sup> )	*400,099	896,941	947,728	817,663
Wheat.....	311,207	253,419	617,075	668,359	536,493
Fruits and nuts.....	41,763	24,425	57,455	55,071	58,317
Olive oil.....	17,975	20,196	32,736	25,380	43,989
Codfish.....	78,607	42,968	50,033	51,308	40,211
Beverages.....	59,113	17,107	31,017	36,673	34,455
Wheat flour.....	99,601	3,049	46,204	40,260	33,632
Malt.....	20,327	9,867	17,492	22,022	25,771
Olives.....	6,484	3,405	7,963	9,296	7,183
All other foodstuffs.....	( <sup>3</sup> )	( <sup>3</sup> )	36,966	39,359	37,612
Live animals.....	*7,656	*2,132	7,771	6,081	21,254

<sup>1</sup> General imports, including merchandise already cleared for consumption, as well as that which is in warehouses for that purpose or to be reexported. Transit trade is excluded. Values are c. i. f., excluding duties. Valuations are according to merchant's declaration.

<sup>2</sup> Classifications employed in this table are those given in the Brazilian import statistics for 1938. Groups are ranked according to value in 1938. During the period covered in this table, the import classifications were changed several times. Because of these successive changes and because the 1937 and 1938 Brazilian annuals were not available, it has not been possible to provide data for the years 1929 and 1932, except in the case of individual commodities. Most of the data here given for 1929 and 1932 are comparable with those for subsequent years, except for those items marked with an asterisk. These may be comparable, but probably are not strictly so.

<sup>3</sup> Because of the changes in the Brazilian import classifications, it has not been practicable to provide data for 1929 and 1932 for certain groups and subgroups.

<sup>4</sup> Not shown separately.

\* All cement; common cement not shown separately.

• See footnote 2.

Sources: Compiled by the United States Tariff Commission from *Foreign Trade of Brazil* (annual), and *Foreign Trade of Brazil* (monthly), January-December 1938.

More than one-half of all imports into Brazil in the period 1936-38 consisted of manufactured articles. This proportion represents a marked increase over 1932, when they formed about two-fifths of all purchases abroad; the increase, however, is partly the result of

the decline in the importance of imports of raw materials and food-stuffs.

Most of the individual manufactured commodities showed little variation in percentage share within the group in the years 1936-38. In 1938, approximately 40 percent of all imports of manufactures consisted of machinery, apparatus, utensils, and tools. Such imports represented 21 percent of total imports in 1938, as compared with over 17 percent in 1936 and 1937. Other important manufactured articles included iron and steel manufactures; vehicles and accessories (excluding motorcars and trucks); motorcars and trucks; chemical products, drugs, and pharmaceutical specialties; and paper and manufactures. (See tables 9 and 10.)

TABLE 10.—Brazil: Imports,<sup>1</sup> by commodity groups, subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 milreis= \$0.1181)		1932 (1 milreis= \$0.0712)		1936 (1 milreis= \$0.0578)		1937 (1 milreis= \$0.0622)		1938 (1 milreis= \$0.0569)	
	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports
Grand total.....	416,626	100.0	108,131	100.0	246,729	100.0	330,565	100.0	295,628	100.0
Manufactured products.....	(?)		*42,194	39.0	123,144	49.9	174,172	52.7	162,758	55.1
Machinery, apparatus, utensils, and tools.....					42,178	17.1	59,316	17.9	62,829	21.3
Iron and steel.....					20,831	8.4	31,291	9.5	21,471	7.3
Vehicles and accessories, except motorcars and trucks.....					8,026	3.2	15,719	4.8	17,471	5.9
Motorcars and trucks.....					11,563	4.7	16,612	5.0	13,934	4.7
Chemical products, drugs, and pharmaceu- tical specialties.....					11,756	4.8	14,628	4.4	13,372	4.5
Paper and manufactures.....					6,014	2.4	7,047	2.1	6,457	2.2
Earthenware, porcelain, glass, and crystal.....					2,593	1.0	3,471	1.1	2,985	1.0
Rubber tires and inner tubes for motorcars.....					2,595	1.1	2,812	.9	2,669	.9
Linen.....					2,459	1.0	3,187	1.0	2,408	.8
Wool.....					1,041	.4	1,430	.4	1,462	.5
Copper.....					1,244	.5	1,524	.6	1,203	.4
Cotton, except piece goods.....					384	.2	494	.1	685	.2
Cotton piece goods.....					631	.3	950	.3	564	.2
All other manufactured products.....					11,829	4.8	15,691	4.7	15,248	5.2
Raw materials.....	(?)		*37,266	34.5	71,293	28.9	97,066	29.4	85,136	28.8
Patent fuel, coal, and oaks.....	17,250	4.1	5,616	5.2	9,667	3.9	14,546	4.4	14,968	5.1
Gasoline.....	17,376	4.2	3,839	3.6	9,014	3.7	11,515	3.5	9,823	3.3
Iron and steel.....	6,195	1.5	1,315	1.2	5,724	2.3	10,768	3.3	8,174	2.8
Fuel oil.....	4,071	1.0	3,417	3.2	4,549	1.8	5,536	1.7	6,367	2.2
Wood pulp for manufac- ture of paper.....	2,913	.7	1,542	1.4	3,840	1.6	5,437	1.6	5,359	1.8
Jute.....	5,766	1.4	1,989	1.8	3,750	1.5	4,593	1.4	3,761	1.3
Lubricating oil.....	4,861	1.2	1,720	1.6	2,390	1.0	2,933	.9	3,024	1.0
Kerosene.....	6,852	1.6	1,783	1.6	3,213	1.3	4,160	1.3	2,922	1.0
Wool.....	4,679	1.1	916	.8	2,196	.9	3,353	1.0	2,583	.9
Copper.....	3,959	.9	763	.7	2,202	.8	3,609	1.1	2,489	.8
Aniline or fuchsine dyes.....	639	.2	1,418	1.3	2,335	.9	2,873	.9	2,310	.8
Animal silk.....	3,884	.9	2,603	2.4	2,223	.9	2,442	.7	2,183	.7
Cotton.....	4,923	1.2	1,372	1.3	1,986	.8	2,149	.7	2,086	.7
Acetate of cellulose.....	(?)				1,133	.5	681	.2	1,475	.5
Skins and hides.....	3,849	.9	664	.6	1,184	.5	1,894	.6	1,226	.4
Aluminum.....	358	.1	189	.2	518	.2	754	.2	700	.2
Cement, common.....	7,400	1.8	1,293	1.2	689	.3	726	.2	545	.2
Hops.....	345	.1	103	.1	416	.2	477	.1	330	.1
All other raw materials.....	(?)		(?)		14,264	5.8	18,620	5.6	14,811	5.5

See footnotes at end of table.

TABLE 10.—Brazil: Imports,<sup>1</sup> by commodity groups, subgroups, and commodities, in specified years, 1929 to 1938—Continued  
(Value in thousands of U. S. dollars)

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 milreis= \$0.1181)		1932 (1 milreis= \$0.0712)		1936 (1 milreis= \$0.0578)		1937 (1 milreis= \$0.0622)		1938 (1 milreis= \$0.0569)	
	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports
Foodstuffs.....	(1)	-----	*28,487	26.4	51,843	21.0	58,949	17.8	46,525	15.7
Wheat.....	36,754	8.8	18,043	16.7	35,657	14.4	41,572	12.6	30,526	10.3
Fruits and nuts.....	4,932	1.2	1,739	1.6	3,321	1.3	3,426	1.0	3,318	1.1
Olive oil.....	2,123	.5	1,438	1.3	1,892	.8	1,579	.5	2,503	.9
Cod fish.....	9,283	2.2	3,059	2.8	2,892	1.2	3,191	1.0	2,288	.8
Beverages.....	6,981	1.7	1,218	1.1	1,793	.7	2,281	.7	1,961	.7
Wheat flour.....	11,763	2.8	217	.2	2,670	1.1	2,504	.7	1,914	.6
Malt.....	2,401	.6	703	.6	1,011	.4	1,370	.4	1,466	.5
Olives.....	766	.2	242	.2	460	.2	578	.2	409	.1
All other foodstuffs.....	(5)	-----	(8)	-----	2,137	.9	2,448	.7	2,140	.7
Live animals.....	904	.2	*152	.1	449	.2	378	.1	1,209	.4

<sup>1</sup> General imports, including merchandise already cleared for consumption, as well as that which is in warehouses for that purpose or to be reexported. Transit trade is excluded. Values are c. i. f., including duties. Valuations are according to merchant's declarations.

<sup>2</sup> Classifications employed in this table are those given in the Brazilian import statistics for 1938. Groups are ranked according to value in 1938. During the period covered in this table, the import classifications were changed several times. Because of these successive changes and because the 1937 and 1938 Brazilian annuals were not available, it has not been possible to provide data for the years 1929 and 1932, except in the case of individual commodities. Most of the data here given for 1929 and 1932 are comparable with those for subsequent years, except for those items marked with an asterisk. These may be comparable but probably are not strictly so.

<sup>3</sup> Because of the changes in the Brazilian import classifications, it has not been practicable to provide data for 1929 and 1932 for certain groups and subgroups.

<sup>4</sup> Not shown separately.

<sup>5</sup> All cement; common cement not shown separately.

<sup>6</sup> See footnote 2.

Source: Compiled by the United States Tariff Commission from *Foreign Trade of Brazil* (annual), and *Foreign Trade of Brazil* (monthly), January-December 1938.

Raw materials imported into Brazil in each year of the period 1936-38 constituted 29 percent of the value of all imports; the proportion in 1932 was 34.5 percent. This classification consists of a wide variety of commodities, none of which represented more than about 5 percent of total imports in 1938. Those accounting for more than 2 percent were, in order of their importance, patent fuel, coal, and coke; gasoline; crude forms of iron and steel; and fuel oil. (See tables 9 and 10.)

Imports of foodstuffs into Brazil consist largely of wheat, with smaller values of fruits and nuts, olive oil, codfish, beverages, wheat flour, malt, and olives. In 1938 imports of all foodstuffs represented approximately 16 percent of aggregate purchases abroad; wheat alone accounted for 10 percent of the total.

Sources.—The principal suppliers of imports into Brazil in 1938, according to statistics of that country, were Germany (25 percent),<sup>24</sup> the United States (24 percent), and the United Kingdom (10 percent). These three countries in that year furnished nearly three-fifths of all imports. Other important suppliers included Argentina, the Netherlands, Belgium, France, Sweden, Italy, and Japan. Imports into Brazil from selected countries, in specified years, 1929 to 1938, have already been shown in tables 6 and 7. More detailed data for 1937 are shown in table 8.

<sup>24</sup> This percentage is based on unadjusted Brazilian statistics, which convert purchases from Germany at the official rate. Actually most of the transactions took place in marks sold at a discount, and imports from Germany were probably overvalued in 1938 by about 17 percent. If the adjustment is made, the German share falls to about 21 percent, and the United States becomes the principal supplier. The same situation probably obtained for the years 1936 and 1937.

The value of imports into Brazil from the United States in the decade 1929-38 ranged from 33 million (1932) to 126 million dollars (1929). Imports from the United States in 1929 and 1932 represented slightly more than 30 percent, by value, of all imports into Brazil, and the United States was the leading supplier. In 1936 the share of the United States declined to 22 percent; in subsequent years it increased slightly.

Brazil's purchases from the United Kingdom during the decade varied between 21 million (1932) and 80 million dollars (1929). The United Kingdom's share in the Brazilian import trade declined irregularly from 19 percent in 1929 to 10 percent in 1938. The share of Germany, which was 13 percent in 1929, declined to 9 percent in 1932, but increased to 23 percent in 1936, and to 25 percent in 1938.<sup>25</sup> The value of Brazilian imports from Germany ranged from 10 million (1932) to 79 million dollars (1937).

France, Italy, and Japan have been relatively unimportant suppliers of Brazilian imports. During the decade 1929-38, the share of France declined from 5 percent to 3 percent, and that of Italy from 3 percent to less than 2 percent. Japan's share, which was negligible in 1929, rose to somewhat more than 1 percent in 1938.<sup>26</sup>

Imports into Brazil from other Latin American countries (principally Argentina, wheat being the dominant import product) are large. In 1937 they amounted to over 51 million dollars, or more than 15 percent of total imports.

Manufactured products imported into Brazil in the past have originated principally in the United States, the United Kingdom, Germany, and Belgium-Luxemburg. In the machinery subgroup, imports of sewing machines in 1936<sup>27</sup> came principally from Canada (52 percent), Germany (36 percent), and the United States (9 percent). The United States, Germany, and the United Kingdom were the leading suppliers of electric motors and transformers. Of imports of iron and steel manufactures in 1936, iron bars and rods were supplied chiefly by Germany (80 percent), and iron sheets for roofs and culverts by the United Kingdom (31 percent), the United States (29 percent), and Belgium-Luxemburg (19 percent). The United States was the principal source of rails, fishplates, and railway accessories (37 percent), followed by Germany (28 percent) and Poland (16 percent). Germany in 1936 furnished 70 percent of imports of wire, 51 percent of tubes, pipes, and joinings of iron, and 52 percent of iron superstructure for buildings.

Imports of railway cars and wagons in 1936 originated principally in the United States (50 percent), Belgium-Luxemburg (26 percent), and Germany (18 percent). Locomotives came chiefly from Germany (86 percent). The United States was by far the principal source of motorcars and accessories in 1936, furnishing 88 percent of the imports of automobiles and trucks and 82 percent of the imports of accessories. In 1934 and 1935 the United States was the first supplier of tires and inner tubes; in 1936, however, Canada led, fol-

<sup>25</sup> Based on unadjusted Brazilian statistics.

<sup>26</sup> The value of imports from these countries varied as follows: France, 5 million (1932) to 22 million dollars (1929); Italy, 4 million (1932) to 13 million dollars (1929); Japan, 394 thousand (1932) to 5 million dollars (1936).

<sup>27</sup> Complete statistics of imports into Brazil by commodities and countries of origin are not available for years subsequent to 1936.

lowed by the United States and the United Kingdom. Newsprint, in the same year, came chiefly from Finland, Sweden, Germany; and Norway.

Of textile manufactures, the principal suppliers in 1936 were the United Kingdom, Germany, Italy, and Ireland. The United Kingdom was the chief source of cotton yarn (93 percent), and of cotton piece goods (43 percent). Wool yarn came principally from Germany (56 percent) and Japan (26 percent); the United Kingdom led in furnishing woolen piece goods (66 percent). Italy was the principal supplier of silk yarn (44 percent), followed by Japan (27 percent) and the United States (19 percent). Linen piece goods were obtained from Ireland (41 percent), the United Kingdom (30 percent), and Belgium-Luxemburg (19 percent).

Brazilian imports of raw materials consist of a wide variety of products. Imports of coal and briquets in 1936 came largely from the United Kingdom (47 percent) and Germany (39 percent). Gasoline was furnished by the United States (49 percent), the Netherlands West Indies (23 percent), and Peru (21 percent). The United States provided by far the greater part of imports of kerosene (78 percent) and lubricating oils (89 percent). Fuel oil came chiefly from the Netherlands West Indies (87 percent). Nearly two-thirds of imports of dyes, aniline and fuchsine, in 1936 were furnished by Germany. The principal sources of wood pulp were Sweden (46 percent) and Germany (26 percent).

Brazilian imports of foodstuffs consist largely of wheat and wheat flour. In 1936 Argentina supplied practically all the wheat imported; wheat flour came from Argentina (57 percent), Uruguay (26 percent), and the United States (15 percent). Imports of codfish originated in Newfoundland, the United Kingdom, Norway, and Iceland.

### UNITED STATES TRADE WITH BRAZIL

Brazil occupies a most important position in United States foreign trade, particularly as a source of imports. It is ordinarily the fifth largest supplier of United States purchases from the world, and in several years during the decade 1929-38 was the leading source of imports from Latin America. Brazil's preeminence in United States imports from Latin America is based upon that nation's advantage in the production of coffee. Brazil, the world's largest producer of coffee, supplies more than one-half of the consumption in the United States, the world's largest consumer. Of major importance to the Brazilian economy and to United States trade with Brazil has been the price of coffee. Upon its fluctuations are dependent Brazilian purchasing power and, to some extent, Brazil's position in United States foreign trade. While coffee represents a predominant share of imports from Brazil, a trend toward diversification has been increasingly evident in recent years. Other leading imports for which Brazil is a principal supplier include cacao, carnauba wax, and numerous edible nuts and oil-bearing seeds.

#### **Trend of United States-Brazilian trade.**

In 1929 United States purchases from Brazil amounted to 208 million dollars (they had been even larger in some preceding years) and

were larger than those from any other Latin American country, slightly exceeding imports from Cuba. In the next 3 years, chiefly because of the greatly reduced price of coffee, the value of imports decreased sharply. (See table 11.) A gradual recovery occurred after 1932, and imports reached a post-depression peak of 121 million dollars in 1937. Imports of coffee failed to contribute to this recovery; although the volume of coffee purchased increased greatly during this period, there was no appreciable increase in the value of imports owing to the lower price of coffee. Increased imports of a number of lesser products in the trade, among them cacao beans, babassu nuts, Brazil nuts, castor beans, hides and skins, rubber, and cottonseed oil, were largely responsible for the increased value of total imports.

Brazil's share in total United States purchases of merchandise from Latin America, amounting to 21 percent in 1939, has been about the same in most recent years as before the depression. In 1940, however, it declined to 17 percent. Except for the years 1924-27 and 1935-38, when it was displaced by Cuba, Brazil has accounted for a larger share of United States imports than any other Latin American country. Its displacement in the recovery years was the result, first, of the continued low prices for coffee, and secondly, of the much higher prices and somewhat larger quantities of sugar taken by the United States from Cuba. Since 1930 the price of coffee has seldom exceeded 50 percent of its average in 1928 or 1929, whereas the price of sugar (at New York) recovered after 1932 to a level higher than in 1929.<sup>23</sup>

TABLE 11.—United States imports from and exports to Brazil, 1924-40

[Value in thousands of dollars]

Year	General imports		Exports (including reexports)	
	Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America
1924	179,337	17.3	65,207	8.8
1925	221,572	22.0	87,461	10.4
1926	235,307	22.6	95,449	11.4
1927	203,027	21.2	88,737	11.0
1928	220,701	23.3	100,104	12.0
1929	207,686	20.5	108,787	11.9
1930	130,854	19.3	53,809	8.6
1931	110,212	23.1	28,579	9.1
1932	82,139	25.4	28,600	14.7
1933	82,628	26.2	29,728	13.8
1934	91,454	24.7	40,375	13.1
1935	99,685	21.6	43,618	12.7
1936	102,004	20.3	49,019	12.4
1937	120,638	17.9	68,631	11.9
1938	97,933	21.6	61,957	12.5
1939	107,250	20.7	80,346	14.1
1940 <sup>1</sup>	105,165	17.0	110,587	15.2

<sup>1</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

<sup>23</sup> The price of sugar at New York, affected first by the duties on sugar and after 1934 by the quota system, has substantially exceeded the world price.



Although it is the first- or second-ranking source of United States imports from Latin America, Brazil is customarily only the fourth largest market for United States products in Latin America. A somewhat larger share of total exports to Latin America, however (amounting to 14 percent in 1939 and 15 percent in 1940), has been taken in recent years than before the depression (see table 11). The trend of the value of United States exports to Brazil has been about the same since 1929 as that of exports to the rest of Latin America, but the increase in exports to Brazil in 1939 and 1940 has been proportionately greater. A large part of this increase has probably been the result of the diversion of Brazilian purchases from Germany, which was, until the war, a very large supplier of imports into Brazil.<sup>20</sup>

#### United States imports from Brazil.

*Composition.*—In 1939 coffee represented 63 percent of the value of United States imports from Brazil. (See table 12.) Other leading imports were cacao beans, carnauba wax, babassu nuts, and castor beans; the combined value of these represented 18 percent of total imports in 1939. Thus, more than 80 percent of the purchases from Brazil in that year were represented by only five products, none of which is produced commercially in the United States.

Although coffee is still predominant, in recent years its share in the trade has been declining. Coffee represented almost 85 percent of the imports in 1932 (about the same ratio as in 1929), but in ensuing years it decreased, reaching a low of 59 percent in 1937. A considerable number of factors contributed to this trend, but possibly the most important were the decreasing price of coffee, greater diversification of Brazilian exports, and Brazil's increasing importance to the United States as a source of oil seeds and nuts.

The increasing diversity of United States imports from Brazil is seen in the enlarged purchases in recent years of canned beef, the product of Brazil's expanding meat-products industry, and imports of babassu nuts, which rose from a negligible value in 1932 to 3.5 million dollars in 1939. The market for babassu nuts and babassu oil, which enter the United States free of duty and excise taxes, has expanded considerably in the last 5 years, principally because the oil can be substituted for other imported oils (chiefly coconut and palm-kernel oil) which are dutiable and subject to import-excite taxes. The continued entry into the United States of babassu nuts and oil free of duty and excise taxes was guaranteed in the trade agreement with Brazil. A sharp increase in imports of oiticica oil occurred in 1938 and 1939 because of the decreased imports of tung oil resulting from the disruption in production and transportation in China. Imports of cottonseed oil also increased sharply after 1932, reaching a peak of 2.5 million dollars in 1937. United States shortages of edible oils arising out of the drought in this period played an important role in the increase. A number of other products were also purchased in greater volume, among them cotton. Imports of cotton, which are negligible compared with United States production or exports, increased primarily because most of the United States cotton comparable in grade with imports was "in loan" under the United States Government's agricultural program, and was not available in the United States market at prevailing prices. United States imports of cotton, however, have been limited by quotas since September 5, 1939.

<sup>20</sup> See tables 6 and 7.

TABLE 12.—United States imports for consumption from Brazil of principal commodities, in specified years, 1929 to 1939

(Value in thousands of dollars)

Commodity	Tariff status	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
			Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Beef, including corned beef, canned	Dutiable	1,000 lb.	755	103	84	3	1,243	92	9,789	942	14,504	1,550	17,885	1,740
Cattle hides, wet-salted	do	1,000 pc.	292	1,663	53	83	455	1,784	450	2,425	169	571	343	1,209
Sheep and lamb skins, slats, dry, no wool	Free	1,000 pc.	1,980	1,613	1,968	768	1,241	537	1,218	717	458	181	635	256
Goat and kid skins, dry and dry-salted	do	1,000 pc.	4,118	3,312	3,550	1,452	4,699	2,582	4,661	3,008	2,824	1,180	4,929	1,854
Hides and skins, n. s. p. f. <sup>2</sup>	do	1,000 pc.	* 628	357	* 1,402	397	710	697	836	1,055	658	556	992	910
Brazil or cream nuts:														
Shelled	Dutiable	1,000 lb.	1,239	315	5,130	629	9,625	1,565	7,193	1,679	7,805	1,370	9,464	1,266
Not shelled	do	1,000 lb.	29,158	1,830	17,742	627	19,353	1,110	12,775	1,268	20,558	1,123	22,849	1,053
Cottonseed oil:														
Crude	do	1,000 lb.	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	2,142	98	2,391	110	39	1	( <sup>3</sup> )	( <sup>3</sup> )
Refined	do	1,000 lb.	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	34,997	2,009	42,503	2,360	51,963	2,234	23,022	790
Cocoa or cacao beans and shells thereof	Free	1,000 lb.	92,025	8,054	162,470	6,148	196,198	9,620	184,601	13,905	185,405	8,258	208,805	7,921
Coffee, raw or green	do	1,000 lb.	956,041	178,356	923,092	69,326	1,035,266	66,210	876,105	70,578	1,200,253	67,426	1,230,624	67,255
Crude rubber (Hevea, and other natural) <sup>4</sup>	do	1,000 lb.	23,176	4,016	6,142	255	8,972	1,298	12,831	2,306	7,282	893	10,480	1,362
Oilseeds:														
Castor beans	Dutiable	1,000 lb.	13,482	458	17,572	313	145,374	3,212	144,395	3,581	113,030	2,024	161,927	2,864
Palm nuts, and palm-nut kernels	do	1,000 lb.	2	1	23	1	9,450	200	22,118	918	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Babassu nuts and kernels	Free	1,000 lb.	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	59,022	1,935	54,792	2,727	50,827	1,684	113,837	3,495
Carnauba wax	do	1,000 lb.	6,763	1,518	6,166	733	12,465	4,278	13,911	4,800	12,344	3,916	16,352	4,927
Raw cotton (except linters):														
Staple under 1 1/4 inches	do	1,000 lb.	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	398	62	4,787	740	55	5	1,552	150
Glaziers' and engravers' diamonds, unset, and miners'	do	Carat.	19,776	1,775	3,372	54	28,954	387	118,165	500	93,273	733	180,624	1,685
Imports of commodities shown				203,371		80,789		97,678		113,689		93,705		98,827
Total imports from Brazil				* 207,686		* 82,139		102,864		119,514		97,748		106,296
Principal imports (shown above) as percent of total				97.9		93.4		95.0		95.1		95.9		93.0

<sup>1</sup> Preliminary.<sup>2</sup> Other than cattle hides and kip and calf, sheep and lamb, goat and kid, deer and elk, buck or doe, reptile, fish, and seal skins.<sup>3</sup> Reported in pounds.<sup>4</sup> Not separately classified prior to the Tariff Act of 1930.<sup>5</sup> Other than guayule rubber and milk of rubber or latex.<sup>6</sup> Not separately classified prior to Jan. 1, 1935.<sup>7</sup> General imports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

The United States consumption of Brazilian coffee has increased in recent years. Nevertheless, imports of coffee from Brazil have become less important not only in comparison with other imports from Brazil but also in comparison with imports of coffee from other countries. (See table 13.) Brazil's share in the United States market for coffee has receded for a number of reasons, among them being the development of new producing areas, such as El Salvador, the growing demand for "mild" coffee for blending with the "strong" of Brazil, and the operation of the Brazilian coffee program which, by restricting the quantity available for export and by raising prices, has tended to limit the market for Brazilian coffee. As shown in table 13, the share of Brazil in United States imports of coffee, based on value, declined significantly in the period 1929-40, while the share of imports from Colombia increased and that of El Salvador, although still small, rose several fold. There was a similar trend in the ratios based on quantity.<sup>30</sup>

TABLE 13.—United States imports of raw or green coffee<sup>1</sup> from principal suppliers, in specified years, 1929 to 1940

Year	Total imports			Percent of total value from—			
	Quantity	Value	Value per pound	Brazil	Colombia	El Salvador	All other countries
	Million pounds	Million dollars	Cents				
1929.....	1,482	302.4	20.4	59.0	26.1	1.1	13.8
1931.....	1,742	174.9	10.0	52.3	34.1	1.2	12.4
1933.....	1,586	124.1	7.8	54.3	32.1	1.6	12.0
1935.....	1,755	136.7	7.8	53.7	30.5	3.5	12.3
1936.....	1,739	134.0	7.7	49.4	28.8	3.6	18.2
1937.....	1,697	150.6	8.9	46.9	31.4	5.6	16.1
1938.....	1,987	137.8	6.9	48.9	33.2	4.0	13.9
1939.....	2,014	139.5	6.9	48.2	32.4	4.9	14.5
1940 <sup>2</sup> .....	2,055	126.8	6.2	44.0	34.1	5.4	16.4

<sup>1</sup> General imports, 1929-33; imports for consumption, 1935-40.

<sup>2</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Although the volume of coffee consumed in the United States has increased, the increase has not been sufficient to offset the decline in prices; consequently the value of recent imports has been far lower than in predepression years. An example of the effect of fluctuations in the price of coffee upon United States imports from Brazil is shown by the trade after 1936. In 1937 the value of coffee imported from Brazil was greater than in any other recovery year; in the next 2 years, when the volume of imports increased materially, the value decreased because of the marked decline in the price of coffee. Part of the decline was attributable to the modification late in 1937 of Brazil's valorization program, which resulted in a freer market.

*Dutiable status of imports.*—Imports into the United States from Brazil are largely free of duty. Only 2.5 percent of the value of imports from Brazil was represented by dutiable items in 1932, but the ratio increased to 10 percent in 1938, chiefly because the trade in practically all the principal dutiable commodities (Brazil nuts, cotton-

<sup>30</sup> Brazil accounted for a much larger share of imports based on quantity than on value, the average unit value of Brazilian coffee being considerably lower than that of imports from other sources.

seed oil, castor beans; canned beef, and cattle hides) increased considerably after 1932.

In the trade agreement with Brazil, effective January 1, 1936, the United States reduced the duties on Brazil nuts and castor beans, and on certain types of copaiba balsam, ipecac, maté (Brazilian tea), and manganese ore. For each of these, Brazil is a principal supplier. The duty-free status of a number of other items, including coffee and cacao beans, babassu nuts, and carnauba wax, was bound.

#### United States exports to Brazil.

United States exports to Brazil are far more diversified than imports therefrom. They are composed almost entirely of manufactured products; the principal groups of commodities are automobiles and parts, electrical machinery and apparatus, industrial machinery, and petroleum and its products. (See table 14.)

TABLE 14.—United States exports (including reexports) to Brazil, by commodity groups, in 1938 and 1939

[In thousands of dollars]

Commodity group	1938	1939 <sup>1</sup>	Commodity group	1938	1939 <sup>1</sup>
Animals and animal products, inedible, total.....	193	246	Metal and manufactures, except machinery and vehicles, total.....	8,504	15,361
Vegetable food products and beverages, total.....	1,583	1,454	Iron and steel bars, rods, plates, and sheets.....	1,962	3,118
Wheat flour.....	199	182	Tin plate and taggers' tin.....	1,427	4,158
Apples, grapes, and pears, fresh.....	699	644	Structural shapes.....	236	382
Walnuts.....	155	147	Railway track material.....	487	1,248
Other vegetable food products and beverages.....	530	481	Tubular products and fittings.....	370	867
Vegetable products, inedible, except fibers and wood, total.....	2,082	2,836	Wire and manufactures.....	1,117	1,411
Automobile tires.....	833	1,116	Refined copper in ingots, bars, etc.....	355	865
Rosin.....	612	751	Other metals and manufactures.....	2,550	3,312
Other vegetable products, inedible.....	637	969	Machinery and vehicles, total.....	33,413	39,457
Textile fibers and manufactures, total.....	603	681	Electrical machinery and apparatus.....	7,272	8,583
Corded tire fabric.....	101	97	Industrial machinery.....	6,715	8,673
Silk tram, organzine and hard twists.....	107	133	Office appliances.....	1,385	1,438
Other textile fibers and manufactures.....	395	451	Printing and bookbinding machinery.....	395	587
Wood and paper, total.....	839	1,270	Agricultural machinery.....	1,633	1,627
Wood pulp.....	100	453	Automobiles, parts, and accessories.....	10,961	14,002
Paper and manufactures.....	575	651	Aircraft and parts.....	1,947	1,925
Other wood.....	164	166	Other machinery and vehicles.....	2,205	2,622
Nonmetallic minerals, total.....	10,242	11,480	Chemicals and related products, total.....	2,346	4,298
Bituminous coal.....	883	1,962	Coal-tar products.....	269	1,480
Petroleum and petroleum products.....	8,379	8,082	Other chemicals and related products.....	2,077	2,818
Artificial abrasives.....	171	229	Miscellaneous domestic articles and reexports of foreign merchandise.....	3,152	3,358
Other nonmetallic minerals.....	809	1,207	Total exports, including reexports.....	61,957	80,441

<sup>1</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Machinery and vehicles, the largest export classification, have in the past constituted a large but varying share of total exports to Brazil; they represented about one-half of the total in 1929 and 1939, but in the middepression year 1932 they fell to only one-fourth of the total. This fluctuation reflects the fact that, in periods of reduced national income, the demand for machinery and vehicles can be deferred more easily than the demand for many other imported products.

The leading individual exports to Brazil in 1939, shown in table 15, were automobile parts, tin plate, passenger cars, motortrucks, gasoline, lubricating oil, bituminous coal, and ungalvanized steel sheets. None of these, however, was large compared with the total trade.

Although total United States sales to Brazil in the last few years prior to the war were materially smaller than before the depression, sales of a great number of individual products were considerably larger in both quantity and value than in the peak year 1929. Included among these were tin plate, steel sheets, bituminous coal, refined copper ingots, business machines, and tractors, the increases in which were partly the result of accelerated industrialization in Brazil, particularly in assembling and finishing enterprises. The expanded sales of oil-mill machinery and cotton gins and presses reflected Brazil's developing vegetable-oil and cotton-growing industries. Sales of caustic soda, used in making soap and in the preparation of hides, also increased. Other exports which increased materially were telephone apparatus, radio sets and parts, and electric refrigerators; this suggests increasing urbanization, the acceptance of new products, and improved purchasing power.

In comparing the trend of exports over the period shown in table 15, it should be noted that exports in 1929 were somewhat greater than in any year since 1920, the post-war peak.

#### **Balance of payments between the United States and Brazil.**

With few large geographic regions does the United States have as great an import trade balance as with Latin America. Customarily it has been equal to approximately 100 million dollars annually.<sup>31</sup> Of this trade balance the United States trade with Brazil alone has accounted for about one-half, averaging more than 50 million dollars annually in the 7 years, 1931-38. In several years during the decade 1929-38, imports were double the total value of exports to Brazil. (See table 16.)

On practically all accounts other than that for merchandise in the balance of payments, however, the United States had a credit balance with Brazil. The principal items offsetting the large import trade balance were the substantial though irregular interest, redemption, and sinking-fund receipts on Brazilian dollar bonds. Interest receipts alone amounted to 21 million dollars in 1929, one-fifth as large as the import trade balance, but they declined sharply after 1930 because of the partial default on Brazilian dollar bonds. Although they increased steadily in the period 1933-37, in 1938 they amounted to only one-half million dollars, when complete default finally occurred.

Estimated United States holdings of Brazilian dollar bonds, practically all government issues, had a par value of 298 million dollars at the end of 1938, and were far greater in amount than those of any other Latin American country.<sup>32</sup> Of all foreign dollar bonds held in the United States the Brazilian issues, representing 8 percent of the total, were third largest, following the Canadian and German. At the end of 1938, almost one-fourth of all defaulted foreign dollar bonds held in the United States were represented by Brazilian issues. Resumption of servicing was the subject of considerable negotiation in 1939, and on March 8, 1940, Brazil announced resumption of interest payments, on an adjusted basis, on all her external national-government indebtedness.

<sup>31</sup> See table 21 in pt. I of this report, showing the balance of payments between the United States and Latin America.

<sup>32</sup> U. S. Department of Commerce, *The Balance of International Payments of the United States in 1938* 1939, appendix D, p. 93.

TABLE 15.—United States exports (domestic merchandise) to Brazil of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 1		
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
Wheat.....	1,000 bushels.....	(?)	1	17,020	10,193				355	392	(?)	(?)	(?)	(?)
Wheat flour:														
of United States wheat.....	1,000 barrels.....	781	4,682	33	125	3	13	10	60	22	119	13	62	119
Other wheat flour.....	1,000 barrels.....					66	332	59	371	16	80	32	119	32
Apples in boxes and barrels.....			634		195		253		299		315		277	
Automobile tire casings.....	1,000 casings.....	159	1,080	47	327	78	798	78	943	64	833	95	1,116	95
Gum rosin.....	1,000 barrels.....	87	1,220	75	428	53	519	50	774	28	294	19	211	19
Wood rosin.....	1,000 barrels.....	3	40	1	6	7	81	12	200	35	318	55	540	55
Bituminous coal.....	1,000 tons.....	203	942	73	333	98	454	187	907	182	883	379	1,962	379
Refined oils:														
Gasoline, naphtha, and other finished light products.....	1,000 barrels.....	1,435	10,231	476	1,698	1,181	3,624	1,413	4,793	1,459	3,929	1,279	3,363	1,279
Illuminating oil (kerosene).....	1,000 barrels.....	602	4,075	211	996	501	2,050	523	2,301	401	1,412	415	1,238	415
Lubricating oil: Red and pale, and cylinder.....	1,000 barrels.....	245	2,853	110	966	190	1,542	253	2,120	201	1,067	255	2,115	255
Gas and fuel oil.....	1,000 barrels.....	504	1,027	47	111	51	1,056	69	151	482	1,750	180	287	180
Iron and steel plates (except boiler plate), not fabricated.....	Short ton.....	290	20	154	9	1,208	55	6,114	362	5,080	293	8,760	384	384
Steel sheets:														
Galvanized.....	Short ton.....	14,216	1,183	433	25	4,731	302	5,384	484	5,117	443	8,013	627	627
Black (ungalvanized).....	Short ton.....	652	52	246	17	5,858	387	13,899	1,051	13,390	900	24,033	1,532	1,532
Tin plate and taggers' tin and terneplate.....	Short ton.....	4,399	380	340	24	20,897	1,858	33,061	3,292	13,153	1,430	44,016	4,179	4,179
Rails, heavy.....	Long ton.....	14,962	644	1,062	74	19,976	685	23,592	1,046	6,358	290	17,124	968	968
Wire and manufactures:														
Iron or steel wire, uncoated.....	1,000 pounds.....	2,307	61	467	12	13,435	273	17,329	559	8,550	246	13,655	340	340
Barbed wire.....	1,000 pounds.....	25,231	674	7,443	140	12,585	289	10,243	367	21,096	644	21,350	624	624
Copper:														
Rods.....	1,000 pounds.....	9,816	1,779	2,751	180	8,461	854	3,360	468	484	63	263	35	35
Refined copper in ingots, bars, or other forms.....	1,000 pounds.....	2,245	430	129	9	954	85	703	81	479	365	7,530	805	805
Insulated copper wire and cable.....	1,000 pounds.....	1,444	308	62	15	161	57	192	74	522	463	247	75	75
Power switches and circuit breakers over 10 amperes.....			368		23				196		486		319	
Electric household refrigerators.....	Number.....	(?)	(?)	1,756	180	11,520	894	12,291	995	12,042	955	10,927	889	889
Radio receiving sets and components:														
Radio receiving sets.....	Number.....	3,855	172	17,824	421	67,492	1,418	78,973	1,782	55,716	1,192	57,705	1,128	1,128
Radio receiving set components.....			128		39		273		361		322		428	
Radio receiving tubes.....		61,341	90	110,517	53	318,735	156	487,832	194	415,048	167	444,162	155	155
Telephone apparatus.....			544		43		374		440		1,165		134	
Stem boilers, fire tube and water tube.....	Square foot.....	18,814	58	704	1	380	1	8,967	42	53,564	571	37,984	281	281
Excavators, including power shovels.....	Number.....	4	62	2	67	9	154	5	34	34	436	25	233	233

	Number	Not shown	83	1	(*)	28	38	72	99	153	368	209	398
Road graders			349			95	298		402		342		515
Sewing machines and parts			52			6	79		323		327		164
Oil-mill machinery			90			7	663		632		555		407
Cotton gins, cotton presses, and parts			1,402			153	330		926		546		1,106
"Other" industrial machinery and parts													
Card punching, sorting, and tabulating machines	Number		40	127		76	159	279	350	290	344	436	344
Typewriters	Number	13,998	898	1,953		120	8,288	465	12,820	712	8,120	446	12,555
Printing and bookbinding machinery:													
Typesetting machines	Number		110			473	6	36	34	142	59	212	41
Printing presses	Number		6			6	7	12	21	72	37	142	41
Bookbinding machinery and accessories			(*)			(*)					(*)		2
Other printing and typesetting machinery and accessories			128			37		106		178		129	
Motor trucks, busses, and chassis, new	Number	18,856	8,022	893		467	5,904	2,983	6,757	3,053	4,580	2,542	6,194
Tractlaying tractors	Number		90			185	4	6	118	241	178	411	
Passenger cars and chassis, new	Number	17,250	9,297	400		197	5,815	3,328	7,540	4,440	6,523	3,891	6,606
Automobile parts (except battery boxes, tires, inner tubes, and engines):													
For assembly			6,932			427		2,108		2,681		2,361	
For replacement			3,361			329		1,350		1,857		1,691	
Automobile engines	Number		1			329		1,350		1,857		1,691	
Aircraft	Number	13	(*)	198	111	2,282	5,504	610	10,458	984	5,462	536	8,183
Aircraft parts, instruments, and accessories (except engines and tires)						14	204	46	1,609	45	1,580	92	1,270
Railway cars and parts:													
Freight cars	Number	628	930			371		219		505		305	463
Parts, except axles and wheels			449			81	2	714	4	13	355	878	
Sodium hydroxide (caustic soda)	1,000 pounds	6,373	212	7,862	2	205	16,353	304	16,908	279	20,304	447	38,297
Revolvers and pistols	Thousand	25	467	2		45	2	47	5	129	30	698	1
Exports of commodities shown above			47,934			21,637		32,514		43,799		40,354	46,113
Total exports to Brazil			10,787			28,600		48,885		68,271		61,708	79,998
Principal exports (shown above) as percent of total			62.4			75.7		66.5		64.1		65.4	57.7

1 Preliminary.

2 Not over 500.

3 Includes road oil.

4 Includes iron sheets.

5 Classified as weighing 50 pounds and over per yard in 1929 and 1932, and as weighing 60 pounds and over per yard in 1936-39.

6 Not separately classified.

7 Heating surface.

8 Exports not strictly comparable for the series.

9 Excludes automobile ball and roller bearings, now classified with industrial ball and roller bearings.

10 Includes reexports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

BRAZIL

TABLE 16.—*Partial balance of payments between the United States and Brazil, 1929-38*

[In millions of dollars]

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Trade and service items:										
Merchandise exports to Brazil <sup>1</sup> .....	108.8	53.8	28.6	28.6	29.7	40.4	43.6	49.0	68.6	62.0
Merchandise imports from Brazil <sup>1</sup> .....	207.7	130.9	110.2	82.1	82.6	91.5	99.7	102.0	120.6	97.9
Excess of merchandise imports from Brazil.....	-98.9	-77.1	-81.6	-53.5	-52.9	-51.1	-56.1	-53.0	-52.0	-35.9
Receipts from Brazil for shipping services <sup>2</sup> .....	3.9	1.9	.8	.5	.3	.3	3.	.4	.6	.5
Expenditures of Brazilian travelers in United States <sup>3</sup> .....	.6	.6	.4	.3	.2	.2	.3	.4	.4	.5
Expenditures of United States travelers in Brazil <sup>3</sup> .....	.9	.9	.8	.6	.6	.8	1.0	1.1	1.2	1.3
Interest receipts from Brazil <sup>3</sup> .....	21.0	23.0	18.5	4.0	2.3	5.2	8.3	8.5	10.3	4.5
Net receipts from Brazil for services <sup>4</sup> .....	+24.6	+24.6	+18.9	+4.2	+2.2	+5.0	+8.0	+8.2	+10.2	+2
Net payments to Brazil on trade and service account <sup>4</sup> .....	-74.3	-52.5	-62.7	-49.3	-50.7	-46.1	-48.1	-44.8	-41.8	-35.7
Gold and silver:										
Net gold imports from Brazil <sup>1</sup> .....		-87.8		-1.3						-1.5
Capital items:										
Bond-redemption and sinking-fund receipts from Brazil <sup>5</sup> .....		+7.4	+8.2	+11.8	+3.1	+2.5	+4.6	+7.6	+11.0	+7.9
Net balance on estimated items <sup>6</sup> .....	-74.3	-132.9	-64.5	-38.8	-47.6	-43.6	-43.5	-37.2	-30.8	-29.3

<sup>1</sup> United States statistics, unadjusted.<sup>2</sup> Rough estimates.<sup>3</sup> Allowance made for repurchase of Brazilian dollar bonds by foreigners.<sup>4</sup> Excluding return on United States direct investments in Brazil.<sup>5</sup> Bond redemption receipts adjusted for repurchase by foreigners in all years; sinking-fund receipts in 1938 only.<sup>6</sup> Exclusive of return on direct investments (receipts) and new investments (payments) in Brazil.

NOTE.—Net credit balances for the United States are indicated by +; net debit balances by -.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

The last item shown in table 16, the net balance, should be interpreted with care because it represents the balance for only part of the accounts ordinarily entering into a complete statement of the balance of payments. The principal items not represented are new investments in Brazil, the movement of banking funds, security transactions, and the return on direct investments. For several years new investments of United States funds in Brazil have probably been small, except for the reinvestment in Brazil of returns on direct investments.<sup>33</sup> These direct investments, the fifth largest in Latin America, were valued at about 195 million dollars in 1936 and have probably changed little since that time.<sup>34</sup> Nevertheless, it appears, on the basis of the large net credit balance shown for the available accounts, that a substantial though diminishing flow of funds, arising largely from the merchandise balance, moved from the United States to Brazil in recent years.

During a large part of the decade 1929-38, Brazil's foreign exchange market was subject to government regulation,<sup>35</sup> and at times there was some delay in obtaining exchange to make remittances for imports

<sup>33</sup> Such reinvestments were made because it was at times impossible to obtain exchange for the remittance to this country of earnings on direct investments.<sup>34</sup> U. S. Department of Commerce, *American Direct Investments in Foreign Countries—1936, 1938*, table 4, p. 12.<sup>35</sup> See the section on Brazilian commercial policy.



into Brazil and to transfer dividends and profits. In March 1939 the United States and Brazil exchanged notes involving material financial cooperation between the two countries.<sup>36</sup> These notes provided that, for the purpose of improving the condition of the Brazilian foreign-exchange market, the Export-Import Bank of the United States would extend certain credits to meet amounts due United States exporters for Brazilian imports from the United States. Arrangements were also to be made by the Bank to extend long-term credits for the purchase by Brazil of United States products, particularly those which would assist in improving Brazilian transportation facilities. Moreover, the President of the United States indicated his intention to ask Congress for an authorization placing at the disposal of Brazil an amount of gold not to exceed 50 million dollars for the purpose of facilitating the establishment of a central bank in Brazil.<sup>37</sup> Brazil on its part planned, among other things, to free the exchange market for commercial transactions and to facilitate, under normal conditions of the balance of international payments, the transfer of an equitable return upon United States direct investments in Brazil.

Under this general agreement the Export-Import Bank immediately made available exchange credits amounting to 19.2 million dollars, of which about 40 percent has been repaid (1940). The Bank also extended long-term credits for the sale to Brazil of rails, for the electrification of railways, and for other purposes. Brazil, however, has not established a central bank. Moreover, the Congress of the United States has not yet (1940) authorized the gold requested by the President to be placed at the disposal of Brazil.

<sup>36</sup> State Department statement, *Discussions between His Excellency, Senhor Oswaldo Aranha, Minister of Foreign Affairs of Brazil, and Officials of the Government of the United States, March 9, 1939.*

<sup>37</sup> The Banco do Brasil is controlled by and is fiscal agent for the Government of Brazil; it is not, however, a central bank.

# CHILE

## A DESCRIPTION

### Physical characteristics.

The Republic of Chile<sup>1</sup> occupies the entire southern section of South America between the crest of the Andean range and the Pacific Ocean, and has a greater inhabited latitudinal range than any other country in the world. Extending approximately 2,600 miles from north to south, its width varies from 46 to 250 miles. Its total area, 296,717 square miles, is slightly smaller than the area of California, Oregon, and Washington combined. Chile is bordered on the north by Peru and on the east by Bolivia and Argentina. The major part of the country is a series of valleys between the Andes and the much lower coastal range; below about 42° south latitude the coast range becomes a series of islands which fringe the mainland.

Because of its extreme length and variations in altitude, Chile possesses practically every variety of climate. The country may be divided into three regions—northern, central, and southern. The northern region, from the Peruvian border to about 32° south latitude, consists, in its more northerly section, of sandy desert and barren mountains containing the nitrate and borax deposits. The only true desert in South America, it is the driest region of which there is record, there being practically no rainfall. The southern section of the northern region is a semidesert, rich in a variety of minerals. There is a limited rainfall in the winter months and with the aid of irrigation, some agriculture is carried on.

Central Chile, from latitude 32° to 42°, is the agricultural section of the country. It is also the seat of the country's manufacturing industries and contains the principal cities. Here the Andean range is lower. Between the Andes and the coast range lies the plain known as the Central Valley of Chile. The summers in the Central Valley are hot and dry, but the winters are mild, with plentiful rainfall. The soil is fertile and intensively cultivated. Toward the south of this area are extensive forests and mineral deposits.

Southern Chile, from about 42° south latitude to Cape Horn, is a region of lower temperatures and of heavy precipitation, which in some areas exceeds 100 inches a year. Dense forests are found up to elevations of 5,000 or 6,000 feet, and pasture lands for cattle and sheep are located throughout the area.

### Population.

According to the census of 1930, the population of Chile totaled 4,288,000. About one-half was recorded as urban. In 1937 the number of inhabitants was estimated to be 4,597,000. The density of population is somewhat more than 15 persons to the square mile, but more than three-fifths of the population is concentrated in the central

<sup>1</sup> In Spanish, República de Chile.

region embracing only about one-fifth of the total area of the country. In large parts of the northern desert and semidesert regions, the population does not exceed 3 persons to the square mile, and in the southern Province of Magallanes it is considerably less than 1 person to the square mile.

Most of the inhabitants of Chile are of European descent. The population includes some full-blooded Indians, but they are rapidly disappearing. There are very few Negroes in Chile.

Immigration into Chile in recent decades has not been great. In the decade 1920-29, Chilean immigration exceeded emigration by about 40,000, or an average net gain of but 4,000 per year, a large proportion being German. In an effort to attract agriculturalists, the Chilean Government has set aside agricultural land for immigrants in southern Chile, and some Germans, French, Italians, Spaniards, Swiss, English, and Irish have settled there.

#### Natural resources and economy.

*Mining.*—The economy of Chile, particularly as it relates to international trade, is closely associated with mining, especially copper mining, and with the production of nitrates. In 1938 exports of minerals constituted more than 78 percent of total exports, in terms of value, copper alone accounting for 48 percent and nitrate and its by-product, iodine, for more than 22 percent. Among the countries of the world, Chile ranks second only to the United States in the production of copper. Chile is the only country in which deposits of sodium nitrate exist in quantities sufficient for commercial exploitation. As a result of the development of the synthetic-nitrogen process in consuming countries, however, nitrate production no longer holds the position it once did in the Chilean economy. Prior to the World War of 1914-18, nitrate accounted for 75 percent of all Chilean exports and copper for only 5 percent.<sup>2</sup>

The natural-sodium-nitrate industry in Chile began commercially about 1831, but it was not until after 1881 that the industry became important.<sup>3</sup> Like most other South American countries, Chile has been aided in its industrial expansion by European capital and enterprise. The nitrate industry has been developed jointly by the Government and foreign capital, which was originally British and Spanish; in 1933, however, it was made a state monopoly.

The nitrate fields of Chile extend along the western side of the desert, lying at an elevation of 4,000 to 9,000 feet above sea level, between the northern coastal range and the western slopes of the Andes. The deposits actually worked are at elevations ranging between 4,000 and 7,500 feet, and occur intermittently over an irregular belt some 400 miles long from north to south, and from 5 to 40 miles wide. Of the total population of the zone (in recent years about 400,000), some 50,000 men, on the average, have been employed in the mining and recovery of nitrate, and most of the remainder in services indirectly allied therewith. Thus, approximately 10 percent of the total population of Chile is directly dependent upon the nitrate industry for its livelihood.

<sup>2</sup>See the section on composition of exports, p. 116 ff.

<sup>3</sup>In 1880 the Chilean Government imposed an export tax by means of which 7,981 million pesos (nearly 1 billion dollars) had been collected up to 1930. For this period, receipts from the tax averaged nearly 43 percent of the ordinary revenue of the Government, reaching a maximum of 66 percent in 1894.

Copper deposits are found in the coast range and in the lower slopes of the Andes in both the northern and central regions. Chile's contribution to world supplies of copper is large; in 1938 it furnished 18 percent of the total world production and 79 percent of the total Latin American production. Consumption of copper in Chile is small; practically the entire production is exported. In 1935 nearly 14,000 workers (excluding clerical and technical staffs) were employed in the copper-mining industry, which is controlled in large part by United States capital.

Chile, the chief coal-producing country of Latin America, has long had an annual output of about 1,250,000 metric tons. Production has recently increased; in 1938 it exceeded 2 million metric tons. The coal industry is protected by high duties and is able to furnish the greater part of domestic requirements. The low quality of Chilean coal, however, as well as the high costs of extraction and the lack of adequate port facilities, has made it impossible to export coal.

The iron-ore deposits of Chile have been actively exploited for many years. Large tonnages of high-grade ore are available close to seaboard, where they can be shipped to market by low-cost water transportation. Production of iron ore in recent years has been about 1.5 million long tons annually, all of which is exported to the United States.

Numerous other minerals are mined in Chile, including gold, silver, manganese, cobalt, molybdenum, borate of lime, salt, lead, aluminum, bismuth, mercury, mica, zinc, and sulphur.<sup>4</sup> Petroleum deposits have been reported, but no extensive operations have been undertaken.

*Agriculture.*—Although agriculture is carried on in other parts of Chile, the chief agricultural area (as distinguished from pastoral) is that region extending from above Valparaiso on the north to Valdivia on the south. The principal cereal crop is wheat, but large quantities of barley and oats are grown, as well as smaller quantities of rye and corn.

There has been considerable development of fruit growing in the regions surrounding Valparaiso and Valdivia, the principal products being apples, peaches, pears, figs, plums, cherries, apricots, melons, various berries, oranges, and lemons. Grape culture is a very important industry; the fruit is grown not only for table use but also for the rapidly growing Chilean wine industry. Walnuts and almonds are also grown in this district.

A great variety of vegetables is grown, including beans, peas, lentils, chickpeas, potatoes, and onions; large quantities of all of these, except potatoes, are exported. Other agricultural products include alfalfa, clover, beet and cane sugar, rice, cotton, and tobacco. Most of the sugar consumed in Chile is imported from Peru, but the cotton produced in Chile ordinarily supplies about one-third of the requirements of the domestic cotton mills.

*Pastoral industries.*—Chile is an important livestock country. In 1938, however, exports of pastoral products constituted but 7 percent of total Chilean exports, the most important being wool, hides and skins, and fresh and frozen meats.

Sheep raising is the most important Chilean pastoral activity. The sheep industry dates from the latter part of the nineteenth century,

<sup>4</sup> The value of Chilean gold production in 1939 was estimated to be 11.4 million dollars. Silver production in that year was estimated to be 1,150,000 ounces, valued at approximately \$450,000.

when the Government launched efforts to build up pastoral industries in the country in order to provide domestic sources of meat. Stock was imported from Argentina, and the herds grew rapidly. In 1910 the number of sheep in the country was 1.6 million; by 1912 it had increased to about 4 million, at which level it remained until after 1925. Since 1929 the number of sheep and lambs in Chile has been somewhat in excess of 6 million, about two-fifths of which have been grazed in the southern Province of Magallanes.

Cattle raising in Chile is largely for the domestic market, although quantities of cattle hides are exported. The number of cattle in 1937 was nearly 2.5 million. Goats, hogs, and horses are also raised, as well as cattle for dairy purposes.

*Manufacturing.*—The number of persons engaged in manufacturing ranks second to those engaged in agriculture. According to the census of 1930, 296,201 persons were employed in manufacturing industries, and a total of 92,719 persons were listed as owners of "manufacturing establishments."

Chilean manufacturing is concentrated in three regions—Santiago and vicinity, Valparaiso, and Concepción. More than nine-tenths of all manufacturing, however, takes place in the Santiago region. As a result of the industrial development in this region, imports of shoes and leather goods, lighting fixtures, textiles, clothing, candy, biscuits, flour, soap, perfume, matches, cigarettes, beer, sugar, and enamel and glassware have virtually been eliminated. The Valparaiso district, in addition to manufacturing some of the articles mentioned, also produces canned milk, refined sugar, tobacco, and cement. The Concepción district principally produces textiles, glass, and chinaware.

In the decade 1929–38 there was a marked increase in the Chilean production of cotton and woolen, as well as of rayon and silk textiles.<sup>6</sup> In addition, many new industries were established, including those which produce calcium carbide, rope, twine, binder twine, cordage, linen thread, handbags, sundry gift wares, liqueurs, and spirits. Other domestic manufactures include canned fruits and vegetables, canned milk, matches, paper, candles, beverages, perfumery, carpets, jute bags, and felt hats.

Most Chilean manufacturing is on a small scale, and costs are relatively high. A high degree of self-sufficiency, however, has been achieved in certain consumer goods, notably in those for household use. This movement has been given impetus not only by import duties and depreciation of the currency, but also by the policy of the Exchange Control Commission of allocating exchange, insofar as it is possible, only for imports of essential commodities, not manufactured locally.

### THE FOREIGN TRADE OF CHILE

In value of foreign trade, Chile in 1938 ranked sixth among the nations of Latin America, and fourth among those of South America. Its exports were valued at 682 million pesos (141 million dollars) in that year, or about 8 percent of all Latin American exports and nearly 10 percent of those from South America. In the same year, when imports amounted to 499 million gold pesos (103 million dollars), Chile took 7 percent of the value of all commodities imported into the

<sup>6</sup> In 1937 there were 145 textile factories, with an output valued at 369 million pesos.

20 Latin American countries, and nearly 9 percent of those imported into the 10 South American republics.

The value of exports from Chile usually exceeds that of imports into the country. In 1938 the export balance was 184 million gold pesos (39 million dollars); in 1937, however, it reached 519 million gold pesos (107 million dollars). The mining enterprises are largely controlled by foreign companies, and part of the value of Chilean mineral exports is thus not made available to the country in the form of foreign exchange.<sup>6</sup>

#### Chilean commercial policy.

The foreign trade of Chile in the decade 1929-38 was greatly complicated by depreciation of the peso, exchange control, the quota system, and the numerous compensation and clearing agreements effected between Chile and foreign countries.

*The tariff.*<sup>7</sup>—Chilean import duties, as fixed by law, constitute the minimum tariff. The tariff is applicable to imports from all countries that, in general, accord Chilean products most-favored-nation treatment. In the event that a country adopts measures specifically designed to restrict imports of Chilean goods, the Executive is authorized to increase the tariff on dutiable imports from that country by a maximum of 50 percent and, on duty-free commodities, to assess duties not exceeding 15 percent ad valorem or the specific equivalent thereof.

The power of the Chilean Executive to exercise control over and to modify the tariff is extensive and to a great extent discretionary. Under the present tariff act—that of February 22, 1928, as amended—the Executive is authorized to increase duties, to reduce duties temporarily by not more than one-half on commodities of prime necessity and on those considered indispensable to public health, to adjust existing tariff classifications, and to impose penalty duties.

The Executive also has the power to increase import duties by as much as 35 percent on commodities considered “analogous” to those produced locally in adequate volume. The determination of which commodities are “analogous” is left to the Executive. The sale of such imported commodities in the domestic market is subject to such price control and other regulations as the Executive may decree. Increases in duty on “analogous” products are to be terminated when the circumstances which furnished the basis for their adoption no longer exist.

A law of March 10, 1933, empowers the Executive, when the interests of the country make it advisable, to reduce import duties by commercial agreements and to put such reduced rates into effect for one year, pending legislative approval.

*Exchange control.*—By a law of July 30, 1931, the control of imports into Chile (other than by the tariff) was placed in the hands of the Executive. That control has been exercised by the Exchange Control Commission through its exclusive control and allocation of foreign exchange. The actual transactions are carried on by the Banco Central de Chile (Central Bank of Chile), acting under the general direction of the Exchange Control Commission.

<sup>6</sup> In addition to returns on investments, the expenses incurred outside of Chile by foreign companies decrease the amount of exchange made available by the exports of such companies. If the companies were controlled by Chilean interests but financed with foreign capital, the net exchange position might not be very different from that which now prevails.

<sup>7</sup> Import values employed by Chile are c. i. f. Export values are f. o. b. frontier, excluding export duties.

In determining the maximum amount of exchange which may be purchased at one time, the Commission gives preference to raw materials for national industries, manufactured articles of prime necessity, and drugs and medicines. When these commodities are imported from several different countries, preference is given to those countries that purchase the largest portions of Chilean exports.

Exporters are required to deliver to the Central Bank, at the official rate of exchange, a certain percentage of foreign exchange arising from exports. The percentage varies from commodity to commodity, and is changed frequently.

There are six types of exchange rates in Chile<sup>8</sup>—the official rate, the export-draft rate, the free-market (curb) rate, the "d. p."<sup>9</sup> rate, the compensation "A" rates, and the various private-compensation rates. Official exchange is reserved for the exclusive use of the Government. Since there are few transactions at the official rate, the export-draft rate and the various compensation rates are of special significance in the economic relations of Chile with other countries.

The export-draft rate is used principally for transactions with countries which have no compensation agreements with Chile, for example, the United States and the United Kingdom. Products not considered of prime necessity may be paid for only in free exchange or at the "d. p." rate, and for certain products no exchange of any kind is available. Since October 1936 (except in 1938), the Exchange Control Commission has authorized the importation of luxury products and of those not absolutely indispensable, payment to be made with exchange at a rate set by the Government.<sup>10</sup> During 1938 all United States products were granted exchange at the export-draft rate (25 pesos per dollar). After the inauguration of the "d. p." rate on March 8, 1939, the export-draft rate continued to be made generally available, with some exceptions, for essential commodities. The "d. p." rate (with exceptions) was available for nonessential imports.

The compensation "A" rates, set by the Chilean Government, are employed in trade with countries with which Chile has formal compensation agreements. In quoting Chilean exchange rates in terms of pesos per unit of foreign currency, compensation "A" rates are 130 percent of the official rate. Exchange available at these rates arises only from shipments of nitrate. Private-compensation rates are applied to certain transactions with countries with which private agreements of the Chilean Nitrate Sales Corporation or Chilean banks are in effect. Private-compensation rates apply to exports of all products (except nitrate and copper) to the countries concerned, such rates being set by supply and demand. Importers may secure compensation "A" exchange, if available, for any product, but there is a scarcity of such exchange and premiums are paid for private-compensation exchange.

<sup>8</sup> For the years covered in this report, the average dollar equivalent of the peso (official rate) was as follows: 1929, \$0.1206; 1932, \$0.0791; 1936, \$0.0512; 1937, 1938, and 1939, \$0.0517. (*Federal Reserve Bulletin*, February 1939 and June 1940.) In 1939 the export-draft rate averaged about 25 pesos to the dollar, the free-market (curb) rate about 32 pesos to the dollar, and the "d. p." rate about 30 pesos to the dollar. These quotations differ from the conversion factors used in this report. Conversions are based on pesos of 6 penny gold, the unit employed in reporting Chilean trade statistics. This gold peso, which is equivalent to \$0.2061, should be used only for the purpose of converting trade statistics.

<sup>9</sup> Disponibilidades propias (personal funds).

<sup>10</sup> In 1936 and 1937 this rate was the so-called gold rate, based on exchange created by the Chilean gold production. In 1939 it was the "d. p." rate (30-31 pesos to the dollar). "D. p." exchange is derived from Chilean gold production, travelers' checks, letters of credit, and foreign currency.

The inequality in the exchange treatment accorded to imports from different sources has been a prime factor in influencing the origin of Chilean imports. By employing the various Chilean exchange rates for specific uses, a situation is created in which particular commodities or imports from particular countries may enjoy exchange rates which are more favorable than those accorded other commodities or countries. Trade in certain commodities and with certain countries, moreover, may be accorded advantages through the allotment of available exchange. The possibility that the exchange-control system may prove discriminatory also arises out of the clearing and payments arrangements with other countries, which may accord such countries competitive or preferential advantages.

A license and quota system was established in Chile by a law of July 1932 and placed under the control of the Exchange Control Commission. Under the law, quotas may be established for specific products, and for imports from any given country, and prior permits are required for all imports.

In 1935 a Government-sponsored company for the distribution of petroleum and petroleum products was established. From time to time foreign exchange has been sold to the National Petroleum Company at the official rate, which is 20 to 25 percent below that accorded foreign petroleum companies.

*Commercial treaties and agreements.*—Under the Chilean Constitution, the President has the power to negotiate and sign all treaties, including compensation and clearing agreements, subject to ratification by the National Legislature. Since 1930, the negotiation of all treaties and international agreements has been carried on under the direct guidance and control of a special interdepartmental committee.

Chile has supplemented its exchange-control system by the negotiation of a series of compensation agreements. These agreements have usually provided that imports from participating countries shall be in an agreed proportion to the Chilean goods sold to them. These agreements may operate to favor the importation of products from participating countries. Thus, the total imports from Germany under the compensation agreement increased from 25 million gold pesos (5 million dollars) in 1934 to 100 million gold pesos (20 million dollars) in 1936 and 129 million gold pesos (27 million dollars) in 1938.

Since 1932, formal compensation or clearing agreements<sup>11</sup> have been concluded by Chile with the following countries: France (1932, 1934, 1935, 1936), Belgium (1933, 1938), Spain (1933), Sweden (1933), Denmark (1934), Germany (1934, 1935), the Netherlands (1934), Switzerland (1934), and Czechoslovakia (1934, 1936). Private agreements of the Chilean Nitrate Sales Corporation or Chilean banks have been in effect with nitrate or banking organizations in Denmark (1933), Austria (1934), Brazil (1934, 1940), Italy (1934), and Bolivia (1937).

It has generally been represented that clearing and similar agreements operate to balance the trade between pairs of countries. While there are grounds to support this view, it cannot be accepted without

<sup>11</sup> A clearing agreement in its simplest form provides that the importers of each of the two contracting countries shall pay the cost of their imports from the other country into accounts in their own national currency maintained by agencies selected or established for that purpose. These funds are paid out to those who have exported commodities from the country in question to the other. Thus, if payments to exporters in the trade between the two countries just equal the expenditures of the importers, no movement of foreign exchange is required. In payments agreements the exchange usually is controlled in only one of the two countries; the other maintains a free-exchange market.



qualification. For example, Chilean merchandise imports from Germany in the years 1936-38 were substantially in excess of merchandise exports to that country. The failure of the Chilean-German compensation agreement to equalize the value of the goods exchanged between the two countries may have been due to the fact that certain commodities entering the trade were not covered by the agreement. Moreover, a balance in favor of one country or the other may appear in the compensation accounts in any given year, and be liquidated at a later time. The compensation agreement may also have provided for certain transfers on nonmerchandise account.

#### Trend of the trade.

*Exports.*—The most notable features of Chilean exports are the dominant position occupied by copper and nitrate, the recent shift in the positions of the two commodities,<sup>12</sup> and the small volume of agricultural and pastoral exports.

Exports from Chile to the world and to the United States, in the period 1924-38, are shown in tables 1 and 2. The year 1929, the earliest shown in the detailed tables hereinafter presented, was a peak year in exports to the world as a whole. Exports to the United States, however, were smaller in that year than in several previous years.

TABLE 1.—Chile: Trade with the world, 1924-38

[Value in thousands]

Year	Exports		Conversion rate: 1 peso of 6d. gold equals—	Imports	
	Pesos	United States dollars		Pesos	United States dollars
1924.....	1,817,939	221,243	\$0.1217	1,089,772	132,625
1925.....	1,878,758	228,645	.1217	1,223,378	148,885
1926.....	1,654,509	201,354	.1217	1,292,674	157,318
1927.....	1,669,558	205,619	.1217	1,072,991	130,583
1928.....	1,940,079	236,108	.1217	1,200,014	146,042
1929.....	2,293,726	279,146	.1217	1,617,564	196,858
1930.....	1,328,123	161,633	.1217	1,400,125	170,395
1931.....	824,739	100,371	.1217	705,902	85,908
1932.....	290,494	35,353	.1217	213,786	26,018
1933.....	343,771	61,909	.1510	181,815	27,454
1934.....	469,832	96,785	.2060	241,714	49,793
1935.....	473,088	97,456	.2060	303,626	62,547
1936.....	562,269	115,827	.2060	346,733	71,427
1937.....	947,589	195,203	.2060	428,866	88,346
1938.....	682,858	140,669	.2060	496,957	102,785

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República de Chile*.

Chilean exports in 1929 amounted to 2,294 million gold pesos (279 million dollars). By 1932, the aggregate of exports was but 290 million gold pesos (35 million dollars), less than 13 percent of the value in 1929. This drastic decline was largely the result of the decrease in the quantity and value of exports of mineral products, the dominant group, which in 1932 were less than 10 percent (in terms of value) of those in 1929. After 1932, with improved demand for nitrate, copper, and agricultural and animal products, total Chilean exports steadily increased, reaching 948 million gold pesos (195 million dollars) in 1937; the gold-peso value in that year was about 41 percent and the dollar

<sup>12</sup> See the section on composition of exports, p. 116 ff.

value approximately 70 percent of those in 1929. In 1937, exports of minerals, in terms of gold pesos, amounted to approximately 37 percent of those in 1929 (63 percent in terms of dollar value), but they showed a greater percentage decrease from the 1929 figures than exports as a whole. In 1938, total Chilean exports declined to 683 million gold pesos (141 million dollars). Total exports in 1939 amounted to 671 million gold pesos <sup>13</sup> (138 million dollars). Exports in the 4 months January-April 1940 were valued at 294 million gold pesos (61 million dollars), as compared with 235 million gold pesos (48 million dollars) in the comparable period of 1939.

TABLE 2.—Chile: Trade with the United States, 1924-38 <sup>1</sup>

[Value in thousands]

Year	Exports			Imports		
	Pesos	United States dollars	Percent of total to United States	Pesos	United States dollars	Percent of total from United States
1924	1 682,481	1 83,058	37.5	250,071	31,164	23.5
1925	1 726,245	1 88,384	38.7	339,574	41,326	27.8
1926	797,835	97,097	48.2	422,357	51,401	32.7
1927	533,398	64,915	31.6	318,479	38,759	29.7
1928	642,898	78,241	33.1	368,892	44,894	30.7
1929	582,470	70,866	25.4	520,523	63,348	32.2
1930	337,781	41,108	25.4	467,856	56,877	33.4
1931	275,815	33,567	33.4	241,864	29,435	34.3
1932	76,799	9,346	26.4	49,413	6,014	23.1
1933	68,611	10,360	20.0	40,749	6,153	22.4
1934	89,426	18,422	19.0	69,515	14,320	28.8
1935	106,862	22,425	23.0	82,237	16,941	27.1
1936	109,450	22,547	19.4	87,973	18,123	25.4
1937	213,402	48,961	22.5	124,748	25,698	29.1
1938	107,334	22,111	15.7	138,933	28,620	27.8

<sup>1</sup> For conversion rates, see table 1.<sup>2</sup> Excludes reexports. Pesos have been calculated from U. S. dollar values.Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República de Chile* and from *Foreign Commerce Yearbook*.

Value, price, and quantum indexes of Chilean exports for the period 1924-38 are shown in table 3.<sup>14</sup> These indicate that the decline in the gold-peso value of exports in the period from 1929 to 1932 resulted from a decline in the average gold-peso prices of exports and a decrease in the quantity of goods exported.<sup>15</sup> In 1932, gold-peso export prices were about two-fifths and the quantity of goods exported about three-tenths of those in 1929. The recovery in the gold-peso value of Chile's export trade after 1932 is attributable chiefly to the increase in the quantity of goods exported, which in 1937 was only about one-tenth lower than in 1929. Gold-peso prices continued their down-

<sup>13</sup> Preliminary.<sup>14</sup> The quantum index is an attempt to measure the variations in the volume of a country's trade by eliminating the effect of price changes from the value figures. In constructing the indexes, the value figures of total exports or imports are adjusted in accordance with the variations in the country's export and import price indexes. The adjusted figures are then expressed as percentages of the corresponding figures for the base year. Because of the limitations of the basic data employed in the construction of the price indexes, the quantum indexes derived therefrom are only approximate measures of the changes in the volume of a country's exports or imports.<sup>15</sup> The Chilean trade returns are reported in terms of gold pesos of 6 pence, while the domestic currency is the paper peso of a variable value. The price indexes available are expressed in terms of gold pesos. They, therefore, are not accurate measures of price fluctuations, but may be employed as a general indication of price trends.

ward movement until 1934. After 1934 they recovered, but in 1937 they were still less than two-fifths those in 1929.<sup>16</sup> In 1938 both gold-peso export prices and the quantity of goods exported declined, as compared with 1937.

TABLE 3.—Chile: Value, price, and quantum indexes of exports, 1924-38<sup>1</sup>

Year	Exports, index of—			Year	Exports, index of—		
	Value (gold pesos)	Price (gold pesos)	Quantum		Value (gold pesos)	Price (gold pesos)	Quantum
1924.....	109.7	103.9	95.8	1932.....	17.0	45.3	37.6
1925.....	113.3	113.3	99.2	1933.....	20.0	40.0	50.0
1926.....	88.4	106.4	83.1	1934.....	27.8	36.5	76.2
1927.....	100.0	100.0	100.0	1935.....	28.1	37.0	78.9
1928.....	117.2	99.6	117.7	1936.....	33.2	40.3	82.3
1929.....	138.6	110.2	125.8	1937.....	56.4	49.2	114.7
1930.....	80.2	96.4	83.2	1938.....	40.7	39.6	103.0
1931.....	49.8	68.0	73.3				

<sup>1</sup>1927=100. Original base for the quantum index is 1927-29. The indexes of value and price refer to pesos of 6 pence gold, and are not to be taken as reflecting accurately changes in dollar values, especially because of the devaluation of the dollar in 1933-34. The calculation covers 54 items in 8 groups. Figures for 1929 exclude ships' stores for all ships; figures for later years exclude ships' stores for national ships only.

Source: League of Nations, *Review of World Trade*, 1938, p. 70.

*Imports.*—Chilean imports in the decade 1929-38 were greatly influenced by the development of domestic manufacturing. This movement was given impetus not only by import duties and the depreciation of the peso, but also by the policy of the Exchange Control Commission of allocating exchange, insofar as possible, only for commodities which are considered essential and which are not manufactured within the country.

Imports into Chile from the world and from the United States, in the period 1924-38, have already been shown in tables 1 and 2. The year 1929 (the earliest shown in subsequent detailed tables), was a peak year in imports from the world as a whole, as well as from the United States.

The total Chilean import trade, which in 1929 amounted to 1,618 million gold pesos (197 million dollars), declined in 1932 to 214 million gold pesos (26 million dollars), or 13 percent of its 1929 value. Thereafter it recovered, in 1938 reaching 499 million gold pesos (103 million dollars), or 31 percent of the 1929 peso figure (52 percent in terms of dollar value). Preliminary reports indicate that total Chilean imports in 1939 were valued at 411 million gold pesos (85 million dollars). Imports in the 4 months January-April 1940 amounted to 148 million gold pesos (30 million dollars), as compared with 129 million gold pesos (27 million dollars) in the same period of 1939.

Although the value of all commodity groups was lower in 1932 than in 1929, the most significant declines took place in imports of textiles and manufactures and in imports of the products of the heavy industries, such as metallurgical products, machinery, and transport materials and accessories. In the period following 1932, these groups did not make up, in terms of value, as large a part of their previous losses as did the total import trade. In part this may be attributed to the efforts of Chile to develop domestic manufacture. In 1938, transport

<sup>16</sup> The ratio would of course be much higher if the prices were converted to dollars, because of the devaluation of the dollar in 1933-34.

materials and accessories increased to 17 percent of total imports, as compared with 6 percent in 1937, and became the most important import classification; the share of every other group declined.

Value, price, and quantum indexes of Chilean imports for the period 1924-38 are shown in table 4. These indexes show that the decrease in the gold-peso value of imports into Chile after 1929 was a result primarily of the decline in the quantity of goods imported and, secondarily, of the decline in the gold-peso prices of such goods. In 1933, gold-peso import prices were less than one-half of those in 1929, while the quantum of imports had declined (irregularly) to about one-fourth. The recovery in the gold-peso value of Chilean imports after 1933 is attributable more to increases in the quantity of goods imported than to variations in the gold-peso price. In 1938, Chilean gold-peso import prices on the average were about 54 percent of those in 1929,<sup>17</sup> and the quantum of imports was more than 57 percent of that in the same year.

TABLE 4.—Chile: Value, price, and quantum indexes of imports, 1924-38<sup>1</sup>

Year	Imports, index of—			Year	Imports, index of—		
	Value (gold pesos)	Price (gold pesos)	Quantum		Value (gold pesos)	Price (gold pesos)	Quantum
1924.....	101.6	98.7	93.4	1932.....	19.9	70.5	28.3
1925.....	112.6	111.1	100.5	1933.....	16.9	48.4	35.0
1926.....	120.1	99.6	120.6	1934.....	19.9	45.2	44.1
1927.....	100.0	100.0	100.0	1935.....	27.5	41.8	65.8
1928.....	111.5	102.5	108.8	1936.....	32.3	43.0	75.1
1929.....	150.7	107.0	140.8	1937.....	40.0	55.2	72.5
1930.....	130.5	101.7	128.3	1938.....	46.8	57.7	81.0
1931.....	65.8	96.6	68.1				

<sup>1</sup> 1927=100. Original base for the quantum index is 1927-29. The indexes of value and price refer to pesos of 6 pence gold, and are not to be taken as reflecting accurately changes in dollar values, especially because of the devaluation of the dollar in 1933-34. The calculation covers 73 items in 5 groups.

Source: League of Nations, *Review of World Trade*, 1938, p. 70.

#### Exports from Chile.

*Composition.*—Chilean exports, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938, are shown in gold pesos in table 5 and in dollars in table 6. For almost every group and individual commodity shown in table 6 there was a sharp drop in the dollar value of exports between 1929 and 1932, caused in considerable part by lower prices. The greatest percentage decrease was in the dominant group, mineral products.

Nearly all groups showed a conspicuous increase in 1937 over 1932, and for a few groups—agricultural products, specie and precious metals, beverages and liqueurs, and textiles and products—the values in 1937 exceeded those in 1929. The dollar value of exports of mineral products in 1937 was seven times as great as in 1932, but even so, it failed to recover the share of the total trade which it held in 1929. Exports in practically all classifications, however, declined considerably in 1938. For the major groups, the ratios of the dollar value of exports in 1938 to that in 1929 were as follows: Mineral products, 45 percent; animals and animal products, 83 percent; agricultural products, 112 percent; and foodstuffs, 60 percent.

<sup>17</sup> If the price index were converted to a dollar basis, this ratio would be much higher, because of the devaluation of the dollar in 1933-34.

The trade position of Chile depends principally upon world demand for and world prices of its minerals. Exports of these have shown wider fluctuations than total exports. In 1929 they were valued at 247 million dollars, and formed more than 88 percent of total exports. Coincident with the decline in world demand for raw materials, the value of mineral exports in 1932 declined to 23 million dollars, and the proportion of total exports represented by minerals dropped to 66 percent. The value of mineral exports subsequently recovered to 195 million dollars in 1937, or 79 percent of total exports. Notwithstanding the decline in total exports in 1938, exports of minerals in that year amounted to 110 million dollars, or 78 percent of the total. Copper bars (electrolytic, standard, or blister) and sodium nitrate and iodine account for practically all of Chile's exports of minerals.

TABLE 5.—Chile: Exports,<sup>1</sup> by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of pesos of 6 pence gold]

Commodity group, subgroup or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	2,293,726	290,494	562,269	947,589	682,858
Mineral products.....	2,025,727	191,455	415,779	752,635	534,326
Ores, crude or simply worked <sup>3</sup> .....	976,868	132,614	253,729	558,827	378,663
Copper bars, electrolytic, standard, or blister	925,681	120,282	213,530	504,157	328,818
Iron ore, crude.....	15,431	3,877	11,592	12,636	13,478
Nitrate and iodine <sup>4</sup> .....	1,046,311	57,709	158,491	189,882	152,731
Agricultural products.....	101,153	25,236	64,318	73,698	66,756
Leguminous plants.....	39,066	8,137	27,670	35,151	31,182
Lentils.....	10,102	3,950	19,123	19,979	17,864
Cereals.....	37,227	4,663	17,126	15,239	16,375
Oats.....	14,494	1,520	5,137	8,006	5,680
Barley.....	22,012	2,773	5,672	7,232	10,693
Fruits, tubers, and pot herbs.....	19,734	7,998	10,243	10,662	10,192
Fresh apples.....	3,445	1,287	2,833	3,543	4,053
Walnuts.....	6,754	2,015	2,643	1,918	1,947
Peaches, dried, pitted.....	4,090	1,112	1,272	1,574	912
Animals and animal products, including fish and game.....	88,766	35,460	47,809	74,442	43,565
Wool and other textiles of animal origin, crude.....	56,677	24,937	26,959	45,518	27,302
Sheep's wool, washed and unwashed <sup>5</sup> .....	56,255	24,711	25,447	43,185	25,346
Leather and other animal matter, crude.....	21,535	7,290	15,897	24,313	11,929
Hides and skins, not tanned.....	17,139	5,022	11,886	18,881	8,483
Tripe and fats, in brine, in wooden containers.....	( <sup>6</sup> )	1,826	2,680	4,527	2,939
Foodstuffs.....	41,805	16,496	11,493	16,753	14,810
Meats, including jerked and salted meats.....	24,829	11,427	4,367	7,618	6,866
Meats, fresh and frozen.....	24,493	11,298	4,295	7,525	6,756
Starch, flour (or meal), and waste.....	12,338	2,191	3,224	5,012	4,160
Specie and precious metals.....	978	8,695	13,491	14,217	8,132
Gold and platinum, unwrought, and gold coins.....	965	8,325	12,876	14,030	8,138
Gold bars or ingots.....	( <sup>6</sup> )	8,078	11,468	10,835	4,209
Natural products of waters and forests.....	12,609	1,617	2,855	5,202	5,447
Beverages and liquors.....	3,763	1,526	1,991	4,838	4,510
Chemical products.....	6,337	3,694	1,243	1,774	2,069
Miscellaneous manufactured products.....	5,592	2,183	1,755	2,142	1,981
Textiles and products.....	734	542	813	789	459
Machinery, accessories, and tools.....	2,541	1,261	168	364	365
Transport materials and accessories (railway, marine, aircraft, and automotive).....	1,441	1,451	159	267	221
Metal manufactures, n. e. s.....	2,559	878	376	426	168
Tobacco, manufactured.....	22	( <sup>7</sup> )	( <sup>7</sup> )	20	13

<sup>1</sup> Exports of Chilean products and nationalized products. Values are f. o. b. frontier, excluding export duties.

<sup>2</sup> Classifications employed in this table are those given in the Chilean export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Also pure metals.

<sup>4</sup> Principally nitrate.

<sup>5</sup> Principally unwashed wool.

<sup>6</sup> Not shown separately.

<sup>7</sup> Less than 500.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República de Chile*.

TABLE 6.—Chile: Exports,<sup>1</sup> by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 peso of 6d. gold=\$0.1217)		1932 (1 peso of 6d. gold=\$0.1217)		1936 (1 peso of 6d. gold=\$0.2060)		1937 (1 peso of 6d. gold=\$0.2060)		1938 (1 peso of 6d. gold=\$0.2060)	
	Value	Per cent of total	Value	Per cent of total	Value	Per cent of total	Value	Per cent of total	Value	Per cent of total
Grand total.....	279,146	100.0	35,353	100.0	115,827	100.0	195,203	100.0	140,669	100.0
Mineral products.....	246,531	88.3	23,300	65.9	85,650	73.9	155,043	79.4	110,071	78.2
Ores, crude, or simply worked <sup>3</sup> .....	118,848	42.6	16,130	45.7	52,268	45.1	115,118	59.0	78,005	55.5
Copper bars, electrolytic, standard, or blister.....	112,655	40.4	14,638	41.4	43,987	38.0	103,856	53.2	67,737	48.2
Iron ore, crude.....	1,878	.7	472	1.3	2,388	2.1	2,603	1.3	2,776	2.0
Nitrate and iodine <sup>4</sup> .....	127,336	45.6	7,023	19.9	32,649	28.2	30,054	20.0	31,463	22.4
Agricultural products.....	12,310	4.4	3,071	8.7	13,249	11.5	15,182	7.8	13,752	9.8
Leguminous plants.....	4,754	1.7	990	2.8	5,700	4.9	7,241	3.7	6,423	4.6
Lentils.....	1,229	.4	481	1.4	3,939	3.4	4,116	2.1	3,700	2.6
Cereals.....	4,531	1.6	567	1.6	3,828	3.0	3,139	1.6	3,573	2.4
Oats.....	1,764	.6	185	.5	1,058	.9	1,490	.8	1,170	.8
Barley.....	2,679	1.0	337	1.0	1,168	1.0	1,649	.8	2,203	1.6
Fruits, tubers, and pot-herbs.....	2,402	.9	973	2.8	2,110	1.8	2,196	1.1	2,099	1.5
Fresh apples.....	419	.1	157	.4	564	.5	731	.4	835	.6
Walnuts.....	822	.3	245	.7	544	.5	395	.2	401	.3
Peaches, dried, pitted.....	498	.2	135	.4	262	.2	324	.2	188	.1
Animals and animal products, including fish and game.....	10,803	3.9	4,316	12.2	9,849	8.5	15,335	7.9	8,974	6.4
Wool and other textiles of animal origin, crude.....	6,898	2.5	1,035	8.6	5,533	4.8	9,377	4.8	5,624	4.0
Sheep's wool, washed and unwashed <sup>5</sup> .....	6,846	2.5	3,007	8.5	5,242	4.5	8,896	4.6	5,221	3.7
Leather and other animal matter, crude.....	2,621	.9	887	2.5	3,275	2.8	5,009	2.6	2,457	1.7
Hides and skins, not tanned.....	2,086	.7	611	1.7	2,440	2.1	3,889	2.0	1,747	1.2
Lipids and fats, in brine, in wooden containers.....	( <sup>6</sup> )		222	.6	552	.5	932	.5	606	.4
Foodstuffs.....	5,051	1.8	2,008	5.7	2,368	2.0	3,451	1.8	3,051	2.2
Meats, including jerked and salted meats.....	3,022	1.1	1,391	3.9	900	.8	1,569	.8	1,414	1.0
Meats, fresh and frozen.....	2,981	1.1	1,375	3.9	885	.8	1,550	.8	1,392	1.0
Starch, flour (or meal), and waste.....	1,501	.5	267	.8	664	.6	1,032	.5	857	.6
Specie and precious metals.....	119	.1	1,058	3.0	2,779	2.4	2,929	1.5	1,676	1.2
Gold and platinum, unwrought, and gold coins.....	117	( <sup>7</sup> )	1,013	2.9	2,653	2.3	2,890	1.5	1,675	1.2
Gold bars or ingots.....	( <sup>7</sup> )		983	2.8	2,362	2.0	2,232	1.1	867	.6
Natural products of waters and forests.....	1,535	.5	197	.6	588	.5	1,072	.5	1,122	.8
Beverages and liquours.....	458	.2	186	.5	410	.4	997	.5	929	.7
Chemical products.....	771	.3	449	1.3	256	.2	365	.2	426	.3
Miscellaneous manufactured products.....	681	.2	266	.7	362	.3	441	.2	408	.3
Textiles and products.....	89	( <sup>7</sup> )	66	.2	167	.1	163	.1	101	.1
Machinery, accessories, and tools.....	309	.1	153	.4	39	.1	79	( <sup>7</sup> )	75	( <sup>7</sup> )
Transport materials and accessories (railway, marine, aircraft, and automotive).....	175	.1	177	.5	33	( <sup>7</sup> )	55	( <sup>7</sup> )	46	( <sup>7</sup> )
Metal manufactures, n. e. s.....	312	.1	107	.3	77	.1	88	.1	35	( <sup>7</sup> )
Tobacco, manufactured.....	3	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	4	( <sup>7</sup> )	3	( <sup>7</sup> )

<sup>1</sup> Exports of Chilean products and nationalized products. Values are f. o. b. frontier, excluding export duties.<sup>2</sup> Classifications employed in this table are those given in the Chilean export statistics for 1938. Groups are ranked according to value in 1938.<sup>3</sup> Also pure metals.<sup>4</sup> Principally nitrate.<sup>5</sup> Principally unwashed wool.<sup>6</sup> Not shown separately.<sup>7</sup> Less than one-tenth of 1 percent.<sup>8</sup> Less than 500.Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República de Chile*.

A notable trend in Chilean mineral exports has been the shift in the relative importance of copper and nitrate. This trend is not a recent one; it dates from the World War of 1914-18 and the development of the synthetic-nitrogen process in consuming countries. In the period 1900-1913, nitrate accounted for 75 percent of all Chilean exports, while copper constituted only 5 percent; in the period 1920-31, the share of nitrate was 55 percent and that of copper was 25 percent. In 1929, copper, although still below nitrates in value, had grown to two-fifths of total Chilean exports. Although the value of exports of copper dropped to 15 million dollars in 1932, they maintained their percentage position. In 1937 exports of copper advanced to more than one-half of total exports and to two-thirds of exports of minerals, but in 1938 (when the value was 68 million dollars) they declined to 48 percent of total exports.

Nitrate and iodine,<sup>18</sup> on the other hand, declined in value from 127 million dollars in 1929 to 7 million dollars in 1932, and were approximately 20 percent of all exports in the latter year. Some recovery in percentage of trade took place in 1936, but in 1938, when exports of nitrate were valued at 31 million dollars, they accounted for little more than one-fifth of total exports, and less than one-fourth of all mineral exports. The nitrate industry was made a state monopoly in 1933. In 1935 Chile entered into international agreements with respect to the production and distribution of copper and nitrates. In the case of nitrates, a 3-year agreement was made with producers of synthetic nitrogen.

Two groups—animals and animal products (exclusive of meats), and agricultural products—have alternated as second or third in Chilean exports in recent years, and both have gained in percentage of total exports; their combined value, however, continues to be small compared with that of mineral products. The value of exports of animals and animal products ranged between 4 million (1932) and 15 million dollars (1937), and the share between 4 percent (1929) and 12 percent (1932) of all exports; in the years 1936-38 the share declined from 8 to 6 percent. Exports of agricultural products, which varied between 4 percent (1929) and 11 percent (1936), were about 10 percent of total exports in 1938. Values ranged from 3 million (1932) to 15 million dollars (1937); the 1938 figure was more than one-tenth greater than that of 1929.

Sheep's wool accounted for approximately two-thirds of the exports included in the animals-and-animal-products classification in the decade 1929-38. If meats, which in the Chilean export classification appear in the foodstuffs group, should be added to the animals-and-animal-products group, that group would constitute a greater percentage of total exports in most years in the period 1929-38 than did agricultural products. Meats, however, formed a smaller percentage of Chilean exports in 1938 than in 1929, whereas foodstuffs in general constituted a somewhat larger percentage. The chief agricultural commodities exported from Chile are legumes (lentils, beans, and chickpeas), cereals (oats and barley), and fruits, tubers, and greens; in 1937 these products accounted for nearly nine-tenths of all exports listed in the agricultural group.

<sup>18</sup> Mostly nitrate. Iodine is a byproduct of the nitrate industry.

The small ratio which exports of agricultural and pastoral products and foodstuffs bear to total Chilean exports, and Chile's substantial imports of these commodities, have been of concern to the Chilean Government; efforts have recently been made to diversify the agricultural economy and to promote more intensive cultivation of those agricultural commodities now produced.

Commodities other than mineral, agricultural, and pastoral have usually represented very small proportions of total exports from Chile. They include specie and precious metals; natural products of waters and forests; beverages and liqueurs; miscellaneous manufactured products; chemical products; textiles and products; metallurgical products; machinery, accessories, and tools; railway, marine, aircraft, and automotive materials and accessories; and manufactured tobacco. In 1929 all these groups combined constituted less than 2 percent of the total value of Chilean exports. In 1932, because of the decline in exports of minerals, they were nearly 8 percent of the total, but by 1938 the proportion had declined to little more than 3 percent. In absolute value, exports of these products dropped from 4.5 million dollars in 1929 to 2.7 million in 1932, and rose to 4.8 million dollars in 1938. Exports of specie and precious metals showed a continuous absolute increase until 1937. The increase in the production and export of gold has been an important factor in the Chilean economy.

Quantities, values, and unit values of selected exports from Chile, in specified years, 1929 to 1938, are shown in table 7. Exports of copper bars, the leading Chilean export during each of the years except 1929, declined sharply, in both quantity and value, in 1932 as compared with 1929. Thereafter they increased, the quantity in 1937 being about one and one-fourth times that in 1929, although the dollar value was only about nine-tenths of that in 1929. In 1938, exports of copper bars declined in quantity, although they were still considerably larger than in 1929; dollar values were only about three-fifths those in the latter year. Exports of copper ore were significant in 1929, but were unimportant in subsequent years (see table 7).

Chilean exports of iron ore, which amounted to 1.8 million long tons in 1929, declined to less than 200,000 tons in 1932. In the period 1936-38 they steadily increased, annual average exports in the 3 years amounting to about 1.4 million tons.

Exports of nitrate in 1929 amounted to more than 2.8 million long tons. After a decline to 240,000 tons in 1932 they recovered markedly, but in 1938 were less than three-fifths in terms of quantity, and only one-fourth in dollar value, of those in 1929.

In each year of the period 1936-38, exports of oats from Chile (in terms of quantity) exceeded those in 1929. Exports were largest in 1937. Dollar values, however, were considerably lower than in 1929, except in 1937 when they nearly reached the 1929 level. Chilean exports of barley in recent years have been almost as great as or greater than those in 1929; in 1938 they exceeded the quantity in 1929 by nearly one-half. Exports of sheep's wool in years prior to 1939 displayed less variation in quantity than any other Chilean export commodity mentioned, although dollar values fluctuated considerably.

*Destination.*—The principal markets for Chilean products sold abroad in 1938, with the share of the value of total exports taken by each (as recorded in official statistics), were the United Kingdom,



22 percent; the United States, 15 percent; Germany, 10 percent; and Belgium, 8 percent. Other purchasers in 1938 included France, Italy, Sweden, Japan, and Argentina. The percentages given above do not include purchases of nitrate, iodine, and certain other commodities,<sup>19</sup> which accounted for more than 22 percent of all Chilean exports in 1938 (see table 9). The value of exports of nitrate and iodine in recent years has not been included in the statistics of trade with specific countries; it is impossible, therefore, to give an accurate indication of the geographic distribution of Chilean exports. Exports to selected countries, in specified years, 1929 to 1938, are shown in gold pesos in table 8 and in dollars in table 9.<sup>20</sup> More detailed data for 1937 are shown in table 10.

TABLE 7.—Chile: Exports of selected commodities, in specified years, 1929 to 1938

Commodity	1929	1932	1936	1937	1938
Quantity					
Copper bars, short tons.....	339,844	132,189	263,712	422,455	385,056
Copper ore, short tons.....	116,773	6,852	7,164	24,861	5,769
Iron ore, long tons.....	1,787,258	195,855	1,328,351	1,449,461	1,546,072
Sodium nitrate, long tons.....	2,851,162	239,545	1,265,972	1,582,588	1,547,968
Oats, 1,000 bu.....	3,214	873	3,317	4,171	3,620
Barley, 1,000 bu.....	2,383	910	2,236	2,039	3,493
Wool, sheep's, 1,000 lb. (gross weight).....	23,449	25,040	20,970	26,586	21,487
Value (1,000 U. S. dollars) <sup>1</sup>					
Copper bars.....	112,655	14,638	43,987	103,856	67,737
Copper ore.....	3,348	52	64	269	59
Iron ore.....	1,878	472	2,388	2,603	2,776
Sodium nitrate.....	117,545	5,361	29,153	34,312	29,160
Oats.....	1,764	185	1,058	1,649	1,170
Barley.....	2,679	337	1,168	1,490	2,203
Wool, sheep's.....	6,848	3,007	5,242	8,896	5,221
Unit value (U. S. dollars)					
Copper bars, short tons.....	331.49	110.74	166.80	245.84	175.91
Copper ore, short tons.....	28.67	8.43	8.87	10.80	10.17
Iron ore, long tons.....	1.05	2.41	1.80	1.80	1.80
Sodium nitrate, long tons.....	41.23	22.38	23.03	21.68	18.84
Oats, bu.....	.549	.212	.319	.395	.323
Barley, bu.....	1.12	.370	.522	.731	.631
Wool, sheep's, lb. (gross weight).....	.292	.120	.250	.335	.243

<sup>1</sup> Converted at values shown in table 6.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República de Chile and Estadística Chilena*.

In 1936 and 1937 the United States took approximately 20 percent of all Chilean exports, exclusive of nitrate and iodine. In 1938, its share dropped to less than 16 percent. The value of United States purchases in these years ranged from 22 million (1938) to 44 million dollars (1937).<sup>21</sup> Since most of the Chilean copper is exported to the United States for refining and export (principally to Europe and Japan), the United States, as an ultimate market for Chilean products,

<sup>19</sup> Beginning January 1, 1938, all shipments of copper bars, the destination of which is not known at the time of embarkation, as well as all shipments of sodium nitrate, sodium sulphate, iodine, and guano, are included under the heading "To order" (table 8).

<sup>20</sup> For 1929 and 1932, exports of nitrates are included in the country figures.

<sup>21</sup> A comparison of the trade with individual countries in 1936-38 with that in 1929 and 1932 is not practicable, inasmuch as in 1936-38 the value of nitrate and iodine shipments was not included in the exports to the various countries.

is less important than appears from these statistics. This is offset in large part, however, by exports to the United States of nitrates, which are not recorded in the geographic distribution of exports from Chile.<sup>22</sup>

TABLE 8.—Chile: Foreign trade with selected countries, in specified years, 1929 to 1938

[Value in thousands of pesos of 6 pence gold]

Country	1929	1932	1936	1937	1938
<b>Exports to 1—</b>					
All countries.....	2, 293, 726	290, 494	562, 269	947, 589	682, 858
UNITED STATES.....	582, 470	76, 799	109, 450	213, 402	107, 334
United Kingdom.....	308, 484	91, 431	91, 973	185, 233	148, 742
Germany.....	197, 711	39, 935	54, 365	90, 232	68, 402
Japan.....	11, 847	253	8, 420	14, 948	16, 591
Italy.....	40, 959	12, 236	24, 510	43, 241	27, 560
France.....	140, 592	13, 486	33, 720	46, 945	30, 744
All other.....	255, 596	54, 929	67, 719	134, 395	* 119, 487
To order 2.....	757, 987	1, 425	13, 621	29, 611	17, 267
Nitrate and iodine.....	(4)	(4)	* 158, 491	* 189, 582	* 152, 731
<b>Imports from 1—</b>					
All countries.....	1, 617, 564	213, 786	346, 733	428, 866	498, 957
UNITED STATES.....	520, 523	49, 413	87, 973	12, 748	138, 933
United Kingdom.....	285, 642	27, 535	45, 507	46, 741	50, 570
Germany.....	249, 948	31, 540	99, 662	111, 666	128, 804
Japan.....	12, 430	1, 204	9, 937	11, 097	12, 518
Italy.....	52, 594	7, 266	5, 358	8, 189	13, 362
France.....	71, 003	10, 056	6, 737	8, 005	9, 911
All other 3.....	425, 024	86, 772	91, 559	118, 419	* 144, 859

1 Exports of Chilean products. Values are f. o. b. frontier, excluding export duties.

2 Includes trade with the following countries:

Exports to—	Pesos (1,000)	Imports from—	Pesos (1,000)
Belgium.....	53, 213	Peru.....	29, 033
Sweden.....	21, 021	Denmark.....	22, 467
Argentina.....	10, 068	Argentina.....	21, 749
		Sweden.....	8, 630

\* Included in the total, but not included in data for individual countries. Beginning January 1, 1938, all shipments of copper bars, the destination of which is not known at the time of embarkation, are included under the heading "To order."

2 Exports of nitrate and iodine valued in 1929 at 1,046,311,471 pesos (\$127,336,106), and in 1932 at 57,708,768 pesos (\$7,023,157), are distributed among the various countries.

3 Imports for consumption. Values are c. i. f.

4 Includes a negligible amount of salvage (de naufragio) for which no country break-down is available.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República de Chile*.

Exports from Chile to the United Kingdom, which in the 3 years 1936–38 ranged between 19 million (1936) and 38 million dollars (1937), increased from 16 percent of all exports in 1936 to nearly 22 percent in 1938.

Purchases of Chilean products by Germany in the period 1936–38 constituted approximately 10 percent of all exports. In value they varied from 11 million (1936) to 19 million dollars (1937). The share of France in the 3 years 1936–38 ranged from 4.5 to 6 percent, while that of Italy was about 4 percent.<sup>23</sup>

Exports from Chile to other countries of Latin America ordinarily are not large. In 1937 they amounted to approximately 7 million

<sup>22</sup> In 1939 United States imports of copper from Chile for smelting or refining and export amounted to 13.2 million dollars; United States imports of sodium nitrate from Chile were valued at 11.2 million dollars in that year.

<sup>23</sup> The value of exports to France, Italy, and Japan in 1936–38 varied as follows: France, from 6.3 million (1936) to 9.7 million dollars (1937); Italy, from 5 million (1936) to 8.9 million dollars (1937); and Japan, from 1.7 million (1936) to 3 million dollars (1937).

dollars, or less than 4 percent of total exports. Argentina was the principal country of destination.

TABLE 9.—Chile: Foreign trade with selected countries, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Country	1929 (1 peso of 6d. gold=\$0.1217)		1932 (1 peso of 6d. gold=\$0.1217)		1936 (1 peso of 6d. gold=\$0.2060)		1937 (1 peso of 6d. gold=\$0.2060)		1938 (1 peso of 6d. gold=\$0.2060)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
<b>Exports to <sup>1</sup>—</b>										
All countries.....	279, 146	100.0	35, 353	100.0	115, 827	100.0	195, 203	100.0	140, 669	100.0
UNITED STATES.....	70, 886	25.4	9, 346	26.4	22, 547	19.4	43, 961	22.5	22, 111	15.7
United Kingdom.....	37, 297	13.4	11, 127	31.5	18, 946	16.4	38, 158	19.5	30, 641	21.8
Germany.....	24, 051	8.6	4, 869	13.8	11, 199	9.7	18, 888	9.5	14, 021	10.0
Japan.....	1, 454	.5	31	.1	1, 735	1.5	3, 079	1.6	2, 182	1.6
Italy.....	4, 985	1.8	1, 489	4.2	5, 049	4.4	8, 907	4.6	5, 677	4.0
France.....	17, 110	6.1	1, 641	4.6	6, 946	6.0	9, 671	4.9	6, 333	4.5
All other.....	31, 106	11.1	6, 635	18.9	13, 950	12.0	27, 685	14.2	24, 614	17.5
To order <sup>2</sup> .....	92, 247	33.1	174	.5	2, 806	2.4	6, 100	3.1	3, 557	2.5
Nitrate and iodine.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	32, 649	28.2	39, 054	20.0	31, 463	22.4
<b>Imports from <sup>4</sup>—</b>										
All countries.....	196, 858	100.0	26, 018	100.0	71, 427	100.0	88, 346	100.0	102, 785	100.0
UNITED STATES.....	63, 348	32.2	6, 014	23.1	18, 123	25.4	25, 698	29.1	28, 620	27.8
United Kingdom.....	34, 811	17.7	3, 351	12.9	9, 374	13.1	9, 629	10.9	10, 417	10.2
Germany.....	30, 419	15.4	3, 838	14.7	20, 530	28.7	23, 093	26.0	26, 534	25.8
Japan.....	1, 513	.8	147	.6	2, 077	2.9	2, 286	2.6	2, 579	2.5
Italy.....	6, 401	3.2	884	3.4	1, 104	1.6	1, 637	1.9	2, 752	2.7
France.....	8, 641	4.4	1, 224	4.7	1, 388	1.9	1, 649	1.9	2, 042	2.0
All other <sup>5</sup> .....	51, 725	26.3	10, 560	40.6	18, 861	26.4	24, 394	27.6	29, 841	29.0

<sup>1</sup> Exports of Chilean products. Values are f. o. b. frontier, excluding export duties.

<sup>2</sup> Includes trade with the following countries:

Exports to—	U. S. dollars (1,000)	Percent of total	Imports from—	U. S. dollars (1,000)	Percent of total
Belgium.....	10, 982	7.8	Peru.....	5, 981	5.8
Sweden.....	4, 330	3.1	Denmark.....	4, 628	4.5
Argentina.....	2, 074	1.5	Argentina.....	4, 480	4.4
			Sweden.....	1, 778	1.7

<sup>3</sup> Included in the total, but not included in data for individual countries. Beginning January 1, 1938, all shipments of copper bars, the destination of which is not known at the time of embarkation, are included under the heading "To order."

<sup>4</sup> Exports of nitrate and iodine valued in 1929 at 1,046,311,471 pesos (\$127,336,106), and in 1932 at 57,708,768 pesos (\$7,023,157), are distributed among the various countries.

<sup>5</sup> Imports for consumption. Values are c. i. f.

<sup>6</sup> Includes a negligible amount of salvage (de naufragio) for which no country break-down is available.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República de Chile*.

Exports of nitrate and iodine (not recorded by countries of destination) in 1936 and 1937 accounted for 28 percent and 20 percent, respectively, of all Chilean exports. It is reported that in 1936 and 1937 the principal markets for nitrate were, in the order named, the United States, Egypt, Germany, and the United Kingdom. In the period 1935-37, the United States and the United Kingdom occupied first and second place, respectively, as destinations for Chilean mineral products other than nitrate and iodine. In 1937, the United States took approximately one-fourth of the value of such products, and the United Kingdom approximately one-fifth. The United Kingdom was the principal market for electrolytic copper bars (refined), while the United States led in the purchase of standard copper bars (unrefined). All Chilean exports of iron ore go to the United States;

the United States also is the leading purchaser of Chilean gold ores and gold concentrates. Bolivia ranked first in 1937 as an importer of Chilean coal.<sup>24</sup>

TABLE 10.—Chile: Foreign trade, by geographic areas and principal countries, in 1937

[Value in thousands of U. S. dollars]

Exports <sup>1</sup> (1 peso of 6d. gold=\$0.2060)			Imports <sup>2</sup> (1 peso of 6d. gold=\$0.2060)		
To—	Value	Percent of total	From—	Value	Percent of total
<b>Western Hemisphere:</b>			<b>Western Hemisphere:</b>		
UNITED STATES.....	43,961	22.5	UNITED STATES.....	25,696	29.1
Canada.....	9	( <sup>3</sup> )	Canada.....	543	.6
Argentina.....	2,310	1.2	Peru.....	7,159	8.1
Cuba.....	1,381	.7	Argentina.....	3,796	4.3
Peru.....	989	.5	Venezuela.....	1,168	1.3
Bolivia.....	675	.4	Brazil.....	896	1.0
Brazil.....	639	.3	Curaçao.....	693	.8
Ecuador.....	352	.2	Ecuador.....	575	.7
Uruguay.....	215	.1	Mexico.....	470	.5
All other Western Hemisphere countries.....	614	.3	All other Western Hemisphere countries.....	473	.6
<b>Total.....</b>	<b>51,145</b>	<b>28.2</b>	<b>Total.....</b>	<b>41,471</b>	<b>47.0</b>
<b>Europe:</b>			<b>Europe:</b>		
United Kingdom.....	38,158	19.6	United Kingdom.....	9,629	10.9
Germany.....	18,588	9.5	Germany.....	23,003	26.0
France.....	9,671	4.9	France.....	1,649	1.9
Italy.....	8,907	4.6	Italy.....	1,687	1.9
Belgium.....	11,746	6.0	Belgium-Luxemburg.....	1,923	2.2
Sweden.....	7,401	3.8	Sweden.....	1,055	1.2
All other European countries.....	1,319	.7	Netherlands.....	629	.7
			Switzerland.....	480	.5
			All other European countries.....	1,153	1.3
<b>Total.....</b>	<b>95,790</b>	<b>49.1</b>	<b>Total.....</b>	<b>41,208</b>	<b>46.6</b>
<b>Asia:</b>			<b>Asia:</b>		
Japan.....	3,079	1.6	Japan.....	2,286	2.6
All other Asiatic countries.....	23	( <sup>4</sup> )	British India.....	1,058	1.2
			All other Asiatic countries.....	171	.2
<b>Total.....</b>	<b>3,102</b>	<b>1.6</b>	<b>Total.....</b>	<b>3,515</b>	<b>4.0</b>
<b>Africa:</b>			<b>Africa:</b>		
	( <sup>5</sup> )	( <sup>6</sup> )	Egypt.....	640	.7
			All other African countries.....	18	( <sup>4</sup> )
			<b>Total.....</b>	<b>658</b>	<b>.7</b>
<b>Oceania:</b>			<b>Oceania:</b>		
	12	( <sup>4</sup> )	Java.....	1,407	1.6
			All other countries of Oceania.....	79	.1
			<b>Total.....</b>	<b>1,486</b>	<b>1.7</b>
Nitrate and iodine.....	39,054	20.0	"De naufragios" (Shipwrecked, lost).....	8	( <sup>4</sup> )
On consignment (to order).....	6,100	3.1			
<b>Grand total.....</b>	<b>195,203</b>	<b>100.0</b>	<b>Grand total.....</b>	<b>88,346</b>	<b>100.0</b>

<sup>1</sup> Export values are f. o. b. frontier, excluding export duties. Values in statistics are based on British gold pound; pesos are of 6 pence gold, having been converted by the Government to the British equivalent. This theoretical trade peso is converted at \$0.2060 to U. S. currency.

<sup>2</sup> Imports for consumption. Values are c. i. f., as declared by merchants.

<sup>3</sup> Less than \$500.

<sup>4</sup> Less than one-tenth of 1 percent.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República de Chile, 1937*.

<sup>24</sup> The discussions of export commodities by countries of destination and of import commodities by countries of origin are based on statistics furnished by the Division of Regional Information, U. S. Department of Commerce. Data for years subsequent to 1937 are not readily available.

Of animal products exported by Chile in the years 1935-37, Germany and the United Kingdom were the principal markets for sheep's wool, Germany and Italy for cattle hides, and Germany and the United States for sheepskins.

Chilean agricultural exports in the period 1935-37 went largely to Europe. Germany was the leading market for oats, and the United Kingdom for barley; except in 1935, Belgium occupied second place in purchases of these two cereals. Germany was the first country of destination for exports of legumes (beans, peas, lentils), while Argentina and Germany were the leading markets for fresh and dried fruits and vegetables. Cuba, the United States, and Argentina, in the order named, took over three-fourths of all Chilean exports of garlic. Lumber in 1935-36 went principally to Argentina, Peru, and Bolivia; in 1937, however, the leading country of destination was Germany.

#### Imports into Chile.

*Composition.*—Chilean imports consist chiefly of textiles and their manufactures; unworked iron and steel and iron and steel manufactures; machinery, accessories, and tools; chemical products; miscellaneous manufactured products; and transport material and accessories. In 1938 these six groups accounted for more than three-fourths of all imports, and in 1929 for four-fifths. Imports into Chile, by groups and principal subgroups, in specified years, 1929 to 1938, are shown in gold pesos in table 11 and in dollars in table 12.

The variations in the value of Chilean imports during the decade 1929-38 were more conspicuous in certain groups than in others. Capital goods, as might be expected, varied more than consumer goods. The small imports of transport materials and accessories, metal manufactures, and machinery, accessories, and tools in 1932 made the percentage shares of such groups as agricultural products and foodstuffs higher in that year than in other years shown in table 12. The changes in values from year to year were in some part the result of price fluctuations. In terms of dollar value, imports in all groups in 1938 were smaller than in 1929, but larger (in most cases far larger) than in 1932. In dollar value, the ratios of imports in 1938 to those in 1929 for the major groups were as follows: Textiles and manufactures, 32 percent; metal manufactures, 62 percent; machinery, accessories, and tools, 48 percent; chemical products, 64 percent; miscellaneous manufactured products, 44 percent; agricultural products, 80 percent; nonmetallic mineral products, 81 percent; transport materials and accessories, 81 percent; and foodstuffs, 48 percent.

Except in 1938, the most important single Chilean import group in recent years was textiles and their manufactures. The value of imports of textiles ranged between 4.6 million dollars (1932) and 48 million dollars (1929), and was 15.4 million in 1938. Imports in this classification amounted to 15 percent of total imports in 1938 as compared with 25 percent in 1929. This decline is attributable in part to the growing importance of the Chilean textile industry. Fabrics ordinarily account for more than one-half of Chilean textile imports. The share of yarns, as well as that of raw cotton, increased substantially after 1929, but that of wearing apparel declined.

In 1938 there was a sharp increase in imports of transport material, which became the largest single import classification. By far the

greater part of the transport materials consists of automobiles, parts, and accessories. Imports of vehicles, which were 8 percent (by value) of total imports in 1929, reached a low of 1 percent in 1932, but in 1938 again stood at 8 percent and amounted to 8.2 million dollars.

TABLE 11.—Chile: Imports,<sup>1</sup> by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of pesos of 6 pence gold]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total	1,617,564	213,786	346,733	428,866	498,957
Transport material and accessories	176,055	3,893	27,072	24,624	84,845
Vehicles, n. e. s., and components and spares <sup>3</sup>	134,423	3,073	15,778	19,476	40,001
Textiles and manufactures	397,747	37,622	73,689	73,502	74,943
Tissues (fabrics)	223,172	17,681	42,866	43,674	43,325
Yarns	44,279	11,121	21,456	21,579	22,091
Wearing apparel	42,656	2,148	8,431	4,041	4,674
Machinery, accessories, and tools	230,289	20,674	52,738	60,469	64,991
Chemical products	154,621	39,541	48,802	53,693	58,114
Blackings, resins, and industrial fats and oils	61,337	17,172	16,300	20,997	22,247
Metal products	155,519	17,090	44,411	61,574	56,636
Iron and steel, unworked	51,348	5,362	19,231	27,385	24,208
Iron and steel manufactures	67,801	7,475	15,702	19,194	19,606
Miscellaneous manufactured products, n. e. s.	179,975	23,159	33,227	41,984	46,495
Articles and instruments for the sciences and fine arts, etc.	33,618	3,164	8,946	11,513	14,886
Ceramicware, glassware, and manufactured stones and earthen	29,799	2,963	6,099	8,081	6,930
Paper and cardboard	30,521	9,689	5,299	7,625	7,873
Prepared stones and earthen	26,306	1,304	782	1,391	1,119
Tannery products, furs, and derivatives	16,218	580	615	798	899
Agricultural products	79,755	29,634	27,238	39,433	37,532
Vegetable food products and stimulants	43,247	15,161	11,439	15,332	10,768
Oleaginous raw materials of vegetable origin, crude	2,941	2,530	4,861	7,564	9,049
Cereals	16,496	7,280	4,424	5,295	7,687
Rice	16,050	4,627	4,836	4,920	3,745
Raw textile materials of vegetable origin	1,272	376	4,051	8,174	6,469
Cotton, raw, ginned, or unginned	( <sup>4</sup> )	326	2,838	6,046	4,792
Mineral products (mainly nonmetallic)	63,706	14,223	18,738	33,214	30,435
Coal and fuel oil	54,129	12,577	15,653	27,315	27,403
Craft and navigating material	1,232	81	169	163	33,434
Foodstuffs	88,148	23,810	16,827	21,738	24,939
Sugar and derivatives	55,827	17,359	14,281	17,065	18,902
Oils, edible	21,373	5,180	1,490	2,232	4,121
Animals and animal products, including fish and game	71,954	2,665	7,212	14,710	16,389
Live animals	62,200	1,975	3,939	10,561	11,306
Natural products of waters and forests	13,731	819	1,485	3,345	2,451
Beverages and manufactured tobacco	5,859	654	551	625	879
Specie and precious metals	564	3	25	76	258

<sup>1</sup> Imports for consumption. Values are c. i. f.

<sup>2</sup> Classifications employed in this table are those given in the Chilean trade statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Principally automobiles and accessories.

<sup>4</sup> Not shown separately.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República de Chile*.

Metal products (chiefly semifinished and finished iron and steel products), imports of which ranged from 2 million (1932) to 19 million dollars (1929), formed 9.6 percent of total imports in 1929, as compared with 11.3 percent (11.7 million dollars) in 1938. Imports of iron and steel manufactures, however, remained fairly constant in their percentage of total imports. The notable increase within this group was largely in unworked iron and steel. Imports of these products were 6.4 percent of the value of all imports in 1937 and 4.9 percent in 1938, as compared with 3.2 percent in 1929; this change indicates the growth of Chilean manufacturing and the attempt to develop further the domestic fabrication of iron and steel. Approxi-

TABLE 12.—Chile: Imports,<sup>1</sup> by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group, sub-group, or commodity <sup>1</sup>	1929 (1 peso of 6d. gold=\$0.1217)		1932 (1 peso of 6d. gold=\$0.1217)		1936 (1 peso of 6d. gold=\$0.2060)		1937 (1 peso of 6d. gold=\$0.2060)		1938 (1 peso of 6d. gold=\$0.2060)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Grand total.....	196,838	100.0	26,018	100.0	71,427	100.0	88,346	100.0	102,785	100.0
Transport material and accessories.....	21,426	10.9	474	1.8	5,577	7.8	5,073	5.7	17,478	17.0
Vehicles, n. e. s., and components and spares <sup>2</sup>	16,359	8.3	374	1.4	3,250	4.6	4,012	4.5	8,240	8.0
Textiles and manufactures.....	48,406	24.6	4,579	17.6	15,180	21.3	15,141	17.1	15,438	15.0
Tissues (fabrics).....	27,160	13.8	2,152	8.3	8,830	12.4	6,997	10.2	8,925	8.7
Yarns.....	5,389	2.7	1,353	5.2	4,420	6.2	4,445	5.0	4,551	4.4
Wearing apparel.....	5,191	2.6	261	1.0	707	1.0	833	.9	963	.9
Machinery, accessories, and tools.....	28,028	14.2	2,516	9.7	10,868	15.2	12,444	14.1	13,388	13.0
Chemical products.....	18,817	9.6	4,812	18.5	8,961	12.5	11,048	12.5	11,971	11.7
Blackings, resins, and industrial fats and oils.....	7,465	3.8	2,090	8.0	3,358	4.7	4,325	4.9	4,583	4.5
Metal products.....	18,927	9.6	2,080	8.0	9,149	12.8	12,684	14.4	11,665	11.3
Iron and steel, unworked	6,249	3.2	653	2.5	3,962	5.5	5,641	6.4	4,987	4.9
Iron and steel manufactures	8,251	4.2	910	3.5	3,235	4.5	3,948	4.5	4,039	3.9
Miscellaneous manufactured products, n. e. s.	21,903	11.1	2,818	10.8	6,845	9.6	8,649	9.8	9,578	9.3
Articles and instruments for the sciences and fine arts, etc	4,091	2.1	385	1.5	1,843	2.6	2,372	2.7	3,066	3.0
Ceramicware, glassware, and manufactured stones and earthen	3,627	1.8	361	1.4	1,257	1.8	1,665	1.9	1,428	1.4
Paper and cardboard.....	3,714	1.9	1,179	4.5	1,062	1.5	1,571	1.8	1,622	1.6
Prepared stones and earthen.....	3,201	1.6	159	.6	161	.2	287	.3	23	.2
Tannery products, furs, and derivatives.....	1,974	1.0	71	.3	127	.2	164	.2	185	.2
Agricultural products.....	9,706	4.9	8,606	33.9	5,611	7.8	8,123	9.2	7,744	7.5
Vegetable food products and stimulants.....	5,263	2.7	1,845	7.1	2,356	3.3	3,200	3.6	2,218	2.2
Oleaginous raw materials of vegetable origin, crude	358	.2	308	1.2	1,001	1.4	1,558	1.8	1,864	1.8
Cereals.....	2,004	1.0	866	3.4	911	1.3	1,091	1.2	1,583	1.5
Rice.....	1,953	1.0	663	2.2	893	1.3	1,013	1.1	771	.8
Raw textile materials of vegetable origin	155	.1	46	.2	835	1.2	1,684	1.9	1,333	1.3
Cotton, raw, ginned, or unginned.....	( <sup>3</sup> )		40	.2	577	.8	1,246	1.4	987	1.0
Mineral products (mainly nonmetallic).....	7,753	3.9	1,731	6.7	3,860	5.4	6,842	7.8	6,270	6.1
Coal and fuel oil.....	6,587	3.3	1,531	5.9	3,225	4.5	5,627	6.4	5,645	5.5
Craft and navigating material.....	150	.1	10	( <sup>4</sup> )	35	( <sup>4</sup> )	34	( <sup>4</sup> )	6,887	6.7
Foodstuffs.....	10,728	5.5	2,898	11.1	3,466	4.8	4,478	5.1	5,138	5.0
Sugar and derivatives.....	6,794	3.5	2,113	8.1	2,942	4.1	3,515	4.0	3,894	3.8
Oils, edible.....	2,601	1.3	630	2.4	207	.4	460	.5	549	.8
Animals and animal products, including fish and game.....	8,713	4.5	324	1.2	1,486	2.1	3,030	3.4	3,376	3.3
Live animals.....	7,570	3.8	240	.9	811	1.1	2,175	2.5	2,329	2.3
Natural products of waters and forests.....	1,671	.8	100	.4	306	.4	689	.8	505	.5
Beverages and manufactured tobacco.....	713	.4	80	.3	113	.2	129	.1	181	.2
Specie and precious metals.....	69	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	5	.1	16	( <sup>5</sup> )	53	.1

<sup>1</sup> Imports for consumption. Values are c. i. f.<sup>2</sup> Classifications employed in this table are those given in the Chilean import statistics for 1938. Groups are ranked according to value in 1938.<sup>3</sup> Principally automobiles and accessories.<sup>4</sup> Not shown separately.<sup>5</sup> Less than one-tenth of 1 percent.<sup>6</sup> Less than \$500.Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República de Chile*.

mately two-thirds of the unworked iron and steel consisted of rolled iron or steel, in bars and sheets. Imports of nonmetallic minerals, principally coal and fuel oil, likewise increased irregularly from about 4 percent of total imports in 1929 to nearly 8 percent in 1937; in 1938, they declined to about 6 percent. Values varied from 1.7 million (1932) to 7.7 million dollars (1929); in 1938 they were 6.3 million dollars.

Imports of chemical products formed a larger proportion of total imports in 1936-38 than in 1929; the values ranged from 2.5 million (1932) to 19 million dollars (1929), and amounted to 12 million dollars in 1938. Imports of miscellaneous manufactured products, however, declined irregularly from 11 percent in 1929 to 9 percent in 1938, probably reflecting the development of the domestic manufacture of consumer goods. Values of miscellaneous manufactured goods ranged from 2.8 million (1932) to 22 million dollars (1929), and in 1938 amounted to 9.6 million dollars.

Chile imports agricultural and pastoral products, such as cattle, sugar, fruits, coffee, rice, and olive oil. In 1938, imports of agricultural products, foodstuffs, and animals and animal products (together valued at 16 million dollars) constituted nearly 16 percent of all imports. The Chilean Government is making efforts to improve methods of cultivation, and to encourage the production of agricultural products now imported. Agricultural commodities, largely vegetable food products and cereals, increased irregularly from 5 percent of total imports in 1929 to more than 9 percent in 1937, and declined to 7 percent in 1938. Imports of cereals consist chiefly of rice, but in 1932-33 it was necessary to import wheat because of the short crop in 1931-32. Imports of animals and animal products, representing from about 1 percent to over 4 percent of total imports, declined, both absolutely and relatively, in the decade 1929-38.

The share of Chilean imports of foodstuffs (processed foods) remained fairly constant at about 5 percent of total imports, except in 1932, when it was more than double that figure because of the extremely small imports of capital goods and durable consumers' goods in that year. The foodstuffs group is composed largely of sugar and edible oils; in the period 1936-38 much the greater portion consisted of sugar, imports of edible oils having declined since 1932. Most of Chile's sugar requirements are imported, chiefly from Peru in the raw state for local refining.

*Sources.*—Notable developments in the distribution of Chilean imports in the decade 1929-38 were the decline in the shares supplied by the United States and the United Kingdom, and the substantial increase in that supplied by Germany. The principal sources of Chilean imports in 1938, with share of the total value supplied by each, were the United States, 28 percent; Germany, 26 percent; and the United Kingdom, 10 percent. In that year these three countries furnished nearly two-thirds of all imports. Other important suppliers were Peru, Denmark, and Argentina. Imports into Chile from selected countries, in specified years, 1929 to 1938, are shown in pesos in table 8 and in dollars in table 9. More detailed data for 1937 are shown in table 10.

In each year of the decade 1929-38, the United States was the leading supplier of imports into Chile, except in 1936, when Germany occupied that position. In the 3 years 1936-38, the share of



the United States was somewhat more than one-fourth, as compared with about one-third in 1929. In terms of dollar value, imports from the United States varied between 6 million (1932) and 63 million dollars (1929), and amounted to 29 million in 1938. The decline in the position of the United States is attributable to the operation of Chilean clearing agreements with European and South American countries, to the scarcity of free exchange, and to the policies of the Exchange Control Commission.

Chilean imports from the United Kingdom in the decade 1929-38 ranged from 3.3 million (1932) to 35 million dollars (1929). The share of the United Kingdom in Chile's import trade declined irregularly from 18 percent in 1929 to 10 percent in 1938. Germany's share, however, increased irregularly from 15 percent in 1929 to 26 percent in 1938, largely as a result of compensation agreements and increased sales of railroad equipment. The value of imports from Germany ranged from 4 million (1932) to 30 million dollars (1929), and in 1938 was 26.5 million dollars.

Imports from France, which ranged between 4 percent of all imports in 1929 and 5 percent in 1932, declined to less than 2 percent in the period 1936-38. The share of Italy also declined to less than 2 percent in 1936-37, but increased in 1938 as a result of Chilean purchases of Italian airplanes. Imports from Japan, which were less than 1 percent in 1929 and 1932, ranged between 2 and 3 percent in the period 1936-38; the increase was largely accounted for by cotton textiles.<sup>25</sup>

Imports into Chile from other countries of Latin America represent a substantial part of total imports. In 1937 such imports, which come principally from Peru and Argentina, amounted to more than 14 million dollars, or 16 percent of the total Chilean import trade.

The United Kingdom was the most important supplier of Chilean textile imports in the period 1935-37. In 1937, the United Kingdom furnished nearly one-third of such imports, while Germany supplied one-fourth and Japan more than one-seventh. Third place in 1935 and 1936 was held by the United States. The United Kingdom has ordinarily been the first supplier of yarns and threads, and cotton, wool, and silk cloth and mixtures. The United States has usually led in furnishing osnaburgs, and India in supplying sacks and bagging. Imports of jute bags from India, however, have declined because of the expansion of the domestic bag-producing industry; such imports are being replaced by imports of raw jute.

As a supplier of metal products, which includes unworked iron and steel, and iron and steel manufactures except machinery and vehicles, Germany held first place in the period 1935-37, furnishing more than one-half of such imports in 1935, three-fifths in 1936, and nearly one-half in 1937. The United States and the United Kingdom occupied second and third places in these years.

The chief suppliers of machinery and tools in the years 1935-37 were the United States and Germany. Germany, the United States, and the United Kingdom, in the order named, were the chief suppliers of miscellaneous manufactures, a group which includes glass, stone, and ceramic products; paper and cardboard; jewelry and watches;

<sup>25</sup> Imports from France, Italy, and Japan varied in value as follows: France, from 1.2 million (1932) to 8.6 million dollars (1929); Italy, from 884,000 (1932) to 6.4 million dollars (1929); Japan, from 147,000 (1932) to 2.6 million dollars (1938).

and scientific, musical, and professional apparatus. For other Chilean imports, the principal suppliers in 1937 were as follows: Agricultural products, Java (mainly rice); nonmetallic mineral products, the United States (petroleum); transport materials and accessories, the United States; foodstuffs, Peru (mainly sugar); animal products, Argentina; and forest products, the United States.

### UNITED STATES TRADE WITH CHILE

Commerce between the United States and Chile consists principally of the exchange of a variety of United States manufactured products (especially machinery and vehicles) for Chilean copper, natural sodium nitrate, and iron ore. Prior to the war, however, most of the copper was entered for refining and export and not for consumption in the United States.

Because of economic and technological developments acutely affecting the world demand for sodium nitrate and copper, United States trade with few countries underwent such extreme variation in the decade 1929-38 as did its trade with Chile. In the general industrial depression following 1929, the markets for copper and sodium nitrate shrank drastically; this was reflected in the markedly smaller value of United States imports of these products from Chile. The decline in imports, moreover, was aggravated by the displacement of natural sodium nitrate by synthetic nitrogen. The effect of this situation was not merely limited to a contraction of United States imports from Chile; it also resulted in a decline of Chilean purchasing power, which contributed to a very sharp reduction in United States sales to Chile.

Although United States-Chilean trade increased materially after 1932, continued low prices and the reduced demand for sodium nitrate and copper have held the trade in recent years at a level considerably below that prevailing before the depression. Since copper and sodium nitrate are both strategic war materials, imports from Chile may increase in both volume and average price as a result of the present war.

#### Trend of United States-Chilean trade.

The acute contraction in United States trade with Chile during the depression years had a marked effect upon Chile's relative position in the United States import and export trade with Latin America, as is indicated in table 13. By 1933 United States imports from Chile had fallen to one-ninth of their value in 1929, and to one-seventh of the 1924-28 average. Chile's share in total purchases from Latin America was also greatly reduced. The relative decline in the value of United States exports to Chile and in its share in total United States exports to Latin America was even greater than for imports therefrom. Chile's share in United States purchases from and sales to Latin America has improved materially since 1932 and 1933, and, while it has not reached the level of the peak year 1929, the share in recent years compared favorably with that in the period 1924-28.

Since the outbreak of the war the increase in the trade with Chile has been extraordinarily great compared with the rest of Latin America. Imports from Chile in 1940 were valued at 64.9 million dollars, or more than one and one-half times those in 1939 and more than two and one-fourth times those in 1938. Most of the increase

in imports from Chile in this period has been due to the greater imports of copper arising out of the war demand. Expanded sales to Chile at this time have been in part due to the diversion to the United States of purchases from Germany, for several years the second largest source of imports into Chile. Exports to Chile in 1940 amounted to 43.4 million dollars, as compared with 26.8 million in 1939 and 24.6 million in 1938.

TABLE 13.—United States imports from and exports to Chile, 1924-40

(Value in thousands of dollars)

Year	General imports		Exports (including reexports)		Year	General imports		Exports (including reexports)	
	Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America		Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America
1924	98,284	9.5	31,377	4.3	1933	11,508	3.6	5,321	2.5
1925	89,194	8.9	39,274	4.7	1934	22,910	6.2	12,030	3.9
1926	81,442	7.8	49,043	5.9	1935	24,101	5.2	14,948	4.3
1927	61,857	6.4	37,889	4.7	1936	25,804	5.1	15,739	4.0
1928	75,160	7.9	40,351	4.9	1937	46,668	6.9	23,997	4.2
1929	102,025	10.1	55,776	6.1	1938	28,288	6.2	24,603	5.0
1930	54,813	8.1	46,374	7.4	1939	40,562	7.8	26,791	4.7
1931	59,977	8.4	21,462	6.9	1940 <sup>1</sup>	64,941	10.5	43,429	6.0
1932	12,278	3.8	3,568	1.8					

<sup>1</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

#### United States imports from Chile.

*Composition.*—Chile is practically the sole source of United States imports of sodium nitrate and by far the leading supplier of imports of copper. The two commodities customarily represent more than three-fourths of total United States purchases from Chile. In comparing the trend of imports over the period shown in table 14, it should be remembered that imports in 1929 were materially greater than in several preceding years.

United States imports of copper from Chile have been reported as "imports for consumption," but under ordinary conditions they were in fact not for final consumption in the United States because a very large part of them is entered tax-free under bond, for refining and export, principally to European markets.<sup>26</sup> Most of the copper so imported was the output of Chilean mines owned by United States interests, which are themselves leading producers of copper in the United States. Thus, variations in the imports of copper from Chile in recent years have been the result of changes in world as well as United States demand for Chilean copper. Such imports have varied widely in both volume and prices. The value of imports of copper (all forms) totaled 57 million dollars in 1929, 6.6 million dollars in 1932, and 13.8 million dollars in 1939. The quantity fluctuated less widely, amounting to 339 million pounds in 1929, 105 million pounds in 1932, and 141 million pounds in 1939. Imports increased greatly in 1940 and 1941.

<sup>26</sup> The tax on copper was first imposed in 1932. Considerable quantities of refined copper have entered and paid the tax, but much of this has had benefit of drawback when reexported in more advanced forms.

TABLE 14.—United States imports for consumption from Chile of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Tariff status	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
			Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Sheep, lamb and goat sausage casings.....	Free.....	1,000 pounds..	123	115	360	74	404	124	523	299	444	213	313	123
Sheep and lamb skins, woolled, dry and green-salted.	do.....	1,000 pieces....	681	777	-----	-----	445	308	375	343	281	260	513	197
Lamb, kid, sheep, and goat skin furs, undressed.	do.....	1,000 pieces....	21	23	11	2	129	139	384	527	92	66	83	86
Bran, shorts, and other wheat byproduct feeds.	Dutiable.....	1,000 pounds....	-----	-----	-----	-----	6	79	28	685	-----	-----	3	23
Dried beans.....	do.....	1,000 pounds....	14,392	758	48	2	7,823	219	19,910	692	874	27	8	1
Lentils.....	do.....	1,000 pounds....	5,325	502	3,246	129	8,090	393	7,960	353	8,299	295	4,792	191
Iron ore including manganese iron ore, n. e. s.	Free.....	1,000 tons.....	1,678	2,440	218	518	1,264	2,291	1,439	2,609	1,578	2,853	1,587	2,824
Copper for smelting, refining and export.	do.....	-----	\$ 338,969	\$ 56,912	105,085	6,553	114,433	9,211	168,017	19,479	121,874	10,998	135,709	15,172
Ore and concentrates.....	do.....	1,000 pounds....	\$ 41,806	\$ 5,098	11,642	631	13,250	1,037	4,931	484	2,246	210	3,995	262
Unrefined, black, blister and converter in pigs or bars.	do.....	1,000 pounds....	\$ 164,265	\$ 28,221	5,443	282	93,245	7,500	160,930	18,719	116,461	10,475	129,072	12,536
Regulus, black or coarse copper and cement copper.	do.....	1,000 pounds....	-----	-----	117	6	4	( <sup>2</sup> )	369	38	1,676	159	-----	-----
Refined in cathodes, ingots, plates or bars.	do.....	1,000 pounds....	\$ 133,083	\$ 23,592	87,965	5,633	7,772	661	857	69	1,244	130	2,540	263
Copper.....	Taxable.....	-----	( <sup>3</sup> )	( <sup>3</sup> )	\$ 316	\$ 16	9,477	708	17,043	2,250	8,556	749	5,694	599
Ore and concentrates.....	do.....	1,000 pounds....	( <sup>3</sup> )	( <sup>3</sup> )	-----	-----	20	1	1	( <sup>3</sup> )	-----	-----	-----	-----
Unrefined, black, blister and converter in pigs or bars.	do.....	1,000 pounds....	( <sup>3</sup> )	( <sup>3</sup> )	-----	-----	-----	-----	438	44	-----	-----	1,366	120
Regulus, black or coarse copper and cement copper.	do.....	1,000 pounds....	( <sup>3</sup> )	( <sup>3</sup> )	-----	-----	4	( <sup>3</sup> )	4	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	-----	-----
Refined in cathodes, ingots, plates or bars.	do.....	1,000 pounds....	( <sup>3</sup> )	( <sup>3</sup> )	\$ 316	\$ 16	9,452	767	16,599	2,205	8,556	749	4,298	479
Antimony ore (antimony content).....	Free.....	1,000 pounds....	1,174	69	4	( <sup>3</sup> )	2,483	189	3,414	283	1,552	127	-----	-----
Iodine, crude.....	do.....	1,000 pounds....	627	2,249	628	2,218	692	558	1,963	1,781	571	464	200	168
Sodium sulphate, crude (salt cake).....	do.....	Ton.....	-----	-----	-----	-----	613	5	15,286	117	23,285	179	1,342	11
Sodium nitrate.....	do.....	Ton.....	921,813	34,466	69,864	1,444	471,944	9,140	625,736	11,869	575,841	10,689	604,009	11,200
Potassium sodium nitrate mixtures, crude.	do.....	Ton.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	42,527	1,007	54,708	1,309	39,726	972	49,254	1,235
Imports of commodities shown above.....	-----	-----	-----	\$98,310	-----	\$10,955	-----	\$24,418	-----	\$42,126	-----	\$27,858	-----	\$29,819
Total imports from Chile.....	-----	-----	-----	102,025	-----	12,278	-----	28,140	-----	43,636	-----	28,592	-----	30,951
Principal imports (shown above) as percent of total.	-----	-----	-----	96.4	-----	89.2	-----	93.4	-----	96.5	-----	97.4	-----	98.3

<sup>1</sup> Preliminary.

<sup>2</sup> Statistics for 1929 represent total imports, this commodity not having been subject to an import-excite tax prior to June 21, 1932.

<sup>3</sup> Not over 500.

<sup>4</sup> Not separately classified, this commodity not having been subject to an import-excite tax prior to June 21, 1932.

<sup>5</sup> Taxable under sec. 601 (c) (7), Revenue Act of 1932, effective June 21, 1932, and subsequently extended.

<sup>6</sup> Not separately classified.

General imports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Imports of sodium nitrate have fluctuated even more than those of copper. In value, imports of nitrate totaled 34.5 million dollars in 1929, only 1.4 million dollars in 1932, and 11.2 million dollars in 1939. The greatly reduced price of sodium nitrate depressed the value of imports.<sup>27</sup> The reduced price, however, operated to increase imports from the low level of 60,000 tons reached in 1932 to 604,000 tons in 1939, or about two-thirds of the quantity imported in 1929. The marked reduction in imports after 1929 was the result of several factors, among them the decreased agricultural demand, the large accumulation of stocks in the United States, and the erection of new plants to produce synthetic sodium nitrate. Since the outbreak of war, however, imports have increased greatly.

Iron ore and crude iodine are among the other leading United States imports from Chile (see table 14); for both, Chile is the principal foreign supplier. Until 1930, Chile held a virtual monopoly of iodine obtained as a byproduct in the recovery of sodium nitrate, but since then iodine has been obtained by other methods, principally recovery from salt brine. Inasmuch as iodine is essential to public health, and the major part of United States consumption is supplied by imports, it is considered a critical material. Production of iodine in the United States from salt brine has increased materially in the last decade, but estimated domestic capacity has remained below domestic consumption.

Although most of the leading imports obtained from Chile have been smaller in value recently than in the peak year 1929, purchases of a few, including iron ore, antimony ore, and sausage casings, have exceeded those in 1929.

*Dutiable status of imports.*—All but a small part of the value of United States imports from Chile is represented by duty-free items. Most of the copper from Chile is ordinarily entered for smelting or refining in bond, and export and is therefore tax-free under the provisions of the Revenue Act of 1932. Sodium nitrate also enters free of duty. Dutiable imports are composed largely of refined copper, subject to an import excise tax of 4 cents per pound since June 1932, and lentils, on which the duty is  $\frac{1}{2}$  cent per pound, the ad valorem equivalent of which was 13 percent in 1939.

#### United States exports to Chile.

United States exports to Chile are as diverse in composition as exports to other Latin American countries. The products exported consist largely of manufactures. The most important groups of commodities, as shown in table 15, are machinery and vehicles, metals and manufactures (chiefly steel-mill manufactures and steel semimanufactures), and nonmetallic minerals (chiefly petroleum products).

The leading individual products sold to Chile, according to their value in 1939, were fuel oil (9 percent of the total), auto parts (6 percent), motortrucks (5 percent), lubricating oil, tin plate, automobiles, steel sheets, raw cotton, and cotton yarn (see table 16). These products in 1939 accounted for 37 percent of all United States exports to Chile and were valued at 10 million dollars.

<sup>27</sup> The unit value of United States imports of sodium nitrate in 1939 (\$16.56 per short ton) was about one-half that in 1929 (\$33.38 per short ton).

The total value of exports to Chile in the 3 years 1937-39 averaged only about one-half that in the peak year 1929, yet sales of several individual commodities exceeded their value in the earlier year. Among these were combed cotton yarn and raw cotton, the sales of which increased greatly because of the opening in April 1937 of a large new cotton spinning and weaving mill in Chile. Other commodities exported in the 3 years 1937-39, having a sales value in excess of that in 1929, included steel plates and bars, steel wire, tractors, radio sets, and exposed motion-picture films.

TABLE 15.—United States exports (domestic merchandise) to Chile, by commodity groups, in 1938 and 1939

[In thousands of dollars]

Commodity groups	1938	1939 <sup>1</sup>	Commodity groups	1938	1939 <sup>1</sup>
Animals and animal products, edible, total.....	25	63	Metals and manufactures, except machinery and vehicles, total.....	4,474	5,173
Animals and animal products, inedible, total.....	136	150	Iron and steel bars, rods, plates, and sheets.....	861	1,459
Vegetable food products and beverages, total.....	526	68	Tin plate and tappers' tin.....	335	849
Milled rice.....	488	15	Wire and manufactures.....	514	638
Other vegetable food products and beverages.....	38	53	Tubular products and fittings.....	307	281
Vegetable products, inedible, except fibers and wood, total.....	805	1,257	Other metals and manufactures.....	2,457	1,946
Automobile tire casings.....	263	478	Machinery and vehicles, total.....	8,909	9,350
Rubber belts and belting.....	104	149	Motors, starters, and controllers.....	356	214
Other vegetable products, inedible.....	438	630	Radio apparatus.....	643	542
Textile fibers and manufactures, total.....	2,494	2,679	Industrial machinery.....	2,639	2,446
Raw cotton.....	724	647	Agricultural machinery and implements.....	645	734
Cotton yarn.....	610	885	Automobiles, parts, and accessories.....	2,866	3,814
Osnaburgs.....	503	322	Other machinery and vehicles.....	1,560	1,600
Other textile fibers and manufactures.....	457	825	Chemicals and related products, total.....	1,237	1,679
Wood and paper, total.....	475	365	Synthetic collecting reagents.....	150	204
Nonmetallic minerals, total.....	4,571	4,872	Safety fuses.....	135	93
Gasoline and other petroleum motor fuel.....	503	495	Other chemicals and related products.....	952	1,382
Gas oil and fuel oil.....	2,566	2,348	Miscellaneous domestic articles.....	836	982
Lubricating oil.....	654	1,032			
Other nonmetallic minerals.....	848	997	Total exports.....	24,488	26,638

<sup>1</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

#### Balance of payments between the United States and Chile.

The value of United States imports from Chile has long exceeded the value of exports to Chile, but since 1929 the amount of the import trade balance has fluctuated widely (see table 17). In recent years it has been much smaller than in the 1920's. Indeed, in a few years it has been negligible compared with other items in the bilateral balance of payments. Imports of gold and silver have been sizable, especially since 1932. If gold and silver were included as items in the merchandise account, as they might logically be, inasmuch as they are products of the Chilean mining industry, the import trade balance with Chile would be substantially greater than that shown in table 17.

United States imports from Chile include copper, valued at several million dollars, which is ordinarily entered for refining and export and which, moreover, is the output of Chilean mines owned by United States interests. It may appear that such copper shipped to the United States does not provide a source of dollar exchange for Chile. This, however, is not the case. Even though shipments from Chile of copper owned by United States citizens do not represent the usual type of commercial transaction, such copper is ultimately sold in world markets and the revenue in part is deposited in the United States and other foreign banks. These balances in dollars and other currencies are then drawn on to buy sufficient Chilean currency to pay for the operating expenses (such as wages and materials) of the foreign-owned enterprises. Thus, shipments of foreign-owned copper from Chile ultimately give rise to a considerable amount of foreign exchange. This amount is less than the value of the copper shipped from Chile by that part of the value which the foreign companies do not expend in Chile. A part, then, of the value of United States imports from Chile actually represents income from direct investments in that country and is not shown separately in table 17 as a credit item for the United States.

For a time, interest receipts from Chile were an important item in the balance of payments, but they have been small since 1931, when Chilean dollar bonds went into default. Payments on an adjusted basis were resumed in 1935, although in the aggregate they have been small compared with previous receipts. Estimated United States holdings of Chilean dollar bonds had a par value of 198 million dollars at the end of 1938, and were the second largest block of dollar bonds issued by Latin American countries held in this country.<sup>28</sup>

The net debit balance for the available accounts in the balance of payments is shown in the last item in table 17; it indicates that in most years during the period 1929-38 there was a substantial net flow of funds from the United States to Chile, which arose chiefly from the merchandise and gold and silver accounts. The statistics upon which the net balance is based, however, do not include the return on United States direct investments in Chile, the net movement of banking funds and security transactions, or the investment of new United States capital in that country. The first of these may be substantial; United States direct investments in Chile, chiefly in mining properties, were valued at 484 million dollars at the end of 1936, and were the second largest in Latin America, following those in Cuba.<sup>29</sup> New investments in Chile, on the other hand, have probably been small in recent years, while the size of the net movement of long- and short-term capital is not known. It appears, however, that the actual net flow of funds to Chile may be much less than is indicated by the partial statement of the balance of payments.

<sup>28</sup> U. S. Department of Commerce, *The Balance of International Payments of the United States in 1938*, 1939, appendix D, p. 90.

<sup>29</sup> U. S. Department of Commerce, *American Direct Investments in Foreign Countries—1936, 1938*, table 4, p. 12.

TABLE 16.—United States exports (domestic merchandise) to Chile of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Rice.....	1,000 pounds.....	19,361	791	1,187	30	20	1	3,642	100	18,821	488	665	15
Automobile tire casings.....	Thousand.....	50	600	4	37	27	262	27	321	23	263	37	478
Rubber belts and belting.....	1,000 pounds.....	620	286	19	6	118	49	327	145	265	104	407	149
Gum rosin.....	1,000 barrels (500 lb).....	10	172	10	70	7	78	7	135	6	59	7	79
Raw cotton, Upland, under 1½ inches.....	Bale.....	225	26	839	38	1,200	84	7,915	625	11,882	710	12	647
Cotton, carded yarn, not combed.....	1,000 pounds.....	1,496	808	1,116	202	1,482	397	742	222	1,973	477	1,339	321
Cotton combed yarn.....	1,000 pounds.....	649	511	207	111	694	315	594	318	768	353	1,221	564
Onaburgs.....	1,000 square yards.....	13,186	1,312	5,704	301	12,695	959	4,688	370	8,740	593	6,083	322
Sawed timber, Douglas fir.....	Million feet.....	19	361	1	10	2	25	6	117	7	133	2	39
Boards, planks, and scantlings, Douglas fir, rough.....	Million feet.....	30	597	1	9	4	70	10	36	5	94	3	68
Gasoline and other petroleum motor fuel.....	1,000 barrels.....	265	1,131	3	16	172	48	174	373	215	503	243	496
Gas oil, distillate fuel oil, and residual fuel oil.....	1,000 barrels.....	6,064	4,464	678	452	1,644	1,465	2,878	2,843	2,548	2,566	2,184	2,348
Lubricating oil, red, pale, and cylinder oil.....	1,000 barrels.....	66	952	19	217	50	492	55	623	55	620	86	991
Steel bars, not containing alloy.....	1,000 pounds.....	7,586	180	460	12	80	3	11,354	316	11,577	280	19,085	424
Iron and steel plates (except boiler plate), not fabricated.....	1,000 pounds.....	3,046	87	381	6	2,907	57	13,987	348	10,577	251	10,920	217
Steel sheets, black, ungalvanized.....	1,000 pounds.....	11,736	333	41	1	1,165	26	6,352	173	8,966	271	24,620	723
Steel ingots, blooms, billets, slabs, sheet bars, and tin-plate bars.....	Long ton.....	2	(*)	3	(*)			297	18	2,160	119	2,076	150
Tin plate, terneplate, and tawgers' tin.....	1,000 pounds.....	12,701	500	1,084	43	12,564	558	12,517	614	6,529	335	18,306	849
Structural shapes, not fabricated.....	Long ton.....	9,957	449	61	2	1,356	49	4,358	245	3,254	161	3,441	163
Rails for railway tracks.....	Long ton.....	23,481	905	210	7	1,408	55	1,399	69	12,296	607	2,603	29
Welded black pipe, steel, and wrought iron.....	1,000 pounds.....	6,598	244	119	5	1,453	62	5,400	203	2,961	110	2,382	63
Iron or steel wire, uncoated.....	1,000 pounds.....	476	22	105	4	5,546	120	9,046	298	7,459	216	10,868	301
Galvanized wire.....	1,000 pounds.....	1,088	25	34	1	2,364	55	4,118	142	2,714	84	3,287	95
Barbed wire.....	1,000 pounds.....	1,355	35	4	(*)	1,760	39	3,056	97	4,110	125	4,089	113
Steel castings.....	1,000 pounds.....	3,411	314	63	4	696	63	1,237	133	406	56	174	22
Copper wire (bare).....	1,000 pounds.....	1,267	208	42	4	538	60	766	128	1,067	134	545	71
Insulated copper wire and cable.....	1,000 pounds.....	2,220	445	543	59	659	151	937	272	851	196	612	144
Steam turbine generator sets.....	Number.....	4	31			3	2	1	191	4	21	1	(*)
Accessories and parts for generators.....			70		5		16		128		79		13
Storage batteries.....			144		8		123		230		75		98
Stationary motors.....	Number.....	639	215	24	3	154	48	259	193	257	99	225	46
Accessories and parts for motors.....			138		10		40		112		175		109
Radio receiving sets.....	Number.....	1,848	101	1,024	29	11,425	258	11,997	248	20,521	385	24,588	350
Receiving set components.....			20		11		63		198		162		105
Miscellaneous electrical apparatus, n. a. s. <sup>2</sup> .....			197		16		46		145		72		121
Locomotives, steam.....	Number.....	18	881							7	460		189
Excavator parts and accessories.....			227		22		165		110		156		



Mining and quarrying machinery.....		1,460		86		399		730		601		668	
Miscellaneous industrial machinery and parts <sup>1</sup> .....		641		17		83		137		173		139	
Typewriters, new, used, and rebuilt.....	Number	7,600	448	273	15	2,404	118	3,393	157	3,545	177	4,316	216
Wheel tractors.....	Number	85	88			21	21	35	114	24	34	78	72
Track-laying tractors.....	Number	71	150					36	89	123	293	129	291
Motortrucks, busses, and chassis, new <sup>2</sup> .....	Number	2,378	2,377	121	80	469	315	701	481	1,226	888	1,611	1,218
Passenger cars and chassis, new <sup>3</sup> .....	Number	5,503	4,618	2	2	896	619	906	641	1,079	816	1,036	785
Automobile parts for assembly, except engines, tires, and glass.....			1,425		6		188		548		587		1,376
Automobile parts for replacement, except engines.....			1,216		60		391		399		419		1,660
Synthetic collecting reagents for concentration of ores, metals, or minerals <sup>4</sup> .....	1,000 pounds.....							751	151	734	150	965	20
Safety fuses.....	1,000 lin. feet.....	14,408	137	5,436	23	3,351	81	12,035	145	21,128	135	7,923	93
Motion-picture films, exposed, positive.....	1,000 lin. feet.....	4,465	104	1,926	42	3,981	166	4,696	302	4,846	267	5,144	258
Exports of commodities shown above.....		\$30,204		\$2,082		\$8,680		\$14,706		\$15,992		\$16,352	
Total exports to Chile.....		55,564		3,553		15,569		23,742		24,488		26,638	
Principal exports (shown above) as percent of total.....		54.4		58.6		55.8		61.9		65.3		61.4	

<sup>1</sup> Preliminary.

<sup>2</sup> Concrete reinforcement bars only.

<sup>3</sup> Probably includes tin-plate bars.

<sup>4</sup> Not over 500.

<sup>5</sup> Data not strictly comparable for the series.

<sup>6</sup> May include some second-hand articles in 1929.

<sup>7</sup> Excludes automobile ball and roller bearings, now classified with industrial ball and roller bearings.

<sup>8</sup> Not separately classified in 1929, 1932, or 1936.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 17.—*Partial balance of payments between the United States and Chile, 1929-38*

[In millions of dollars]

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
<b>Trade and service items:</b>										
Merchandise exports to Chile <sup>1</sup> .....	55.8	46.4	21.5	3.6	5.3	12.0	14.9	15.7	24.0	24.6
Merchandise imports from Chile <sup>1</sup> .....	102.0	54.8	40.0	12.3	11.5	22.9	24.1	25.8	46.7	28.2
Excess of merchandise imports from Chile.....	-46.2	-8.4	-18.5	-8.7	-6.2	-10.9	-9.2	-10.1	-22.7	-3.6
Receipts from Chile for shipping services <sup>2</sup> .....	2.6	1.9	1.7	.....	.....	.5	.6	.6	.9	.9
Expenditures of Chilean travelers in the United States <sup>3</sup> .....	.7	.7	.4	.4	.3	.3	.5	.5	.5	.5
Expenditures of United States travelers in Chile <sup>4</sup> .....	.6	.6	.5	.3	.3	.4	.6	.8	.7	.8
Interest receipts from Chile.....	12.0	15.6	9.7	.....	.....	.....	1.2	1.3	1.8	*2.3
Net receipts from Chile for services <sup>5</sup> .....	+14.7	+17.6	+11.3	+1	.....	+4	+1.7	+1.6	+2.5	+2.9
Net receipts from (+) or payments to (-) Chile on trade and service account <sup>5</sup> .....	-31.5	+9.2	-7.2	-8.6	-6.2	-10.5	-7.5	-8.5	-20.2	-7
<b>Gold and silver:</b>										
Net gold imports from Chile <sup>1</sup> .....	-5	-5	-3	-1.6	-2.3	-3.3	-6.6	-7.9	-9.4	-8.4
Net silver imports from Chile <sup>1</sup> .....	-2.3	-1.8	-8	-5	-7	-1.6	-2.9	-1.0	-1.0	-7
Net gold and silver imports from Chile.....	-2.8	-2.2	-1.1	-2.1	-3.0	-4.9	-9.5	-8.9	-10.4	-9.1
<b>Capital items:</b>										
Bond-redemption and sinking-fund receipts from Chile <sup>5</sup> .....	.....	+3.7	+2.0	.....	.....	.....	.....	+5	+7	+1.3
Net balance on items shown <sup>6</sup> .....	-34.3	+10.7	-6.3	-10.7	-9.2	-15.4	-17.0	-16.9	-29.9	-8.6

<sup>1</sup> United States statistics, unadjusted.<sup>2</sup> Rough estimates.<sup>3</sup> Allowance made for repurchases of Chilean dollar bonds by foreigners.<sup>4</sup> Excluding return on United States direct investments in Chile.<sup>5</sup> Bond-redemption receipts adjusted for repurchase by foreigners in all years; sinking-fund receipts in 1938 only.<sup>6</sup> Exclusive of return on direct investments (receipts) and new investments (payments) in Chile.

NOTE.—Net credit balances for the United States are indicated by +; net debit balances by -.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

# COLOMBIA

## A DESCRIPTION

### Physical characteristics.

The Republic of Colombia,<sup>1</sup> situated in the northwestern part of South America, is the only country on that continent with a coast line on both the Atlantic and Pacific Oceans. It has an area of approximately 450,000 square miles, about equivalent to that of Arizona, New Mexico, Nevada, and Colorado combined. Colombia is bordered by the Pacific Ocean, Panama, and the Caribbean Sea on the north, by Venezuela and Brazil on the east, and by Ecuador and Peru on the south.

The principal topographical feature of Colombia consists of three great parallel cordilleras of the Andes, with elevations as high as 18,000 feet. These ranges, with intervening valleys, traverse the western part of the country from north to south. Between these ranges the Magdalena River and its tributaries flow through the length of the country, affording an important means of communication. The greater part of the population lives in these valleys, which broaden to the north, where the central range does not extend. To the east of the Andean ranges is a vast region in which the tributaries of the Orinoco flow eastward and those of the Amazon southeastward. The llanos, occupying the northern portion of this region, are an area of natural pasture lands. The selvas, in the southern part of the region, are forested areas.

Because of the diverse topography of Colombia, its climate varies considerably, ranging from tropical in the coastal plains, the llanos, and the selvas to temperate and cold in the higher regions.

### Population.

According to the census of 1918, the population of Colombia was 5,855,000. In 1938, the population, nearly one-third of which was urban, was 8,702,000. The density of population in Colombia is about 20 persons to the square mile. Most of the inhabitants, however, live in areas with elevations of more than 4,000 feet. Bogotá, the capital and chief city, had a population of 330,000 in 1938. Only three other cities—Medellín (168,000), Barranquilla (152,000), and Cali (102,000)—have populations of more than 100,000.

The population of Colombia is composed chiefly of persons of European extraction (about two-tenths) and mixed races (about seven-tenths). The remainder consists of pure-blooded Indians and Negroes. The Negroes for the most part live in the coastal plains and the tropical valleys. There has been little immigration into Colombia since the beginning of the nineteenth century. Foreigners in the country in 1938 numbered about 34,000.

<sup>1</sup> In Spanish, República de Colombia. Colombia was formerly known as the Republic of New Granada (1830-56), the Grenadine Confederation (1858-63), and the United States of Colombia (1863-86).

**Natural resources and economy.**

*Agriculture.*—The soil and climate of Colombia are especially favorable for agriculture, which is the principal industry. Only a small part of the country, however, is actually under cultivation. In the coastal plains and the interior valleys, the important crops are coffee, sugar, bananas, cacao, cotton, tobacco, rice, and indigo. Other products include oranges, pineapples, potatoes, and a wide range of tropical fruits and vegetables. Wheat, barley, and corn are grown in the Andean regions.

Coffee, the leading crop and the principal export, is grown chiefly in the Medellín district and the Cauca Valley. Colombia ranks next to Brazil as an exporter of coffee, and is the world's leading producer and exporter of mild coffee. The banana industry is centered in the Santa Marta region of the Department of Magdalena (on the Caribbean coast). The country's cotton production, which has been increasing in recent years, is accounted for principally by the Departments of Magdalena, Bolívar, Antioquia, Norte de Santander, and Santander (all in the northern section of the country). Tobacco is grown mainly in the Ambalema district, the Departments of Santander, and on the coast.

*Pastoral industries.*—Large areas of Colombia are suitable for grazing, and cattle raising has long been one of the principal industries. For the most part, pastoral activities are centered in the coastal plain, the interior valleys, and the plateau regions. The llanos of eastern Colombia are an important potential grazing area, as yet undeveloped because of the lack of adequate transportation facilities.

*Forest industries.*—The Colombian forests are extensive and the range of products is great. In addition to oak, pine, and walnut, the forests contain mahogany, rubber, chicle, balsam, copaiba, dyewoods, resins and waxes, and a variety of medicinal and other plants, including sarsaparilla, ipecacuanha, vanilla, cinchona, gum copal, divi-divi, the castor bean, and the tonka bean. Tagua, or vegetable ivory, used in making high-grade buttons, is an important forest product, and large quantities are exported.

*Mining.*—Colombia has extensive mineral resources, the most important of which are petroleum, gold, and platinum. Colombia ranks as the third most important producer of petroleum in Latin America, being exceeded only by Venezuela and Mexico. In recent years, production (most of which is exported) has averaged about 20 million barrels annually, or about 7 percent of total Latin American production. The Colombian output has been limited by the capacity of the pipe line from the developed fields to the coast. In October 1939, however, another field obtained an outlet through a new pipe line, making possible a substantial increase in the quantity available for export.

The production of gold has become increasingly important in recent years, and exports of gold form a considerable part of Colombian total exports. These exports, which were valued at 5 million dollars in 1929, amounted to 18 million dollars in 1937 and 10.5 million in 1938. The value of gold production in 1939 was estimated to be more than 20 million dollars.

Colombia is one of the few platinum-producing countries in the world, and is also the principal source of emeralds. The coal reserves

of Colombia are extensive, but inaccessibility of most of the deposits has retarded their development. Other minerals found in Colombia include silver, copper, lead, antimony, mercury, manganese, iron, mica, sulfur, quartz, natural phosphates, limestone, and salt, but most of these are not worked on a large scale.

*Manufacturing.*—Although Colombian manufacturing establishments produce a wide range of products, most of them may be classified as consumers' goods. There is little heavy industry. The principal products manufactured include textiles, cigars and cigarettes, beer, wines and spirits, flour and flour pastes, chocolate, sugar, vegetable oils, soap, candles, cement and cement products, drugs, leather goods, matches, glass, and toilet articles. Recently established industries produce rayon fabrics, lard, canned fruits, canned fish, paper, and cardboard. Most of the raw materials employed in Colombian industry are imported, although there has been an increased use of domestic copra, cottonseed, sesame, and babassu in the vegetable oil industry, and cotton, wheat, sugarcane, hides and skins, fruits, and fish are processed within the country.

Unlike the situation in many Latin American countries, domestic production of a number of consumers' goods in Colombia has not overcome dependence upon the importation of similar commodities. On the contrary, although production of most of the articles mentioned above has increased in recent years, imports of almost all of them have also risen.

### THE FOREIGN TRADE OF COLOMBIA

As a foreign-trading nation, Colombia ranks seventh among the republics of Latin America, and fifth among the countries of South America. In 1938, its exports, valued at 144 million pesos (81 million dollars),<sup>2</sup> constituted 5 percent of the value of those of the 20 Latin American countries combined; and over 6 percent of those of the 10 South American nations. Imports into Colombia in the same year amounted to 159 million pesos (89 million dollars), or 6 percent of aggregate Latin American imports, and more than 7 percent of total South American imports.

Colombian exports (excluding gold) exceeded imports when the latter were reported on an f. o. b. basis, but in 1937 and 1938, when imports were reported on a c. i. f. basis, imports were greater. In 1937 and 1938, however, Colombian exports of merchandise and gold combined exceeded imports. From the standpoint of Colombia, exports of gold are similar in economic significance to those of merchandise.

#### Colombian commercial policy.

Depreciation of the peso, the exchange-control system, and high import duties greatly influenced the course of Colombian trade in the decade 1929-38.

*The tariff.*<sup>3</sup>—Prior to May 20, 1936, the date on which the United States-Colombian trade agreement became effective, the Colombian tariff was essentially of the single-column type. The trade agree-

<sup>2</sup> Excluding gold. Including gold, Colombian exports in 1938 were valued at 163 million pesos (91 million dollars).

<sup>3</sup> Prior to 1937, import values employed by Colombia were f. o. b. as declared by merchants; beginning in 1937 values were computed on the c. i. f. basis. In the Colombian trade returns, exports are reported in values exclusive of export duties.

ment provided for reductions of the basic rates on many items. These concessions were extended to third countries only on the basis of reciprocal unconditional most-favored-nation treatment.

A law of December 9, 1931, provided for the application of penalty tariff rates on goods coming from countries not extending most-favored-nation treatment to Colombia; duties were not to be more than one-fourth higher than the existing basic rates. The first application of maximum rates, however, was not decreed until July 23, 1936, when they were made applicable to imports from Thailand (Siam).

The Colombian tariff is high, and at present is based on a multiple-column tariff policy, the operation of which is determined by trade balances. The maximum column (basic rates increased by one-fourth) is intended for countries which buy little or nothing from Colombia, or which specifically obstruct entry of Colombian products by restrictive measures or high customs duties. The basic or intermediate column applies to countries which purchase substantial quantities of Colombian products, and which place no special restrictions on such importations or payments therefor. The minimum column (conventional reductions below the basic rates) is extended only to countries entitled thereto by unconditional most-favored-nation agreements.

During the decade 1929-38, commercial agreements involving tariff concessions or import quotas, or both, were concluded with Venezuela (1934, 1937, 1938, and 1939), the United States (1936), Chile (1936), Denmark (1937), and Italy (1938).

Under the trade agreement between Colombia and the United States, effective May 20, 1936, Colombia granted to the United States either reductions in duty or bindings of existing tariff treatment on more than 150 tariff classifications, covering 58 percent of total imports from the United States in 1933. The reductions in duty ranged from 16 to 90 percent of the duties in effect prior to the agreement. The United States granted Colombia a reduction in duty of 50 percent on one product, bound against increase the duty on two products already reduced by 50 percent in the Brazilian agreement, and bound nine commodities on the free list, including two of Colombia's leading export products, coffee and bananas. These items, though few in number, covered 88 percent of United States imports from Colombia in 1933.

*Exchange control.*—The gold standard was suspended in Colombia on September 25, 1931. Prior to that date, the gold value of the peso was fixed at 1.59762 grams of gold 0.916% fine (equivalent to \$0.9733 on the basis of the gold content of the dollar at that time). Since the suspension of gold payments, the gold peso has been revalued several times. The latest revaluation, that of November 19, 1938, fixed the gold value of the peso at 0.50782 gram (equivalent to \$0.5414 on the basis of the present gold value of the United States dollar).

Exchange control has been in effect in Colombia since September 24, 1931. Administration of the exchange-control system is vested in the Exchange and Export Control Board, and exchange permits must be obtained for all imports. The exchange authorities differentiate between "essential" and "nonessential" commodities, giving preferential treatment to those regarded as essential.

The exchange regulations have been modified from time to time. In general they have required delivery to the Central Bank at the official rate of a specified percentage of the exchange arising out of exports of certain commodities, the remainder being available for disposal in the free market to holders of exchange permits.

Following the drop in the price of coffee in 1937, exchange restrictions were enforced with increased rigidity. The Colombian Congress on November 16, 1937, granted extraordinary powers to the Executive to introduce emergency exchange regulations and import restrictions. On November 17, 1937, the issue of exchange permits was restricted, the free-exchange market was made subject to government control, guarantees were required that exchange licenses would be utilized, and time limits were prescribed for the delivery of newly mined gold to the Bank of the Republic. In 1938 a decree authorized a free-exchange market, subject to such government intervention as might prove necessary. In practice, the selling rate in the free market has closely approximated the official rate.<sup>4</sup>

On April 11, 1940, a series of decrees modified the Colombian exchange-control system. The first of these authorized the utilization of the Stabilization Fund (authorized in 1934) to trade in notes, drafts, bills of exchange, and other debt certificates, and to enter into contracts for the purchase and sale of sight or forward exchange in accordance with regulations of the exchange-control office. The second decree provided for a schedule of priorities in granting exchange for the payment of imported goods. For this purpose, imports were classified in four categories. Apparently an element of flexibility from the priority system was provided for by the third decree, under which importers holding exchange permits for which remittance had not been authorized might arrange contracts with the Stabilization Fund (through the banks) for the purchase of exchange in accordance with the amount of exchange in that fund.

*Compensation and clearing agreements.*—During the decade 1929–38, Colombia concluded formal compensation or clearing agreements with Italy (1934, 1936, and 1938), Germany (1935, 1937, and 1938), Czechoslovakia (1936 and 1937), Denmark (1937), and Norway (1938). Trade with a number of other countries was placed on a compensation basis, primarily because of action taken by the Colombian Exchange and Export Control Board. These countries included Spain, Thailand (Siam), the Soviet Union, China, Austria, and Czechoslovakia.

Trade between Colombia and Germany was placed on an informal compensation basis in December 1934. From November 1935 to November 1936, relations were governed by an agreement of November 1935, which contemplated a compensated trade between the two countries. A balance adverse to Colombia resulted, however, and on November 10, 1936, the Colombian Exchange Control Board virtually suspended imports from Germany by limiting permits for such imports to raw materials and commodities urgently needed for Colombian industry. On June 1, 1937, a new agreement provided for a bilateral balancing of Colombian-German trade.

<sup>4</sup> For the years covered in this report, the average value of the peso (official rate) was as follows: 1929, \$0.9655; 1932, \$0.9527; 1936, \$0.5708; 1937, \$0.5673; 1938, \$0.5596; 1939, \$0.5706 (*Federal Reserve Bulletin*, February 1939 and June 1940). Recent rates (averages for February 1940) have been as follows: Controlled (official rate), \$0.5714; Bank of the Republic (free) rate, \$0.5698. The latest available quotation of the Stabilization Fund rate was \$0.6571 (*Commerce Reports*, June 29, 1940).

A clearing agreement between Colombia and Italy was concluded in 1934, but was terminated by Colombia in 1935. In 1936 a new clearing agreement was signed, and on April 28, 1938, an agreement involving import quotas and clearing arrangements was concluded. In 1929 Colombian imports from Italy were greatly in excess of exports to that country; in 1932 there was a small export balance in favor of Colombia. The dollar value of Colombian exports to Italy in 1936 and 1937 was double that of imports from Italy, but in 1938 imports and exports were almost the same in dollar value.

#### Trend of the trade.

*Exports.*—In its export trade, Colombia depends principally upon coffee and other agricultural products and to a lesser extent on mineral products. More than nine-tenths of Colombian exports ordinarily fall into these two classifications, and three-fifths or more of total exports usually consist of one product, coffee. Exports from Colombia to the world and to the United States in the period 1924–38 are shown in tables 1 and 2. The year 1929, the earliest shown in the detailed tables hereinafter presented, was not a peak year in exports to the world as a whole or in exports to the United States, having been exceeded in both 1926 and 1928.

TABLE 1.—Colombia: Trade with the world, 1924–38

[Value in thousands]

Year	Exports				Conversion rate: 1 peso equals—	Imports	
	Pesos		United States dollars			Pesos	United States dollars
	Includ- ing gold	Exclud- ing gold	Includ- ing gold	Exclud- ing gold			
1924.....	86,166	84,248	83,865	81,999	\$0.733	55,590	54,106
1925.....	84,824	83,214	82,560	80,993	.9733	88,791	86,420
1926.....	111,717	110,196	109,986	108,487	.9845	110,691	108,975
1927.....	108,999	107,622	106,481	105,136	.9769	125,766	122,861
1928.....	133,606	132,502	130,520	129,441	.9769	148,547	145,115
1929.....	126,872	121,677	122,761	117,735	.9676	126,376	122,281
1930.....	113,288	104,225	109,459	100,702	.9662	62,841	60,717
1931.....	98,427	80,450	95,100	77,730	.9662	41,046	39,658
1932.....	70,195	67,109	66,896	63,955	.9530	30,649	29,209
1933.....	73,391	67,586	58,947	54,285	.8032	49,665	39,892
1934.....	152,405	123,891	93,760	76,218	.6152	87,559	53,866
1935.....	142,788	123,602	80,090	69,328	.5609	106,854	59,934
1936.....	157,632	136,844	90,118	78,234	.5717	120,037	68,625
1937.....	184,187	152,169	104,176	86,067	.5656	169,682	95,972
1938.....	163,227	144,446	91,293	80,789	.5593	159,252	89,070

<sup>1</sup> Beginning in 1937, imports were valued on a c. i. f. basis instead of an f. o. b. basis; this operated to increase the value of imports.

Source: Compiled by the United States Tariff Commission from *Anuario de Estadística General* and *Anuario de Comercio Exterior de la Colombia*.

Colombian exports in 1929 (exclusive of gold)<sup>5</sup> were valued at 122 million pesos (118 million dollars). In 1932 they declined to 67 million pesos (64 million dollars), or 55 percent of the 1929 peso value and 54 percent of the dollar value. They recovered in 1937 to 152 million pesos (86 million dollars), or about one and one-fourth

<sup>5</sup> In the Colombian trade statistics, exports of gold are recorded separately from exports of merchandise.



times the 1929 peso value and 73 percent of the 1929 dollar figure. In 1938, as a result of price declines, exports dropped to 144 million pesos (81 million dollars). Preliminary reports indicate that the value of exports in 1939 rose to 163 million pesos (approximately 93 million dollars), a gain of 13 percent over 1938, in terms of dollars.

Gold, an important element in Colombian exports, has become increasingly significant in recent years. Exports of gold declined from 5 million dollars in 1929 to 3 million in 1932, but in 1937 increased to 18 million. In 1938 they amounted to more than 10.5 million dollars. Statistics of exports of gold in 1939 are not available, but gold production in that year had an estimated value of more than 20 million dollars.

TABLE 2.—Colombia: Trade with the United States, 1924-38<sup>1</sup>

[Value in thousands]

Year	Exports						Imports		
	Pesos		United States dollars		Percent of total to United States		Pesos	United States dollars	Percent of total from United States
	Includ- ing gold	Exclud- ing gold	Includ- ing gold	Exclud- ing gold	Includ- ing gold	Exclud- ing gold			
1924.....	69,063	67,261	67,219	65,465	80.5	79.8	25,674	24,989	46.2
1925.....	69,701	68,148	67,840	66,328	82.2	81.9	42,194	41,067	47.5
1926.....	95,979	94,811	94,491	93,341	86.9	86.0	53,026	52,204	47.9
1927.....	90,466	89,118	88,376	87,060	83.0	82.8	56,465	55,161	44.9
1928.....	103,837	102,752	101,438	100,379	77.7	77.5	66,236	64,706	44.6
1929.....	95,394	90,213	92,303	87,290	75.2	74.1	58,050	56,170	45.9
1930.....	91,677	82,641	88,578	79,848	80.9	79.3	28,537	27,573	45.4
1931.....	81,432	64,525	78,680	62,344	82.7	80.2	17,196	16,614	41.9
1932.....	54,046	50,960	51,506	48,565	77.0	75.9	12,859	12,254	42.0
1933.....	49,042	49,042	39,391	39,391	66.8	72.6	18,286	14,688	36.8
1934.....	104,431	81,266	64,246	49,995	68.5	65.6	38,442	23,649	43.9
1935.....	93,889	74,703	52,662	41,901	65.8	60.4	44,229	24,808	41.4
1936.....	95,108	74,320	54,373	42,489	60.3	54.3	49,559	28,333	41.3
1937.....	118,089	86,070	66,791	48,681	64.1	56.6	82,067	46,417	48.4
1938.....	94,949	76,169	53,105	42,601	58.2	52.7	81,608	45,643	51.2

<sup>1</sup> For conversion rates, see table 1.

<sup>2</sup> Beginning in 1937, imports were valued on a c. i. f. basis instead of an f. o. b. basis; this operated to increase the value of imports.

Source: Compiled by the United States Tariff Commission from *Anuario de Estadística General and Anuario de Comercio Exterior de la Colombia*.

Price and quantum indexes of Colombian exports are not available. The effect of fluctuations in prices and quantities on the export trade of Colombia, however, is indicated in part by statistics for the leading Colombian export commodities, coffee and petroleum. In the period 1929-38, these commodities, in terms of value, accounted for approximately seven-eighths of all Colombian exports. The quantities of coffee and petroleum exported, and their unit values, indicate that the decline in the value of Colombian exports from 1929 to 1932 may be attributed mainly to the decline in prices; the subsequent recovery may be attributed to increases in the quantities of goods exported (see table 5).

Colombian exports of coffee increased from 375 million pounds in 1929 to 421 million pounds in 1932, or by about one-eighth. The unit value of exports of coffee in the same period declined by one-half

(from \$0.198 to \$0.097 per pound).<sup>6</sup> Exports of coffee from Colombia continued to increase after 1932, reaching 553 million pounds in 1937, or nearly one and one-half times the exports in 1929. In 1938 the quantity of coffee exported increased slightly to 565 million pounds. Unit values of exports, however, continued through 1937 at about the 1932 level, but declined to \$0.088 per pound in 1938, or about two-fifths of the 1929 level.

From 1929 to 1932, exports of petroleum fell in unit value much more sharply than in quantity; from 1932 to 1938 they rose in quantity slightly more than in unit value.

*Imports.*—The most notable features of the Colombian import trade in the decade 1929–38 were the increasing importance of imports of machinery, the decline in the share of imports of textile products, and the maintenance by the United States of its position as the leading supplier of Colombian imports.

Imports into Colombia from all countries and from the United States, in the period 1924–38, have already been shown in tables 1 and 2. The year 1929 (the earliest shown in the detailed tables), was not a peak year in imports either from the world or from the United States, imports in 1928 having exceeded those in 1929.

The total Colombian import trade in 1929 was valued at 126 million pesos (122 million dollars). It declined in 1932 to 30 million pesos (29 million dollars), or about one-fourth of that in 1929. Recovering to 170 million pesos (96 million dollars) in 1937 (on a new and higher valuation basis),<sup>7</sup> it declined in 1938 to 159 million pesos (89 million dollars). Preliminary reports indicate that the value of imports rose to 183 million pesos (approximately 105 million dollars) in 1939, a gain of 18 percent over 1938, in terms of dollars.<sup>8</sup>

#### Exports from Colombia.

*Composition.*—Colombian exports consist almost entirely of agricultural and mineral products, especially coffee, bananas, and petroleum. In the decade 1929–38, the proportion of the total accounted for by these two groups (excluding gold) ranged between 93 and 97 percent. In later years of the decade the proportion of agricultural products declined slightly, while that of mineral products increased. The Colombian export classification also includes animals and animal products; manufactures; forest products; game and fish products; and miscellaneous products. Exports from Colombia, by groups and principal subgroups, in specified years, 1929 to 1938, are shown in pesos in table 3 and in dollars in table 4.<sup>9</sup> The percentages for the various groups are exclusive of gold, which is shown separately in the Colombian statistics.

For every group and individual commodity shown in table 4, there was a sharp drop in the dollar value of exports between 1929 and 1932, caused entirely or in considerable part by lower prices. All groups and commodities except bananas showed increases in dollar values in 1937 over 1932. Dollar values in 1937, however, were below those in

<sup>6</sup> See table 5.

<sup>7</sup> Prior to 1937, Colombian import values were f.o.b.; beginning in 1937, they are c.i.f.; this operated to increase the value of imports.

<sup>8</sup> Price and quantum indexes of Colombian imports are not available.

<sup>9</sup> In the Colombian trade statistics, exports of gold are carried separately; they do not appear in the mineral-products group, and are not included in the percentages shown. The Colombian export schedule was revised in 1934, the new classifications becoming effective with the 1935 trade annual. There were slight changes in most of the groups, and the data given for 1929 are, therefore, not in all cases strictly comparable with those for other years shown in tables 3 and 4.

1929 except for forest products and the agricultural-products subgroup "raw materials."

Most groups, subgroups, and commodities showed lower values for 1938 than for 1937. For the principal commodities, the ratios of the dollar value of exports in 1938 to that in 1929 were as follows: Coffee, 67 percent; bananas, 58 percent; crude petroleum, 80 percent; and hides and skins, 58 percent.

TABLE 3.—Colombia: Exports,<sup>1</sup> in terms of pesos, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of pesos]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total, including gold.....	126, 872	70, 195	157, 632	184, 188	163, 226
Grand total, excluding gold.....	121, 677	67, 109	136, 844	152, 169	144, 446
Agricultural products.....	<sup>3</sup> 86, 292	49, 019	100, 490	106, 714	98, 916
Food products.....	85, 935	48, 919	100, 197	106, 182	97, 682
Coffee, including ground.....	76, 887	42, 910	91, 971	99, 175	88, 779
Bananas, fresh.....	8, 850	6, 007	8, 207	6, 983	8, 884
Raw materials.....	<sup>3</sup> 263	100	293	532	1, 234
Mineral products.....	27, 031	16, 337	28, 307	35, 170	37, 298
Petroleum, crude.....	27, 016	16, 329	28, 269	35, 079	37, 206
Animals and animal products.....	4, 074	881	3, 718	5, 404	4, 446
Hides and skins.....	4, 007	862	3, 688	5, 329	4, 014
Manufactured products.....	<sup>3</sup> 2, 886	656	3, 568	3, 240	2, 332
Semimanufactures.....	( <sup>4</sup> )	495	3, 321	2, 765	1, 796
Platinum and its alloys.....	2, 623	495	3, 184	2, 666	1, 651
Finished products.....	( <sup>4</sup> )	161	247	475	536
Forest products.....	<sup>3</sup> 439	159	317	825	563
Game and fish and products.....	<sup>3</sup> 200	53	161	481	270
All other products.....	<sup>3</sup> 755	4	293	334	621
Reexports.....	722	.....	275	293	570
Gold, total exports.....	5, 195	3, 086	20, 788	32, 019	18, 780
Gold, in bars.....	3, 598	794	20, 788	32, 019	18, 780

<sup>1</sup> General exports, excluding gold. Values are f.o.b. frontier, excluding export duties, as declared by merchants. Exports of gold are shown separately at the bottom of this table.

<sup>2</sup> Classifications employed in this table are those given in the Colombian export statistics for 1938. Groups are ranked according to value in 1938. The export schedule was revised in 1934, and became effective beginning with the 1935 annual. The data here given for 1929 are not all strictly comparable with data for other years. There were slight changes in all except one group. The only change of importance, however, was the transfer of platinum from the mineral-products group to the manufactured-products group.

<sup>3</sup> Not strictly comparable because of revision of the export schedule.

<sup>4</sup> Not available.

Source: Compiled by the United States Tariff Commission from *Anuario de Comercio Exterior de la Colombia*.

Agricultural products constituted from 68 to 73 percent of the value of all exports in the decade 1929-38. This group consists almost entirely of coffee and bananas. In 1938 coffee constituted three-fifths of all Colombian exports. Bananas accounted for 6 percent and agricultural raw materials for less than 1 percent. The other important export group, mineral products, is composed entirely of crude petroleum,<sup>10</sup> which in the decade 1929-38 accounted for from 21 to 26 percent of the value of all exports. Animals and animal products (almost entirely hides and skins) constituted from 1 to nearly 4 percent of the value of total exports.

Other Colombian exports, which together accounted in 1938 for less than 3 percent of all shipments abroad, were manufactured products (largely platinum and its alloys), forest products, game and fish and products, and miscellaneous products.

<sup>10</sup> Gold and platinum are not included in this classification.

TABLE 4.—Colombia: Exports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 peso = \$0.9676)		1932 (1 peso = \$0.9530)		1936 (1 peso = \$0.5717)		1937 (1 peso = \$0.5656)		1938 (1 peso = \$0.5593)	
	Value	Per- cent of total ex- ports	Value	Per- cent of total ex- ports	Value	Per- cent of total ex- ports	Value	Per- cent of total ex- ports	Value	Per- cent of total ex- ports
Grand total, including gold.....	122,761		66,896		90,118		104,177		91,293	
Grand total, excluding gold.....	117,735	100.0	63,955	100.0	78,234	100.0	85,067	100.0	80,789	100.0
Agricultural products.....	\$83,496	70.9	46,715	73.1	57,445	73.5	60,358	70.1	55,324	68.5
Food products.....	83,170	70.7	46,620	72.9	57,283	73.3	60,057	69.8	54,634	67.6
Coffee, including ground.....	74,396	63.2	40,894	63.9	52,580	67.2	56,094	65.2	49,654	61.5
Bananas, fresh.....	8,564	7.3	5,725	9.0	4,692	6.0	3,950	4.6	4,969	6.2
Raw materials.....	255	.2	95	.2	162	.2	301	.3	690	.9
Mineral products.....	26,155	22.2	15,569	24.3	16,183	20.7	19,982	23.1	20,861	25.8
Petroleum, crude.....	26,141	22.2	15,561	24.3	16,161	20.7	19,841	23.1	20,810	25.8
Animals and animal products.....	3,942	3.3	840	1.3	2,125	2.7	3,056	3.6	2,487	3.1
Hides and skins.....	3,877	3.3	822	1.3	2,108	2.7	3,014	3.5	2,245	2.8
Manufactured products.....	2,793	2.4	625	1.0	2,040	2.6	1,833	2.1	1,304	1.6
Semimanufactures.....	( <sup>4</sup> )		472	.8	1,899	2.4	1,564	1.8	1,005	1.2
Platinum and its alloys.....	2,539	2.2	472	.7	1,820	2.3	1,568	1.8	923	1.1
Finished products.....	( <sup>4</sup> )		153	.2	141	.2	269	.3	300	.4
Forest products.....	425	.4	152	.2	181	.2	467	.6	315	.4
Game and fish and products.....	193	.2	50	.1	92	.1	272	.3	151	.2
All other products.....	731	.6	4	( <sup>5</sup> )	168	.2	189	.2	347	.4
Reexports.....	699	.6			157	.2	166	.2	319	.4
Gold, total exports.....	5,026		2,941		11,884		18,110		10,504	
Gold, in bars.....	3,482		756		11,884		18,110		10,504	

<sup>1</sup> General exports, excluding gold. Values are f.o.b. frontier, excluding export duties, as declared by merchants. Exports of gold are shown separately at the bottom of this table.

<sup>2</sup> Classifications employed in this table are those given in the Colombian export statistics for 1938. Groups are ranked according to value in 1938. The export schedule was revised in 1934, and became effective beginning with the 1935 annual. The data here given for 1929 are not all strictly comparable with data for other years. There were slight changes in all except one group. The only change of importance, however, was the transfer of platinum from the mineral products group to the manufactured products group. All other years are comparable; statistics have been compiled from the later annuals.

<sup>3</sup> Not strictly comparable because of revision of the export schedule.

<sup>4</sup> Not available.

<sup>5</sup> Less than one-tenth of 1 percent.

Source: Compiled by the United States Tariff Commission from *Anuario de Comercio Exterior de la Colombia*.

Exports of gold, shown separately in table 3, were valued at 5 million pesos (5 million dollars) in 1929, 3 million pesos (3 million dollars) in 1932, and 32 million pesos (18 million dollars) in 1937. In 1938 they amounted to 19 million pesos (10.5 million dollars), as compared with a total export trade, exclusive of gold, of 144 million pesos (81 million dollars).

Quantities, values, and unit values of selected Colombian export commodities, in specified years, 1929 to 1938, are shown in table 5. The trend of exports of coffee, the leading export commodity, was upward (in terms of quantity) during the decade. Quantities increased from 375 million pounds in 1929 to 565 million in 1938, or 51 percent above the 1929 figure. The dollar value of exports of coffee, however, declined by nearly one-half between 1929 and 1932; thereafter it increased until 1937, when it amounted to three-fourths of that in 1929. In 1938 the dollar value declined somewhat.

Exports of bananas from Colombia have varied considerably. They declined from 10 million bunches in 1929 to 6 million in 1932;

in the period 1936-38 they ranged between 6.6 and 8.6 million bunches. The dollar value of exports, however, declined by more than one-half between 1929 and 1937, recovering somewhat in 1938.

Exports of crude petroleum declined from 18 million barrels in 1929 to 16 million in 1932. Thereafter they increased, the quantity in 1938 being almost the same as that in 1929. The dollar value of exports in 1932 was 59 percent of that in 1929. After 1932, dollar values increased, and in 1938 reached 80 percent of that in 1929.

TABLE 5.—Colombia: Exports of selected commodities, in specified years, 1929 to 1938

Commodity	1929	1932	1936	1937	1938
Quantity					
Coffee, 1,000 lb.....	375, 114	42, 375	521, 479	552, 646	565, 336
Bananas, 1,000 bunches of 50 lb.....	10, 155	5, 889	8, 309	6, 585	8, 608
Petroleum, crude, 1,000 bbl.....	18, 479	15, 855	16, 437	17, 743	18, 453
Value (1,000 U. S. dollars <sup>1</sup> )					
Coffee.....	74, 396	40, 894	52, 590	56, 094	49, 654
Bananas.....	8, 564	5, 725	4, 692	3, 950	4, 969
Petroleum, crude.....	26, 141	15, 561	16, 161	19, 841	20, 810
Unit value (U. S. dollars)					
Coffee, lb.....	0. 198	0. 097	0. 101	0. 102	0. 088
Bananas, bunch of 50 lb.....	. 843	. 972	. 565	. 600	. 577
Petroleum, crude, bbl.....	1. 415	. 981	. 983	1. 118	1. 128

<sup>1</sup> Converted at rates shown in table 1.

Source: Compiled by the United States Tariff Commission from *Anuario de Comercio Exterior de la Colombia*.

*Destination.*—The principal destinations of Colombian exports (exclusive of gold) in 1938, with share of the total value taken by each country, were the United States, 53 percent; Germany, 15 percent; the Netherlands West Indies, 12 percent; Canada, 10 percent; and France, 5 percent. Other markets included Italy, the Netherlands, the United Kingdom, and Japan. All Colombian exports of gold in 1938 went to the United States. Exports from Colombia to selected countries, in specified years, 1929 to 1938, are shown in pesos in table 6 and in dollars in table 7. More detailed data for 1937 are shown in table 8.

Historically, the United States has been by far the leading purchaser of Colombian products shipped abroad. On the basis of value, approximately three-fourths of all exports from Colombia in 1929 and 1932 (excluding gold), went to this market. In the years 1936-38, the share of the United States declined to about one-half, and the proportions taken by Germany, France, and Italy increased. The United States, however, has customarily taken all or practically all of the exports of gold, which increased rapidly in the period 1932-37. United States purchases (exclusive of gold) ranged in value from 42 million (1936) to 87 million dollars (1929); in 1938 they amounted to 43 million.

German purchases of Colombian products, which accounted for but 2 percent of the total value in 1929, constituted between 12 and 17 percent in the years 1936-38. Values varied from 2.6 million (1929) to 13 million dollars (1936), and in 1938 were 12 million dollars. France's share increased from less than one-half of 1 percent in 1929 to nearly 5 percent in 1938; Italy also increased its participation in the Colombian export trade during the decade.

TABLE 6.—Colombia: Foreign trade with selected countries, in terms of pesos, in specified years, 1929 to 1938

[Value in thousands of pesos]

Country	1929	1932	1936	1937	1938
<b>Exports to—</b>					
All countries, including gold.....	126, 872	70, 195	157, 632	184, 188	163, 226
All countries, excluding gold <sup>1</sup> .....	121, 677	67, 109	136, 844	152, 169	144, 446
UNITED STATES.....	90, 213	50, 960	74, 320	86, 070	76, 169
United Kingdom.....	6, 038	811	2, 353	686	723
Germany.....	2, 687	2, 870	22, 679	18, 746	21, 075
Japan.....	( <sup>2</sup> )	( <sup>3</sup> )	135	252	125
Italy.....	511	828	654	2, 722	1, 919
France.....	565	1, 983	6, 254	7, 456	6, 714
Netherlands West Indies.....	134	1, 095	15, 106	18, 544	16, 896
Canada.....	6, 014	3, 150	8, 023	10, 181	14, 176
All other.....	15, 515	5, 413	7, 020	7, 512	6, 679
<b>Imports from <sup>1</sup>—</b>					
All countries.....	128, 376	30, 649	120, 037	169, 682	159, 252
UNITED STATES.....	58, 050	12, 859	49, 559	82, 067	81, 608
United Kingdom.....	18, 186	6, 091	22, 600	31, 977	19, 663
Germany.....	18, 224	4, 690	26, 704	22, 752	27, 531
Japan.....	1, 416	391	132	358	269
Italy.....	4, 017	706	483	1, 326	1, 833
France.....	7, 122	1, 432	3, 770	5, 324	5, 346
Netherlands West Indies.....	445	95	599	707	563
Canada.....	661	225	772	1, 864	1, 615
All other.....	18, 255	4, 160	15, 418	23, 307	20, 824

<sup>1</sup> General exports, excluding gold. Values are f. o. b. frontier, excluding export duties, as declared by merchants. Colombia's shipments of gold were as follows:

[In thousands of pesos]

	1929	1932	1936	1937	1938
Total, all countries.....	5, 195	3, 086	20, 788	32, 019	18, 780
UNITED STATES.....	5, 181	3, 086	20, 788	32, 019	18, 780
All other countries.....	14				

<sup>2</sup> Less than 500.

<sup>3</sup> General imports, including parcel post. Values as declared by merchants. Prior to 1937, values are f. o. b.; beginning in 1937 they are c. i. f.

Source: Compiled by the United States Tariff Commission from *Anuario de Comercio Exterior de la Colombia*.

Purchases by the United Kingdom, which represented about 5 percent of the total value in 1929, declined to one-half of 1 percent, or less, in 1937 and in 1938. The decline in 1937 is attributable to the bumper banana crop in Jamaica in that year, and to the purchase by the United Kingdom of Jamaican rather than Colombian bananas. As a result of the unfavorable balance thus created, Colombia denounced its commercial treaty of 1866 with the United Kingdom. Exports

to Japan have formed a negligible part of the total Colombian export trade.<sup>11</sup>

TABLE 7.—Colombia: Foreign trade with selected countries, in terms of dollars, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Country	1929 (1 peso = \$0.9676)		1932 (1 peso = \$0.9530)		1936 (1 peso = \$0.5717)		1937 (1 peso = \$0.5656)		1938 (1 peso = \$0.5593)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
<b>Exports to—</b>										
All countries, including gold.....	122,761		66,896		90,118		104,177		91,293	
All countries, excluding gold <sup>1</sup> .....	117,735	100.0	63,955	100.0	78,234	100.0	86,067	100.0	80,789	100.0
UNITED STATES.....	87,290	74.1	48,565	75.9	42,489	54.3	48,681	56.6	42,601	52.7
United Kingdom.....	5,842	5.0	773	1.2	1,345	1.7	388	.4	405	.5
Germany.....	2,600	2.2	2,735	4.3	12,966	16.6	10,603	12.3	11,787	14.6
Japan.....	( <sup>2</sup> )		( <sup>2</sup> )		77	.1	143	.2	70	.1
Italy.....	494	.4	789	1.2	645	.7	1,539	1.8	1,073	1.3
France.....	547	.5	1,890	3.0	3,576	4.6	4,217	4.9	3,755	4.7
Netherlands West Indies.....	130	.1	1,043	1.6	8,636	11.0	10,489	12.2	9,433	11.7
Canada.....	5,819	4.9	3,002	4.7	4,587	5.9	5,758	6.7	7,929	9.8
All other.....	15,013	12.8	5,158	8.1	4,013	5.1	4,249	4.9	3,736	4.6
<b>Imports from<sup>3</sup>—</b>										
All countries.....	122,281	100.0	29,209	100.0	68,625	100.0	95,972	100.0	89,070	100.0
UNITED STATES.....	56,169	45.9	12,254	41.9	28,333	41.3	46,417	48.4	45,643	51.2
United Kingdom.....	17,597	14.4	5,805	19.9	12,920	18.8	18,086	18.8	10,998	12.3
Germany.....	17,634	14.5	4,469	15.03	15,267	22.2	12,869	13.4	15,398	17.3
Japan.....	1,370	1.1	373	1.3	75	.1	203	.2	151	.2
Italy.....	3,888	3.2	673	2.3	276	.4	750	.8	1,025	1.2
France.....	6,891	5.6	1,365	4.7	2,155	3.2	3,011	3.1	2,990	3.4
Netherlands West Indies.....	430	.4	91	.3	343	.5	400	.4	315	.3
Canada.....	640	.5	214	.7	441	.6	1,054	1.1	903	1.0
All other.....	17,662	14.4	3,965	13.6	8,815	12.9	13,182	13.8	11,647	13.1

<sup>1</sup> General exports, excluding gold. Values are f. o. b. frontier, excluding export duties, as declared by merchants. Colombia's shipments of gold were as follows:

[In thousands of U. S. dollars]

	1929	1932	1936	1937	1938
Total, all countries.....	5,026	2,941	11,884	18,110	10,504
UNITED STATES.....	5,013	2,941	11,884	18,110	10,504
All other countries.....	13				

<sup>2</sup> Less than 500.

<sup>3</sup> General imports, including parcel post. Values as declared by merchants. Prior to 1937, values are f. o. b.; beginning in 1937 they are c. i. f.

Source: Compiled by the United States Tariff Commission from *Anuario de Comercio Exterior de la Colombia*.

A substantial part of Colombian exports, principally crude petroleum for refining, goes to the Netherlands West Indies. The refined petroleum is in ordinary times shipped chiefly to western European coun-

<sup>11</sup> The value of exports to France, Italy, the United Kingdom, and Japan varied as follows: France, from 547,000 (1929) to 4.2 million dollars (1937); Italy, from 494,000 (1929) to 1.5 million dollars (1937); the United Kingdom, from 388,000 (1937) to 5.8 million dollars (1929); Japan, from less than \$500 (1929 and 1932) to \$143,000 (1937).

tries and the United States. Canada is also an important market for Colombian crude petroleum and bananas. Colombian exports to other Latin American countries are usually very small; in 1937 they amounted to but 796,000 dollars, or less than 1 percent of the total. Among the Latin American countries, Argentina is the principal market.

TABLE 8.—Colombia: Foreign trade, by geographic areas and principal countries, in 1937

[Value in thousands of U. S. dollars]

Exports <sup>1</sup> (1 peso=\$0.5656)			Imports <sup>1</sup> (1 peso=\$0.3656)		
To—	Value	Percent of total	From—	Value	Percent of total
<b>Western Hemisphere:</b>			<b>Western Hemisphere:</b>		
UNITED STATES.....	48,681	56.6	UNITED STATES.....	46,417	48.4
Canada.....	5,759	6.7	Canada.....	1,054	1.1
Netherlands W. Indies.....	10,489	12.2	Venezuela.....	832	.8
Argentina.....	334	.4	Trinidad and Tobago.....	479	.5
All other Western Hemisphere countries.....	630	.7	All other Western Hemisphere countries.....	2,010	2.1
<b>Total.....</b>	<b>65,893</b>	<b>76.6</b>	<b>Total.....</b>	<b>50,801</b>	<b>52.9</b>
<b>Europe:</b>			<b>Europe:</b>		
United Kingdom.....	388	.4	United Kingdom.....	18,086	18.3
Germany.....	10,603	12.3	Germany.....	12,869	13.4
France.....	4,217	4.9	France.....	3,011	3.1
Italy.....	1,539	1.8	Italy.....	730	.8
Netherlands.....	1,072	1.2	Netherlands.....	2,557	2.7
Belgium-Luxemburg.....	1,035	1.2	All other European countries.....	7,243	7.6
All other European countries.....	1,163	1.4	<b>Total.....</b>	<b>44,516</b>	<b>46.4</b>
<b>Total.....</b>	<b>20,017</b>	<b>23.2</b>	<b>Asia:</b>		
<b>Asia:</b>			Japan.....	203	.2
Japan.....	143	.2	Indochina.....	260	.3
All other Asiatic countries.....	9	( <sup>2</sup> )	All other Asiatic countries.....	146	.1
<b>Total.....</b>	<b>152</b>	<b>.2</b>	<b>Total.....</b>	<b>609</b>	<b>.6</b>
<b>Africa.....</b>			<b>Africa.....</b>		
Africa.....	5	( <sup>2</sup> )	Africa.....	14	( <sup>2</sup> )
<b>Oceania.....</b>			<b>Oceania.....</b>		
Oceania.....			Oceania.....	32	( <sup>2</sup> )
<b>Grand total, excluding gold.....</b>	<b>86,067</b>	<b>100.0</b>	<b>Grand total.....</b>	<b>95,972</b>	<b>100.0</b>
<b>Grand total, including gold.....</b>	<b>* 104,177</b>				

<sup>1</sup> Import values are c. i. f. and export values are f. o. b. frontier (excluding export duties), as declared by merchants. Parcel post is included.

<sup>2</sup> Colombia's shipments of gold in 1937 were valued at \$18,109,757.

<sup>3</sup> Less than one tenth of 1 percent.

Source: Compiled by the United States Tariff Commission from *Anuario de Comercio Exterior de la Colombia*, 1938.

Colombian agricultural products ordinarily go largely to the United States and Germany. In the period 1935-37 approximately three-fourths of the value of all coffee was taken by the United States; the United States and Germany together accounted for over 90 percent of such exports. Other markets for coffee in 1937 included Canada and Italy. Nearly one-half of the exports of bananas in 1935 and 1936 (in terms of value) were shipped to the United States; in 1937, however, the share of the United States was nearly three-fourths. The United Kingdom, the second country of destination in 1935, yielded this posi-



tion to Germany in 1936 and 1937, when the latter country took more than one-fourth of all exports of bananas.<sup>12</sup>

Exports of mineral products from Colombia, composed almost exclusively of crude petroleum in 1936 and 1937, went principally to the Netherlands West Indies (for refining and export), Canada, and France. In 1937 the Netherlands West Indies took 52 percent, Canada 20 percent, and France 18 percent of such exports.

Hides and skins exported by Colombia consist almost entirely of cattle hides. The principal markets in recent years, with share of the total in 1937, have been Belgium-Luxemburg, 33 percent; Germany, 25 percent; the Netherlands, 15 percent; and the United States, 12 percent. The small exports of goat and sheep skins go principally to the United States and the Netherlands West Indies.

Of the remaining important Colombian exports—gold and platinum—gold is shipped exclusively to the United States. Three-fourths or more of the value of exports of platinum was taken by the United States in the period 1935–37; in 1937 Germany, the United Kingdom, and France accounted for the remainder.

#### Imports into Colombia.

*Composition.*—The Colombian import classification consists of seven groups, the most important of which are manufactured products (finished and semifinished) and agricultural products. Imports into Colombia, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938, are shown in pesos in table 9 and in dollars in table 10.<sup>13</sup>

In terms of dollar value, there was a sharp drop in imports in all groups in 1932, as compared with 1929. Imports in 1937 in all groups except forest products were smaller than in 1929, but larger than in 1932. Imports in most groups and subgroups delined somewhat in 1938; a conspicuous exception was tubing, piping, and accessories for oil wells. In dollar value the ratios of imports in 1938 to those in 1929 for the major groups were as follows: Manufactured products, 78 percent; agricultural products, 47 percent; and animals and animal products, 20 percent.

Colombian imports of manufactured products increased irregularly in share of total imports from 87 percent in 1929 to more than 92 percent in 1938. By far the greater part of manufactured products imported into Colombia consists of finished products, 80 percent of total imports falling into this classification in 1938, as compared with 12 percent for semifinished products.

Imports of machinery, the leading subgroup of manufactured products, have been an increasingly important element in Colombia's trade, the share increasing regularly from 11 percent in 1932 to 18 percent in 1938. The principal commodities have been electrical and other apparatus, mining and construction machinery, and textile machinery and sewing machines.

Textile products have formed a progressively smaller proportion of Colombian imports in recent years, dropping from 34 percent of

<sup>12</sup> The discussions of export commodities by countries of destination and of import commodities by countries of origin are based on statistics furnished by the Division of Regional Information, U. S. Department of Commerce. Data for years subsequent to 1937 are not readily available.

<sup>13</sup> Because of the revision of the Colombian import schedule in 1934, it has been impracticable to provide data for the subgroups and commodities in 1929. Data are given for the commodity groups for this year, but they probably are not strictly comparable with those for later years.

the total in 1932 to 16 percent in 1938. Cotton piece goods, the most important single item, accounted for 23 percent of total imports in 1932 as compared with less than 9 percent in 1938.

TABLE 9.—Colombia: Imports,<sup>1</sup> in terms of pesos, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of pesos]

Commodity group, subgroup, or commodity *	1929 (f. o. b. value)	1932 (f. o. b. value)	1936 (f. o. b. value)	1937 (c. i. f. value)	1938 (c. i. f. value)
Grand total.....	126,376	30,649	120,037	169,682	159,252
Manufactured products.....	109,422	28,178	108,828	156,493	147,952
Finished products.....	( <sup>†</sup> )	24,662	94,046	133,459	127,474
Textile products, industrial.....	( <sup>†</sup> )	10,515	28,278	35,869	25,853
Cotton piece goods.....	( <sup>†</sup> )	7,309	17,549	22,169	14,004
Fabrics, dyed.....	( <sup>†</sup> )	2,019	6,201	7,304	4,782
Fabrics, bleached, grills, mattress drills, etc.....	( <sup>†</sup> )	663	2,410	3,752	3,052
Fabrics, printed (stamped).....	6,954	2,462	4,245	5,629	1,720
Clothing and needlework.....	( <sup>†</sup> )	1,018	3,596	4,835	4,464
Woolen piece goods.....	( <sup>†</sup> )	763	3,183	4,177	2,695
Machinery (machines and apparatus).....	( <sup>†</sup> )	3,425	17,147	29,064	20,202
Apparatus, electrical and other.....	( <sup>†</sup> )	1,048	6,114	8,684	9,717
Mining and construction machinery.....	( <sup>†</sup> )	71	2,740	5,381	4,250
Textile machinery, sewing machines, etc.....	( <sup>†</sup> )	505	1,689	4,573	3,627
Metal manufactures.....	( <sup>†</sup> )	2,770	13,103	17,323	22,572
Tubing, piping, etc., and accessories.....	( <sup>†</sup> )	347	2,486	4,987	8,305
Tools and implements.....	( <sup>†</sup> )	480	2,002	2,267	2,495
Copper, brass, and bronze articles.....	( <sup>†</sup> )	308	1,362	1,493	2,027
Cable, wire, chains, and pulleys.....	( <sup>†</sup> )	497	1,528	2,475	1,758
Chemical products.....	( <sup>†</sup> )	2,721	9,327	13,162	12,138
Pharmaceutical products.....	( <sup>†</sup> )	1,242	4,757	6,583	6,305
Transport materials.....	( <sup>†</sup> )	1,049	8,054	12,202	11,696
Automobiles, trucks, and other vehicles.....	( <sup>†</sup> )	451	5,986	9,136	8,860
Automobiles and trucks, including tires.....	4,375	292	5,413	8,040	7,563
Ceramics, earthen, cements, glass, etc.....	( <sup>†</sup> )	747	3,329	4,606	5,484
Paper and cardboard.....	( <sup>†</sup> )	1,045	3,109	4,903	5,129
Paper.....	( <sup>†</sup> )	775	2,238	3,852	3,973
Leather, rubber, and similar products.....	( <sup>†</sup> )	707	2,644	3,687	3,673
Food products.....	( <sup>†</sup> )	303	2,801	4,080	2,793
Semifinished products.....	( <sup>†</sup> )	3,514	14,783	23,034	19,878
Chemical products.....	( <sup>†</sup> )	1,475	5,232	7,575	7,253
Various metals.....	( <sup>†</sup> )	982	4,287	7,501	6,145
Iron and steel.....	( <sup>†</sup> )	669	3,712	5,460	5,223
Yarns and fibers, prepared.....	( <sup>†</sup> )	614	4,033	6,030	4,729
Agricultural products.....	10,732	1,671	8,064	10,197	8,734
Food products.....	( <sup>†</sup> )	1,227	3,883	4,715	4,507
Cereals.....	( <sup>†</sup> )	903	2,294	3,242	3,152
Coffee, cacao, coca, and tea.....	( <sup>†</sup> )	186	1,199	838	692
Raw materials.....	( <sup>†</sup> )	445	4,181	5,482	4,227
Cotton.....	208	244	1,368	1,975	1,957
Coprás.....	( <sup>†</sup> )	36	1,495	1,695	846
Malt and malted barley.....	( <sup>†</sup> )	42	563	1,046	757
Animal and animal products.....	4,338	221	1,487	1,406	1,511
Edible animals.....	( <sup>†</sup> )	19	1,111	1,075	824
Forest products.....	1,558	236	721	1,095	1,151
Mineral products.....	68	63	193	282	305
Game and fish products.....	( <sup>†</sup> )	2	15	11	24
All other products.....	( <sup>†</sup> )	280	729	198	175

<sup>1</sup> General imports, including parcel post. Values prior to 1937 are f. o. b. Beginning in 1937 they are c. i. f., as declared by merchants; this operated to increase the value of all imports, in some classifications more than in others.

<sup>2</sup> Classifications employed in this table are those given in the Colombian import statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Not shown separately.

<sup>4</sup> The import schedule was revised in 1934, and became effective beginning with the 1935 annual. The data for the groups in 1929 are probably not strictly comparable. Because of the revision it has been impracticable to provide data for the subgroups and commodities in 1929.

<sup>5</sup> Not more than 500.

Source: Compiled by the United States Tariff Commission from *Anuario de Comercio Exterior de la Colombia*.

TABLE 10.—Colombia: Imports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Values in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 peso = \$0.9676)		1932 (1 peso = \$0.9530)		1936 (1 peso = \$0.5717)		1937 (1 peso = \$0.5656)		1938 (1 peso = \$0.5593)	
	Value (f.o.b.)	Per-cent of total	Value (f.o.b.)	Per-cent of total	Value (f.o.b.)	Per-cent of total	Value (c.i.f.)	Per-cent of total	Value (c.i.f.)	Per-cent of total
Grand total.....	122,281	100.0	29,209	100.0	68,625	100.0	95,972	100.0	89,070	100.0
Manufactured products.....	105,877	86.6	26,852	91.9	62,617	90.7	88,512	92.2	82,414	92.5
Finished products.....	( <sup>3</sup> )		23,503	80.5	53,766	78.4	75,484	78.6	71,296	80.0
Textile products, industrial.....			10,020	34.3	16,166	23.6	20,288	21.1	14,459	16.2
Cotton piece goods.....			6,965	23.8	10,033	14.6	12,539	13.1	7,833	8.8
Fabrics, dyed.....	( <sup>4</sup> )		1,924	6.6	3,545	5.2	4,131	4.3	2,675	3.0
Fabrics, bleached, drills, mattress drills, etc.....			632	2.2	1,378	2.0	2,122	2.2	1,707	1.9
Fabrics, printed (stamped).....	6,728	5.5	2,346	8.0	2,427	3.5	3,184	3.3	962	1.1
Clothing and needle-work.....			970	3.3	2,055	3.0	2,735	2.8	2,497	2.8
Woolen piece goods.....			728	2.5	1,820	2.7	2,362	2.5	1,507	1.7
Machinery (machines and apparatus).....			3,264	11.2	9,803	14.3	16,439	17.1	16,333	18.3
Apparatus, electrical and other.....			999	3.4	3,495	5.1	4,912	5.1	5,435	6.1
Mining and construction machinery.....			68	.2	1,566	2.3	3,044	3.2	2,377	2.7
Textile machinery, sewing machines, etc.....			481	1.6	965	1.4	2,586	2.7	2,028	2.3
Metal manufactures.....	( <sup>5</sup> )		2,640	9.0	7,491	10.9	9,798	10.2	12,624	14.2
Tubing, piping, etc., and accessories.....			331	1.1	1,421	2.1	2,821	2.9	4,645	5.2
Tools and implements.....			458	1.6	1,144	1.7	1,282	1.3	1,396	1.6
Copper, brass, and bronze articles.....			293	1.0	779	1.1	845	.9	1,134	1.3
Cable, wire, chains, and pulleys.....			474	1.6	874	1.3	1,400	1.5	983	1.1
Chemical products.....			2,593	8.9	5,332	7.8	7,444	7.8	6,789	7.6
Pharmaceutical products.....			1,183	4.1	2,719	4.0	3,893	4.1	3,527	4.0
Transport materials.....			1,000	3.4	4,605	6.7	6,902	7.2	6,486	7.3
Automobiles, trucks, and other vehicles.....			430	1.5	3,422	5.0	5,167	5.4	4,955	5.6
Automobiles and trucks, including tires.....	4,233	3.5	278	1.0	3,095	4.5	4,547	4.7	4,230	4.7
Ceramics, earthenware, glass, etc.....			711	2.4	1,903	2.8	2,605	2.7	3,067	3.4
Paper and cardboard.....			996	3.4	1,777	2.6	2,773	2.9	2,869	3.2
Paper.....	( <sup>6</sup> )		738	2.5	1,280	1.9	2,184	2.3	2,222	2.5
Leather, rubber, and similar products.....			673	2.3	1,512	2.2	2,085	2.2	2,054	2.3
Food products.....			289	1.0	1,601	2.3	2,308	2.4	1,562	1.8
Semifinished products.....	( <sup>7</sup> )		3,349	11.5	8,451	12.3	13,028	13.6	11,118	12.5
Chemical products.....			1,405	4.8	2,991	4.4	4,284	4.5	4,056	4.6
Various metals.....			935	3.2	2,451	3.6	4,243	4.4	3,437	3.9
Iron and steel.....	( <sup>8</sup> )		637	2.2	2,122	3.1	3,653	3.8	2,921	3.3
Yarns and fibers, prepared.....			685	2.0	2,306	3.4	3,410	3.6	2,645	3.0
Agricultural products.....	10,384	8.5	1,593	5.5	4,610	6.7	5,768	6.0	4,885	5.5
Food products.....			1,169	4.0	2,220	3.2	2,667	2.8	2,521	2.8
Cereals.....			861	2.9	1,306	1.9	1,834	1.9	1,763	2.0
Coffee, cacao, coca, and tea.....	( <sup>9</sup> )		158	.5	685	1.0	474	.5	387	.4
Raw materials.....			424	1.5	2,390	3.5	3,101	3.2	2,364	2.7
Cotton.....	201	.2	232	.8	782	1.1	1,117	1.2	1,094	1.2
Cops.....	( <sup>10</sup> )		34	.1	655	1.2	959	1.0	473	.6
Malt and malted barley.....	( <sup>11</sup> )		40	.1	322	.5	591	.6	424	.6

See footnotes at end of table.

TABLE 10.—Colombia: Imports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938—Continued

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1939 (1 peso= \$0.9676)		1932 (1 peso= \$0.9330)		1936 (1 peso= \$0.5717)		1937 (1 peso= \$0.5556)		1938 (1 peso= \$0.5593)	
	Value (f.o.b.)	Per- cent of total	Value (f.o.b.)	Per- cent of total	Value (f.o.b.)	Per- cent of total	Value (f.o.b.)	Per- cent of total	Value (f.o.b.)	Per- cent of total
<b>Agricultural products—Con.</b>										
Animals and animal products.....	4,197	3.4	210	0.7	850	1.2	795	0.8	845	1.0
Edible animals.....	( <sup>3</sup> )		18	.1	635	.9	608	.6	461	.5
Forest products.....	1,508	1.2	225	.8	412	.6	619	.7	644	.7
Mineral products.....	259	.2	60	.2	110	.2	160	.2	170	.2
Game and fish products.....	56	( <sup>4</sup> )	2	( <sup>4</sup> )	9	( <sup>4</sup> )	6	( <sup>4</sup> )	14	( <sup>4</sup> )
All other products.....	( <sup>4</sup> )	( <sup>4</sup> )	267	.9	417	.6	112	.1	98	.1

<sup>1</sup> General imports, including parcel post. Values prior to 1937 are f. o. b. Beginning in 1937 they are c. i. f., as declared by merchants; this operated to increase the value of all imports, in some classifications more than in others.

<sup>2</sup> Classifications employed in this table are those given in the Colombian import statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Not shown separately.

<sup>4</sup> The import schedule was revised in 1934, and became effective beginning with the 1935 annual. The data for the groups in 1929 are probably not strictly comparable. Because of the revision it has been impracticable to provide data for the subgroups and commodities in 1929.

<sup>5</sup> Less than one-tenth of 1 percent.

<sup>6</sup> Not more than 500.

Source: Compiled by the United States Tariff Commission from *Anuario de Comercio Exterior de la Colombia*.

The share of metal manufactures (other than machinery) increased irregularly from 9 percent in 1932 to 14 percent in 1938, largely as a result of increased imports of tubing, piping, and accessories for the expanding oil industry. Other metal manufactures include tools and implements; articles of copper, brass, and bronze; and cable, wire, chains, and pulleys.

Other finished manufactures, with share of total imports in 1938, are chemical products, 8 percent; transport materials, largely automobiles, trucks, and other vehicles, 7 percent; ceramics, earthenware, cements, and glass, 3 percent; paper and cardboard, 3 percent; leather, rubber, and similar products, 2 percent; and food products, 2 percent. The subgroup of semifinished products included chemical products, 5 percent; iron and steel, 3 percent; and prepared yarns and fibers, 3 percent.

Agricultural products (other than manufactured foods) imported into Colombia consist largely of the cereals and such raw materials as cotton, copra, malt, and malting barley. In the decade 1929-38, crude agricultural products declined irregularly in relative importance from 8 percent of total imports in 1929 to 5 percent in 1938. The remaining Colombian imports—animal, forest, mineral, game and fish, and miscellaneous products—together accounted for less than 3 percent of total imports in 1938.

Sources.—On the basis of value, Colombian imports in 1938 came from the following principal sources: The United States (51 percent), Germany (17 percent), and the United Kingdom (12 percent). Other suppliers in that year included France, the Netherlands, Italy, Canada, the Netherlands West Indies, Argentina, and Japan. Imports into Colombia from selected countries, in specified years, 1929 to 1938, have already been shown in pesos in table 6 and in dollars in table 7. More detailed data for 1937 are shown in table 8.

The leading source of imports into Colombia is the United States. In the decade 1929-38, the United States supplied (value basis) between 41 percent (1936) and 51 percent (1938) of all Colombian imports. Imports from the United States varied from 12 million (1932) to 56 million dollars (1929); in 1938 they amounted to 46 million dollars. Germany ranked second in all the years specified in table 7, except 1932 and 1937. The value of imports from Germany ranged from 4.5 million (1932) to 18 million dollars (1929), and its share from 13 percent (1937) to 22 percent (1936). Imports from Germany in 1938 were valued at 15 million dollars. The share furnished by the United Kingdom, which occupied third place except in 1932 and 1937, varied between 12 percent (1938) and 20 percent (1932). The value of imports from the United Kingdom ranged from 5.8 million (1932) to 18 million dollars (1937); in 1938 they amounted to 11 million dollars. The proportions of Colombian imports furnished by France, Italy, and Japan were smaller in the 3 years 1936-38 than in 1929 and 1932.<sup>14</sup>

Imports into Colombia from other Latin American countries form but a small part of total imports. In 1937 they were valued at approximately 2.4 million dollars, or about 2.5 percent of total imports in that year.

In ordinary times, manufactured products imported into Colombia originate principally in the United States, the United Kingdom, and Germany. In 1936 and 1937 the United Kingdom furnished more than one-half of all textile imports, followed by the United States with about one-fifth of the total, in terms of value. Germany ranked third in these years. In 1937 the United Kingdom supplied over four-fifths of all dyed cotton fabrics, nearly three-fourths of the printed cotton fabrics, three-fourths of the cotton thread, and about one-half of the bleached cotton fabrics and drills. Two-fifths, by value, of all imports of cotton hosiery came from Germany, and about one-fifth from the United States. The United Kingdom was the principal source of woolen piece goods, furnishing about three-fourths of the total value.

The United States is the leading supplier of machinery and apparatus; in the 3 years 1936-38, it furnished between two-thirds and three-fourths of the total value of such imports, followed by Germany, the United Kingdom, and Sweden. In 1937, three-fourths or more of all radio receiving sets, dredges and accessories, knitting machines and accessories, and sewing machines came from the United States. Metal manufactures (largely iron and steel) imported into Colombia originated in the past principally in the United States, which occupied first place in 1935 and 1937, and Germany, which ranked first in 1936. In 1937 the United States furnished 54 percent of the total value, Germany 25 percent, and the United Kingdom nearly 9 percent. The United States was also the leading supplier of finished chemical products, furnishing two-fifths of the total in 1937, in terms of value, as compared with one-third for Germany, and 12 percent for France. Transportation materials imported into Colombia (largely automobiles, trucks, chassis, and tires) come almost entirely from the United States; in 1937 it supplied more than 90 percent of all imports in this

<sup>14</sup> The values of imports from France, Italy, and Japan varied as follows: France, from 1.4 million (1932) to 6.9 million dollars (1929); Italy, from 276,000 (1936) to 3.9 million dollars (1929); Japan, from 75,000 (1936) to 1.4 million dollars (1929).

group, as compared with 84 percent in 1936. In the 3 years 1936-38, one-half to two-thirds of the value of all manufactured food products came from the United States.

Imports of semifinished products usually are obtained largely from the United States, the United Kingdom, and Germany. The United States is the principal source of semifinished metals (largely iron and steel); in 1937 nearly two-thirds came from that country. Germany ranked second in 1935 and 1936, with approximately one-third of the total value, but was replaced by Belgium (17 percent) in 1937. The United Kingdom is ordinarily the leading source of prepared yarns and fibers; in 1937 it supplied 36 percent of the total value, as compared with 16 percent for France and 13 percent for the United States.

Agricultural products imported into Colombia are classified as food products and raw materials. In 1935, the United States was the principal source of agricultural foodstuffs, with more than one-third of the total value. In 1936 and 1937, however, it occupied second place, first place being taken, respectively, by Thailand (Siam) and Indochina, from both of which Colombia imports rice. In 1937 Canada supplied nearly 90 percent of all Colombian wheat imports, and Thailand furnished nearly three-fourths of the rice. Cacao comes principally from Brazil. The United States has been the leading source of agricultural raw materials, furnishing over one-third of the total value in 1936 and 1937. In 1937 the United States supplied all of the cotton imported into Colombia. Trinidad and Tobago were the principal sources of copra, and prior to the war Czechoslovakia led in furnishing malt and malting barley. Virtually all Colombian imports of edible animals consist of cattle from Venezuela.

### UNITED STATES TRADE WITH COLOMBIA

The primary factor affecting the composition and trend of United States commerce with Colombia in the last 15 years has been Colombia's increased production and export of coffee, petroleum, and gold. The recent development of Colombia's new petroleum fields in conjunction with United States capital has led to greatly increased shipments of equipment and supplies from the United States, while the growing market in the United States for the mild coffees of Colombia has resulted in rather steadily increasing imports of coffee from that country, although fluctuations in prices in recent years have had considerable effect upon the value of such imports.

#### **Trend of United States-Colombian trade.**

In the last half of the 1920's, United States imports from Colombia increased. In 1929 they reached 104 million dollars,<sup>15</sup> but with the subsequent decline in the price of coffee, the principal import from Colombia, the value of total imports declined (see table 11). During this period the trend of imports from Colombia differed rather materially from the trend of imports from Latin America as a whole. In terms of dollar value, purchases from Colombia had a less-than-average decline in 1930-32, but, unlike those from Latin America as a whole, they continued to decline thereafter and did not reach their lowest level until 1936, when they amounted to 43 million dollars.

<sup>15</sup> Exclusive of gold, for imports of which see table 15.

This extended downward trend in imports reflected two related developments in the trade in coffee. The price of Colombian coffee fell almost continuously after 1929, and, until 1937, was accompanied by only a moderate increase in the volume purchased. After 1936, however, the quantity of imports increased materially, although, because of low prices, not sufficiently to bring the value of imports back to the level of the predepression years.

Colombia's share in United States purchases from Latin America was irregular in the period 1924-40; customarily it is fifth-ranking supplier, but during the depression years, 1930-34, when the demand for Colombian coffee held up better than the demand for most other Latin American products, it rose to third place. In these years, Colombia's share in United States purchases from Latin America was considerably greater than before or since, having reached a high of 19 percent in 1932, compared with 10 percent in 1929 and 1939 and 8 percent in 1940.

TABLE 11.—United States imports from and exports to Colombia, 1924-40

[Value in thousands of dollars]

Year	General imports <sup>1</sup>		Exports (including reexports)	
	Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America
1924.....	57,729	5.6	27,764	3.8
1925.....	63,376	6.3	41,377	4.9
1926.....	90,242	8.7	49,281	5.9
1927.....	87,803	9.2	48,694	6.1
1928.....	94,599	10.0	58,596	7.0
1929.....	103,525	10.2	48,983	5.4
1930.....	97,139	14.3	25,130	4.0
1931.....	75,482	15.8	16,052	5.1
1932.....	60,846	18.8	10,670	5.5
1933.....	47,636	15.1	14,754	6.8
1934.....	47,115	12.7	21,943	7.1
1935.....	50,443	10.9	21,636	6.3
1936.....	43,085	8.6	27,729	7.0
1937.....	52,345	7.8	39,200	6.8
1938.....	49,398	10.9	40,862	8.2
1939.....	48,983	9.5	51,277	9.0
1940 <sup>2</sup> .....	47,600	7.7	51,690	7.1

<sup>1</sup> All figures are exclusive of gold, for imports of which see table 15.

<sup>2</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Colombia is a substantial producer of gold, most of which is exported to the United States. The value of imports of gold from Colombia (shown in table 15) has been relatively large; in 1939 it totaled 23.2 million dollars and was equal to almost one-half the value of merchandise imports from Colombia. The shipments were irregular in the decade 1929-38; they declined from 15 million dollars in 1931 to only 0.1 million in 1933, but with the devaluation of the dollar, they rose to 17 million dollars in 1934 and have remained large since that date.

Although Colombia's share in United States imports from Latin America has been irregular, its share in United States exports to Latin America has undergone an upward trend, which was particularly noticeable in the last few years as the activity of Colombia's petroleum industry accelerated (see table 11). In 1940, United States sales to Colombia totaled 51.7 million dollars, and were 7 percent of total United States exports to Latin America. Exports were several times greater in that year than in 1932 and were only slightly smaller than in the peak year 1928, when, as in 1940, they represented 7 percent of total United States sales to Latin America (this being also the peak percentage prior to 1934). Exports to Colombia since the outbreak of the war, although they have increased materially, have risen less rapidly than exports to Latin America as a whole.

#### United States imports from Colombia.

Coffee increased from three-fourths of the total value of United States imports from Colombia in 1929 to more than nine-tenths in 1939. Colombia, as the second largest supplier of United States imports of coffee, has over a period of years increased its participation in that trade, having accounted for about 16 percent of the total quantity in 1923, 21 percent in 1929, and 23 percent in the period 1937-39. Colombian coffee differs from that of Brazil, the principal source of United States imports of coffee, and is classified as "mild." In the last few years the quantity of coffee imported from Colombia has been as much as 45 percent larger than in 1929, but owing to continued low prices the value of imports has been only three-fifths as large (see table 12). The decline in the price of coffee has been the principal cause of the decline in the value of United States imports from Colombia during the last decade.

Bananas, platinum, and crude petroleum are also imported into the United States from Colombia in sizable quantities. The increased share of total imports accounted for by coffee reflects in part the greatly decreased imports of petroleum. Such imports amounted to 11 million dollars in 1932, in which year the United States imposed an import-excite tax on petroleum. Since then direct imports of petroleum from Colombia have been negligible,<sup>16</sup> although some petroleum originating there reaches this country as fuel oil from refineries in the Netherlands West Indies. On the other hand, imports of bananas and platinum, for which Colombia is the second largest source, have increased substantially in value since 1932.

Gold is the second largest import from Colombia. Imports, shown in table 15, have exceeded 10 million dollars in every year since 1933; in 1939 they totaled 23.2 million dollars, or more than half the value of imports of coffee from Colombia.

*Dutiable status of imports.*—In recent years less than one-half of 1 percent of total imports from Colombia have been dutiable; the principal imports—coffee, bananas, and platinum—are free of duty. Petroleum has been subject to an import-excite tax of one-half cent per gallon since June 1932; in the trade agreement with Venezuela, effective December 16, 1939, the tax was reduced to one-fourth cent

<sup>16</sup> One of the largest producers of petroleum in Colombia is a subsidiary of a Canadian company, which in turn is a subsidiary of a United States concern that has refineries located in the nearby Netherlands West Indies. Much of the Colombian crude regularly has been shipped to Canada for refining and consumption there, but large amounts have also gone to the Netherlands West Indies.



on a limited quantity entered annually. Colombia was allocated 4 percent of the quantity entitled to enter at the reduced rate.

In the trade agreement with Colombia, effective May 20, 1936, the duty on natural, uncompounded tolu balsam was reduced, while on castor beans and on a particular class of prepared ipecac the duties were bound at the rates to which they had previously been reduced in the Brazilian agreement. The duty-free status of a number of products, including bananas and coffee, was bound against change.

TABLE 12.—United States imports for consumption from Colombia of principal commodities, in specified years, 1929 to 1939

Commodity		1929	1932	1936	1937	1938	1939 <sup>1</sup>
	Unit	Quantity					
	Bananas, green or ripe.....	1,000 bunches.....	1,534	2,666	3,628	4,612	3,751
Coffee, raw or green.....	1,000 pounds.....	311,518	357,419	345,220	423,628	452,890	422,045
Crude petroleum:							
For consumption.....	1,000 barrels.....	12,600	10,550	72	431		1,166
For manufacture and export.....	1,000 barrels.....						
Platinum, grain and nuggets, sponge and scrap	1,000 oz. troy.....	46	16	29	24	21	23
Tariff status		Value in 1,000 dollars					
Bananas, green or ripe.....	Free.....	1,368	2,258	2,741	2,975	2,370	1,362
Coffee, raw or green.....	Free.....	78,811	46,477	38,584	47,260	45,830	46,163
Crude petroleum:							
For consumption.....	Taxable.....	18,490	11,081	114	465		808
For manufacture and export.....	Free.....						
Platinum, grain and nuggets, sponge and scrap.	Free.....	2,807	448	1,013	895	535	654
Imports of commodities shown above.....		101,476	60,264	42,451	51,695	49,735	47,987
Total imports from Colombia.....		103,525	60,846	42,962	52,255	49,377	48,644
Principal imports (shown above) as percent of total.....		98.0	99.0	98.8	98.7	98.7	98.0

<sup>1</sup> Preliminary.

<sup>2</sup> Free of duty under Tariff Acts of 1922 and 1930. Taxable under the Revenue Act of 1932, effective June 21, 1932. No free imports for the period June 21–December 31, 1932.

<sup>3</sup> General imports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

United States exports to Colombia.

Most of the United States sales to Colombia consist of manufactured products; the principal groups of commodities are machinery and vehicles (about two-fifths of the total), metals and manufactures, and textiles (see table 13). In 1939 the principal individual exports to Colombia were automobiles (6 percent of total trade), trucks (5 percent), cotton cloth (4 percent), petroleum well-drilling apparatus (3 percent), and raw cotton (3 percent). Other leading exports are lard, steel sheets, auto parts, casing and oil-line pipe, auto tires, steel bars, tin plate, barbed wire, and radio receiving sets (see table 14).

In the last few years Colombia's petroleum resources have been undergoing more intensive exploitation. One of the recent developments in that industry was the completion late in 1939 of a pipe line leading from newly developed fields in the interior to the Atlantic coast. This activity had a material effect upon the export of certain equipment to Colombia. Exports of oil-well drilling apparatus rose from \$372,000 in 1936 to 3.1 million dollars in 1938, and those of oil-line pipe from \$90,000 in 1936 to 1.4 million dollars in 1938. Although shipments of these products declined in 1939, sales of others increased

and total exports to Colombia in that year were substantially greater than in 1938.

The growth of industrialization, as evidenced by the recent expansion of Colombia's cotton-textile industry, has also had a noticeable effect upon United States exports to Colombia. Sales of raw cotton and textile machinery have increased greatly in the last few years, whereas exports of certain cotton textiles have tended to decline.

Although total exports to Colombia were only somewhat larger in 1939 than in 1929, exports of a considerable number of products were much greater than in 1929. Among these were electric refrigerators, radio sets, passenger cars, cigarettes, silk hosiery, glass containers, druggists' preparations, and chewing gum, which suggest an increase in the purchasing power of the people.

TABLE 13.—United States exports (domestic merchandise) to Colombia, by commodity groups, in 1938 and 1939

[In thousands of dollars]

Commodity group	1938	1939 <sup>1</sup>	Commodity group	1938	1939 <sup>1</sup>
Animals and animal products, edible, total.....	754	1,884	Nonmetallic minerals, total.....	1,541	1,922
Lard, including neutral.....	250	1,173	Lubricating oil.....	409	452
Milk, condensed, evaporated or dried.....	161	248	Glass containers, unfilled.....	191	308
Other animals and animal products, edible.....	343	463	Other nonmetallic minerals.....	941	1,162
Animals and animal products, inedible, total.....	428	557	Metals and manufactures, except machinery and vehicles, total.....	7,338	9,426
Vegetable food products and beverages, total.....	1,282	1,442	Iron and steel bars, rods, and sheets.....	962	1,821
Wheat.....	379	246	Tin plate and taggers' tin.....	293	620
Chewing gum.....	196	189	Tubular products and fittings.....	1,978	1,529
Other vegetable food products and beverages.....	707	1,007	Wire and manufactures.....	620	1,143
Vegetable products, inedible, except fibers and wood, total.....	1,805	2,194	Other metals and manufactures.....	3,485	4,313
Automobile tire casings.....	657	676	Machinery and vehicles, total.....	7,256	10,294
Cigarettes.....	438	494	Radio apparatus.....	699	712
Other vegetable products, inedible.....	710	1,024	Industrial machinery.....	7,190	6,452
Textile fibers and manufactures, total.....	4,487	6,845	Agricultural machinery.....	378	658
Raw cotton.....	1,011	1,477	Automobiles, parts, and accessories.....	4,361	6,303
Cotton yarn.....	437	423	Aircraft and parts.....	685	593
Duck and other cotton cloth, except tire fabric.....	1,189	2,303	Other machinery and vehicles.....	3,943	4,516
Other textile fibers and manufactures.....	1,850	2,642	Chemicals and related products, total.....	2,586	3,702
Wood and paper, total.....	892	1,016	Ready-mixed paints, stains, and enamels.....	317	356
Paper and manufactures.....	656	767	Druggists' and nonproprietary preparations.....	224	326
Wood and wood manufactures.....	236	249	Other chemicals and related products.....	2,045	3,020
			Miscellaneous.....	2,145	2,357
			Total exports.....	40,513	50,639

<sup>1</sup>Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 14.—United States exports (domestic merchandise) to Colombia of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Lard.....	1,000 pounds.....	22,521	3,504	867	61	522	62	32	5	2,760	250	15,370	1,173
Wheat.....	1,000 bushels.....	410	619	29	22	---	---	57	77	362	379	354	246
Sugar refined.....	1,000 pounds.....	21,097	594	252	5	10,224	165	21,224	407	5,152	101	1,280	35
Chewing gum.....	1,000 pounds.....	98	51	111	61	519	181	598	220	5,573	196	550	189
Automobile casings.....	Number.....	34,668	639	11,840	134	31,711	453	38,278	577	43,414	657	46,783	676
Cigarettes.....	1,000.....	96,816	264	4,938	13	87,159	225	172,077	458	161,365	438	180,841	494
Raw cotton, except linters:													
Other, 1½ inches and over.....	1,000 pounds.....	238	49	---	---	---	---	55	7	---	---	---	---
Upland, under 1½ inches.....	1,000 pounds.....	795	157	2,705	215	6,026	835	7,095	971	10,154	1,011	15,353	1,477
Cotton carded yarn, not combed.....	1,000 pounds.....	786	247	1,089	191	285	86	498	126	1,012	236	790	181
Cotton sheetings, unbleached, gray.....	1,000 sq. yd.....	4,994	409	7,228	307	4,105	230	4,579	304	5,339	277	2,793	143
Cotton cloth, bleached, dyed, printed, and colored yarn fabrics.....	1,000 sq. yd.....	17,604	2,151	18,393	1,518	10,226	1,139	10,204	1,199	6,823	706	19,576	1,997
Cotton bags.....	1,000 pounds.....	552	147	194	52	381	138	405	172	667	225	741	239
Silk hosiery, women's full-fashioned.....	1,000 doz. pr.....	12	141	7	45	38	212	36	220	44	275	47	294
Refined paraffin wax.....	Short ton.....	5,010	511	3,026	163	3,536	259	2,744	227	3,176	215	3,433	252
Glass containers.....	Short ton.....	---	80	---	20	---	131	---	214	---	191	---	308
Steel bars:													
Concrete reinforcement bars and other steel bars not containing alloy.....	Short ton.....	2,613	117	1,616	23	395	15	7,620	412	3,648	165	11,522	522
Iron sheets, galvanized.....	Short ton.....	6,966	657	18	1	67	5	106	19	87	9	693	33
Steel sheets, galvanized.....	Short ton.....	---	---	1,108	67	7,401	461	6,654	574	7,943	679	14,050	1,126
Tin plate, terneplate and taggers' tin.....	Short ton.....	1,157	120	388	33	3,669	338	4,896	496	2,611	296	6,210	620
Structural shapes:													
Not fabricated.....	Ton.....	1,252	95	114	8	984	54	2,304	199	1,923	121	2,722	162
Fabricated.....	Ton.....	4,955	484	303	33	2,087	233	2,353	275	3,777	453	2,463	278
Water, oil, gas, and other storage tanks complete and knocked-down material.....	( <sup>1</sup> )	( <sup>2</sup> )	160	10	693	55	729	61	3,228	233	1,317	128	
Casing and oil-line pipe, seamless and welded.....	Short ton.....	2,544	204	70	7	1,277	90	8,537	676	19,795	1,428	9,847	757
Iron or steel wire uncoated.....	Short ton.....	722	37	1,004	40	2,619	112	3,083	193	3,517	225	4,068	217
Barbed wire.....	Short ton.....	3,374	212	3,112	136	3,076	163	4,100	298	2,162	172	9,235	660
Miscellaneous hardware.....	---	197	---	126	---	183	---	239	---	149	---	229	---
Miscellaneous iron and steel manufactures.....	1,000 cells.....	2,948	618	57	---	135	---	331	---	286	---	317	---
Flashlight batteries.....	Number.....	150	1,961	76	5,804	193	6,107	212	307	7,720	269	8,524	285
Electric refrigerators, household.....	Number.....	( <sup>3</sup> )	( <sup>2</sup> )	130	15	2,394	213	3,250	307	2,245	236	4,032	392
Transmitting sets, tubes and parts.....	---	9	---	34	---	71	---	88	---	269	---	89	---
Receiving sets.....	Number.....	393	30	1,594	65	15,860	468	15,502	452	16,207	394	21,957	502
Dredging machinery.....	---	---	38	---	304	---	491	---	507	---	275	---	129
Mining and quarrying machinery.....	---	---	127	---	24	---	129	---	814	---	142	---	215

See footnotes at end of table.

COLOMBIA

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TABLE 14.—United States exports (domestic merchandise) to Colombia of principal commodities, in specified years, 1929 to 1939—Con.

[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Petroleum- and gas-well drilling apparatus			321		33		372		759		3,111		1,540
Other petroleum well and refining machinery			161		68		299		369		346		289
Carding and other preparing, spinning, and twisting machinery and parts, cotton			9		45		50		844		317		388
Sewing machines for domestic use	Number	29,749	859	44	1	9,063	315	11,235	347	3,523	116	6,666	225
Miscellaneous industrial machinery and parts			337		49		163		362		241		416
Typewriters	Number	6,119	306	619	30	3,337	184	6,201	290	5,294	235	6,734	297
Motortrucks, busses, and chassis	Number	6,913	1,136	56	33	1,992	1,287	2,197	1,503	2,451	1,912	3,155	2,496
Passenger cars and chassis	Number	1,441	1,585	58	32	2,365	1,697	2,652	1,928	2,142	1,681	3,607	2,923
Automobile parts for replacement			768		114		419		546		706		860
Landplanes (powered)	Number	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	9	156	8	261	7	266
Aircraft parts, instruments, and accessories (except tires)			27		32		150		142		246		245
Miscellaneous vehicles and parts			123		1		348		109		48		98
Druggists' nonproprietary preparations		( <sup>3</sup> )	( <sup>3</sup> )		118		164		261		224		326
Ready-mixed paints, stains, and enamels	1,000 gallons	133	285	36	84	129	263	171	325	175	317	185	356
Explosive shells and projectiles	1,000 pounds	14	( <sup>4</sup> )	14	11	( <sup>4</sup> )	( <sup>4</sup> )			268	203		
Exports of commodities shown above			18,570		4,535		13,236		19,397		20,880		25,060
Total exports to Colombia			48,070		10,497		27,088		38,731		40,513		50,639
Principal exports (shown above) as percent of total			38.6		43.2		48.9		50.1		51.6		49.5

<sup>1</sup> Preliminary.<sup>2</sup> Includes neutral lard.<sup>3</sup> Not separately classified.<sup>4</sup> Data not strictly comparable for the series.<sup>5</sup> Probably includes some second-hand articles.<sup>6</sup> Classified as "Automobile parts for replacement on vehicles with either United States or foreign trade name or assembly on new vehicles with foreign trade name."<sup>7</sup> Less than \$500.

Source: Compiled from official statistics of the U. S. Department of Commerce.

## Balance of payments between the United States and Colombia.

The United States long has had a merchandise import balance with Colombia, but it decreased almost steadily from a high in 1930 of 72 million dollars (almost three times the value of exports in that year) to a low in 1938 of 8.5 million. In 1939, for the first time in many years, exports to Colombia exceeded imports therefrom. The sizable imports of gold from Colombia are, however, an important factor, and may be regarded as similar to merchandise in trade with that country (see table 15).

TABLE 15.—Partial balance of payments between the United States and Colombia, 1929-38

(In millions of dollars)

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
<b>Trade and service items:</b>										
Merchandise exports to Colombia <sup>1</sup>	49.0	25.1	16.1	10.7	14.8	21.9	21.6	27.7	39.2	40.9
Merchandise imports from Colombia <sup>1</sup>	108.5	97.1	75.5	60.8	47.6	47.1	50.4	43.1	52.3	49.4
Excess of merchandise imports from Colombia	-54.5	-72.0	-59.4	-50.1	-32.8	-25.2	-28.8	-15.4	-13.1	-8.5
Receipts from Colombia for shipping services <sup>2</sup>	2.4	1.7	1.5	1.0	.5	.6	.6	.7	1.0	1.1
Expenditures of Colombian travelers in United States <sup>3</sup>	1.2	1.1	.7	.6	.5	.6	.8	.8	.9	1.0
Expenditures of United States travelers in Colombia <sup>3</sup>	.5	.5	.4	.5	.4	.5	.4	.5	.6	.8
Interest receipts from Colombia	11.0	11.4	10.9	5.3	2.5	.3	.6	.6	.6	1.4
Net receipts from Colombia for services <sup>4</sup>	+14.1	+13.7	+12.7	+6.4	+3.1	+1.0	+1.6	+1.6	+1.9	+1.7
Net payments to Colombia on trade and service account <sup>4</sup>	-40.4	-58.3	-46.7	-43.7	-29.7	-24.2	-27.2	-13.8	-11.2	-6.8
<b>Gold and silver:</b>										
Net gold imports from Colombia <sup>5</sup>	-5.3	-9.1	-15.1	-3.2	-1	-16.9	-10.9	-11.9	-18.4	-10.6
Net silver imports from (-) or exports to (+) Colombia <sup>5</sup>	+1			+1	-2	+6	+1.3			
Net gold and silver imports from Colombia	-5.2	-9.1	-15.1	-3.1	-3	-16.3	-9.6	-11.9	-18.4	-10.6
<b>Capital items:</b>										
Bond-redemption and sinking-fund receipts from Colombia <sup>6</sup>		+4.7	+5.4	+2				+7	+8	+2
Net balance on items shown <sup>6</sup>	-45.6	-62.7	-56.4	-46.6	-30.0	-40.5	-36.8	-25.0	-28.8	-17.2

<sup>1</sup> United States statistics, unadjusted.<sup>2</sup> Rough estimates.<sup>3</sup> Allowance made for repurchases of Colombian dollar bonds by foreigners.<sup>4</sup> Excluding return on United States direct investments in Colombia.<sup>5</sup> Bond-redemption receipts adjusted for repurchases by foreigners in all years; sinking-fund receipts in 1938 only.<sup>6</sup> Exclusive of return on direct investments (receipts) and new investments (payments) in Colombia.

NOTE.—Net credit balances for the United States are indicated by +; net debit balances by -.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

With the funds received from merchandise and gold accounts, Colombia at times has made large payments to the United States owners of Colombian dollar bonds and direct investments in Colombia. Interest receipts from Colombia were sizable through 1931, but declined sharply thereafter; since 1933, when the bonds went into de-

fault, the amount of interest received has been small and represents payments on scrip. At the end of 1938, United States holdings of Colombian dollar bonds were estimated at 128 million dollars, the fourth largest United States holdings of Latin American dollar bonds.<sup>17</sup> In February 1940, it was announced that Colombia would resume partial interest payments at the rate of 3 percent a year on the two outstanding issues of the Republic, which represent about one-third of the par value of all Colombian dollar bonds.

The balance-of-payments statement shown in table 15 includes only part of the items that would comprise a complete statement. It does not contain the receipts on United States direct investments in Colombia with an estimated capital value of some 108 million dollars at the end of 1936,<sup>18</sup> the investment of new United States capital in Colombia, the movement of banking funds, or the movement of capital through security transactions. Some of these may have been large, particularly in the last few years, when new United States capital was engaged in the development of new oil fields in Colombia. Nevertheless, the partial statement suggests that for several years the United States has had a sizable, though decreasing, net debit balance in its financial transactions with Colombia, which has arisen chiefly from the merchandise and gold accounts.

<sup>17</sup> U. S. Department of Commerce, *The Balance of International Payments of the United States in 1938*, 1939, appendix D, p. 90.

<sup>18</sup> U. S. Department of Commerce, *American Direct Investments in Foreign Countries—1936, 1938*, table 4, p. 12.

# ECUADOR

## A DESCRIPTION

### Physical characteristics.

The Republic of Ecuador,<sup>1</sup> situated on the west coast of South America, is bordered on the north by Colombia, and on the south by Peru. The boundaries of Ecuador have not been entirely settled, but an official estimate gives the area of the country as 337,300 square miles, including the Archipiélago de Colón (the Galápagos Islands), which have an area of 3,000 square miles.

The chief topographical features of Ecuador are the two parallel ranges of the Andes which traverse the country from north to south. These cordilleras, joined by eight transverse ranges, include some of the highest peaks on the South American continent.

Ecuador may be divided into three regions—the coastal lowlands; the sierra, or Andean highlands, embracing the mountains and the interlying plateaus and valleys; and the Oriente, comprising that territory extending eastward from the Andes to the plains of the Amazon.

The climate of Ecuador varies considerably, depending upon the altitude. It ranges from the heat of the humid tropical lowlands to the temperate climate and cold of the Andean highlands.

### Population.

No census of population has been taken in Ecuador; the number of inhabitants in 1936 was estimated to be 3 million. On the basis of this estimate, there were then about 11 persons to the square mile. The population, however, is concentrated largely in the plateau regions of the Andes. Only two cities have a population in excess of 100,000—Guayaquil, the principal seaport and commercial city (138,000), and Quito, the capital (120,000).

It is estimated that about one-third of the people of Ecuador are Indians; somewhat more than one-fourth are of European extraction, and the remainder are of mixed races, with the Indian strain predominating. A few Negroes live in the coastal plain. Ecuador has received relatively few immigrants since the colonial period.

### Natural resources and economy.

*Agriculture.*—Ecuador is essentially an agricultural country. The principal export crop, cacao, which usually accounts for one-fourth to one-third of the value of all exports, is grown chiefly in the coastal regions. The Ecuadoran product is of high quality. Ecuador is one of the leading sources of cacao, although as a result of plant diseases, production has declined since about 1920. Some of the acreage formerly devoted to cacao has been transferred to other

<sup>1</sup> In Spanish, República del Ecuador (Republic of the Equator).

crops. In recent years, production has been in excess of 40 million pounds annually, almost all of which is exported.

The second most important Ecuadoran crop is coffee, which ordinarily constitutes about one-seventh of total exports, in terms of value. In recent years, exports have been about 30 million pounds annually.

Other agricultural products grown in Ecuador include sugar, cotton, tobacco, corn, rice, potatoes and a wide range of other vegetables, bananas, pineapples, oranges, lemons, and other fruits. The production of most of these crops is consumed almost entirely within the country. Sugar is not produced in sufficient quantities to meet domestic requirements, and some must be imported. Only small quantities of cotton are exported.

*Pastoral industries.*—Abundance of grazing lands in the coastal and interior regions provides ample forage for cattle, the raising of cattle being the principal pastoral industry. Sheep are raised in the highlands. Of the pastoral products, however, only cattle hides are exported.

*Forest industries.*—The Ecuadoran forests yield a number of products, including tagua nuts (vegetable ivory), rubber, annatto seed (the source of an edible vegetable coloring), red mangrove (a source of tannin), and kapok. The most important forest product is the tagua nut, the fruit of the palm fern; the nut is utilized in the manufacture of buttons.

*Mining.*—The mining of gold, found in several of the Ecuadoran provinces, is the country's most important mineral industry. The value of the gold produced in 1939 was estimated to be 2.6 million dollars. Petroleum production, next in importance to that of gold, has expanded substantially in recent years, increasing from 1.4 million barrels in 1929 to 2.3 million barrels in 1939. In the period 1936-38, two-thirds or more of all crude petroleum produced in Ecuador was exported.

Other minerals found in Ecuador are silver, platinum, copper, coal, lead, zinc, corundum, magnesium, sulfur, marble, and salt, but for the most part the deposits have been only slightly developed.

*Manufacturing.*—Although Ecuador is primarily dependent upon the production and export of agricultural products, efforts have been made in recent years to increase industrial activity in the country. The Government encourages the development of domestic industry, not only by imposing high import duties, but also by the granting of special privileges, such as exemption from duties on raw materials or remission of taxation for a period of years.

The domestic market in Ecuador is not large, and manufacturing is confined chiefly to consumer goods. Few industrial raw materials are produced within the country, and consequently most of these must be imported. Moreover, inadequate transportation facilities add to the cost of commodities produced. As a result, industrial development has not been rapid. In light consumer goods, however, a number of industries have been able to offer effective competition to similar imported commodities. Among these are drugs and medicines, toilet preparations, confectionery, biscuits, rubber goods, rayon fabrics, and cement.

The most important manufacturing industry in Ecuador is the textile industry, which in recent years has developed considerably. Most of the mills produce cotton goods, using principally machinery



of British manufacture. The output of the domestic industry is consumed largely within the country, although small quantities are exported to Colombia. Since domestic production of cotton is not sufficient to meet local requirements, some must be imported.

The manufacture of toquilla ("panama") hats has in the past been a leading Ecuadoran industry, but general trade conditions, a decreased demand for straw hats of all kinds, and competition from other sources have reduced the importance of the industry. Other Ecuadoran manufactures include sugar, footwear, furniture, canned goods, emery powder, lard, and edible oils. Alcohol, tobacco, salt, and matches are government monopolies.

### THE FOREIGN TRADE OF ECUADOR

In foreign trade, Ecuador ranks ninth among the countries of South America. Exports in 1938 were valued at 169 million sucres (12.6 million dollars) and imports at 148 million sucres (11 million dollars).

According to the trade statistics, Ecuadoran exports have customarily exceeded imports, the export balance in 1936-38 ranging from 1.6 to 3 million dollars.<sup>2</sup> A considerable part of Ecuadoran exports, however, consists of petroleum and cyanide precipitates, which are under the control of foreign companies. Such financial returns to the foreign companies as are included in the sales value of these products do not represent purchasing power available to Ecuador, and therefore this trade does not provide foreign exchange in amounts commensurate with those reported in the trade returns.<sup>3</sup>

#### Ecuadoran commercial policy.

Exchange control, import and export control, and currency depreciation greatly influenced the foreign trade of Ecuador in the decade 1929-38.

*The tariff.*—Since September 26, 1935, the Chief Executive of Ecuador has from time to time exercised not only the executive but also the legislative functions.<sup>4</sup> The Executive may by decree change tariff rates without limit.

Ecuador maintained a single-column tariff until the passage of its tariff act of January 1935, but now has a four-column system based in part on trade balances. First a limited maximum-minimum system was established by fixing higher rates on about 300 tariff classifications, and authorizing reductions therefrom by three-tenths; then conventional reductions outside of this maximum-minimum system were employed;<sup>5</sup> and finally a new general maximum was established to be imposed on imports from any country, if such imports exceeded by more than 30 percent the exports of Ecuador to that country.

The preferential reductions were made by decrees of January 5, March 7, and April 30, 1935. These decrees designated "preferential" lists of about 300 tariff classifications for which the rates were to be

<sup>2</sup> Import valuations employed by Ecuador are stated to be the c. i. f. values at the frontier; in practice, however, imports are calculated on the f. o. b. costs, disregarding freight and insurance. Export valuations are stated to be local market values, including duties and charges up to the frontier; actually they are computed on a c. i. f. basis, port of embarkation.

<sup>3</sup> In addition to returns on investments, the expenses incurred outside of Ecuador by foreign companies decrease the amount of exchange made available by the exports of such companies. If the companies were controlled by Ecuadoran interests but financed with foreign capital, the net exchange position might not be very different from that which now prevails.

<sup>4</sup> A regular legislature convened August 10, 1939; by a resolution of September 1, 1939, it authorized the Executive to issue emergency decrees required by circumstances.

<sup>5</sup> See the discussion on commercial treaties and agreements.

subject to bargaining reductions by as much as three-tenths. First, however, the rates on most of these classifications were increased by one-half, so that maximum reductions would approximate the increase.<sup>6</sup> It was provided that in fixing preferential percentage reductions, the trade balance with individual countries should be taken into consideration. A further provision specified that the most-favored-nation clause in existing treaties would not carry the right to such reductions, but that to secure such treatment, customs advantages at least equal to those which Ecuador may accord must be given by the other country.

In April 1935, surtaxes were authorized ranging from one-fifth to one-half of the duties on products specified under 18 tariff classifications if they originated in countries with which the trade balance of Ecuador showed imports exceeding exports by 50 percent or more; these surtaxes were to be discontinued if the trade balance with a particular country ran below 50 percent of exports for at least 6 months. In February 1936, as an alternative to the establishment of a compensation system, the trade-balance policy was strengthened by a decree (effective March 1, 1936) providing that when importations from a country exceeded exports to the same country by more than 30 percent (based on the previous year's balance and without limitation as to tariff numbers), the Ministers of Finance and Commerce might order the establishment of a surcharge amounting to as much as one-half of the import duties on merchandise comprising such importation.

An increase in the surcharge rate up to 75 percent was authorized by a law of March 7, 1939. For purposes of computing the trade balance, the proportion of the declared value of the minerals exported was decreed on March 3, 1939, to be as follows: Crude petroleum, 15 percent; and silver-bearing quartz, and mineral earth, 20 percent. In December 1939, machinery and prime materials were exempted from the surtax when imported for agricultural and industrial purposes.

*Export duties.*—Export duties have long been imposed by Ecuador on cacao, coffee, leather, hides, cottonseed, and various other products. At present the Executive has wide latitude in applying, increasing, reducing, or eliminating export duties; in recent years a number of such duties have been lowered or removed, and others introduced.

*Exchange and import control.*—The gold standard was officially suspended in Ecuador on February 8, 1932. Prior to that date, the gold value of the sucre was fixed at 0.300933 gram of fine gold (equivalent to \$0.19998, based on the gold content of the dollar before 1934). On December 19, 1935, the sucre was devalued, the profits being employed to pay part of the Government's debt to the Central Bank, and to provide for the economic development of the country. Further devaluation took place on June 13, 1936. The last devaluation, that of June 4, 1940, fixed the gold value of the sucre at 0.06168 gram (equivalent to \$0.0677 on the basis of the present gold value of the United States dollar). The surplus resulting from this devaluation was employed to create a monetary stabilization fund.

<sup>6</sup> The preferential tariff list, with reductions by the full, authorized three-tenths, was accorded to France (July 12, 1935), and later extended to Germany (Jan. 1, 1936), Switzerland (May 16, 1936), and the United States (June 12, 1936).

Exchange control was instituted in Ecuador by a decree of May 2, 1932, which provided that all foreign-exchange transactions must be conducted through the Central Bank. Exporters were required to deliver 80 percent of the proceeds of their export bills to the Exchange Control Commission (a department of the Central Bank) at the official rate of exchange.

Exchange restrictions were relaxed considerably on December 22, 1933; only 25 percent of the value of export bills was required to be sold to the Central Bank at the official rate, the remainder being available for disposal in the free market. These regulations remained in force until October 7, 1935, when exchange control was abolished, and exporters were authorized to dispose of the entire proceeds of their bills in the open market.

A decree of July 30, 1936, provided for control of imports, exports, and foreign exchange. Preference was granted to imports from countries not specifically restricting the importation of Ecuadoran products, or payment therefor, and for imports of "indispensable" products.

Exchange control was again abolished on July 31, 1937. By the decree of that date, all products except gold could be exported without a permit, but a permit was still required for certain types of imports. In May 1938 the import-control system established in July 1936 was again revised, and no imports were permitted except under a permit issued by the Central Bank. In January 1939, the Ecuadoran import-control regulations were modified by provision for the allocation of quotas to individual importers. The system of import permits, however, was abolished on January 1, 1940.

A decree of June 4, 1940, regulating exchange operations in Ecuador, gave to the Central Bank exclusive right to conduct foreign-exchange transactions, and required exporters to sell their drafts to the Central Bank. Sixty percent of the drafts and gold purchased by the Central Bank are to be applied against pending collections; the remainder is to be utilized for new imports as well as for other requirements. Prior to June 4, 1940, there were two exchange rates in Ecuador, the free (bank) rate and the Central Bank rate. In practice there was but a small spread between these rates. On and after June 4, 1940, the free (bank) rate was abolished, leaving only the Central Bank rate.<sup>7</sup>

*Commercial treaties and agreements.*—During the decade 1929–38, Ecuador entered into commercial agreements involving tariff concessions with the following countries: France (1935, 1936, 1937, and 1938), Germany (1936 and 1938), Chile (1936 and 1938), Switzerland (1936), the Netherlands (1937), and the United States (1938). Agreements providing for import quotas were entered into with France (1935, 1936, 1937, and 1938), Germany (1936, 1938), Switzerland (1936), the Netherlands (1937), and Italy (1938).

Under the terms of the trade agreement with the United States, effective October 23, 1938, Ecuador granted tariff concessions on 33 tariff items, affecting nearly one-half of United States exports to that country, as measured by the trade in 1937. Reductions in duty, ranging from 25 to 50 percent, were provided on 15 tariff items, and

<sup>7</sup> For the years covered in this report the average dollar equivalent of the sucre was as follows: 1929, \$0.2000; 1932, \$0.1667; 1936, \$0.0952; 1937, \$0.0910; 1938, \$0.0746. Recent quotations have been as follows: Free (bank) rate, 1939, \$0.0667; May 1940, \$0.0653. Central Bank rate, 1939, \$0.0674; June 1940, \$0.0556. (*Commerce Reports*, August 24, 1940.)

18 other items were bound against increases in duty. Over 200 individual commodities were affected.<sup>8</sup>

Ecuadoran export products on which concessions were granted by the United States consisted almost entirely of tropical products. Five commodities, of which toquilla hats were by far the most important, were granted reductions in duty of 50 percent, and 11 commodities, including cacao, coffee, bananas, and tagua nuts, were bound on the free list. Products covered in the agreement represented more than three-fifths of total United States imports from Ecuador in 1937.

Compensation, clearing, or exchange agreements have been concluded by Ecuador with France (1933, 1936, 1937, 1938), Germany (1936, 1938, 1939), Switzerland (1936), the Netherlands (1937), Czechoslovakia (1938), and Italy (1938). Prior to the inauguration of compensation trade, Germany ranked fourth or fifth as a supplier of Ecuadoran imports. In 1935, when compensation trade began, Germany advanced to third place, and in each of the 3 years 1936-38 occupied second place.

#### Trend of the trade.

*Exports.*—Vegetable and mineral products (including precious metals) predominate in exports from Ecuador. Cacao and coffee, the leading export commodities, have ordinarily accounted for from two-fifths to one-half of the value of all shipments abroad. A notable feature of the Ecuadoran export trade in the decade 1929-38 was the substantial increase in the quantity of coffee.

The trade of Ecuador with the world and with the United States, in the period 1924-38, is shown in tables 1 and 2. Exports include gold and silver. Exports to the United States reached a peak in 1929 (the earliest year shown in the detailed tables hereinafter presented) and were one-third greater than the 5-year average 1924-28. Exports to the world as a whole, however, were somewhat larger in 1927 and 1928 than in 1929.

Exports from Ecuador, which totaled 86 million sucres (17.2 million dollars) in 1929, decreased in 1932 to 49 million sucres (8.2 million dollars), or 57 percent of their 1929 sucre value and 48 percent of their dollar value. The decline resulted largely from a drop in the volume and price of exports of cacao and coffee and from currency depreciation. Although all commodity groups and commodities shared in the decline, decreases were most marked in the vegetable- and animal-products groups; the decline in the value of exports of mineral products was not so drastic. Total Ecuadoran exports increased to 164 million sucres (15 million dollars) in 1937, and were 169 million sucres (12.6 million dollars) in 1938. The rise from 1932 to 1937 is largely attributable to the increase in the quantities of cacao, coffee, and tagua nuts exported, and to the further depreciation of the sucre. Although the sucre value of exports in 1938 was greater than in 1937, the dollar value was considerably lower, and there were decreases in the quantities of the leading export products—cacao, coffee, tagua nuts, and petroleum. Exports from Ecuador in 1939 were valued at 165 million sucres<sup>9</sup> (approximately 11 million dollars).

<sup>8</sup> Effective June 15, 1940, import quotas were established on certain products included in schedule I (tariff concessions by Ecuador) of the trade agreement with the United States.

<sup>9</sup> Preliminary.

TABLE 1.—Ecuador: Trade with the world, 1924-38

[Value in thousands]

Year	Exports		Conversion rate: 1 sucre equals—	Imports	
	Sucre	United States dollars		Sucre	United States dollars
1924.....	61,268	11,935	\$0.1948	52,003	10,130
1925.....	72,512	16,779	.2314	55,235	12,781
1926.....	63,571	12,752	.2006	47,073	9,443
1927.....	96,031	18,217	.1897	57,050	10,822
1928.....	98,380	19,587	.1991	82,924	16,510
1929.....	86,037	17,207	.2000	84,835	16,967
1930.....	80,647	16,129	.2000	63,981	12,796
1931.....	56,660	11,332	.2000	44,076	8,815
1932.....	49,298	8,218	.1667	34,710	5,786
1933.....	44,282	7,382	.1667	31,862	5,311
1934.....	108,463	13,558	.1250	62,697	7,837
1935.....	113,498	11,350	.1000	97,094	9,709
1936.....	146,032	13,902	.0952	117,503	11,186
1937.....	164,045	14,928	.0190	131,626	11,978
1938 <sup>1</sup> .....	169,096	12,615	.0746	148,315	11,064

<sup>1</sup> Preliminary.Source: Compiled by the United States Tariff Commission from *Boletín General de Estadística; Boletín de Hacienda; Estadística y Censos de la República del Ecuador*; and U. S. Department of State (1938 statistics).TABLE 2.—Ecuador: Trade with the United States, 1924-38<sup>1</sup>

[Value in thousands]

Year	Exports			Imports		
	Sucre	United States dollars	Percent of total to United States	Sucre	United States dollars	Percent of total from United States
1924.....	19,000	3,701	31.0	20,956	4,082	40.3
1925.....	30,330	7,018	41.8	24,774	5,733	44.9
1926.....	25,250	5,065	39.7	19,956	4,003	42.4
1927.....	34,054	6,460	35.5	29,218	5,542	51.2
1928.....	34,967	6,962	35.5	36,515	7,270	44.0
1929.....	38,926	7,785	45.2	34,648	6,929	40.8
1930.....	38,025	7,605	47.2	25,686	5,137	40.1
1931.....	26,171	5,234	46.2	16,541	3,308	37.5
1932.....	22,316	3,720	45.3	20,170	3,362	58.1
1933.....	21,813	3,636	49.3	10,077	1,680	31.6
1934.....	48,717	6,090	44.9	21,154	2,644	33.7
1935.....	52,873	5,287	46.6	28,140	2,814	29.0
1936.....	67,116	6,389	46.0	33,869	3,224	28.8
1937.....	54,422	4,952	33.2	52,086	4,740	39.6
1938 <sup>1</sup> .....	63,418	4,731	37.5	51,311	3,828	24.6

<sup>1</sup> For conversion rates, see table 1.<sup>2</sup> Preliminary.Source: Compiled by the United States Tariff Commission from *Boletín General de Estadística; Boletín de Hacienda; Estadística y Censos de la República del Ecuador*; and U. S. Department of State (1938 statistics).

Price and quantum indexes of Ecuadoran exports are not available. Statistics for the leading Ecuadoran export commodities, however, indicate that the decline in the value of exports between 1929 and 1933 was due principally to the fall in prices of goods exported, whereas the subsequent recovery was in large part a result of the increase in the quantities exported.<sup>10</sup>

<sup>10</sup> See the section on composition of exports.

*Imports.*—Ecuadoran imports consist of a wide variety of manufactured products and small quantities of raw and semimanufactured materials. Principal developments in the import trade in the decade 1929–38 were the rise in the relative importance of Germany and Japan as suppliers of imports, and the declining importance of the United States and the United Kingdom.

Ecuadoran imports from the world and from the United States in the period 1924–38 have already been shown in tables 1 and 2. Total imports reached a peak in 1929 (the earliest year shown in the subsequent detailed tables), when they exceeded the 5-year average 1924–28 by more than two-fifths. Imports from the United States in 1928, however, slightly exceeded those in 1929.

The import trade of Ecuador in 1929 was valued at 85 million sucres (17 million dollars). By 1932, as a result of the decline in prices of export commodities, increased import duties, foreign-exchange restrictions, and import prohibitions, it had declined to 35 million sucres (5.8 million dollars), or approximately two-fifths of the 1929 sucre figure and one-third of the dollar figure. In 1933 there was a further decline to 32 million sucres (5.3 million dollars). From 1933 to 1937 the value of Ecuadoran imports increased, reaching 132 million sucres (12 million dollars) in 1937; there was a moderate decline, in terms of dollars, in 1938. The increase in imports in recent years is partly due to the replenishment of stocks and the heavy purchases of materials for public works, and partly to rising prices, especially in terms of the depreciated sucre. In 1939, imports into Ecuador amounted to 148 million sucres<sup>11</sup> (approximately 10 million dollars).<sup>12</sup>

#### Exports from Ecuador.

*Composition.*—Vegetable and mineral products customarily account for more than nine-tenths of all Ecuadoran exports, in terms of value. Other export classifications are animal products, miscellaneous products, and reexports. Exports from Ecuador, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938, are shown in sucres in table 3 and in dollars in table 4. Quantities, values, and unit values of exports of selected commodities for the same years are shown in table 5.

For most groups shown in tables 3 and 4 there was a sharp drop in the dollar value of exports between 1929 and 1932, caused, in most if not all cases, by lower prices. Most groups and commodities showed substantial increases in dollar value in 1937 over 1932; dollar values for cacao beans, tagua nuts, balsa, cyanide precipitates, manufactured mineral products, and industrial animal products were in excess of those for 1929. Imports of most of the products declined in 1938.

For the principal commodities for which data are available, the ratios of the dollar value of exports in 1938 to that in 1929 were as follows: Cacao beans, 69 percent; coffee, 53 percent; rice, 95 percent; tagua nuts, 44 percent; toquilla ("panama") hats, 34 percent; crude petroleum, 65 percent; and cyanide precipitates, 112 percent. Gold and silver were not shown separately in 1929 and 1932, but exports were small as compared with those in the last few years.

<sup>11</sup> Preliminary.

<sup>12</sup> Price and quantum indexes of Ecuadoran imports are not available.

TABLE 3.—Ecuador: Exports,<sup>1</sup> in terms of sueres, by commodity groups, subgroups, and principal commodities, in specified years, 1929 to 1938

(Value in thousands of sueres)

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938 (prelim.)
Grand total.....	86,037	49,298	146,032	164,045	169,096
Vegetable products.....	56,051	26,835	89,994	117,433	( <sup>3</sup> )
Foodstuffs.....	40,808	22,410	61,746	82,316	( <sup>3</sup> )
Cacao beans.....	21,256	11,267	31,472	49,985	39,276
Coffee, in the grain.....	11,672	8,048	19,803	24,613	16,704
Rice, in the grain.....	4,256	936	3,231	610	10,864
Bananas.....	( <sup>4</sup> )	224	6,027	5,691	7,558
Industrial vegetable products.....	7,303	1,478	20,505	26,117	( <sup>3</sup> )
Tagua nuts (vegetable ivory).....	6,076	1,185	10,385	18,242	7,146
Rubber, crude.....	( <sup>4</sup> )	( <sup>4</sup> )	4,207	4,048	4,300
Balsa, in the log.....	194	44	970	1,297	2,161
Manufactured vegetable products.....	7,907	2,938	7,696	8,972	( <sup>3</sup> )
Toquilla ("panama") hats.....	6,788	2,715	6,662	8,048	6,234
Beverages.....	21	—	41	24	( <sup>3</sup> )
Miscellaneous vegetable products.....	12	9	6	4	( <sup>3</sup> )
Mineral products.....	22,706	21,423	52,134	41,571	( <sup>3</sup> )
Industrial mineral products.....	22,502	21,406	51,925	41,169	( <sup>3</sup> )
Petroleum, crude.....	15,143	14,481	13,437	21,989	26,374
Cyanide precipitates.....	7,112	6,783	21,985	18,682	21,397
Silver and gold, in bars.....	( <sup>4</sup> )	( <sup>4</sup> )	16,381	330	13,899
Manufactured mineral products.....	62	5	124	331	( <sup>3</sup> )
Foods and beverages (almost entirely salt).....	142	12	85	71	( <sup>3</sup> )
Animal products.....	5,925	608	2,573	3,586	( <sup>3</sup> )
Industrial animal products.....	1,107	315	1,879	2,909	( <sup>3</sup> )
Hides and skins.....	859	315	1,607	2,296	2,452
Live animals.....	2,681	237	383	318	( <sup>3</sup> )
Manufactured animal products.....	1,522	10	188	230	( <sup>3</sup> )
Foodstuffs in general.....	612	45	122	84	( <sup>3</sup> )
Miscellaneous animal products.....	3	1	1	45	( <sup>3</sup> )
Miscellaneous products.....	485	74	352	140	( <sup>3</sup> )
Reexports (nationalized merchandise).....	870	358	979	1,315	( <sup>3</sup> )

<sup>1</sup> General exports, including bullion and coin. Values are stated to be the local market values, including duties and charges up to the frontier. Exports are actually computed on a c. i. f. basis.

<sup>2</sup> Classifications employed in this table are those given in the Ecuadorian export statistics for 1937. Groups are ranked according to value in 1938.

<sup>3</sup> Not available.

<sup>4</sup> Not shown separately.

Source: Compiled by the United States Tariff Commission from *Boletín General de Estadística* (1929 statistics); *Boletín de Hacienda*, 1933 (1932 statistics); *Estadística y Censos de la República del Ecuador*, vol. 1, No. 2, April 1939 (1936 and 1937 statistics); and U. S. Department of State (1938 statistics).

In recent years, vegetable and mineral products have accounted for more than 95 percent of the value of all exports from Ecuador. Vegetable products alone constituted 62 percent of the total in 1936, and 72 percent in 1937.<sup>13</sup> The principal subgroup, foodstuffs, is composed largely of cacao and coffee; in 1937 these two commodities accounted for 30 percent and 15 percent, respectively, of total Ecuadorian exports.

Exports of cacao declined from 40 million pounds in 1929 to 34 million in 1932, partly as a result of a disease affecting the cacao beans. In the same period, prices of cacao declined from 14.95 to 7.87 cents per pound, or by nearly one-half.<sup>14</sup> By 1937, the quantity of cacao exported had risen to more than 46 million pounds, but in 1938 it dropped to less than 40 million. Prices, however, continued to decline until 1935 (6.62 cents per pound); thereafter they rose, reaching 10.43 cents per pound in 1937, but declined to 7.26 cents in 1938.

<sup>13</sup> The latest year for which complete statistics are available.

<sup>14</sup> Yearly average of prices of Ecuadorian cacao (Arriba), in New York (spot). *International Yearbook of Agricultural Statistics*, 1933-34, 1938-39.

TABLE 4.—Ecuador: Exports,<sup>1</sup> in terms of dollars, by commodity groups, subgroups, and principal commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 sucre= \$0.2000)		1932 (1 sucre= \$0.1667)		1936 (1 sucre= \$0.0952)		1937 (1 sucre= \$0.0910)		1938 <sup>3</sup> (1 sucre= \$0.0746)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Grand total.....	17,207	100.0	8,218	100.0	13,902	100.0	14,928	100.0	12,615	100.0
Vegetable products.....	11,210	65.1	4,473	54.4	8,567	61.6	10,686	71.6	( <sup>4</sup> )	( <sup>4</sup> )
Foodstuffs.....	8,162	47.7	3,736	45.4	5,878	42.3	7,491	50.2	( <sup>4</sup> )	( <sup>4</sup> )
Cacao beans.....	4,251	24.7	1,878	22.9	2,996	21.6	4,549	30.5	2,930	23.2
Coffee, in the grain.....	2,334	13.6	1,342	16.3	1,885	13.6	2,240	15.0	1,246	9.9
Rice, in the grain.....	851	5.0	156	1.9	308	2.2	65	.4	810	6.4
Bananas.....	( <sup>5</sup> )		37	.5	574	4.1	518	3.5	564	4.6
Industrial vegetable products.....	1,461	8.5	246	3.0	1,952	14.0	2,377	15.9	( <sup>4</sup> )	( <sup>4</sup> )
Tagua nuts (vegetable ivory).....	1,215	7.1	198	2.4	989	7.1	1,660	11.1	533	4.2
Rubber, crude.....	( <sup>6</sup> )		( <sup>6</sup> )		400	2.9	368	2.5	321	2.5
Balsa, in the log.....	39	.2	7	.1	92	.7	118	.8	161	
Manufactured vegetable products.....	1,581	9.2	490	6.0	733	5.3	816	5.5	( <sup>4</sup> )	( <sup>4</sup> )
Toquilla ("panama") hats.....	1,358	7.9	453	5.5	634	4.6	732	4.9	465	3.7
Beverages.....	4	( <sup>7</sup> )	( <sup>7</sup> )		4	( <sup>7</sup> )	2	( <sup>7</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Miscellaneous vegetable products.....	2	( <sup>7</sup> )	1	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Mineral products.....	4,541	26.4	3,571	43.5	4,963	35.7	3,783	25.3	( <sup>4</sup> )	( <sup>4</sup> )
Industrial mineral products.....	4,500	26.1	3,568	43.4	4,943	35.5	3,746	25.1	( <sup>4</sup> )	( <sup>4</sup> )
Petroleum, crude.....	3,029	17.6	2,414	29.4	1,279	9.2	2,001	13.4	1,967	15.6
Cyanide precipitates.....	1,422	8.3	1,131	13.8	2,093	15.1	1,700	11.4	1,596	12.7
Silver and gold, in bars.....	( <sup>7</sup> )		( <sup>7</sup> )		1,559	11.2	30	.2	1,037	8.2
Manufactured mineral products.....	12	.1	1	( <sup>7</sup> )	12	.1	30	.2	( <sup>4</sup> )	( <sup>4</sup> )
Foods and beverages (almost entirely salt).....	29	.2	2	( <sup>7</sup> )	8	.1	7	( <sup>7</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Animal products.....	1,185	6.9	101	1.2	245	1.8	326	2.2	( <sup>4</sup> )	( <sup>4</sup> )
Industrial animal products.....	222	1.3	52	.6	179	1.3	265	1.8	( <sup>4</sup> )	( <sup>4</sup> )
Hides and skins.....	72	1.0	52	.6	153	1.1	209	1.4	183	1.5
Live animals.....	536	3.1	39	.5	36	.3	29	.2	( <sup>4</sup> )	( <sup>4</sup> )
Manufactured animal products.....	304	1.8	2	( <sup>7</sup> )	18	.1	21	.1	( <sup>4</sup> )	( <sup>4</sup> )
Foodstuffs in general.....	122	.7	8	.1	12	.1	7	.1	( <sup>4</sup> )	( <sup>4</sup> )
Miscellaneous animal products.....	1	( <sup>7</sup> )	( <sup>7</sup> )		( <sup>7</sup> )	( <sup>7</sup> )	4	( <sup>7</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Miscellaneous products.....	97	.6	13	.2	34	.2	13	.1	( <sup>4</sup> )	( <sup>4</sup> )
Reexports (nationalized merchandise).....	174	1.0	60	.7	93	.7	120	.8	( <sup>4</sup> )	( <sup>4</sup> )

<sup>1</sup> General exports, including billion and coin. Values are stated to be the local market values, including duties and charges up to the frontier. Exports are actually computed on a c. i. f. basis.

<sup>2</sup> Preliminary.

<sup>3</sup> Classifications employed in this table are those given in the Ecuadorian export statistics for 1937. Groups are ranked according to value in 1937.

<sup>4</sup> Not available.

<sup>5</sup> Less than one-tenth of 1 percent.

<sup>6</sup> Less than \$500.

<sup>7</sup> Not shown separately.

Source: Compiled by the United States Tariff Commission from *Boletín General de Estadística* (1929 statistics); *Boletín de Hacienda*, 1933 (1932 statistics); *Estadística y Censos de la República del Ecuador*, vol. 1, No. 2, April 1939 (1936 and 1937 statistics); and U. S. Department of State (1938 statistics).

Ecuadoran exports of coffee constituted about 14 to 16 percent of total exports, on the basis of value, except in 1938, when they were 10 percent. In terms of quantity, however, they increased, rising from 16 million pounds in 1929 to more than 30 million pounds annually in the period 1936-38.

Other important exports of vegetable products from Ecuador, with their share of the value of total exports in 1937, are industrial vege-



table products (largely tagua nuts or vegetable ivory, but including some rubber), 16 percent, and manufactured vegetable products (principally toquilla hats), 5 percent. Exports of tagua nuts have fluctuated widely. The so-called panama hats (toquilla hats) no longer play as important a role in Ecuadoran exports as they once did. As a result of decreased demand for such hats, and their imitation in other countries, the importance of the industry declined; the share of exports accounted for by toquilla hats declined irregularly from 8 percent in 1929 to less than 4 percent in 1938.

TABLE 5.—Ecuador: Exports of selected commodities, in specified years, 1929 to 1938

Commodity	1929	1932	1936	1937	1938 <sup>1</sup>
Quantity					
Cacao beans.....1,000 lb.	40,142	34,016	42,729	46,323	39,896
Coffee.....do.	16,120	17,697	30,433	31,010	30,221
Tagua nuts.....do.	56,861	26,416	68,897	76,072	42,313
Petroleum, crude.....1,000 bbl.	1,185	1,462	1,281	1,889	1,686
Value (1,000 U. S. dollars <sup>2</sup> )					
Cacao beans.....	4,251	1,878	2,996	4,391	2,769
Coffee.....	2,334	1,342	1,886	2,240	1,246
Tagua nuts.....	1,215	198	989	1,660	533
Petroleum crude.....	3,029	2,414	1,279	2,001	1,966
Unit value (U. S. dollars)					
Cacao beans.....per lb.	0.106	0.055	0.070	0.095	0.069
Coffee.....do.	.145	.076	.062	.072	.041
Tagua nuts.....do.	.021	.007	.014	.022	.013
Petroleum, crude.....per bbl.	2.76	1.65	.999	1.06	1.17

<sup>1</sup> Preliminary.

<sup>2</sup> Converted at rates shown in table 1.

Sources: Compiled by the United States Tariff Commission from *Boletín General de Estadística* (1929); *Boletín de Hacienda; Estadística y Censos de la República del Ecuador*; and U. S. Department of State (1938 statistics).

Exports of mineral products constituted between one-fourth and two-fifths of the value of total Ecuadoran exports in the decade 1929-38. Such exports formed more than one-third of the total in 1938. The principal commodities in that year, with their share of total exports, were crude petroleum, 16 percent; cyanide precipitates, 13 percent; and silver and gold in bars, 8 percent. The shares of these commodities varied widely. In quantity, exports of crude petroleum increased irregularly from 1.2 million barrels in 1929 to 1.9 million barrels in 1937, but declined to 1.7 million in 1938.

Animal products constituted a fairly important part of Ecuadoran exports in 1929 (7 percent). In subsequent years, however, this group has accounted for but 1 to 2 percent of all exports. The principal exports of animal products consist of hides and skins, which in 1937 represented somewhat more than 1 percent of the total. Other export groups, miscellaneous products and reexports, form an insignificant part of Ecuadoran export trade.

*Destination.*—In 1938, the principal markets for Ecuadoran exports, and the share of the total value taken by each, were the United States, 37 percent; Germany, 17 percent; France, 8 percent; Peru, 7 percent;

and Uruguay and the United Kingdom, 5 percent each. Other destinations included Chile, Brazil, Japan, and Italy. Exports from Ecuador to selected countries, in specified years, 1929 to 1938, are shown in sucres in table 6 and in dollars in table 7. More detailed data for 1937 are shown in table 8.

The principal trends in the destination of Ecuadoran exports in the last decade were the declining importance of the United States and the increasing importance of Germany. In 1929, 1932, and 1936, the United States took nearly one-half of all exports, in terms of value, but in 1937 and 1938 its share declined to approximately one-third of the total. The value of United States purchases from Ecuador ranged between 3.7 million (1932) and 7.8 million dollars (1929); in 1938, it was 4.7 million dollars.

TABLE 6.—Ecuador: Foreign trade with selected countries, in terms of sucres, in specified years, 1929 to 1938

[Value in thousands of sucres]					
Country	1929	1932	1936 <sup>1</sup>	1937 <sup>1</sup>	1938 <sup>1</sup>
<b>Exports to<sup>2</sup>—</b>					
All countries.....	86,037	49,298	146,032	164,045	169,096
<b>UNITED STATES.....</b>	<b>38,926</b>	<b>22,316</b>	<b>67,116</b>	<b>54,422</b>	<b>63,418</b>
United Kingdom.....	2,323	3,141	4,855	4,411	7,909
Germany.....	3,067	2,478	20,676	35,974	29,595
Japan.....	(3)	(3)	2,611	6,261	4,132
Italy.....	5,458	2,053	2,647	6,313	2,612
France.....	4,722	5,449	15,148	20,539	13,521
All other.....	29,541	13,861	32,979	36,125	47,909
<b>Imports from<sup>4</sup>—</b>					
All countries.....	84,835	34,710	117,503	131,626	148,315
<b>UNITED STATES.....</b>	<b>34,646</b>	<b>20,170</b>	<b>33,869</b>	<b>52,086</b>	<b>51,311</b>
United Kingdom.....	16,195	4,293	11,351	13,250	11,462
Germany.....	10,710	3,199	25,002	31,701	35,767
Japan.....	195	352	10,248	4,269	10,949
Italy.....	3,831	1,020	2,490	3,760	4,685
France.....	3,762	1,576	2,654	4,114	6,465
All other.....	15,496	4,100	31,889	22,456	27,676

<sup>1</sup> Preliminary.

<sup>2</sup> General exports, including bullion and coin. Values are stated to be the local market values, including duties and charges up to the frontier. Exports are actually computed on a c. i. f. basis.

<sup>3</sup> Not shown separately.

<sup>4</sup> Includes trade with the following countries:

Exports to—	Sucres (1,000)	Imports from—	Sucres (1,000)
Peru.....	12,544	Switzerland.....	4,823
Uruguay.....	9,188	Cuba.....	4,144
Chile.....	6,335	Belgium Luxembourg.....	2,550
Brazil.....	4,955	Chile.....	2,310
		Peru.....	2,109

<sup>5</sup> General imports, including bullion and coin. Values are the declared values in the consular invoice, and are stated to be the c. i. f. frontier values. In practice, however, imports are calculated at the f. o. b. costs, disregarding freight and insurance.

Source: Compiled by the United States Tariff Commission from *Boletín General de Estadística* (1929 statistics); *Boletín de Hacienda*, 1933 (1932 statistics); *Estadística y Censos de la República del Ecuador*, vol. 1, No. 2, April 1939 (1936 and 1937 statistics); and Banco Central del Ecuador, *Boletín Mensual*, February 1939 (1938 statistics).

From 1936 until the outbreak of the war, Germany was the second ranking market for Ecuadoran exports; its share increased from 6 percent in 1929 and 1932 to 22 percent in 1937, but declined in 1938 to 17 percent. The value of exports to Germany varied between 0.4 million (1932) and 3.3 million dollars (1937); in 1938, it amounted to 2.2 million dollars. In later years of the decade 1929–38 the pro-

portion of the value of Ecuadoran exports taken by France and Japan was greater than in 1929 and 1932; the share of Italy declined. The share of the United Kingdom ranged from 3 percent to 6 percent of the total (see table 7).<sup>16</sup>

TABLE 7.—Ecuador: Foreign trade with selected countries, in terms of dollars, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Country	1929 (1 sucre= \$0.2000)		1932 (1 sucre= \$0.1667)		1936 <sup>1</sup> (1 sucre= \$0.0952)		1937 <sup>1</sup> (1 sucre= \$0.0910)		1938 <sup>1</sup> (1 sucre= \$0.0746)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
<b>Exports to —</b>										
All countries.....	17,207	100.0	8,218	100.0	13,902	100.0	14,928	100.0	12,615	100.0
UNITED STATES.....	7,785	45.2	3,720	45.3	6,389	46.0	4,953	33.2	4,731	37.5
United Kingdom.....	465	2.7	524	6.4	462	3.3	401	2.7	590	4.7
Germany.....	1,013	5.9	413	5.0	1,968	14.1	3,274	21.9	2,208	17.5
Japan.....	( <sup>2</sup> )		( <sup>2</sup> )		249	1.8	570	3.8	308	2.5
Italy.....	1,092	6.3	342	4.2	252	1.8	574	3.9	195	1.5
France.....	944	5.5	908	11.0	1,442	10.4	1,869	12.5	1,009	8.0
All other.....	6,908	34.4	2,311	28.1	3,140	22.6	3,287	22.0	3,574	28.3
<b>Imports from —</b>										
All countries.....	16,967	100.0	5,786	100.0	11,186	100.0	11,978	100.0	11,064	100.0
UNITED STATES.....	6,929	40.9	3,362	58.1	3,224	28.8	4,740	39.6	3,828	34.6
United Kingdom.....	3,239	19.1	716	12.4	1,080	9.7	1,206	10.1	855	7.7
Germany.....	2,142	12.6	533	9.2	2,380	21.3	2,885	24.1	2,668	24.1
Japan.....	39	.2	59	1.0	976	8.7	388	3.2	817	7.4
Italy.....	766	4.5	170	2.9	237	2.1	342	2.9	349	3.2
France.....	753	4.4	263	4.6	253	2.3	374	3.1	482	4.4
All other.....	3,099	18.3	683	11.8	3,036	27.1	2,043	17.0	3,065	18.6

<sup>1</sup> Preliminary.

<sup>2</sup> General exports, including bullion and coin. Values are stated to be the local market values, including duties and charges up to the frontier. Exports are actually computed on a c. i. f. basis.

<sup>3</sup> Not shown separately.

<sup>4</sup> Includes trade with the following countries:

Exports to—	U. S. dollars (1,000)	Per- cent of total	Imports from—	U. S. dollars (1,000)	Per- cent of total
Peru.....	936	7.4	Switzerland.....	390	3.2
Uruguay.....	685	5.4	Cuba.....	309	2.8
Chile.....	473	3.8	Belgium-Luxemburg.....	190	1.7
Brazil.....	370	2.9	Chile.....	172	1.6
			Peru.....	157	1.4

<sup>5</sup> General imports, including bullion and coin. Values are the declared values in the consular invoice, and are stated to be the c. i. f. frontier values. In actual practice, however, imports are invariably reckoned at the f. o. b. costs, disregarding freight and insurance.

Source: Compiled by the United States Tariff Commission from *Boletín General de Estadística* (1929 statistics), *Boletín de Hacienda*, 1933 (1932 statistics); *Estadística y Censos de la República del Ecuador*, vol. 1, No. 2, April 1939 (1936 and 1937 statistics); and Banco Central del Ecuador, *Boletín Mensual*, February 1939 (1938 statistics).

Exports from Ecuador to other countries of Latin America usually constitute a substantial part of total exports. In 1937 they were valued at 2.3 million dollars, or more than 15 percent of the total.

In 1938, nearly three-fifths of the cacao exported from Ecuador, in terms of value, was shipped to Germany. The United States took more than one-fifth, and smaller shares were accounted for by the Netherlands, Belgium, Denmark, the United Kingdom, France, and Italy.

<sup>16</sup> The value of exports to the United Kingdom, France, Italy, and Japan varied as follows: United Kingdom, from \$401,000 (1937) to \$590,000 (1938); France, from 0.9 million dollars (1932) to 1.9 million dollars (1937); Italy, from 0.2 million (1938) to 1.1 million dollars (1929); Japan, from \$249,000 (1936) to \$570,000 (1937).

TABLE 8.—Ecuador: Foreign trade, by geographic areas and principal countries, in 1937

[Value in thousands of U. S. dollars]

Exports (1 sucre=\$0.0910)			Imports <sup>1</sup> (1 sucre=\$0.0910)		
To—	Value	Percent of total	From—	Value	Percent of total
<b>Western Hemisphere:</b>			<b>Western Hemisphere:</b>		
UNITED STATES.....	4,953	33.2	UNITED STATES.....	4,740	39.6
Uruguay.....	788	5.3	Peru.....	249	2.1
Chile.....	457	3.1	Argentina.....	224	1.8
Peru.....	265	1.7	Chile.....	216	1.8
Brazil.....	263	1.7	All other Western Hemisphere countries.....	169	1.4
Colombia.....	177	1.2			
All other Western Hemisphere countries.....	419	2.8	<b>Total.....</b>	<b>5,598</b>	<b>46.7</b>
<b>Total.....</b>	<b>7,322</b>	<b>49.0</b>			
<b>Europe:</b>			<b>Europe:</b>		
Germany.....	3,274	21.9	Germany.....	2,885	24.1
United Kingdom.....	401	2.7	United Kingdom.....	1,206	10.1
France.....	1,869	12.5	France.....	374	3.1
Italy.....	574	3.9	Italy.....	342	2.9
Netherlands.....	327	2.2	Czechoslovakia.....	186	1.6
Belgium-Luxemburg.....	170	1.2	Belgium-Luxemburg.....	172	1.4
Czechoslovakia.....	153	1.0	Netherlands.....	159	1.3
All other European countries.....	241	1.6	Switzerland.....	106	.9
<b>Total.....</b>	<b>7,009</b>	<b>47.0</b>	All other European countries.....	413	3.4
			<b>Total.....</b>	<b>6,843</b>	<b>48.8</b>
<b>Asia:</b>			<b>Asia:</b>		
Japan.....	570	3.8	Japan.....	388	3.2
All other Asiatic countries.....	7	.1	All other Asiatic countries.....	135	1.1
<b>Total.....</b>	<b>577</b>	<b>3.9</b>	<b>Total.....</b>	<b>523</b>	<b>4.3</b>
<b>Africa:</b>			<b>Africa:</b>		
	( <sup>2</sup> )	( <sup>2</sup> )		7	.1
<b>Oceania:</b>			<b>Oceania:</b>		
	20	.1		8	.1
<b>Grand total.....</b>	<b>14,928</b>	<b>100.0</b>	<b>Grand total.....</b>	<b>11,979</b>	<b>100.0</b>

<sup>1</sup> General trade, including bullion, specie, and reexports. Transit and transshipment trade are excluded. In actual practice imports are reckoned at the f. o. b. costs, disregarding freight and insurance. Exports are, in actual practice, computed on a c. i. f. basis. Values are declared values.

<sup>2</sup> Less than \$500.

<sup>3</sup> Less than one one-hundredth of 1 percent.

Source: Compiled by the United States Tariff Commission from Banco Central del Ecuador, *Boletín Mensual*, January 1938.

France was the principal purchaser of Ecuadoran coffee in 1938, taking more than two-fifths of the total value. The United States ranked second with more than one-third, followed by Peru, Italy, and Germany. Nearly two-thirds of the value of all exports of bananas in that year went to the United States. Chile took approximately one-third, and a small quantity was shipped to Peru. The United States is one of the principal export markets for tagua nuts from Ecuador.

The leading market for Ecuador's exports of crude petroleum in 1938, Uruguay, took more than 38 percent of the total, in terms of quantity. Other purchasers in that year included Brazil (20 percent), the United States (18 percent), France, and Japan.

#### Imports into Ecuador.

*Composition.*—The Ecuadoran import classification consists of a large number of groups, only 5 of which customarily account for more than 5 percent of total imports. These are machinery, iron and steel

and products, foodstuffs, cotton manufactures, and chemicals and pharmaceuticals. Imports into Ecuador by principal groups and commodities, in specified years, 1929 to 1937, are shown in sucres in table 9 and in dollars in table 10.<sup>18</sup>

TABLE 9.—Ecuador: Imports,<sup>1</sup> in terms of sucres, by principal commodity groups and commodities, in specified years, 1929 to 1937

[Value in thousands of sucres]

Commodity group or commodity <sup>2</sup>	1929	1932	1936	1937
Grand total.....	84, 835	34, 710	117, 503	131, 626
Machinery.....	7, 530	1, 830	12, 907	20, 637
Electrical machinery.....	( <sup>3</sup> )	478	1, 233	3, 637
Iron and steel products.....	10, 020	1, 977	28, 105	18, 769
Structural iron and steel.....	4, 955	655	8, 635	8, 132
Foodstuffs.....	8, 850	3, 304	11, 995	17, 527
Wheat flour.....	2, 860	1, 378	4, 846	8, 209
Lard.....	2, 980	955	1, 343	2, 187
Beverages.....	1, 620	432	1, 376	1, 659
Cotton manufactures.....	14, 165	4, 794	11, 394	13, 077
Cotton yarn and thread.....	1, 225	856	1, 752	2, 868
Cotton cloth.....	9, 600	3, 590	7, 361	319
Cotton hosiery.....	855	308	417	( <sup>4</sup> )
Chemicals and pharmaceuticals.....	5, 770	2, 217	9, 707	9, 527
Paper and manufactures.....	2, 655	1, 297	3, 891	4, 923
Trucks and chassis.....	1, 440	88	3, 400	4, 440
Wool manufactures.....	2, 735	627	3, 395	4, 286
Silk and rayon manufactures.....	2, 910	841	3, 157	3, 462
Silk cloth.....	1, 695	479	2, 470	538
Nonferrous metals.....	1, 135	257	1, 749	2, 286
Copper, brass, and bronze.....	600	128	979	1, 022
Hemp, flax, and jute.....	( <sup>5</sup> )	400	1, 455	2, 088
Glass and glassware.....	780	212	1, 653	2, 077
Rubber tires.....	415	172	1, 044	1, 956
Automobiles, passenger.....	1, 535	162	1, 943	1, 429
Oil and grease, lubricating.....	500	349	857	1, 220
Explosives.....		343	2, 033	923
Cement, portland.....	770	215	798	802
Petroleum, crude.....	( <sup>6</sup> )	72	703	780
Railway parts and accessories.....	1, 110	194	1, 608	769
Jewelry and watches.....	620	118	520	571
Rail and tram cars, and parts.....	1, 290	21	480	571
Tile, brick, and earthenware.....	450	116	3, 847	560
Hats and caps.....	1, 130	174	409	549
Radios.....	( <sup>7</sup> )	( <sup>8</sup> )	533	538
Specie.....	715	9, 545		473
Wood manufactures.....	750	84	340	396
Leather and manufactures.....	1, 545	448	819	154
Radio parts.....	( <sup>9</sup> )	( <sup>9</sup> )	115	( <sup>9</sup> )
Paraffin.....	790	416	13	( <sup>9</sup> )
All other commodities.....	15, 385	4, 437	10, 633	16, 836

<sup>1</sup> General imports, including bullion and coin. Values are those declared in the consular invoice, and are stated to be c. i. f. values at the frontier. In practice, however, imports are reported at the f. o. b. costs, disregarding freight and insurance.

<sup>2</sup> Classifications employed in this table are those given in the *Foreign Commerce Yearbook for 1937*. Groups and commodities are ranked according to value in 1937. The data here given may not be strictly comparable in all cases.

<sup>3</sup> Not shown separately.

<sup>4</sup> Not available.

<sup>5</sup> Includes hemp, flax, and jute.

Source: U. S. Department of Commerce, *Foreign Commerce Yearbook*.

In terms of dollar value, imports in the groups of iron and steel products, foodstuffs, cotton manufactures, and chemicals and pharmaceuticals in 1937 were smaller than in 1929, but larger than in 1932. Imports of machinery (not including vehicles), though valued in 1932 at only one-fifth of the 1929 value, were higher in 1937 than in 1929. For these principal groups, the ratios of the dollar value of imports in 1937 to that in 1929 were as follows: Machinery, 125 percent; iron

<sup>18</sup> Detailed statistics for Ecuadoran imports are not available for 1938.

and steel products, 85 percent; foodstuffs, 90 percent; cotton manufactures, 42 percent; and chemicals and pharmaceuticals, 75 percent.

The five largest Ecuadoran import groups accounted for more than three-fifths of the value of all imports in 1937.<sup>17</sup> These, with the share of total exports accounted for by each, were machinery, 16 percent; iron and steel, 14 percent; foodstuffs, 13 percent; cotton manufactures, 10 percent; and chemicals and pharmaceuticals, 7 percent. Each of these groups, except cotton manufactures, formed a greater proportion of total imports in 1937 than it did in 1929.

TABLE 10.—Ecuador: Imports,<sup>1</sup> in terms of dollars, by principal commodity groups and commodities, in specified years, 1929 to 1937

[Value in thousands of U. S. dollars]

Commodity group or commodity <sup>1</sup>	1929 (1 sucre = \$0.2000)		1932 (1 sucre = \$0.1667)		1936 (1 sucre = \$0.0952)		1937 (1 sucre = \$0.0910)	
	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
Grand total	16,967	100.0	5,786	100.0	11,186	100.0	11,978	100.0
Machinery	1,506	8.9	305	5.3	1,229	11.0	1,878	15.7
Electrical machinery	( <sup>2</sup> )		80	1.4	117	1.0	331	2.8
Iron and steel products	2,004	11.8	330	5.7	2,485	22.2	1,708	14.3
Structural iron and steel	991	5.8	109	1.9	632	5.6	740	6.2
Foodstuffs	1,770	10.5	551	9.5	1,142	10.2	1,595	13.3
Wheat flour	572	3.4	230	4.0	461	4.1	747	6.2
Lard	596	3.5	159	2.7	128	1.1	199	1.7
Beverages	324	1.9	72	1.2	131	1.2	151	1.3
Cotton manufactures	2,821	16.6	799	13.8	1,085	9.7	1,190	9.9
Cotton yarn and thread	245	1.4	143	2.5	167	1.5	261	2.2
Cotton cloth	1,920	11.3	598	10.3	701	6.3	29	.2
Cotton hosiery	171	1.0	51	.9	40	.4	( <sup>3</sup> )	
Chemicals and pharmaceuticals	1,154	6.8	370	6.4	924	8.3	867	7.2
Paper and manufactures	531	3.1	216	3.7	370	3.3	448	3.7
Trucks and chassis	288	1.7	15	.3	324	2.9	404	3.4
Wool manufactures	547	3.2	105	1.8	323	2.9	390	3.3
Silk and rayon manufactures	582	3.5	140	2.4	301	2.7	315	2.6
Silk cloth	339	2.0	80	1.4	235	2.1	49	.4
Nonferrous metals	227	1.3	43	.7	167	1.5	208	1.8
Copper, brass, and bronze	120	.7	21	.4	93	.8	93	.8
Hemp, flax, and jute	( <sup>4</sup> )		67	1.2	138	1.2	190	1.6
Glass and glassware	156	.9	35	.6	157	1.4	189	1.6
Rubber tires	83	.5	29	.5	99	.9	178	1.5
Automobiles, passenger	307	1.8	27	.5	185	1.7	130	1.1
Oil and grease, lubricating	100	.6	58	1.0	82	.7	111	.9
Explosives			57	1.0	194	1.7	84	.7
Cement, portland	164	.9	36	.6	76	.7	73	.6
Petroleum, crude	( <sup>4</sup> )		12	.2	67	.6	71	.6
Railway parts and accessories	222	1.3	32	.6	153	1.4	70	.6
Jewelry and watches	104	.6	20	.3	49	.4	52	.4
Rail and tram cars, and parts	258	1.5	3	.1	46	.4	52	.4
Tile, brick, and earthenware	90	.5	19	.3	366	3.3	51	.4
Hats and caps	226	1.4	29	.5	39	.3	50	.4
Radios			( <sup>5</sup> )		51	.5	49	.4
Specie	143	.8	1,591	27.5			43	.4
Wood manufactures	150	.9	14	.2	32	.3	36	.3
Leather and manufactures	309	1.8	75	1.3	78	.7	14	.1
Radio parts			( <sup>5</sup> )		11	.1	( <sup>5</sup> )	
Paraffin	158	.9	69	1.2	1	( <sup>5</sup> )	( <sup>5</sup> )	
All other commodities	* 3,077	18.2	739	12.8	1,012	9.0	1,532	12.8

<sup>1</sup> General imports, including bullion and coin. Values are those declared in the consular invoice, and are stated to be c. i. f. values at the frontier. In practice, however, imports are reported at the f. o. b. costs, disregarding freight and insurance.

<sup>2</sup> Classifications employed in this table are those given in the *Foreign Commerce Yearbook* for 1937. Groups and commodities are ranked according to value in 1937. The data here given may not be strictly comparable in all cases.

<sup>3</sup> Not shown separately.

<sup>4</sup> Not available.

<sup>5</sup> Less than one-tenth of 1 percent.

\* Includes hemp, flax, and jute.

Source: U. S. Department of Commerce, *Foreign Commerce Yearbook*.

<sup>17</sup> The latest year for which detailed statistics of Ecuadoran imports are available.

Until recent years, cotton manufactures ranked first in Ecuadoran import trade. Their share of total imports declined irregularly, however, from 17 percent of the total in 1929 to 10 percent in 1937. This decline is accounted for by the marked decrease in imports of cotton cloth, reflecting the development of the domestic textile industry (the most important manufacturing industry in Ecuador), the increased tariff, and the importation of Japanese cotton goods of a cheaper grade rather than goods from the United Kingdom and the United States. Although tariff rates were high, domestic cotton textiles had difficulty in competing with imports from Japan, until in 1936 a 50-percent surcharge on Japanese imports was put into effect. Since that time the industry has developed considerably.

The most important single import commodity in the machinery group is electrical machinery; in the iron and steel classification it is structural iron and steel. Wheat flour, the most important of the foodstuffs imported in 1937, accounted for nearly half of the total for that group; its share of total imports increased substantially from 1929 to 1937.

Other Ecuadoran imports include a wide range of products. Of those forming more than 1 percent of total imports in 1937, the following were more important elements in Ecuador's import trade in 1937 than in 1929: Paper and manufactures; trucks and chassis; wool manufactures; nonferrous metals; hemp, flax, and jute; glass and glassware; and rubber tires. Silk and rayon manufactures and passenger automobiles declined in percentage share.

No one of the remaining groups and commodities listed in table 10 accounted for as much as 1 percent of total imports in 1937. They include lubricating oils and greases, explosives, portland cement, crude petroleum, railway parts and accessories, and a number of other commodities.

*Sources.*—Nearly 60 percent of all imports into Ecuador in 1938, in terms of value, originated in the United States and Germany. The principal sources in that year, with share of total imports supplied by each country, were the United States, 35 percent; Germany, 24 percent; the United Kingdom, 8 percent; and Japan, 7 percent. Other suppliers included France, Switzerland, Italy, Belgium-Luxemburg, Chile, and Peru. Imports into Ecuador from selected countries, in specified years, 1929 to 1938, have already been shown in sucres in table 6 and in dollars in table 7. More detailed data for 1937 are shown in table 8.

The United States is the leading supplier of commodities imported into Ecuador, but its share has varied considerably in recent years. In 1929 and 1932 it was, respectively, 41 and 58 percent; in the years 1936-38 it averaged about one-third of the total value. Imports from the United States ranged in value from 3.2 million (1936) to 6.9 million dollars (1929); in 1938 their value was 3.8 million dollars.

Germany's share in the Ecuadoran import trade increased irregularly from 13 percent in 1929 to 24 percent in 1938. The value of purchases from Germany ranged between 0.5 million (1932) and 2.9 million dollars (1936); in 1938 it was 2.7 million dollars. Purchases from Japan rose irregularly from less than 1 percent of total imports in 1929 to 7 percent in 1938, while the share of the United Kingdom declined from 19 to 8 percent.

The rise in the position of Germany and Japan and the decline in that of the United States and the United Kingdom is accounted for in part by the shift from the United Kingdom to Germany as a supplier of chemicals and pharmaceuticals, by the smaller volume of cotton textiles purchased, and by the shift from the United Kingdom and the United States to Japan as a source of cotton textiles. The proportion of Ecuadoran imports supplied by France ranged between 2 and 4 percent; that supplied by Italy varied from 2 to 4.5 percent.<sup>18</sup>

Imports into Ecuador from other countries of Latin America ordinarily constitute a small part of total imports. In 1937 they amounted to \$748,000, or about 7 percent of the total; the principal suppliers were Peru, Argentina, and Chile.

### UNITED STATES TRADE WITH ECUADOR

United States commerce with Ecuador is small, usually amounting to less than 1 percent of total United States trade with Latin America. As a market for United States merchandise, however, Ecuador has increased in importance, having taken a significantly larger share of total sales to Latin America in recent years. Greater activity in Ecuador's petroleum-extracting and gold-mining industries has been primarily responsible for this development. Ecuador is also important as the leading supplier for the United States of a few specialized tropical products, including toquilla (panama) hats, tagua nuts (vegetable ivory), and balsa wood.

#### Trend of United States-Ecuadoran trade.

In 1939 the United States imported from Ecuador merchandise valued at 3.5 million dollars, representing 0.7 percent of United States purchases from Latin America as a whole. This figure does not include imports of gold, which amounted to 3 million dollars in that year (see table 15 for previous years). Imports in 1939 were materially larger than in 1933, but were considerably smaller than in 1929 and in several other predepression years. Imports from Ecuador in 1940 were valued at 4.8 million dollars, an increase of one-third over those for 1939, and were larger than in any year since 1930. Ecuador's recent share in total United States imports from Latin America has not differed appreciably from that before 1930 (see table 11).

United States sales to Ecuador, on the other hand, showed a greater relative increase in 1939 and 1940 than did sales to all countries of Latin America. In 1939, when exports to Ecuador totaled 5.9 million dollars, they amounted to 1 percent of total sales to Latin America and represented a somewhat larger share of the total than in the period 1924-29. Furthermore, the value of exports in 1939 was several times that in 1933, and only slightly less than in 1929, when exports totaled 6 million dollars (see table 11). In 1940, United States sales to Ecuador increased greatly, in large part because of the displacement of Germany as a source of manufactured products. In that year, United States exports to Ecuador, valued at 6.4 million dollars, were substantially larger than those in 1939, and larger than in any year since 1928 (see table 11).

<sup>18</sup> The value of imports from the United Kingdom, France, Italy, and Japan varied as follows: United Kingdom, from 0.7 million (1932) to 3.2 million dollars (1929); France, from \$253,000 (1936) to \$753,000 (1929); Italy, from \$170,000 (1932) to \$766,000 (1929); and Japan, from \$39,000 (1929) to \$976,000 (1936).



TABLE 11.—United States imports from and exports to Ecuador, 1924-40

[Value in thousands of dollars]

Year	General imports <sup>1</sup>		Exports (incl. reexports)		Year	General imports <sup>1</sup>		Exports (incl. reexports)	
	Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America		Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America
1924.....	6,697	0.6	5,537	0.8	1933.....	1,888	0.6	1,573	0.7
1925.....	8,702	.9	6,808	.8	1934.....	3,099	.8	2,343	.8
1926.....	6,757	.6	4,662	.6	1935.....	3,266	.7	2,843	.8
1927.....	5,194	.5	5,531	.7	1936.....	3,331	.7	3,326	.8
1928.....	5,345	.5	6,595	.8	1937.....	4,012	.6	5,052	.9
1929.....	5,830	.6	6,069	.7	1938.....	2,584	.6	3,311	.7
1930.....	5,554	.8	4,866	.8	1939.....	3,513	.7	5,900	1.0
1931.....	3,603	.8	2,934	.9	1940 <sup>2</sup> .....	4,763	.8	6,412	.9
1932.....	2,386	.7	1,754	.9					

<sup>1</sup> Not including imports of gold and silver, for which see table 15.<sup>2</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

**United States imports from Ecuador.**

*Composition.*—The United States buys from Ecuador mainly tropical vegetable products (see table 12). The leading imports, ranked according to their share of the total trade in 1939, are as follows: Cacao beans, 29 percent; coffee, 26 percent; bananas, 16 percent; unfinished toquilla (panama) hats, 8 percent; balsa wood, 5 percent; and tagua nuts, 5 percent.

There has been a marked change in the trend of imports of the leading products in the period 1929-39. Imports of cacao beans, toquilla hats, and tagua nuts have been much smaller recently, in terms of value, than in 1929, whereas imports of bananas, coffee, and rubber have been much greater. Ecuador's share in total United States imports of the last three products, however, remains small.

Ecuador is the principal, and, for some products, almost the exclusive source of certain United States imports, including toquilla hats, tagua nuts, balsa wood, and annatto, a dyeing and tanning material. It is also a source of kapok, which prior to the war came principally from the Netherlands Indies. The United States market for toquilla hats has undergone a marked contraction in the last 10 years, as a result of the decreased use of hats, the competition of cheaper products, and the style trend in the last 3 years in which there has been a shift away from the panama type of hat to braid and woven-body straw hats. The market for tagua nuts (vegetable ivory) has likewise contracted. The tagua nut, the interior of which is creamy white and becomes very hard when dried, is used mainly for making buttons; considerable competitive displacement has occurred as a result of the greater use of plastic buttons and zippers. On the other hand demand for balsa wood, used principally in life preservers but also as an insulating material, has improved in the last few years, as has the market for Ecuadoran kapok and annatto.

TABLE 12.—United States imports for consumption from Ecuador of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Dutiable status	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
			Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Goat and kidskins, dry and dry-salted.	Free	1,000 pcs.	3	2	5	1	18	10	57	34	9	3	8	3
Bananas, green or ripe.	do.	1,000 bunches			31	22	1,327	883	1,079	739	1,160	785	999	548
Cocoa or cacao beans and shells thereof.	do.	1,000 lb.	15,633	2,020	11,399	824	11,344	792	12,612	1,042	8,439	540	13,818	1,031
Coffee, raw or green.	do.	1,000 lb.	1,759	338	2,392	246	9,324	639	13,047	943	9,033	426	20,958	912
Crude rubber (Hevea, Caucho, and other natural). <sup>2</sup>	do.	1,000 lb.	593	86			1,211	119	421	43	511	48	1,564	146
Scrap or refuse rubber, fit only for re-manufacture.	do.	1,000 lb.					19	2	106	10	140	14		
Anatto and extracts of.	do.	1,000 lb.	328	22	87	3	447	16	450	17	680	24	807	26
Vegetable ivory or tagua nuts.	do.	1,000 lb.	18,262	444	9,205	131	14,739	228	11,962	299	8,598	124	14,907	178
Unmanufactured kapok.	do.	Ton.	25	11	1	( <sup>3</sup> )	265	72	251	71	347	87	472	131
Palm leaf hats (panamas), not sewed and not blocked or trimmed not bleached, dyed, colored, or stained. <sup>4</sup>	Dutiable.	1,000	705	941	507	344	784	441	887	574	518	310	510	269
Balsa wood	Taxable	M feet.		( <sup>5</sup> )		( <sup>5</sup> )	3,228	99	3,357	102	4,573	139	6,420	190
Stamps, foreign, postage or revenue, and foreign government stamped envelopes or post cards.									( <sup>5</sup> )		23			2
Imports of commodities shown above.				3,864		1,571		3,301		3,874		2,523		3,436
Total imports from Ecuador.				5,830		2,386		3,387		3,964		2,570		3,525
Principal imports (shown above) as percent of total.				66.3		65.8		97.5		97.7		98.2		97.5

<sup>1</sup> Preliminary.<sup>2</sup> Other than guayule rubber and milk of rubber or latex.<sup>3</sup> Less than 500.<sup>4</sup> Toquilla fiber separately classified under the Ecuadorian trade agreement, effective Oct. 23, 1938.<sup>5</sup> Not separately classified prior to 1936.<sup>6</sup> General imports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

*Dutiable status of imports.*—About 15 percent of the imports from Ecuador in the last few years have represented dutiable products. Toquilla (panama) hats and balsa wood are the only large dutiable imports. Tariff concessions on these and other products of special interest to Ecuador were made by the United States in the trade agreement with that country, effective October 23, 1938. The duty on hats of toquilla fiber or straw, not blocked, trimmed, bleached, dyed, or colored, was reduced from 25 percent to 12½ percent, and the import-excite tax of \$3 per thousand board feet on balsa lumber was reduced to \$1.50 per thousand board feet. The duty on dried bananas was bound against increase at the rate to which it previously had been reduced in the Costa Rican agreement,<sup>19</sup> and the duty on concentrated naranjilla juice and naranjilla juice, n. s. p. f., was reduced (on an unconcentrated basis) from 70 cents per gallon to 35 cents. The duty-free status of a number of other products, including bananas, coffee, cacao beans, annatto, kapok, and tagua nuts was bound.

#### United States exports to Ecuador.

Machinery and vehicles, metals and manufactures, and vegetable food products are the principal groups of products among United States exports to Ecuador. (See table 13.) The leading individual exports in 1939, together with their share in the total trade, were as follows: Wheat flour, 10 percent; motortrucks, 4 percent; lard, 3 percent; mining and quarrying machinery, 3 percent; passenger cars, 3 percent; and auto tires, 3 percent. These and other outstanding exports are shown in table 14.

TABLE 13.—United States exports (domestic merchandise) to Ecuador, by commodity groups, in 1938 and 1939

[Value in thousands of dollars]

Commodity group	Value		Percent of total	
	1938	1939 <sup>1</sup>	1938	1939 <sup>1</sup>
Animals and animal products, edible.....	130	292	4.0	5.1
Animals and animal products, inedible (except wool and hair).....	33	71	1.0	1.2
Vegetable food products and beverages.....	491	756	15.0	13.1
Vegetable products, inedible (except fibers and wood).....	203	297	6.2	5.1
Textile fibers and manufactures.....	152	262	4.7	4.5
Wood and paper.....	47	108	1.4	1.0
Nonmetallic minerals.....	254	408	7.8	7.1
Metals and manufactures (except machinery and vehicles).....	403	930	12.3	16.1
Machinery and vehicles.....	1,185	1,935	36.2	33.6
Chemicals and related products.....	273	459	8.3	8.0
Miscellaneous.....	102	247	3.1	4.3
<b>Total.....</b>	<b>3,273</b>	<b>5,766</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

<sup>19</sup> This tariff reduction was of special interest to Ecuador, inasmuch as a new plant for dehydrating bananas was erected in that country in 1937. Since that time Ecuador has become the principal source of the small imports of dried bananas.

TABLE 14.—United States exports (domestic merchandise) to Ecuador of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Lard	1,000 lb.	4,388	566	2,085	131	237	26	284	37	\$949	\$89	\$2,516	\$194
Sardines	1,000 lb.	798	60	207	13	612	34	1,356	91	340	25	968	69
Wheat flour, wholly of United States wheat	1,000 bbl.	101	580	66	208	33	139	91	499	102	416	179	599
Other wheat flour	196 lb.												
Yeast	1,000 lb.	1	( <sup>2</sup> )			34	169	13	82	2	12	10	37
Sugar, refined	1,000 lb.	31	1	9	( <sup>2</sup> )	63	10	126	16	165	18	178	19
Automobile casings	Number	3,779	60	1,707	17	21	( <sup>2</sup> )	46	1	1,001	19	3,530	53
Cigarettes	Thousand	9,725	29	45	( <sup>2</sup> )	3,280	46	9,070	151	5,996	98	9,677	155
Rubber hose	1,000 lb.	22	10	14	7	6,090	15	6,360	16	13,038	33	18,554	48
Raw cotton (except lint):						17	8	27	10	30	17	17	7
Upland, under 1 3/4 inches	Bale (approximately 500 pounds)	1,680	169	4,520	174					762	38		
Cotton cloth, bleached, dyed, printed, and colored yarn fabrics	1,000 sq. yd.	4,777	572	2,577	197	194	23	1,921	198	336	34	815	74
Piece goods, wholly or chiefly rayon and other synthetic fibers	1,000 lb.	4	4	4	4	1	1	107	31	( <sup>2</sup> )	( <sup>2</sup> )	3	4
Gas oil, distillate fuel oil, and residual fuel oil	1,000 bbl.	94	76	23	16			121	106	23	20	108	87
Lubricating oil, red, pale, and cylinder	1,000 bbl.	5	84	3	45	5	61	6	79	7	78	7	85
Paraffin wax	1,000 lb.	3,070	150	2,615	73	2,695	84	3,820	118	2,859	75	2,074	84
Steel bars, other than alloy steel	1,000 sh. tons	139	7		( <sup>2</sup> )			898	50	940	43	2,893	129
Steel sheets, galvanized	1,000 sh. tons	( <sup>2</sup> )	( <sup>2</sup> )	16	1	242	14	673	53	117	13	813	56
Boiler tubes, seamless	1,000 sh. tons	( <sup>2</sup> )	( <sup>2</sup> )	1	( <sup>2</sup> )	7	1	537	53	11	2	49	8
Casing and oil-line pipe, seamless and welded	1,000 sh. tons	312	30			160	20	632	56	319	49	941	73
Seamless black pipe, other than casing and oil-line	1,000 sh. tons	( <sup>2</sup> )	( <sup>2</sup> )			9	1	2	( <sup>2</sup> )	143	18	113	9
Malleable-iron screwed pipe fittings	1,000 sh. tons	40	14	2	1	13	4	26	7	50	18	31	8
Iron or steel wire, uncoated	1,000 sh. tons	4	1	1	( <sup>2</sup> )	14	1	227	14	348	20	594	31
Miscellaneous cutlery and parts			36		22		37		56		12	43	
Radio receiving sets	Number	5	( <sup>2</sup> )	430	15	961	36	946	34	840	28	2,818	63
Steam locomotives	Number							2	72			2	68
Mining and quarrying machinery			20		17		21		37		38		166
Petroleum and gas well-drilling apparatus			96		11		162		176		142		74
Other petroleum well and refining machinery			68		1		89		15		22		11
Miscellaneous pumps and parts			9		1		7		11		25		18
Sewing machines for domestic use	Number	978	27	62	2	2,184	74	1,800	64	1,391	52	2,563	88
Paper-converting machinery and parts			( <sup>2</sup> )		( <sup>2</sup> )								4
Sawmill machinery			4				3		32		5		34
Miscellaneous industrial machinery and parts, n. e. s. <sup>2</sup>			20		3		25		22		24		

Typewriters, new, used, rebuilt.....	Number.....	811	39	175	8	578	33	403	24	370	22	555	28
Typesetting machines.....	Number.....	4	16		2	10	8	38	5	31	1		4
Printing presses.....	Number.....	8	2		3	2	1	26	1	1	2		1
Track-laying tractors.....	Number.....	4	5		7	15	17	60	22	64	53		138
Motor trucks, buses, and chassis (new).....	Number.....	7 199	7 161	55	31	508	305	712	413	328	208	329	220
Passenger cars and chassis (new).....	Number.....	7 213	7 153	36	21	176	137	150	113	75	56	209	159
Automobile parts for replacement.....			31		8		51		78		61		86
Aircraft parts, instruments, and accessories (except tires).....			1		(*)		6		49		4		23
Ready-mixed paints, stains, and enamels.....	1,000 gal.....	10	17	2	6	8	15	12	24	12	23	14	26
Dynamite.....	1,000 lb.....	260	37	280	34	300	35	590	80	323	42	550	64
Miscellaneous printed matter, including photographs and blueprints. <sup>4</sup>			27		3		15		42		6		30
Exports of commodities shown above.....			3,181		1,068		1,735		3,188		1,990		3,163
Total exports to Ecuador.....			6,029		1,734		3,203		5,004		3,273		5,765
Principal exports (shown above) as percent of total.....			52.8		61.6		52.8		63.7		60.8		54.9

<sup>1</sup> Preliminary.

<sup>2</sup> Includes neutral lard.

<sup>3</sup> Less than 500.

<sup>4</sup> Includes knit dress and piece goods in 1929, and dresses, skirts, and blouses not knit or crocheted in 1932.

<sup>5</sup> Not separately classified.

<sup>6</sup> Data not strictly comparable for the series.

<sup>7</sup> Includes some second-hand articles.

Source: Compiled from official statistics of the U. S. Department of Commerce.

The effect of Ecuadoran industrialization and development of the country's mineral resources, particularly petroleum and gold, is apparent in the trend of certain exports. Recent exports of casing and oil-line pipe and of petroleum well-drilling apparatus have been considerably greater than in 1929, primarily because of the more rapid development of Ecuadoran petroleum fields. For similar reasons exports of mining and quarrying machinery have also increased greatly, having totaled \$166,000 in 1939, compared with \$20,000 in 1929. The more general effect of industrialization is indicated by the larger sales to Ecuador of steel bars (amounting to \$129,000 in 1939), iron and steel wire, motortrucks, and dynamite. The construction of cotton-textile mills in Ecuador, on the other hand, has contributed to the markedly decreased exports of cotton cloth to that country.

**Balance of payments between the United States and Ecuador.**

The available statistics on the balance of payments between the United States and Ecuador, shown in table 15, indicate that the United States has usually had a small, though irregular, net debit balance with Ecuador. This balance has arisen chiefly from the comparatively large purchases of Ecuadoran gold made by the United States and to some extent from the small import trade balance which the United States has customarily had with Ecuador in the last 10 years. It should be noted, however, that in the 3 years 1937-39 the United States, for the first time, had a relatively large export trade balance. Inasmuch as the balance-of-payments statistics shown in table 15 do not include the return on United States direct investments in Ecuador<sup>20</sup> or the net movement of banking funds and of capital through security transactions, the actual net balance may have differed from that indicated. In 1939 (not shown in the table) the export trade balance for the United States reached 2.4 millions; though imports of gold and silver totaled 3.1 million dollars, the large export trade balance suggests that the net debit balance with Ecuador in this year may have been greatly reduced or even changed to a credit balance.

In contrast with the substantial interest received from many Latin American countries in the first part of the decade 1929-38, interest receipts from Ecuador have been negligible throughout the period shown, inasmuch as the Ecuadoran dollar bonds have been in default since 1915.

<sup>20</sup> Compared with United States direct investments in other Latin American countries, those in Ecuador are small, having had an estimated value of only 5 million dollars at the end of 1936.

TABLE 15.—Partial balance of payments between the United States and Ecuador, 1929-38

[In millions of dollars]

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
<b>Trade and service items:</b>										
Merchandise exports to Ecuador <sup>1</sup> .....	6.1	4.9	2.9	1.8	1.6	2.3	2.8	3.3	5.1	3.3
Merchandise imports from Ecuador <sup>1</sup> .....	5.8	5.6	3.6	2.4	1.9	3.1	3.3	3.3	4.0	2.6
Net merchandise exports to (+) or imports from (-) Ecuador.....	+3	-7	-7	-6	-3	-8	-5	.....	+1.1	+7
Receipts from Ecuador for shipping services <sup>2</sup> .....	.1	.2	.1	.....	.....	.....	.1	.1	.1	.1
Expenditures of Ecuadoran travelers in the United States <sup>2</sup> .....	.3	.3	.2	.2	.2	.2	.2	.2	.3	.2
Expenditures of United States travelers in Ecuador <sup>2</sup> .....	.....	.....	.....	.1	.1	.1	.1	.1	1	.1
Interest receipts from Ecuador <sup>2</sup> .....	.....	.....	.....	.1	.....	.....	.....	.1	.....	.....
Net receipts from Ecuador for services <sup>2</sup> .....	+4	+5	+3	+2	+1	+1	+2	+3	+3	+2
Net receipts from (+) or payments to (-) Ecuador on trade and service account <sup>2</sup> .....	+7	-2	-4	-4	-2	-7	-3	+3	+1.4	+9
<b>Gold and silver:</b>										
Net gold imports from (-) or exports to (+) Ecuador <sup>1</sup> .....	-1.4	-1.6	-1.0	+6	-1.0	-1.6	-5.2	-3.4	-2.0	-2.6
Net silver imports from (-) or exports to (+) Ecuador <sup>1</sup> .....	.....	.....	.....	.....	.....	+1	-1	-1	-1	.....
Net gold and silver imports from (-) or exports to (+) Ecuador.....	-1.4	-1.6	-1.0	+6	-1.0	-1.5	-5.3	-3.5	-2.1	-2.6
<b>Capital items:</b>										
Bond-redemption and sinking-fund receipts from Ecuador <sup>1</sup> .....	.....	+1	.....	.....	.....	.....	.....	+2	.....	.....
Net balance on items shown <sup>3</sup> .....	-7	-1.7	-1.4	+2	-1.2	-2.2	-5.6	-3.0	-7	-1.7

<sup>1</sup> United States statistics, unadjusted.<sup>2</sup> Rough estimates.<sup>3</sup> Excluding return on United States direct investments in Ecuador.<sup>4</sup> Bond-redemption receipts adjusted for repurchases by foreigners in all years; sinking-fund receipts in 1938 only.<sup>5</sup> Exclusive of return on direct investments (receipts) and new investments (payments) in Ecuador.

NOTE.—Net credit balances for the United States are indicated by +; net debit balances by -.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

# PARAGUAY

## A DESCRIPTION

### Physical characteristics.

The Republic of Paraguay,<sup>1</sup> one of the two inland countries of South America, is bordered on the north and east by Brazil, on the east and south by Argentina, and on the west by Argentina and Bolivia. Its area, approximately 150,000 square miles, is about equal to that of California. Unlike Bolivia, Paraguay is not landlocked; direct access to the sea is afforded by the Paraná-Paraguay river system, two branches of which form the southern boundary and parts of the eastern and western boundaries of the country.

Paraguay may be divided into two regions. The eastern section of the country, that east of the Paraguay River, is traversed from north to south by a broad, irregular belt of highlands which are a continuation of the great interior plateau of Brazil. Elevations only occasionally exceed 2,200 feet. This part of Paraguay is heavily forested. In the forest clearings, where practically all agriculture is carried on, the soil is extremely fertile.

The western part of the country consists of grassy plains, with occasional forest-covered hills, drained by the numerous streams flowing into the Paraguay River. The plains are especially adapted to the raising of livestock.

About two-thirds of Paraguay lies within the Temperate Zone, and one-third in the Tropics. The climate is subtropical, but is considerably modified by the mountain chains and the extensive system of waterways. Rain is abundant throughout the year.

### Population.

The Paraguayan census of 1899 showed a population of 656,000. According to official estimates, the population in 1938 was about 955,000, or an average of about 6 persons to the square mile. The greater number of the inhabitants, however, live in the area east of the Paraguayan River. About one-fifth are concentrated in four cities—Asunción, the capital (105,000), Villarica (36,000), Itá (30,000), and Capiatá (20,000).<sup>2</sup>

The people of Paraguay are chiefly of Spanish descent, Indians, and mixed races. There are practically no Negroes in the country. The number of immigrants in the period 1905-37 totaled 29,500. Immigration in 1937 (chiefly of Poles) amounted to 4,775. In Paraguay, both Spanish and Guaraní, the language of the now extinct Guaraní Indians, are spoken.

### Natural resources and economy.

*Agriculture.*—The climate and soil of Paraguay are especially suited to agriculture, which is concentrated in the forest clearings in the

<sup>1</sup> In Spanish, República del Paraguay.

<sup>2</sup> Estimates as of December 31, 1937.



eastern part of the country. Agricultural products (as distinct from pastoral and forest products) ordinarily account for about one-third of total exports.

The leading export crop is cotton, production of which increased from 17,000 bales in 1929-30 to 42,000 bales in 1938-39. In 1938 cotton accounted for more than one-fourth of all Paraguayan exports, as compared with less than 6 percent in 1929.

Tobacco, sugar, and citrus fruits are other important crops. Statistics of tobacco production are not available for recent years. Exports, however, declined in the decade 1929-38; those in 1938 amounted to only 6 million pounds, as compared with 19 million pounds in 1929. Most of the domestic tobaccos apparently are consumed within the country. Production of sugar is insufficient to meet local requirements, and some must be imported. A large part of the sugarcane grown in Paraguay is used in the production of molasses and rum for the domestic market. Oranges, tangerines, and grapefruit are grown in many parts of the country, principally for the domestic market, although some are exported.

Other Paraguayan agricultural products are corn, rice, wheat, barley, beans, coffee, mandioca, indigo, grapes, bananas, pineapples, and olives. Production of some of these is large, and consumption of all of them occurs chiefly within the country.

*Forest industries.*—Forest products ordinarily account for about one-third of all Paraguayan exports. The leading forest product is quebracho, most important as a source of tannin, and also in demand in South America for building purposes and for railroad ties. Argentina and Paraguay together account for practically the entire world production; about one-fifth of the supply of quebracho wood is believed to be located in Paraguay. Quebracho extract is one of Paraguay's chief exports, ordinarily accounting for about one-fifth of total exports, in terms of value; in 1938 exports amounted to 81 million pounds.

Exports of quebracho extract have been controlled and restricted in recent years through the operation of agreements between the producers in Argentina and Paraguay. Under these agreements, the producers limit their output pro rata according to capacity; they also fix prices, and sell through predetermined agencies to assigned markets. This arrangement followed a period of unlimited production and unrestricted competition which proved detrimental to the industry. A fairly small proportion of the extract produced in Paraguay is consumed within the country.

The second-ranking forest product of Paraguay is yerba maté (Paraguay tea), the base of a beverage used by large numbers of persons in rural areas of central and southern South America. Production, largely from wild trees, amounted in 1938 to 32 million pounds, of which 10 million pounds were exported, chiefly to Argentina.

In addition to quebracho and yerba maté, the Paraguayan forests yield a large number of other products, including timber of various kinds, vanilla, cinnamon, and a wide variety of dye, fiber-producing, and medicinal plants.

*Pastoral industries.*—Pastoral industries are an important element in the Paraguayan economy, usually accounting for from one-fourth to two-fifths of the value of all exports. The most important pastoral

exports are cattle hides, canned and preserved meats, meat concentrates and extracts, and grease and tallow.

Cattle raising began in Paraguay in 1546, with the importation of 8 head from Spain. By the beginning of the nineteenth century the number of cattle in the country was estimated to be 3 million, and although the disastrous wars of the latter part of the century resulted in the almost complete destruction of the cattle herds, they were subsequently reestablished. Reliable statistics of the number of cattle in Paraguay are not available for years prior to 1932; in that year there were nearly 4 million in the country. The number declined to less than 3 million in 1934, but is estimated to be approximately 5 million at the present time. According to estimates of January 1937, there were 140,000 sheep, 125,000 horses, and 25,000 hogs in the country.

The cattle-raising industry of Paraguay differs markedly from that of Argentina and Uruguay, in that less than one-fifth of the Paraguayan cattle are of improved stock. The potentialities of Paraguay as a cattle-raising country are great, but climatic and other conditions have thus far retarded improvement of the herds.

*Mining.*—There are large deposits of iron ore in Paraguay, and deposits of copper and manganese have been reported, but no mining operations are carried on. Other minerals found include mercury, kaolin, talc, graphite, marble, quartz, agate, opals, and limestone. There are no coal mines in the country.

*Manufacturing.*—The leading manufacturing industries of Paraguay are those involving the simple transformation of local raw materials, such as the production of quebracho extract, meat packing, cotton ginning, and the milling of yerba maté. The production of oil of petitgrain, distilled from the leaves of bitter orange, is also important. Paraguay supplies nearly three-fourths of the world demand for this essential oil, used as a base for perfumes and flavorings. The household industry of lace making is also of considerable importance. Manufacturing has otherwise been little developed in Paraguay, but production of certain consumer goods now supplies much of the domestic demand. These include the cheaper cotton textiles, matches, cigarettes, soap, shoes, leather goods, flour, sugar, distilled spirits, malt beverages, wines, certain medicinal preparations, furniture, and bricks.

## THE FOREIGN TRADE OF PARAGUAY

Paraguayan exports in 1938 were valued at 12 million gold pesos (8.2 million dollars), and imports at 13 million gold pesos (9 million dollars). Imports into Paraguay usually exceed exports therefrom; in the period 1936-38, the import balance ranged between \$236,000 and \$731,000.

### Paraguayan commercial policy.

The foreign trade of Paraguay during the decade 1929-38 was influenced by the tariff, the depreciation of the currency, and the Chaco War with Bolivia in 1932-35.

*The tariff.*<sup>3</sup>—The Paraguayan tariff is single-column in form, with preferential reductions to Uruguay on livestock, agricultural products,

<sup>3</sup> The import and export valuations employed by Paraguay are calculated "real" values.

and specified manufactured articles.<sup>4</sup> The basic Paraguayan tariff law became effective September 1, 1925. This tariff superseded one based largely on a system of ad valorem rates applied to official unit valuations, such as that maintained by Argentina and Uruguay.

Fundamentally, the Paraguayan tariff is a revenue measure, but protective duties are provided for a few important products, including cotton textiles, shoes, flour, and sugar. The rates in the 1925 tariff are predominantly specific, but a few are ad valorem, and a considerable number of alternative ad valorem and compound specific and ad valorem rates are included. A number of commodities are exempt from import duty under various provisions of the tariff. These include, among others, goods purchased by the Government, fresh fruits and vegetables, scientific instruments, and certain types of industrial, agricultural, mining, and transportation machinery and equipment.

Additional duties have been enacted at various times. These range from 7 to 14 percent ad valorem for most dutiable products, and average 5.5 percent for products originally specified as free of duty. These additional ad valorem duties generally amount to 7 percent for dutiable nonluxury goods, 9 percent for dutiable luxury goods, and 14 percent for alcoholic beverages. A decree of June 12, 1938, established a consumption surtax of 10 percent of the import duty on many imported articles, based on the 1925 tariff rates.

The Tariff Act of 1925 conferred on the Executive the power to prohibit imports, to reduce or increase duties by as much as one-half, to decree new duties equivalent to 50 percent ad valorem on duty free goods, and to classify articles not specially provided for in categories specified as duty-free in the tariff law. The conditions stipulated for the exercise of these powers were so broad that they included almost every contingency. Between 1925 and 1934, the Executive increased or decreased the duties on numerous products in varying degrees within the designated limits; increases intended for revenue predominated.

The Chaco War (1932-35) accentuated the revenue requirements of the Paraguayan Government. As one means of increasing revenue, the Executive repealed all reductions in rates made after the Tariff Act of 1925 became effective, and increased by one-half the basic 1925 duty rates on all items except gasoline, lubricating oils, and tires and tubes (for which increases already exceeded the 50 percent limit by virtue of congressional enactment). The rates on all products on which previous increases amounted to less than 50 percent were raised to that limit.

In 1935 the Executive was authorized (until August 31, 1936) to increase customs duties to protect national products against dumping by other countries, to compensate reductions in duty caused by changes in the official rate of exchange if such duties were designed to be protective, and to reestablish wholly or in part import duties decreased as a result of changes in the official rate of exchange. The increases in rates were to take the form of an adjustment of the proportion of duties which must be paid on the basis of the "gold" peso; that is, the equivalent of gold in terms of Paraguayan paper pesos. Authority was also given to require payment of that proportion in foreign currencies. The Executive accordingly decreed on October 29, 1935, that

<sup>4</sup> Agreements with Uruguay, involving tariff concessions, were concluded in 1935 and 1939. Penalty duties authorized in the Tariff Act of 1925 have not been applied.

30 percent of the duties on most products, and 100 percent on gasoline, should be paid in "gold" or its equivalent in Argentine paper pesos.<sup>5</sup> This resulted in a general increase in duties, since Argentine paper pesos had to be bought at open-market rates, and these were much higher than the official rate previously governing conversions.

By virtue of continued authorization to adjust the proportion of duties payable on the "gold" basis, the Executive raised that proportion to 40 percent on August 6, 1938, and to 50 percent effective August 1, 1939. The duties on gasoline (and, since February 1937, on kerosene) remained convertible 100 percent at the open-market rate. In July 1940, the official rate for converting Paraguayan paper pesos into gold pesos was 79.5454, the open-market rate was 159.09, and the averaging process<sup>6</sup> yielded an equivalent of 119.32 Paraguayan paper pesos per tariff unit of 1 "gold" peso. This may be compared with the rate in the period preceding the inauguration of the present system (October 29, 1935), when all duties were convertible at an official rate of about 57 Paraguayan paper pesos per tariff unit of 1 "gold" peso.

*Exchange control.*—Exchange control has been in effect in Paraguay since June 1932. For approximately 3 years after that time, practically all exchange was required for governmental needs arising out of the Chaco War. There have been no clearing agreements or practices obviously discriminating between countries.

By a law of August 6, 1932, exchange control was placed under the direction of the Exchange Office (*Oficina de Cambios*), which had been established on January 28, 1916, primarily to buy and sell gold and foreign exchange, and to issue, exchange, and convert paper currency. After the revolution of February 17, 1936, the Exchange Office was closed for a week. It reopened as the Bank of the Republic (*Banco de la República del Paraguay*).<sup>7</sup>

The Exchange Office and, subsequently, the Bank of the Republic have been authorized at various times to require delivery, at the official rate, of varying proportions of foreign exchange arising from exports of Paraguayan products. The resulting official exchange has been made available first for the requirements of the Government, and secondly, for imports. Preference has been given to articles considered essential. Whenever official exchange has not been available, it has been necessary to finance imports at the higher open-market rate.

By a decree of December 1933, exporters were required to deliver 50 percent of the proceeds of their export drafts to the Exchange Office at the official rate of 18.75 Paraguayan paper pesos to one Argentine paper peso (which has a constant ratio of 0.44 to the Argentine "gold" peso).<sup>8</sup> In the latter part of 1934, because of inability to control open-market transactions, the Exchange Office entered the open market for the purpose of controlling rates and acquiring exchange for government requirements.

<sup>5</sup> Argentine paper pesos have a fixed ratio of 0.44 to the "gold" peso, which is the Paraguayan and Argentine tariff unit.

<sup>6</sup> Authorized under article 4 of Decree No. 105, effective March 15, 1940.

<sup>7</sup> A state bank under the supervision of the Ministry of Finance. A law of October 26, 1939, confirmed the status of the Bank of the Republic as a state bank, and transferred its management to the Ministry of Economy.

<sup>8</sup> The Paraguayan gold peso, used in official statistics and in certain banking transactions, is equivalent to the Argentine gold peso (1.6129 grams of fine gold). The circulating medium is the Paraguayan paper peso. In 1923 the paper peso was pegged to the Argentine gold peso at the rate of 42.61 Paraguayan paper pesos to one Argentine gold peso (18.75 Paraguayan paper pesos to one Argentine paper peso). Since that year, the rate has been changed several times. For the years covered in this report the value of the gold peso was as follows: 1929, \$0.9513; 1932, \$0.5844; 1936, \$0.6649; 1937, \$0.7036; 1938, \$0.6866. For 1936-37 the rate of the paper peso was as follows: Official rate, 1936, \$0.0053; 1937, \$0.00511. Open-market rate, 1936, \$0.00375; 1937, \$0.00414.

In August 1935 the official rate was changed from 18.75 to 25 Paraguayan paper pesos to one Argentine paper peso, and in February 1936 to 35 Paraguayan paper pesos to one Argentine paper peso.<sup>9</sup> By the end of March 1936 the amount of exchange available had declined to such an extent that the bank was buying Argentine paper pesos in limited amounts at 60, and selling at 60.50 Paraguayan paper pesos, and was specifying the types of importers' bills for which exchange was to be used. In August 1936, the bank requested importers to limit their purchases of luxury goods, and specified a list of imports for which foreign exchange would be granted at the bank's rate, approximately 30 percent lower than the open-market rate at which exchange for other imports could be purchased.

Since 1936, primarily as a result of internal economic conditions, there has been considerable variation in official buying and selling rates for foreign exchange, and in the proportion of export drafts required to be delivered to the Bank of the Republic. The official exchange selling rate for financing imports rose gradually to an average of 71 Paraguayan paper pesos to the Argentine paper peso in August 1937, and has since remained fairly stable. During May 1940, the Bank of the Republic continued to supply foreign exchange for imports at the official rate of 70 Paraguayan paper pesos to one Argentine paper peso; the average on the uncontrolled market was 72.08.

*Import quotas.*—The 1938-39 Paraguayan budget law, effective February 4, 1939, authorized the Executive to establish import quotas. The law provided that, in the establishment of import quotas, account should be taken of the nature, class, and origin of the goods, and the proportion of Paraguayan products purchased by countries exporting to Paraguay. On June 2, 1939, the Government prohibited all imports not covered by prior permits issued by the Commission of Import Control, acting under the Directorate of the Bank of the Republic. The intention of the import-control authorities was to allocate import quotas by countries, the minimum quota to be three-fourths of the value of Paraguayan exports to each individual country. Later in June 1939 the import-permit requirement was modified to exempt parcel-post packages valued at less than 50 "gold" pesos. Because of changed conditions, the quota restrictions on imports and the requirement of prior import permits were abolished on March 10, 1940, leaving the tariff as the principal instrument of import control.

#### **Trend of the trade.**

*Exports.*—Paraguayan exports consist almost entirely of agricultural, forest, and pastoral products, but the proportion of the value of total exports attributable to each of these groups varied considerably during the decade 1929-38. Significant developments in the Paraguayan export trade in this period included the marked increase in the quantity and share of exports of cotton, and the decline in the quantity and share of exports of tobacco and yerba maté.

<sup>9</sup> For converting a portion of the duties to "gold," the official rate of 35 pesos still was used as late as July 1940 (35 Paraguayan pesos equal 1 Argentine paper peso, and 79.454 Paraguayan pesos equal 1 gold peso), but the official selling rate for financing imports has averaged 70 pesos in recent years. See section on the tariff, p. 194 ff.

Exports from Paraguay to all countries and to the United States in the period 1924-38 are shown in tables 1 and 2. The year 1929, the earliest shown in the detailed tables hereinafter presented, was not a peak year in exports to the world as a whole, having been exceeded in each year from 1925 to 1928, inclusive. Exports to the United States, shown in table 2, include only direct exports from Paraguay to the United States, and give no indication of the true value of the trade. Some exports which are destined for the United States are doubtless credited in Paraguayan statistics to Argentina or Uruguay. In 1929, for example, exports to the United States are shown as totaling only \$5,000. A partial list of United States imports credited as entering from Paraguay in that year (see table 12) showed values amounting to \$421,000. A large part of Paraguayan exports are shipped "in transit" to Argentina, and are subsequently re-exported from that country.

TABLE 1.—Paraguay: Trade with the world, 1924-38

[Value in thousands]

Year	Exports		Conversion rate: 1 gold peso <sup>1</sup> equals—	Imports	
	Gold pesos	United States dollars		Gold pesos	United States dollars
1924.....	8,914	6,985	\$0.7813	15,684	12,262
1925.....	15,666	14,316	.9138	17,553	16,131
1926.....	15,408	14,281	.9215	12,205	11,247
1927.....	14,282	13,754	.9630	11,978	11,535
1928.....	15,886	15,327	.9648	14,305	13,802
1929.....	13,460	12,804	.9513	13,850	13,176
1930.....	14,176	11,837	.8350	15,139	12,641
1931.....	12,857	8,580	.6674	10,081	6,728
1932.....	12,873	7,523	.5844	6,418	3,750
1933.....	9,768	7,111	.7280	7,160	5,212
1934.....	12,378	8,298	.6704	11,341	7,603
1935.....	11,396	7,465	.6568	11,630	7,639
1936.....	9,432	6,272	.6649	9,814	6,525
1937.....	12,066	8,490	.7036	12,401	8,726
1938.....	12,017	8,251	.6866	13,082	8,982

<sup>1</sup> The Paraguayan gold peso is equivalent to the Argentine gold peso.

NOTE.—Figures do not include gold and silver, but unlike several other Latin American countries, Paraguay produces little of these metals.

Source: Compiled by the United States Tariff Commission from *Anuario del Ministerio de Economía, República del Paraguay*.

Exports from Paraguay in 1932 were valued at 12.8 million gold pesos (7.5 million dollars) as compared with 13.5 million gold pesos (12.8 million dollars) in 1929. They were 12 million gold pesos (8.5 million dollars) in 1937, gold-peso values for that year representing approximately 90 percent and dollar values about 66 percent of those in 1929. Both gold-peso and dollar values in 1938 declined slightly from those in 1937. The decline in 1938 is partly accounted for by the smaller returns from cotton, as a result of unfavorable weather conditions and lower prices. In 1939 exports were valued at 13 million gold pesos<sup>10</sup> (approximately 8 million dollars).

<sup>10</sup> Preliminary.

Price and quantum indexes of Paraguayan exports are not available. The effect of fluctuations in prices and quantities on the export trade of Paraguay, however, is partially indicated by the export statistics for three leading export commodities—cotton, quebracho extract, and cattle hides—which, in the decade 1929–38, constituted from one-third to two-thirds of all Paraguayan exports, in terms of value. The quantities of these commodities exported from Paraguay, and the average unit values, indicate that the decline in the value of Paraguayan exports from 1929 to 1933 may have been due chiefly to the decline in prices, and the subsequent recovery chiefly to an increase in the quantities of goods exported. Quantities, values, and unit values of exports of selected commodities, in specified years 1929 to 1938, are shown in table 3.

TABLE 2.—Paraguay: Trade with the United States, 1924–38<sup>1</sup>

[Value in thousands]

Year	Exports			Imports		
	Gold pesos	United States dollars	Percent of total to United States	Gold pesos	United States dollars	Percent of total from United States
1924.....	945	738	10.6	1,306	1,021	8.3
1925.....	91	83	.6	1,897	1,734	10.7
1926.....	1,162	1,062	7.4	1,938	1,766	15.9
1927.....	99	95	.7	2,224	2,142	18.6
1928.....	60	58	.4	2,291	2,211	16.0
1929.....	6	5	( <sup>2</sup> )	2,593	2,467	19.7
1930.....	26	22	.2	2,410	2,013	15.9
1931.....	62	41	.5	1,628	1,086	16.2
1932.....	68	40	.5	823	481	12.8
1933.....	159	116	1.6	377	275	5.3
1934.....	138	93	1.1	396	266	3.5
1935.....	72	48	.6	889	594	7.6
1936.....	94	62	1.0	558	371	5.7
1937.....	942	663	7.8	942	663	7.6
1938.....	1,471	1,010	12.3	1,252	860	9.8

<sup>1</sup> For conversion rates, see table 1.<sup>2</sup> Tariff values from January 1, 1924, to August 31, 1925. Real values thereafter.<sup>3</sup> Less than one-tenth of 1 percent.

NOTE.—Because of indirect trade through Argentina and Uruguay, statistics of Paraguayan exports to the United States do not record the total value of the commodities ultimately destined for this market. Prior to 1937 this discrepancy was especially marked.

SOURCE: Compiled by the United States Tariff Commission from *Anuario del Ministerio de Economía, República del Paraguay*.

Paraguayan exports of cotton increased from 12,544 bales in 1929 to 51,949 bales in 1937; in 1938 they declined to 40,240 bales. Average unit values (in terms of United States dollars) declined by two-fifths between 1929 and 1932; thereafter they increased, in 1937 exceeding the 1929 figure. In 1938 the unit value dropped off nearly 10 percent, to a point somewhat under that for 1929.

Exports of quebracho extract increased from 92 million pounds in 1929 to 109 million pounds in 1932. In the 3 years 1936–38 they averaged 82 million pounds annually. Average unit values, however, declined in 1932 to less than two-thirds of the 1929 figure, and in the subsequent years shown in table 3 did not vary appreciably.

Exports of cattle hides (dry and salted) increased irregularly from 277,000 pieces in 1929 to 355,000 in 1938. Average unit values declined in 1932 to three-fifths of the 1929 figure. Thereafter they increased, in 1937 reaching three-fourths of the 1929 level, but they declined slightly in 1938.

TABLE 3.—Paraguay: Exports of selected commodities, in specified years, 1929 to 1938

Commodity	1929	1932	1936	1937	1938
	Quantity				
Cotton, ginned, bales.....	12,544	12,671	40,373	51,949	40,240
Quebracho extract, 1,000 lb.....	92,375	109,357	80,131	84,707	81,211
Cattle hides, dry and salted, number.....	276,591	300,614	312,402	290,512	354,943
	Value (1,000 U. S. dollars) <sup>1</sup>				
Cotton, ginned.....	710	441	1,514	3,120	2,192
Quebracho extract.....	2,631	1,943	1,450	1,622	1,518
Cattle hides, dry and salted.....	1,029	686	801	790	948
	Unit value (U. S. dollars)				
Cotton, ginned, bale.....	56.60	34.80	37.50	60.06	54.47
Quebracho extract, lb.....	.028	.018	.018	.019	.019
Cattle hides, dry and salted, each.....	3.72	2.28	2.56	2.72	2.67

<sup>1</sup> Converted at rates shown in table 1.

Source: Compiled by the United States Tariff Commission from *Anuario del Ministerio de Economía, República del Paraguay*.

**Imports.**—Imports into Paraguay in the decade 1929–38 were greatly affected by economic conditions within the country. The depreciation of the currency and other factors resulted in greatly increased prices of imported goods, and, as a result, imports of luxury goods, as well as those of all but the cheaper goods, declined markedly.

Imports into Paraguay from all countries and from the United States, in the period 1924–38, have already been shown in tables 1 and 2. The year 1929, the earliest year shown in the subsequent detailed tables, was not a peak year in imports from the world as a whole, having been exceeded (in terms of dollar value) in 1925 and 1928. Imports credited to the United States in 1929, however, exceeded the average for the 5 years 1924–28 by nearly two-fifths. Because of indirect trade through Argentina and Uruguay, the statistics of imports into Paraguay from the United States fail to show the total value of the trade, although the distortion is not so great as for exports.

Paraguayan imports, which in 1929 were valued at 13.8 million gold pesos (13 million dollars), declined to 6.4 million gold pesos (3.7 million dollars) in 1932. The decline affected imports in all commodity groups, but was most pronounced in metals and manufactures; apparatus and machinery; vehicles, rail and tramway material, boats, and motors; silk and rayon, and manufactures; and wood, palm, cane, straw, cork, and manufactures. After 1932, imports increased regularly, reaching 13 million gold pesos (9 million dollars) in 1938. In 1939 imports into Paraguay were valued at 12.6 million gold pesos <sup>11</sup> (approximately 7.7 million dollars).<sup>12</sup>

<sup>11</sup> Preliminary.

<sup>12</sup> Price and quantum indexes of Paraguayan imports are not available.



**Exports from Paraguay.**

*Composition.*—Vegetable and animal products together usually account for more than 99 percent of all exports; vegetable products alone account for 60 to 75 percent of the total. Other Paraguayan export classifications are mineral products, miscellaneous products, and reexports. Exports from Paraguay, by groups and principal commodities, in specified years, 1929 to 1938, are shown in gold pesos in table 4 and in dollars in table 5.

For agricultural, forest, and animal products, there was a sharp drop in the dollar value of exports between 1929 and 1932, caused in large part by lower prices. Individual commodities within these groups sustained large decreases in value, except cottonseed meal, oranges and tangerines, meat concentrates,<sup>12</sup> meat extracts, and grease and tallow, the dollar values of which were greater in 1932 than in 1929. For the principal groups, the ratios of the dollar values of exports in 1938 to those in 1929 were as follows: Agricultural products, 97 percent; forest products, 45 percent; and animal products, 60 percent. For the principal individual commodities they were: Cotton, 308 percent; yerba maté, 49 percent; quebracho extract, 58 percent; cattle hides, 92 percent; meat concentrates, 1,289 percent; canned and preserved meats, 40 percent; and meat extracts, 54 percent.

TABLE 4.—Paraguay: Exports,<sup>1</sup> in terms of gold pesos, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of gold pesos]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	13,460	12,873	9,432	12,066	12,017
<b>Vegetable products</b> .....	8,138	7,244	6,362	9,099	7,606
Agricultural products.....	3,452	3,110	3,576	6,004	4,651
Cotton, ginned.....	747	754	2,277	4,435	3,193
Yerba maté, crude and prepared.....	1,216	1,143	518	748	831
Tobacco.....	1,151	799	392	499	234
Cottonseed meal.....	3	40	56	133	102
Oranges and tangerines.....	22	77	30	31	54
Forest products.....	4,686	4,134	2,786	3,095	2,955
Quebracho extract.....	2,765	3,325	2,181	2,305	2,210
Oil of petitgrain.....	258	220	234	354	318
Lumber and logs.....	1,343	540	306	352	308
Wood palings.....	235	26	65	60	87
<b>Animal products</b> .....	5,301	5,518	3,007	2,864	4,332
Cattle hides, dry and salted.....	1,082	1,174	1,205	1,122	1,351
Meat concentrates <sup>3</sup> .....	49	311	426	363	853
Meats, canned and preserved.....	1,398	926	364	564	775
Meat extracts.....	966	1,850	566	442	718
Grease and tallow.....	291	463	167	127	268
<b>Mineral products</b> .....	3	3	1	5	( <sup>4</sup> )
<b>Miscellaneous products</b> .....	29	14	6	6	7
<b>Reexports (nationalized products)</b> .....	89	94	56	92	72

<sup>1</sup> Special exports. Gold and silver bullion and specie are excluded. Values are given in calculated "real" values. The Paraguayan gold peso is equivalent to the Argentine gold peso.

<sup>2</sup> Classifications employed in this table are those given in the Paraguayan trade statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Concentrated meat extracts.

<sup>4</sup> Not over \$50.

Source: Compiled by the United States Tariff Commission from *Memoria de la Dirección General de Estadística, Comercio Exterior del Paraguay*, and *Anuario del Ministerio de Economía*.

Exports of agricultural products, which represented about one-fourth of the value of all Paraguayan exports in 1929 and 1932, accounted for nearly one-half in 1937 and for more than one-third in

<sup>12</sup> Concentrated meat extracts.

1938. The most important commodity in recent years was cotton, the acreage devoted to that crop having increased markedly. On the basis of value, this product represented less than 6 percent of total exports from Paraguay in 1929 and 1932. In the years 1936, 1937, and 1938, however, it accounted for 24, 37, and 27 percent, respectively. The increasing importance of cotton was accompanied by a decline in the shares formerly held by yerba maté and tobacco. The share of yerba maté, the most important agricultural export in 1929 and 1932, declined irregularly from 9 percent of total exports in those years to 7 percent in 1938. An even more marked decline was sustained by tobacco, which fell from second place among agricultural products in 1929, with a share of nearly 9 percent, to less than 3 percent of total exports in 1938, reflecting the transfer of large acreages to cotton production. Other Paraguayan agricultural exports include cottonseed meal, and oranges and tangerines.

TABLE 5.—Paraguay: Exports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

(Value in thousands of U. S. dollars)

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 gold peso= \$0.9513)		1932 (1 gold peso= \$0.8844)		1936 (1 gold peso= \$0.6649)		1937 (1 gold peso= \$0.7036)		1938 (1 gold peso= \$0.6666)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Grand total.....	12,804	100.0	7,523	100.0	6,272	100.0	8,490	100.0	8,251	100.0
Vegetable products.....	7,742	60.5	4,233	56.3	4,231	67.4	6,402	75.4	5,222	63.3
Agricultural products....	3,284	25.7	1,817	24.2	2,378	37.9	4,224	49.8	3,193	38.7
Cotton, ginned.....	710	5.5	441	5.9	1,514	24.1	3,120	36.8	2,192	26.6
Yerba maté, crude and prepared.....	1,156	9.0	668	8.9	344	5.5	527	6.2	570	6.9
Tobacco.....	1,095	8.6	467	6.2	261	4.2	351	4.1	229	2.8
Cottonseed meal.....	3	( <sup>3</sup> )	23	.3	37	.6	93	1.1	70	.8
Oranges and tanger- ines.....	21	.2	45	.6	20	.3	22	.3	37	.4
Forest products.....	4,458	34.8	2,416	32.1	1,853	29.5	2,178	25.6	2,029	24.6
Quebracho extract....	2,631	20.5	1,943	25.8	1,450	23.1	1,622	19.1	1,518	18.4
Oil of petitgrain.....	245	1.9	129	1.7	155	2.5	249	2.9	218	2.6
Lumber and logs.....	1,277	10.0	315	4.2	203	3.2	248	2.9	211	2.6
Wood palings.....	223	1.7	15	.2	37	.6	42	.5	60	.7
Animal products.....	4,948	38.6	3,225	42.9	2,000	31.9	2,015	23.7	2,974	36.0
Cattle hides, dry and salted.....	1,029	8.0	686	9.1	801	12.8	790	9.3	948	11.5
Meat concentrates <sup>4</sup> .....	46	.4	182	2.4	283	4.5	256	3.0	593	7.2
Meats, canned and pre- served.....	1,330	10.4	541	7.2	242	3.9	411	4.8	532	6.5
Meat extracts.....	919	7.2	1,081	14.4	390	6.2	311	3.7	493	6.0
Grease and tallow.....	277	2.2	288	3.8	111	1.8	90	1.1	184	2.2
Mineral products.....	3	( <sup>5</sup> )	2	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Miscellaneous products.....	27	.2	8	.1	4	.1	4	.1	5	.1
Reexports (nationalized prod- ucts).....	84	.7	55	.7	37	.6	65	.8	50	.6

<sup>1</sup> Special exports. Gold and silver bullion and specie are excluded. Values are given in calculated "real" values. The Paraguayan gold peso is equivalent to the Argentine gold peso.

<sup>2</sup> Classifications employed in this table are those given in the Paraguayan export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Less than one-tenth of 1 percent.

<sup>4</sup> Concentrated meat extracts.

<sup>5</sup> Not over 500.

Source: Compiled by the United States Tariff Commission from *Memoria de la Dirección General de Estadística, Comercio Exterior del Paraguay*, and *Anuario del Ministerio de Economía*.

The share of the value of total Paraguayan exports composed of forest products declined from more than one-third in 1929 to about

one-fourth in 1938. Quebracho extract, the most important forest product, accounted for approximately three-fourths of all exports of forest products in the decade 1929-38. Other forest products included oil of petitgrain<sup>14</sup> and lumber and logs, each of which accounted for less than 3 percent of the value of total Paraguayan exports in 1938. In 1929, lumber and logs accounted for 10 percent of total exports.

The proportion of total exports consisting of animal products in the decade 1929-38 ranged from 36 percent (1938) to 43 percent (1932). Commodities within the animal-products group varied considerably in share. The most important in 1938 were dry and salted cattle hides (11 percent), meat concentrates (7 percent), canned and preserved meats (6 percent), and meat extracts (6 percent). Canned and preserved meats and meat extracts formed a smaller part of total exports in that year than in 1929. Cattle hides and meat concentrates, however, were more important elements in Paraguay's exports in 1938 than in 1929. Meat concentrates, which accounted for less than one-half of 1 percent of the value of total exports in 1929, represented 7 percent in 1938, reflecting the further processing of meat extracts in Paraguay.

TABLE 6.—Paraguay: Foreign trade with selected countries, in terms of gold pesos, in specified years, 1929 to 1938

[Value in thousands of gold pesos]

Country	1929	1932	1935	1937	1938
<b>Exports to—</b>					
All countries.....	13,460	12,873	9,432	12,066	12,017
UNITED STATES.....	6	68	94	942	1,471
United Kingdom.....	49	( <sup>1</sup> )	9	1,293	1,565
Germany.....	124	112	219	2,113	1,710
Japan.....	2			7	
Italy.....	98	20	1	789	29
France.....	511	172	203	145	241
Argentina.....	7,397	6,634	3,175	2,313	2,568
Argentina in transit.....	4,057	5,511	5,480	2,823	3,088
All other.....	1,216	356	251	1,641	<sup>2</sup> 1,345
<b>Imports from—</b>					
All countries.....	13,850	6,418	9,814	12,401	13,062
UNITED STATES.....	2,593	823	558	942	1,252
United Kingdom.....	1,683	766	940	1,107	1,260
Germany.....	1,307	512	1,358	1,742	1,496
Japan.....	298	217	1,361	1,703	1,953
Italy.....	711	323	203	312	330
France.....	723	215	136	144	206
Argentina.....	4,852	2,487	4,082	4,926	5,000
All other.....	1,683	1,075	1,176	1,525	<sup>3</sup> 1,585

<sup>1</sup> Special exports. Gold and silver bullion and specie are excluded. Values are calculated "real" values. The Paraguayan gold peso is equivalent to the Argentine gold peso.

<sup>2</sup> Less than 500.

<sup>3</sup> Includes trade with the following countries:

<b>Exports to—</b>	<b>Gold pesos</b> (1,000)	<b>Imports from—</b>	<b>Gold pesos</b> (1,000)
Belgium.....	670	Uruguay.....	333
		Belgium.....	316

<sup>4</sup> Special imports. Gold and silver bullion and specie are excluded. Values are calculated "real" values.

NOTE.—Because of indirect trade through Argentina and Uruguay, statistics of Paraguayan exports to the United States do not record the total value of the commodities ultimately destined for this market. Prior to 1937 this discrepancy was especially marked.

Source: Compiled by the United States Tariff Commission from *Anuario del Ministerio de Economía, República del Paraguay*.

<sup>14</sup> An essential oil, distilled from orange leaves, used in perfumes and flavorings.

Other Paraguayan exports, which are unimportant in relation to total shipments abroad, are mineral products, miscellaneous products, and reexports. In none of the years shown in table 5 did these three groups combined form more than 1 percent of total exports.

*Destination.*—Since exports from Paraguay are shipped in large part to Argentina "in transit," and since even those listed as direct exports to Argentina may subsequently be reexported from Argentina, it is not possible to indicate accurately the destination of Paraguayan exports by individual countries.

TABLE 7.—Paraguay: Foreign trade with selected countries, in terms of dollars, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Country	1929 (1 gold peso = \$0.9513)		1932 (1 gold peso = \$0.5844)		1936 (1 gold peso = \$0.6649)		1937 (1 gold peso = \$0.7036)		1938 (1 gold peso = \$0.6866)	
	Value	Per cent of total	Value	Per cent of total	Value	Per cent of total	Value	Per cent of total	Value	Per cent of total
<b>Exports to</b> —										
All countries.....	12,804	100.0	7,523	100.0	6,272	100.0	8,490	100.0	8,251	100.0
UNITED STATES.....	5	( <sup>1</sup> )	40	.5	62	1.0	663	7.8	1,010	12.3
United Kingdom.....	46	.4	( <sup>2</sup> )	( <sup>2</sup> )	6	.1	910	10.7	1,075	13.0
Germany.....	118	.9	66	.9	146	2.3	1,487	17.5	1,174	14.2
Japan.....	2	( <sup>1</sup> )					5	.1		
Italy.....	93	.7	11	.2	1	( <sup>1</sup> )	555	6.5	90	.2
France.....	486	3.8	100	1.3	135	2.2	102	1.2	165	2.0
Argentina.....	7,037	55.0	3,877	51.5	2,111	33.7	1,627	19.2	1,763	21.4
Argentina in transit.....	3,860	30.1	3,220	42.8	3,644	58.1	1,986	23.4	2,120	25.7
All other.....	1,157	9.1	209	2.8	167	2.6	1,155	13.6	4,924	11.2
<b>Imports from</b> —										
All countries.....	13,176	100.0	3,750	100.0	6,525	100.0	8,726	100.0	8,982	100.0
UNITED STATES.....	2,467	18.7	481	12.8	371	5.7	663	7.6	860	9.8
United Kingdom.....	1,601	12.2	448	12.0	625	9.6	779	8.9	895	9.6
Germany.....	1,244	9.4	299	8.0	903	13.8	1,226	14.1	1,027	11.4
Japan.....	283	2.2	127	3.4	905	13.9	1,198	13.7	1,341	14.9
Italy.....	678	5.1	189	5.0	135	2.0	220	2.5	227	2.5
France.....	688	5.2	125	3.3	90	1.4	101	1.2	141	1.6
Argentina.....	4,615	35.0	1,454	38.8	2,714	41.6	3,466	39.7	3,433	38.2
All other.....	1,602	12.2	627	16.7	783	12.0	1,073	12.3	*1,088	12.1

<sup>1</sup> Special exports. Gold and silver bullion and specie are excluded. Values are calculated "real" values. The Paraguayan gold peso is equivalent to the Argentine gold peso.

<sup>2</sup> Less than one-tenth of 1 percent.

<sup>3</sup> Less than 500.

<sup>4</sup> Includes trade with the following countries:

Exports to—	U. S. dollars (1,000)	Percent of total	Imports from—	U. S. dollars (1,000)	Percent of total
Belgium.....	460	5.6	Uruguay.....	228	2.5
			Belgium.....	216	2.4

<sup>5</sup> Special imports. Gold and silver bullion and specie are excluded. Values are calculated "real" values.

Note.—For deficiencies in statistics of exports to the United States, see note on table 6 and accompanying text.

Source: Compiled by the United States Tariff Commission from *Anuario del Ministerio de Economía, República del Paraguay*.

In 1929, 1932, and 1936, approximately nine-tenths of all Paraguayan exports, in terms of value, went to Argentina, either "in transit" or as direct shipments. In 1937 the proportion was 42 percent, and in 1938, 47 percent. This decrease in recent years resulted from the decline in the share of direct shipments to Argentina. Shipments to Argentina "in transit" in 1938 (26 percent) were only slightly smaller than in 1929 (30 percent), but the share of direct shipments to Argentina declined irregularly from 55 percent of the total export

trade in 1929 to 21 percent in 1938. This decline, and the accompanying rise in the shares of direct Paraguayan exports credited to the United States, the United Kingdom, and Germany (see table 7) may reflect improved statistical practice, as well as a tendency for Paraguayan exporters to establish direct connections with consuming centers.

TABLE 8.—Paraguay: Foreign trade, by geographic areas and principal countries, in 1937

[Value in thousands of U. S. dollars]

Exports <sup>1</sup> (1 gold peso=\$0.7036)			Imports <sup>1</sup> (1 gold peso=\$0.7036)		
To—	Value	Percent of total	From—	Value	Percent of total
<b>Western Hemisphere:</b>			<b>Western Hemisphere:</b>		
Argentina.....	1 3,613	42.6	Argentina.....	3,466	39.7
United States.....	663	7.8	United States.....	663	7.6
Uruguay.....	160	1.9	Uruguay.....	112	1.3
All other Western Hemisphere countries.....	48	.5	Brazil.....	111	1.3
			All other Western Hemisphere countries.....	173	2.0
Total.....	4,484	52.8	Total.....	4,525	61.9
<b>Europe:</b>			<b>Europe:</b>		
Germany.....	1,487	17.5	Germany.....	1,226	14.1
United Kingdom.....	910	10.7	United Kingdom.....	779	8.9
Italy.....	555	6.5	Italy.....	219	2.5
Belgium.....	345	4.1	Belgium-Luxemburg.....	207	2.3
France.....	102	1.2	France.....	101	1.2
Netherlands.....	254	3.0	All other European countries.....	305	3.5
Poland.....	205	2.4	Total.....	2,837	32.5
All other European countries.....	89	1.1			
Total.....	3,947	46.5			
<b>Asia:</b>			<b>Asia:</b>		
Japan.....	5	.1	Japan.....	1,198	13.7
All other Asiatic countries.....	1	( <sup>1</sup> )	All other Asiatic countries.....	160	1.8
Total.....	6	.1	Total.....	1,358	15.5
<b>Africa:</b>			<b>Africa:</b>		
	53	.6		( <sup>1</sup> )	( <sup>1</sup> )
<b>Oceania:</b>			<b>Oceania:</b>		
				6	.1
Grand total.....	8,490	100.0	Grand total.....	8,726	100.0

<sup>1</sup> Special trade. Gold and silver bullion and specie are excluded. The Paraguayan gold peso is equivalent to the Argentine gold peso.

<sup>2</sup> Includes \$1,986,000 in transit.

<sup>3</sup> Less than one-tenth of 1 percent.

<sup>4</sup> Less than 500.

NOTE.—For deficiencies in statistics of exports to the United States, see note on table 6 and accompanying text.

Source: Compiled by the United States Tariff Commission from *Anuario del Ministerio de Economía*, 1938-39.

In 1938, the destinations of exports, as given in the Paraguayan trade statistics, with the share of the total value taken by each country, were as follows: Argentina "in transit," 26 percent; Argentina, direct shipments, 21 percent; Germany, 14 percent; the United Kingdom, 13 percent; the United States, 12 percent; and Belgium-Luxemburg, 6 percent. Other markets listed in that year included France, South Africa, Uruguay, and Japan. Exports from Paraguay to selected countries, in specified years, 1929 to 1938, are shown in pesos in table 6 and in dollars in table 7. More detailed data for 1937 are shown in table 8.

**Imports into Paraguay.**

*Composition.*—Approximately three-fourths of all Paraguayan imports in the decade 1929–38 fell into six groups—foodstuffs, cotton and manufactures, metals and manufactures, apparatus and machinery, vehicles, and petroleum and products. Imports into Paraguay, by groups and principal commodities, in specified years, 1929 to 1938, are shown in gold pesos in table 9 and in dollars in table 10.<sup>15</sup>

Between 1929 and 1932 there was a sharp drop in the dollar value of imports in all groups shown in table 10.<sup>16</sup> Imports in all groups in 1938 were much larger than in 1932, but were smaller than in 1929, except for paper, cardboard, and manufactures; wood, palm, cane, straw, cork, and manufactures; and articles exempt from duty under certain conditions. For the principal groups, the ratios of the dollar values of imports in 1938 to those in 1929 were as follows: Foodstuffs, 60 percent; cotton and manufactures (chiefly manufactures), 67 percent; metals and manufactures, 84 percent; apparatus and machinery, 83 percent; vehicles, 76 percent; and petroleum and products, 58 percent.

The most important import group—foodstuffs (including beverages, preserves, tobacco, fodder, and seeds)—accounted for approximately one-fourth of the value of total imports in the years shown in table 10. Wheat flour was the most important single commodity in this group, followed by wheat and refined sugar. Other foodstuffs imported included salt, butter and cheese, wines, and edible oils.

On the basis of value, imports of cotton and manufactures into Paraguay ranged between 17 percent and 22 percent of total imports in the specified years 1929 to 1938. Cotton cloth alone accounted for more than three-fourths of all imports in this classification. Metals and manufactures, the most important item of which is iron in bars, constituted between 8 and 14 percent of all imports; the share in 1938 was 12 percent.

Other important Paraguayan imports, with share of the value of total imports in 1938, were apparatus, machinery and accessories, and electrical goods, 10 percent; vehicles, rail and tramway materials, boats, and motors, 7 percent; petroleum and products, tar, resin, fuel and lubricants, stone and earthen materials, and manufactures, 6 percent; paints, varnishes, dyes, perfumery, soap and cosmetics, chemicals, drugs, and medicines, 4 percent; and linen, jute, sisal, other vegetable fibers, and manufactures, 3 percent. The share of some of these groups fluctuated considerably in recent years.

None of the remaining import groups (except miscellaneous products) represented as much as 3 percent of the value of total imports in 1938 (see table 10). Articles exempt from duty under certain conditions accounted for nearly 2 percent of the value of all imports in 1938.

*Sources.*—The primary sources of Paraguay's imports cannot be determined accurately because a large part of the imports credited as entering from Argentina originate elsewhere and are reexported to Paraguay from Argentina. During the decade 1929–38, between 35 percent (1929) and 42 percent (1936) of all Paraguayan imports were credited as entering from Argentina.

<sup>15</sup> Data for individual commodities in 1937 and 1938 are not available; only group totals are shown for these years.

<sup>16</sup> Except "articles exempt from duty under certain conditions."

TABLE 9.—Paraguay: Imports,<sup>1</sup> in terms of gold pesos, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of gold pesos]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	13, 850	6, 418	9, 814	12, 401	13, 082
Foodstuffs, beverages, preserves, tobacco, fodder, and seeds.....	3, 697	1, 565	2, 601	3, 058	3, 088
Wheat flour.....	360	192	723	1, 264	
Wheat.....	682	426	501	( <sup>3</sup> )	
Sugar, refined.....	123	( <sup>4</sup> )	359	423	
Salt, common.....	179	87	122	( <sup>5</sup> )	
Butter and cheese.....	113	47	66	( <sup>5</sup> )	( <sup>6</sup> )
Coffee.....	83	32	27	37	
Rice.....	28	1	5	46	
Wine, in general, and vermouth.....	158	58	30	( <sup>5</sup> )	
Oils, edible.....	115	63	5	21	
Cotton and manufactures.....	2, 443	1, 435	1, 871	2, 139	2, 274
Cotton cloth.....	1, 871	1, 083	1, 504	( <sup>5</sup> )	( <sup>6</sup> )
Metals and manufactures, jewelry, clocks, and plated goods.....	1, 375	532	1, 245	1, 736	1, 596
Heavy or bulky articles of iron.....	† 297	† 98	340	520	( <sup>6</sup> )
Apparatus, machinery, and accessories, and electrical goods.....	1, 101	405	851	1, 245	1, 273
Electric light bulbs.....	27	16	22	28	( <sup>6</sup> )
Sewing machines.....	41	12	3	( <sup>6</sup> )	( <sup>6</sup> )
Vehicles, rail and tramway material, boats, and motors.....	845	200	327	521	894
Automobiles.....	116	14	101	157	
Trucks.....	190	70	36	89	( <sup>6</sup> )
Automobile tires and tubes.....	71	35	26	( <sup>6</sup> )	
Petroleum and products; tar, resin, fuel, and lubricants; stone and earthy materials; and manufactures.....	1, 008	582	525	757	810
Naphtha, gasoline, etc.....	571	323	189	( <sup>6</sup> )	
Kerosene, fuel oil, etc.....	171	125	124	152	( <sup>6</sup> )
Lubricating oils and residues of mineral oils.....	92	78	98	† 77	
Cement, roman and portland.....	69	27	47	55	
Paints, varnishes, dyes, perfumery, soap, and cosmetics, chemicals, drugs, and medicines.....	584	476	536	620	593
Pharmaceutical products.....	322	319	373	( <sup>6</sup> )	( <sup>6</sup> )
Perfumery.....	77	26	14	( <sup>6</sup> )	( <sup>6</sup> )
Linen, jute, sisal, other vegetable fibers, and manufactures.....	470	275	414	409	436
Wool and hair, and manufactures.....	434	170	263	411	358
Wool fabrics.....	286	91	219	( <sup>6</sup> )	( <sup>6</sup> )
Paper, cardboard, and manufactures.....	210	207	208	292	345
Silk, natural and artificial, and manufactures.....	417	133	269	319	297
Silk fabrics.....	306	104	193	( <sup>6</sup> )	( <sup>6</sup> )
Wood, palm, cane, straw, cork, and manufactures.....	172	50	64	87	241
Glass and manufactures.....	86	40	97	107	86
Leather and leather goods, shoes and saddlery, leathers, and animal byproducts used in industry.....	210	67	80	108	82
China, pottery, and other ceramic products.....	40	20	51	53	47
Miscellaneous products.....	745	236	378	494	436
Articles exempt from duty under certain conditions, and not included above.....	13	25	34	45	226

<sup>1</sup> Special imports. Gold and silver bullion and specie are excluded. Values are calculated "real" values. The Paraguayan gold peso is equivalent to the Argentine gold peso.

<sup>2</sup> Classifications employed in this table are those given in the Paraguayan import statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Not more than 500.

<sup>4</sup> Not available.

<sup>5</sup> Iron in bars only.

<sup>6</sup> Lubricating oils only.

Source: Compiled by the United States Tariff Commission from *Memoria de la Dirección General de Estadística, Comercio Exterior del Paraguay, and Anuario del Ministerio de Economía*.

In 1938, according to Paraguayan statistics, Argentina was the principal supplier of imports into Paraguay, with a share of 38 percent of the total value. Other important sources, with their share of the total, were Japan, 15 percent; Germany, 11 percent; the United Kingdom, 10 percent; and the United States, 10 percent. Still other suppliers included Uruguay, Italy, Belgium, and France. Imports into

Paraguay, from selected countries, in specified years, 1929 to 1938, have already been shown in tables 6 and 7. More detailed data for 1937 are shown in table 8.

TABLE 10.—Paraguay: Imports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group, sub-group, or commodity <sup>1</sup>	1929 (1 gold peso= \$0.9513)		1932 (1 gold peso= \$0.5844)		1936 (1 gold peso= \$0.6649)		1937 (1 gold peso= \$0.7036)		1938 (1 gold peso= \$0.6866)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Grand total.....	13,176	100.0	3,750	100.0	6,525	100.0	8,726	100.0	8,982	100.0
Foodstuffs, beverages, pre- serves, tobacco, fodder, and seeds.....	3,517	26.7	915	24.4	1,730	26.5	2,152	24.7	2,120	23.6
Wheat flour.....	342	2.6	112	3.0	480	7.4	882	10.1		
Wheat.....	648	4.9	249	6.6	333	5.1				
Sugar, refined.....	117	.9	( <sup>2</sup> )	( <sup>2</sup> )	239	3.7	297	3.4		
Salt, common.....	170	1.3	51	1.4	81	1.2				
Butter and cheese.....	108	.8	28	.7	44	.7			( <sup>2</sup> )	
Wine, in general, and vermouth.....	150	1.1	34	.9	20	.3				
Coffee.....	79	.1	19	.5	18	.3	26	.3		
Rice.....	27	( <sup>2</sup> )	1	( <sup>2</sup> )	4	.1	32	.4		
Oils, edible.....	110	.8	37	1.0	3	.1	15	.2		
Cotton and manufactures.....	2,324	17.7	838	22.4	1,244	19.1	1,505	17.2	1,561	17.4
Cotton cloth.....	1,780	13.5	633	16.9	1,000	15.3	( <sup>2</sup> )		( <sup>2</sup> )	
Metals and manufactures, jewelry, clocks, and plated goods.....	1,308	9.9	311	8.3	827	12.7	1,222	14.0	1,096	12.2
Heavy or bulky articles of iron.....	428	2.1	57	1.5	226	3.5	366	4.2	( <sup>2</sup> )	
Apparatus, machinery, and accessories, and electrical goods.....	1,047	8.0	236	6.3	566	8.7	876	10.0	874	9.8
Electric light bulbs.....	25	.2	9	.2	14	.2	20	.2	( <sup>2</sup> )	
Sewing machines.....	39	.3	7	.2	2	( <sup>2</sup> )	( <sup>2</sup> )		( <sup>2</sup> )	
Vehicles, rail and tramway material, boats, and motors.....	804	6.1	117	3.1	217	3.3	366	4.2	614	6.8
Automobiles.....	111	.8	8	.2	67	1.0	111	1.3		
Trucks.....	181	1.4	41	1.1	24	.4	62	.7	( <sup>2</sup> )	
Automobile tires and tubes.....	68	.5	20	.5	17	.3	( <sup>2</sup> )			
Petroleum and products; tar, resin, fuel, and lubricants; stone and earthy materials; and manufactures.....	959	7.3	340	9.1	349	5.3	533	6.1	556	6.2
Naphtha, gasoline, etc.....	543	4.1	189	5.0	126	1.9	( <sup>2</sup> )			
Kerosene, fuel oil, etc.....	162	1.2	73	2.0	82	1.3	107	1.2		
Lubricating oils and resi- dues of mineral oils.....	87	.7	46	1.2	65	1.0	154	.6	( <sup>2</sup> )	
Cement, roman and port- land.....	65	.5	16	.4	31	.5	39	.4		
Paints, varnishes, dyes, per- fumery, soap and cos- metics, chemicals, drugs, and medicines.....	556	4.2	278	7.4	356	5.5	436	5.0	407	4.5
Pharmaceutical products.....	306	2.3	186	5.0	248	3.8	( <sup>2</sup> )		( <sup>2</sup> )	
Perfumery.....	74	.6	15	.4	9	.1	( <sup>2</sup> )		( <sup>2</sup> )	
Linen, jute, sisal, other vege- table fibers, and manufac- tures.....	447	3.4	161	4.3	275	4.2	288	3.2	300	3.3
Wool and hair, and manufac- tures.....	413	3.1	99	2.6	175	2.7	290	3.3	246	2.8
Wool fabrics.....	272	2.1	53	1.4	145	2.2	( <sup>2</sup> )		( <sup>2</sup> )	
Paper, cardboard, and manufac- tures.....	200	1.5	121	3.2	138	2.1	206	2.4	237	2.6
Silk, natural and artificial, and manufactures.....	397	3.0	78	2.1	179	2.7	225	2.6	204	2.3
Silk fabrics.....	291	2.2	61	1.6	128	2.0	( <sup>2</sup> )		( <sup>2</sup> )	
Wood, palm, cane, straw, cork, and manufactures.....	163	1.2	29	.8	43	.7	61	.7	165	1.8
Glass and manufactures.....	82	.6	23	.6	65	1.0	75	.9	59	.7

See footnotes at end of table.



TABLE 10.—Paraguay: Imports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938—Continued

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity	1929 (1 gold peso = \$0.9513)		1932 (1 gold peso = \$0.5644)		1936 (1 gold peso = \$0.6649)		1937 (1 gold peso = \$0.7036)		1938 (1 gold peso = \$0.6666)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Leather and leather goods, shoes and saddlery, leathers, and animal byproducts used in industry.....	200	1.5	39	1.0	54	0.8	76	0.9	56	0.6
China, pottery, and other ceramic products.....	38	.3	12	.3	34	.5	37	.4	32	.4
Miscellaneous products.....	709	6.4	138	2.7	251	2.9	347	4.0	300	2.3
Articles exempt from duty under certain conditions, and not included above.....	12	.1	15	.4	22	.3	31	.4	155	1.7

<sup>1</sup> Special imports. Gold and silver bullion and specie are excluded. Values are calculated "real" values. The Paraguayan gold peso is equivalent to the Argentine gold peso.

<sup>2</sup> Classifications employed in this table are those given in the Paraguayan export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Not more than 500.

<sup>4</sup> Less than one-tenth of 1 percent.

<sup>5</sup> Not available.

<sup>6</sup> Iron in bars only.

<sup>7</sup> Lubricating oils only.

Source: Compiled by the United States Tariff Commission from *Memoria de la Dirección General de Estadística, Comercio Exterior del Paraguay, and Anuario del Ministerio de Economía.*

## UNITED STATES TRADE WITH PARAGUAY

United States trade with Paraguay, as reported in United States statistics, has been smaller than that with any other country in Latin America and has represented less than one-half percent of the total trade between the United States and Latin America. The reported imports from Paraguay, however, have risen considerably in recent years, both in value and in relation to total United States purchases from Latin America. In 1940 reported imports from Paraguay amounted to 1.9 millions dollars and represented 0.3 percent of total purchases from Latin America; in 1927, the peak year of imports preceding the depression, they were but \$913,000, and represented only 0.1 percent of the total. Most of this absolute and relative growth in trade occurred in the last few years (see table 11), and much of it is apparently due to the more accurate reporting of countries of origin in United States statistics.

As a market for United States merchandise (according to the reported figures), Paraguay has not kept pace with its apparent growth in importance as a source of imports. In 1939 reported exports to Paraguay totaled \$675,000; while much higher than in middepression years, they were materially smaller than in the years 1927-30 and represented a smaller part of total United States sales to Latin America. In 1940, however, United States exports to Paraguay amounted to 1.2 million dollars, or nearly twice the value of those in 1939 (see table 11).

The apparent balance of trade<sup>17</sup> between the United States and Paraguay (also shown in table 11) has undergone a marked shift since

<sup>17</sup> Statistics of the balance of payments between the United States and Paraguay, of which the merchandise balance is one item, are not available as they are for all other Latin American countries.

1934. Previously, according to the reported statistics, the United States has had a large export trade balance, but with the sharp increase in reported imports from Paraguay in the last 5 years, there was an apparent shift to an import trade balance, which has grown steadily since 1935.

The reported statistics of the trade between the United States and Paraguay are not, however, satisfactory measures of the amount or the trend of the trade actually moving between the two countries; prior to 1937 this was especially true. A large part of Paraguayan trade is transshipped through adjacent countries. Some United States imports originating in, and exports destined to, Paraguay have been reported as imports from, or exports to, nearby countries, especially Argentina and Uruguay. The volume of trade thus omitted has decreased in recent years, especially in the case of imports. Greater emphasis has been laid recently on the reporting of United States imports on the basis of the country of origin. Moreover, there has been a marked tendency for Paraguayan importers and exporters to establish direct connections with consuming and supplying centers, reducing the amount of indirect trade.

TABLE 11.—United States imports from and exports to Paraguay, 1924-40

[Value in thousands of dollars]

Year	General imports		Exports (including reexports)		Balance of trade <sup>1</sup>
	Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America	
1924.....	114	0.01	821	0.11	+707
1925.....	380	.04	902	.11	+522
1926.....	541	.05	905	.11	+364
1927.....	913	.10	1,317	.16	+404
1928.....	546	.06	1,354	.16	+808
1929.....	529	.05	1,500	.16	+971
1930.....	247	.04	1,067	.17	+820
1931.....	155	.03	602	.19	+447
1932.....	100	.03	281	.14	+181
1933.....	262	.08	451	.21	+189
1934.....	404	.11	647	.21	+243
1935.....	743	.16	700	.20	-43
1936.....	540	.11	324	.08	-216
1937.....	1,095	.16	743	.13	-352
1938.....	1,336	.29	644	.13	-692
1939.....	1,803	.35	675	.12	-1,128
1940 <sup>2</sup> .....	1,884	.30	1,238	.17	-646

<sup>1</sup> Export balance is indicated by +, import balance by -.

<sup>2</sup> Preliminary.

NOTE.—For statistical deficiencies, see accompanying text.

SOURCE: Compiled from official statistics of the U. S. Department of Commerce.

#### United States imports from Paraguay.

*Composition.*—Quebracho extract and canned beef constitute all but a small part of United States purchases from Paraguay. In 1939, quebracho extract represented 58 percent of total imports and canned beef 33 percent. Purchases of both products, recorded as entering

from Paraguay, were materially greater in 1939 than in any preceding year, the increase for quebracho extract being especially large (see table 12).

Virtually all the United States requirements of quebracho are supplied by imports from Argentina and Paraguay. In 1939 total United States imports of quebracho extract were valued at 5.1 million dollars, of which imports from Argentina represented 80 percent and those from Paraguay 20 percent. Although the statistics indicate that in recent years imports of quebracho from Paraguay have increased greatly whereas imports from Argentina have decreased, this may not represent an actual shift in the trade because previous "in transit" shipments from Paraguay may now be reported as from that country rather than Argentina. United States imports of quebracho constitute all but a small part of total imports of vegetable tanning extracts and supply more than 40 percent of all United States consumption of tanning. About 90 percent of the consumption of quebracho is in the tanning of heavy leathers, including sole, belting, and harness leather.

*Dutiable status of imports.*—Inasmuch as the two principal imports from Paraguay are dutiable, only a small fraction of total purchases from that country enter the United States free of duty. Quebracho extract is subject to a duty of 15 percent; the duty on canned beef, 6 cents per pound (but not less than 20 percent), had an ad valorem equivalent of 62 percent on imports from Paraguay in 1939.

#### United States exports to Paraguay.

The United States sells to Paraguay chiefly manufactured products, by far the principal group of commodities being machinery and vehicles (see table 13).

TABLE 12.—United States imports for consumption from Paraguay of principal commodities, in specified years, 1929 to 1939

Commodity	Unit	1929	1932	1936	1937	1938	1939 <sup>1</sup>
		Quantity					
Canned beef, including corned beef...	1,000 lb.....	3,050	393	722	2,100	4,271	5,849
Sausage casings, other than sheep, lamb, and goat.	1,000 lb.....	27			38	120	253
Cottonseed oil, crude and refined.....	1,000 lb.....					602	
Petroleum oil.....	1,000 lb.....	17	19	27	65	87	136
Quebracho extract.....	1,000 lb.....	252	13,808	14,649	26,061	22,247	30,686
Bone ash, dust, and meal, and animal carbon for fertilizer.	Ton.....			468		715	732
	Tariff status	Value (1,000 dollars)					
Canned beef, including corned beef.....	Dutiable.....	369	38	56	180	413	566
Sausage casings, other than sheep, lamb, and goat.	Free.....	12			1	7	12
Cottonseed oil, crude and refined.....	Dutiable.....					22	
Petroleum oil.....	Free.....	28	11	17	52	65	87
Quebracho extract.....	Dutiable.....	11	202	439	841	731	996
Bone ash, dust, and meal, and animal carbon for fertilizer.	Free.....			6		18	18
Imports of commodities shown above.....		421	251	518	1,074	1,256	1,678
Total imports from Paraguay.....		( <sup>2</sup> )	( <sup>2</sup> )	539	1,069	1,277	1,711
Principal imports (shown above) as percent of total...		( <sup>2</sup> )	( <sup>2</sup> )	96.1	98.6	98.4	98.1

<sup>1</sup> Preliminary.

<sup>2</sup> Not available.

Source: Compiled from official statistics of the U. S. Department of Commerce

The leading individual exports to Paraguay, shown in table 14, are trucks, passenger cars, tin plate, auto parts, radio receiving sets, and electric refrigerators. Tin plate bulks large in the trade because of Paraguay's meat-canning industry. Although aggregate reported exports to Paraguay in recent years have been materially smaller than before the depression, a number of leading commodities—tight shooks (cooperage), tin plate, electric refrigerators, radio sets, and cotton gins—have been exported in much greater value than in 1929, when total exports to Paraguay were materially larger than in several preceding years.

TABLE 13.—United States exports (domestic merchandise) to Paraguay, by commodity groups, in 1938 and 1939

[Value in thousands of dollars]

Commodity group	Value		Percent of total	
	1938	1939 <sup>1</sup>	1938	1939 <sup>1</sup>
Animals and animal products, edible.....	(?)	15	0.1	2.2
Animals and animal products, inedible (except wool and hair).....	1	6	.2	.9
Vegetable food products and beverages.....	5	5	.8	.7
Vegetable products, inedible (except fibers and wood).....	35	30	5.5	4.5
Textile fibers and manufactures.....	5	5	.8	.7
Wood and paper.....	17	59	2.6	8.8
Nonmetallic minerals.....	53	28	8.2	4.2
Metals and manufactures (except machinery and vehicles).....	56	133	8.7	19.8
Machinery and vehicles.....	335	299	52.1	44.5
Chemicals and related products.....	31	44	4.8	6.6
Miscellaneous.....	104	48	16.2	7.1
Total.....	643	672	100.0	100.0

<sup>1</sup> Preliminary.

<sup>2</sup> Less than \$500.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 14—United States exports (domestic merchandise) to Paraguay of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Automobile tire casings.....	Number.....	1, 605	26	822	9	511	4	205	2	1, 160	23	1, 012	15
Leaf tobacco.....	1,000 lb.....			1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	13	4	1	( <sup>2</sup> )	5	2
Oilseeds, other than soy beans.....	1,000 lb.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )			50	4		
Tight shocks (cooperage).....	Sets.....	300	1	1, 000	2	5, 500	9			4, 954	10	10, 500	22
Gasoline and other petroleum motor fuel in bulk and in containers.....	1,000 bbl.....	2	17	1	5	( <sup>2</sup> )	4	20	4	4	15	1	4
Illuminating oil (kerosene) in bulk and containers.....	1,000 bbl.....	4	25	1	3	4	2	4	19	2	10		
Lubricating oil, red and pale, and cylinder.....	1,000 bbl.....	2	24	( <sup>2</sup> )	4	1	11	1	13	2	16	2	14
Iron and steel scrap (including tin-plate scrap).....	Ton.....							1, 568	27				
Steel sheets, galvanized.....	Pound.....	( <sup>2</sup> )	( <sup>2</sup> )			8, 678	( <sup>2</sup> )	77, 409	4			3, 269	( <sup>2</sup> )
Tin plate, template, and tappers' tin.....	Short ton.....					28	3			80	8	614	56
Rails, 60 pounds and over per yard.....	Ton.....					8	( <sup>2</sup> )	198	12	31	2	28	2
Galvanized wire.....	Short ton.....			36	1	88	4	453	33	11	1	4	
Barbed wire.....	Short ton.....					497	5	850	9	425	4	665	7
Axes (broad and hand).....	Dozen.....	870	12										
Metal drums and containers for oil, gas, and other liquids.....			( <sup>2</sup> )						( <sup>2</sup> )		14		( <sup>2</sup> )
Miscellaneous iron and steel manufactures <sup>1</sup> .....			8		( <sup>2</sup> )		1		6		7		4
Tin and manufactures (except tin hollowware).....			( <sup>2</sup> )								5		5
Steam turbine generator sets.....	Number.....									1	6		
Self-contained lighting outfits.....	Number.....					2	1	176	7	72	3	57	2
Storage batteries.....	Number.....	( <sup>4</sup> )	1	( <sup>4</sup> )	1	( <sup>4</sup> )	1	( <sup>4</sup> )	6	( <sup>4</sup> )	4	1, 195	6
Flashlight batteries.....	1,000 cells.....	50	7	99	4	122	4	155	6	169	6	24	1
Electric refrigerators household.....	Number.....	( <sup>2</sup> )	( <sup>2</sup> )			128	11	228	21	443	43	246	22
Radio receiving sets.....	Number.....			410	12	680	19	1, 294	40	1, 558	34	1, 032	27
Radio receiving tubes.....	1,000 tubes.....			1	( <sup>2</sup> )	2	1	6	3	5	3	3	1
Petroleum and gas well-drilling apparatus.....									41		1		
Engine lathes (power-driven).....	Number.....					2	( <sup>2</sup> )	1	( <sup>2</sup> )	2	4		
Cotton gins, cotton presses, and parts.....							21		11		8		10
Miscellaneous industrial machinery and parts <sup>1</sup> .....			13		1				5		( <sup>2</sup> )		6
Typewriters.....	Number.....	134	8	217	10	49	3	267	12	255	13	155	8
Motor trucks, busses, and chassis (new).....	Number.....	* 129	* 79	22	10	39	23	185	121	119	64	118	72
Passenger cars and chassis (new).....	Number.....	* 138	* 83	15	7	67	45	107	68	97	67	69	47
Automobile parts for replacement.....					7				28		20		39
Landplanes (powered).....	Number.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )			3	6				
Engines for aircraft.....	Number.....							1	2		5		
Railway passenger cars.....	Number.....									1	3		
Laxatives, purgatives, and cathartics.....			( <sup>2</sup> )		1		4		5		2		7

See footnotes at end of table.

TABLE 14.—United States exports (domestic merchandise) to Paraguay of principal commodities, in specified years, 1929 to 1939—Continued  
[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Dental creams.....	1,000 lb.....	1	1	2	1	5	4	9	7	11	10	7	7
Dental instruments, equipment, and supplies.....	.....		3		(?)		1		3		4		2
Scientific, laboratory, and professional instruments and apparatus, including surgical and medicinal.....	.....		1		(?)		(?)		(?)		3		2
Machine and heavy ordnance guns and carriages.....	Number.....	32	24							100	68		
Metallie cartridges.....	Thousand.....	56,648	31	1	(?)	14	(?)	492	9	144	3	9	(?)
Miscellaneous printed matter <sup>2</sup> .....	.....		17		(?)	1	(?)		21		2		13
Household refrigerators, except electric.....	Number.....	(?)	(?)	(?)	(?)	6	1	33	4	58	6	76	7
Miscellaneous articles <sup>3</sup> .....	.....		2				(?)		1		7		1
Exports of commodities shown above.....	.....		419		84		220		585		510		413
Total exports to Paraguay.....	.....		1,500		277		324		742		643		672
Principal exports (shown above) as percent of total.....	.....		27.9		30.1		67.9		78.8		79.3		61.4

<sup>1</sup> Preliminary.

<sup>2</sup> Less than 500.

<sup>3</sup> Not separately classified.

<sup>4</sup> Quantities not comparable.

<sup>5</sup> Data not strictly comparable for the series.

<sup>6</sup> May include some second-hand articles.

Source: Compiled from official statistics of the U. S. Department of Commerce.

# PERU

## A DESCRIPTION

### Physical characteristics.

The Republic of Peru,<sup>1</sup> located on the Pacific coast of South America, is the fourth largest country on the continent. It is bordered by Ecuador on the north, by Colombia on the northeast, by Brazil and Bolivia on the east, and by Chile on the south. Peru has a coast line of approximately 1,400 miles, and extends about 800 miles from east to west at its widest point; the estimated area is about 430,000 square miles.<sup>2</sup>

The Andean system, which follows the coast line from northwest to southeast, divides the country into three regions. The first, the coastal plain, varies in width from 25 to 100 miles; it is predominantly a desert area, with little rain, but irrigation in the river valleys has made it the principal agricultural region of Peru. The second, the sierra, consisting of mountain chains, plateaus, and valleys, includes the mining centers. The third, known as the *montaña*, comprises the heavily forested eastern slopes of the Andes and the areas sloping northward to the tropical Amazon basin.

The climate of Peru varies with the altitude. That of the coastal plain, which is virtually rainless, is warm and equable. The climate of the sierra ranges from temperate to frigid, depending largely upon the elevation. The *montaña* is, in general, hot and humid; rainfall is heavy during the wet season, and floods are frequent.

### Population.

The Peruvian census of 1876 showed a population of 2,699,000. According to an official estimate, the number of inhabitants in 1937 was 6,500,000. On the basis of this estimate, there were about 15 persons to the square mile. Nearly three-fourths of the inhabitants, however, are found in the sierra region, which accounts for about one-third of the total area. The coastal plain, comprising about one-tenth of the area, contains most of the remainder. The *montaña*, because of its inaccessibility, is very sparsely settled. Only two Peruvian cities have populations of 75,000 or more—Lima, the capital (400,000), and Callao, the principal port (75,000).

About one-half of the inhabitants of Peru are full-blooded Indians; about one-third are largely of Indian blood, and the remainder is composed of persons of European extraction and of mestizos. There are a few Negroes in northern Peru, and some Chinese and Japanese in the coastal plain. Immigration into Peru has long been small.

### Natural resources and economy.

*Agriculture.*—Peru is primarily an agricultural country, although agricultural products (including pastoral) account for only about

<sup>1</sup> In Spanish, República del Perú.

<sup>2</sup> Exclusive of approximately 120,000 square miles claimed by both Peru and Ecuador.

one-third of the value of total exports. Approximately nine-tenths of the population is directly or indirectly dependent on agricultural pursuits. Four million acres, about one-seventh of the total arable area, are estimated to be under cultivation. Irrigation is necessary on the coast and in parts of the sierra, and it is estimated that irrigated land supplies about one-half of the country's agricultural production.

A wide variety of agricultural products is grown in Peru, but except for cotton, sugar, and coffee, most of these are consumed within the country. The leading export crops are cotton and sugar, produced chiefly in the irrigated valleys of the coastal region. The principal crops in the sierra region are wheat, corn, barley, oats, potatoes, and alfalfa. Crops in the montaña include sugar, tobacco, sweet potatoes, cacao, coffee, bananas, and yucca. A wide variety of fruits and vegetables are grown, but commercial production is largely limited to grapes and olives from the southern coastal valleys. Rice is grown in the northern coastal valleys. Tobacco is a state monopoly and may be cultivated only under license.

Peru is the second largest cotton-producing country of Latin America, being exceeded only by Brazil, and accounts for about one-seventh of the total Latin American production.<sup>3</sup> Until recently, Peru was the principal Latin American exporter of cotton. It supplies long-staple varieties used in medium to fine counts of cotton yarn, and in coarser counts where added strength is desired. Peruvian long-staple cotton, because of its slightly rough fiber, is also used for mixing with wool and with asbestos.<sup>4</sup>

Production of sugar, the second-ranking Peruvian agricultural export, averaged more than 400,000 short tons annually in the 3 years 1936-38. By far the greater part of the production is exported; annual exports in the period 1936-38 were about 325,000 short tons, more than one-third of which went to Chile.

Closely related to Peruvian agriculture is the important guano industry of the islands off the Peruvian coast. Guano, rich in nitrogen, is a natural fertilizer deposited by several species of sea birds. It is used extensively in Peruvian farming, particularly in the growing of sugar and cotton. Production in 1938 amounted to 169,000 metric tons, of which only 17,000 tons were exported. The collection and distribution of guano is a government monopoly.

*Pastoral industries.*—Stock raising has been an important Peruvian industry since the beginning of the Spanish occupation, and the country is practically self-sufficient in meats. Pastoral activities are carried on principally in the sierra regions, up to altitudes of 13,000 feet. Sheep raising is the most important, the sheep being bred chiefly for wool, a great part of the production being exported. In 1929, the latest year for which data are available, there were 11.2 million sheep and 1.8 million cattle in Peru. Hog raising, particularly for the production of fats, is important in the coastal valleys. Goats are raised chiefly for their skins. The hair of the alpaca, the llama, and the vicuna (all small cameloid ruminants native to Peru) is exported as well as used for domestic purposes.

<sup>3</sup> Peruvian cotton is almost all of longer staple than the average United States cotton, is slightly rough, and commands a premium over United States Middling 16-inch cotton.

<sup>4</sup> The perennial cotton known as "full rough," for which Peru once was famous, is no longer grown.



*Forest industries.*—Peruvian forest products, chiefly found in the montafia region, are rubber, tagua nuts (vegetable ivory), lumber (including mahogany, oak, and cedar), cinchona (the source of quinine), and a wide variety of medicinal plants. Rubber and cinchona were at one time among the principal exports. With the development of rubber plantations in Malaysia after 1900, however, exports of rubber from Peru declined and have become insignificant. A similar situation exists with reference to cinchona, world production of which was formerly confined to Peru. Since its development in the Netherlands Indies, it has ceased to be an important Peruvian export.

*Mining.*—Peru is rich in mineral resources. During the colonial period, mining (chiefly of gold and silver) was the country's leading industry. At the present time the mineral industries rank second to agriculture in importance, and account for approximately two-thirds of the value of total exports.

The most important mineral product of Peru is petroleum, produced in the northern coastal regions. After the first wells were drilled, as early as the 1880's, production increased steadily to 17.6 million barrels in 1936; in 1939, 13.5 million barrels were produced. Virtually all of the Peruvian petroleum is exported, either as crude oil or as refined products.

Copper is the second most important mineral product, and Peru ranks third in Latin America as a producer, following Chile and Mexico. In the 3 years 1936-38, production of copper, practically all of which was exported to the United States, averaged 39,000 short tons (copper content) annually.

Other minerals mined in Peru include gold and silver<sup>5</sup> (largely mined in conjunction with copper), lead, zinc, tin, iron, coal, vanadium, antimony, mercury, nickel, manganese, tungsten, bismuth, molybdenum, mica, sulfur, salt, borax, and nitrate. One of the world's largest vanadium deposits is in Peru.

*Manufacturing.*—Encouraged by high import duties and the depreciation of the currency, Peruvian manufacturing has undergone a considerable development since 1929. Heavy industries, however, have as yet found little place in the Peruvian economy; with few exceptions, production is confined to consumer goods. In some cases, domestic production has eliminated imports of similar foreign commodities. From time to time, to protect domestic industries from excessive competition within the country and to prevent overproduction, imports of certain types of machinery (notably textile machinery) have been prohibited.

Until 1933 it was the policy of the Peruvian Government to grant monopolistic concessions to manufacturers in order to build up national industries. By a law of April 1933, however, all monopolies other than those operated by the Government were prohibited.

Production of cotton textiles plays an important part in Peruvian manufacturing. In 1937 there were 11 cotton mills, representing an investment of approximately 35 million soles (about 9 million dollars); and producing principally the cheaper grades of cotton cloth. Domestic production has practically eliminated foreign competition in the lower-priced goods. The woolen and silk industries are likewise

<sup>5</sup> The value of gold production in 1939 was estimated to be 9.1 million dollars. Silver production in 1939 amounted to 18.6 million ounces, valued at approximately 7.3 million dollars.

important. The woolen industry operates almost entirely with domestic wool, but the silk factories utilize imported yarn. Peruvian knitting mills, producing jumpers, vests, underclothing, bathing suits, and other cotton, woolen, and rayon articles, supply practically all the domestic requirements, except the higher-grade articles.

In recent years, the shoe and leather-goods industry, the cement industry, and the chemical industry have developed substantially. The chemical industry produces a wide variety of articles, among which are soap, perfumes, toilet articles, patent medicines, various chemicals, and paints, varnishes, and enamels. Still other domestic industries produce a wide variety of commodities, including flour, macaroni, olive oil, cottonseed oil, lard, margarine, bacon, hams, cheese, biscuit, confectionery, wines, beer, insecticides, plaster, bricks, glass and glassware, aluminum ware, electric light bulbs, paper, rubber goods, straw and felt hats, and furniture. Government monopolies are exercised over tobacco, matches, salt, explosives, and industrial alcohol.

### THE FOREIGN TRADE OF PERU

In 1938 Peru ranked eighth in foreign trade among the nations of Latin America, and sixth among those of South America. In that year Peru, with exports valued at 342 million soles (77 million dollars), furnished 4 percent of the value of all Latin American exports and 5 percent of those from the 10 South American republics. Peruvian imports in 1938, amounting to 260 million soles (58 million dollars), represented 4 percent of total imports into the 20 Latin American countries and 5 percent of the imports into the 10 South American nations.

Peruvian exports have customarily exceeded imports. The export balance was 33 million dollars in both 1936 and 1937, but in 1938 declined to 18 million dollars. About two-thirds of Peruvian exports consist of minerals, the production of which is largely controlled by foreign companies. Such financial returns to the foreign companies as are included in the sales value of mineral exports do not represent foreign purchasing power available to Peru. Thus this trade does not provide foreign exchange for Peru in amounts commensurate with the values reported in the trade returns.<sup>6</sup>

#### **Peruvian commercial policy.**

The foreign trade of Peru in the decade 1929-38 was influenced by currency depreciation, import quotas and prohibitions, export duties, and tariff changes.

*The tariff.*—In accordance with the Peruvian Government's policy of encouraging domestic enterprises, there was a complete revision of the tariff, effective February 1, 1936. The Executive had been authorized, by a law of March 11, 1935, to put this new customs tariff into effect and to make from time to time such modifications and amendments as he might consider advisable, subject only to a report to the Congress. Under this law, no apparent limit was imposed upon the Executive's power to change tariff rates. In November

<sup>6</sup> In addition to returns on investments, the expenses incurred outside of Peru by foreign companies decrease the amount of exchange made available by the exports of such companies. If the companies were controlled by Peruvian interests but financed with foreign capital, the net exchange position might not be very different from that which now prevails.

1936 the Congress voted its own dissolution and delegated full legislative powers to the Executive. A new Congress convened on December 8, 1939, and the full legislative powers exercised by the Executive were terminated. The Executive still has authority, however, to alter import duties without limit, subject only to a report to the Legislature, and to lower duties on foodstuffs in order to combat high prices, without the obligation to make such formal report.

Effective May 29, 1940, Peruvian import duties were increased on 61 items of the tariff, comprising luxury goods which can be produced by domestic industry, as well as articles on which the duty was considered low and which required large amounts of foreign exchange. The United States was the principal supplier of 26 of the products and was interested in 55.

Since 1929 Peru has concluded commercial agreements involving tariff concessions or import quotas with the following countries: France (1934, 1935, and 1937), Chile (1935, 1938, and 1939), the United Kingdom (1936), and Argentina (1937). An agreement with Colombia concluded in 1938 provided for a joint regional tariff in stated Peruvian and Colombian frontier zones on the Putumayo and Amazon Rivers.

*Exchange and import control.*—The gold standard was abandoned by Peru on May 18, 1932. Prior to that date the gold value of the sol was fixed at 0.421264 gram of fine gold (equivalent to \$0.27998).<sup>7</sup> By the law of May 18, 1932, a part of the Peruvian gold holdings (38.8 million soles) was valued at the legal parity established in 1931 (2.3738 gold soles to 1 gram, equivalent to \$0.27998). The remainder was revalued at cost—that is, at 4.66 gold soles in December 1934, and at 4.38 gold soles in December 1935 and 1936. The exchange quotation for the sol, in terms of dollars, declined from \$0.2490 in 1936 to \$0.1876 in 1939.

Unlike most South American countries, Peru has not established an exchange-control system.<sup>8</sup> After the abandonment of the gold standard by the United States, Peruvian exchange rates were based on the pound sterling, the banks arbitrarily fixing the rate for United States dollars by dividing the sol price of sterling in Lima by the dollar price of sterling in New York. In March 1937, the Reserve Bank of Peru was authorized to deal in gold and foreign exchange for the purpose of establishing a reserve fund to be employed in restricting exchange fluctuations to a minimum. After a short time, however, transactions were suspended, and the sol was allowed to find its own level in the open market. On April 30, 1937, a form of exchange stabilization was inaugurated, the Central Bank (Banco Central) operating for the account of the Government with the object of controlling the exchange position within reasonable limits. Since that time there has been further depreciation of the sol, but exchange control has not been imposed.

There has been no general application of import quotas in Peru, the general objectives of quotas apparently being achieved by changes in tariff duties and by occasional prohibitions of certain types of imports. In 1934, however, there was a sharp increase in imports from Japan, especially of cotton textiles competitive with those grades

<sup>7</sup> The gold parity was not fixed until April 18, 1931.

<sup>8</sup> For the years covered in this report, the average dollar equivalent of the sol was as follows: 1929, \$0.4000; 1932, \$0.2130; 1936, \$0.2490; 1937, \$0.2520; 1938, \$0.2242. Recent quotations were: 1939, \$0.1876; July 1940, \$0.1538. (Commerce Reports, August 31, 1940.)

produced by the Peruvian textile industry, and, as a result, a global import quota was applied in 1935 to cotton goods. This official quota was replaced in March 1936 by a voluntary arrangement with Japanese textile producers who agreed to limit their shipments to Peru. This arrangement was continued in force in 1939 and 1940.

From time to time import prohibitions have been imposed in an effort to stabilize domestic industries. In order to prevent overproduction in the textile industry, a law of June 1, 1938, prohibited for 1 year the importation of looms, warpers, weavers, and other machinery for weaving and knitting. This law was extended for 2 years on June 9, 1939, and the prohibition was later extended to hat machinery (June 15, 1939).

*Export duties.*—Export duties are levied by Peru on a large number of products, including petroleum and derivatives, copper, gold, bismuth, lead, zinc, vanadium, tungsten, borates, cinchona, cacao, sugar, alcohol, cotton, cottonseed, cottonseed oil, wool, tagua nuts, woods, gums and resins, charcoal, and skins and furs of forest animals.

The export duties are specific, ad valorem, or specific and ad valorem combined. Provision is usually made for increases in duty on minerals when New York quotations for the particular commodities exceed specified prices. Additional export duties are levied on certain products when shipped from specified ports.

#### **Trend of the trade.**

*Exports.*—The outstanding characteristics of the export trade of Peru are the high ratio of exports to production for leading export commodities and the dominant position of mineral products, principally petroleum and derivatives, and metals. About four-fifths of the petroleum, and practically all of the copper produced are customarily shipped abroad; approximately nine-tenths of the cotton and wool, and three-fourths of the sugar are also exported. Mineral products usually account for about two-thirds of all exports.

Exports from Peru to the world and to the United States in the period 1924–38 are shown in tables 1 and 2. The year 1929, the earliest shown in the detailed tables hereinafter presented, was a peak year. Exports to the world as a whole and to the United States in 1929 exceeded the average of the 5 years 1924–28 by more than one-fourth.

Exports from Peru in 1929 amounted to 335 million soles (134 million dollars). In 1932 they dropped to 179 million soles (38 million dollars), which was 53 percent of the 1929 value in terms of soles and 28 percent in terms of dollar value. After 1932, exports increased regularly, reaching 365 million soles (92 million dollars) in 1937, but declined to 342 million soles (77 million dollars) in 1938. Peruvian exports in 1939 amounted to 381 million soles<sup>9</sup> (approximately 72 million dollars), a gain of more than 10 percent over 1938 in terms of soles, but a decline of 6 percent in terms of dollar value.

Price and quantum indexes of Peruvian exports are not available. The effect of fluctuations in prices and quantities on the export trade of Peru, however, is partially indicated by the statistics for three leading export commodities—crude petroleum, cotton, and copper bars—which, in the decade 1929–38, constituted from one-half to three-fifths of all Peruvian exports, in terms of value. The quantities

<sup>9</sup> Preliminary.

of these commodities exported from Peru, the average unit values for petroleum, and the average yearly prices of copper bars and Peruvian cotton indicate that the decline in the value of Peruvian exports from 1929 to 1932, and the subsequent recovery, may be attributed nearly as much to fluctuations in prices as to variations in the quantity of goods exported.

TABLE 1.—Peru: Trade with the world, 1924-33

[Value in thousands]

Year	Exports		Conversion rate: 1 sol equals—	Imports	
	Soles	United States dollars		Soles	United States dollars
1924	251,144	101,713	\$0.4050	180,294	73,019
1925	217,507	87,460	.4021	182,730	73,476
1926	239,758	89,693	.3741	195,609	73,177
1927	311,977	116,617	.3738	193,642	72,383
1928	315,188	125,145	.3970	176,266	69,987
1929	335,081	134,032	.4000	189,852	75,941
1930	241,133	88,255	.3660	140,261	51,336
1931	197,417	55,277	.2800	102,479	28,664
1932	178,529	38,027	.2130	76,089	16,207
1933	256,969	48,567	.1890	107,437	20,306
1934	305,094	70,172	.2300	171,253	39,388
1935	308,923	73,802	.2389	181,066	43,257
1936	335,812	83,617	.2490	200,500	49,924
1937	365,440	92,091	.2520	235,206	56,272
1938	342,129	76,705	.2242	260,150	58,328

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior del Perú* and *Extracto Estadístico del Perú*.

TABLE 2.—Peru: Trade with the United States, 1924-33<sup>1</sup>

[Value in thousands]

Year	Exports			Imports		
	Soles	United States dollars	Percent of total to United States	Soles	United States dollars	Percent of total from United States
1924	83,981	34,012	33.4	70,470	28,541	39.1
1925	75,718	30,446	34.8	70,632	28,401	38.7
1926	83,830	31,361	35.0	90,260	33,766	46.1
1927	86,124	32,198	27.6	80,665	30,153	41.7
1928	89,739	35,631	28.5	72,381	28,739	41.1
1929	111,575	44,630	33.3	79,416	31,767	41.8
1930	94,816	34,702	39.3	52,236	19,118	37.2
1931	71,933	20,141	26.4	41,486	11,616	40.5
1932	30,944	6,591	17.3	21,918	4,669	26.8
1933	40,320	7,620	15.7	29,060	5,496	27.1
1934	43,399	9,982	14.2	46,061	10,594	26.9
1935	64,476	15,408	20.9	59,562	14,234	32.9
1936	64,802	16,136	19.3	63,901	15,911	31.9
1937	81,039	20,422	22.2	83,397	21,016	35.5
1938	91,706	20,560	26.8	89,227	20,005	34.2

<sup>1</sup> For conversion rates, see table 1.

Source: Compiled by the U. S. Tariff Commission from *Anuario del Comercio Exterior del Perú* and *Extracto Estadístico del Perú*.

Peruvian exports of crude petroleum declined from 7.7 million barrels in 1929 to 4.7 million barrels in 1932, a drop of about two-fifths. Average unit values in the same period (in terms of U. S.

dollars) declined by about the same proportion. The quantity of crude petroleum exported increased after 1932, in 1937 reaching 11.6 million barrels, or nearly 1½ times the 1929 level, but declined in 1938 to 9.2 million barrels. Average unit values likewise increased after 1932, but in 1937 and 1938 were only about two-thirds of those in 1929.

Exports of cotton from Peru were approximately the same in 1932 as in 1929 (about 200,000 bales), but prices declined by approximately one-half (from 21.15 cents per pound in 1929, to 10.56 cents in 1932).<sup>10</sup> Between 1932 and 1937 cotton exports increased to 356,000 bales, or one and one-half times that in 1929. In the same period prices increased irregularly to 18.23 cents in 1936, but declined to 14.21 cents in 1937, or approximately two-thirds of the 1929 figure. In 1938, exports dropped to 307,000 bales, the price meanwhile declining to 12.24 cents per pound.

In contrast with cotton, exports of copper in bars from Peru, amounting to 61,186 short tons in 1929, declined by about three-fifths to 24,835 short tons in 1932. Prices of copper, meanwhile, declined by more than two-thirds (from 18.413 cents per pound in 1929 to 5.629 cents in 1932).<sup>11</sup> After 1932 the quantity of exports of copper from Peru increased, in 1938 standing at about two-thirds of the 1929 level. Prices of copper rose regularly after 1932; in 1937 they reached 13.097 cents, but in 1938 declined to 9.912 cents, or somewhat over half the 1929 figure.

*Imports.*—Significant developments in the Peruvian import trade in the decade 1929–38 included the increase in the importance of Germany as a supplier, the decline in the importance of the United Kingdom, and the decrease in Peruvian imports of certain consumer goods as a result of the development of domestic industry. Imports into Peru from all countries and from the United States in the period 1924–38 have already been shown in tables 1 and 2. The year 1929, the earliest shown in the subsequent detailed tables, was a peak year, in terms of dollars, imports from the world as a whole having slightly exceeded the 5-year average for 1924–28. Imports from the United States in 1929 were exceeded slightly by those in 1926.

Peruvian imports in 1929 were valued at 190 million soles (76 million dollars). In 1932 they dropped to 76 million soles (16 million dollars), which represented 40 percent of the 1929 value in terms of soles, and 21 percent in terms of dollar value. By 1937, total imports had recovered in value to 235 million soles (59 million dollars). In terms of soles, imports in 1938 advanced to 260 million, but the dollar value (58 million) was slightly lower than that in 1937. Imports in 1939 declined to 256 million soles<sup>12</sup> (approximately 48 million dollars).<sup>13</sup>

#### Exports from Peru.

*Composition.*—Peruvian exports consist almost entirely of mineral and vegetable products. Other export groups are animals and animal products, gold and silver (except gold in bars), beverages and liquors, and miscellaneous products. Exports from Peru, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938, are

<sup>10</sup> Average yearly prices of Peruvian Tanguis, Good, in Liverpool (spot). U. S. Bureau of Agricultural Economics, *Statistics on Cotton and Related Data*, December 1939.

<sup>11</sup> Average yearly prices of copper at London (spot). *Minerals Yearbook*, 1939.

<sup>12</sup> Preliminary.

<sup>13</sup> Price and quantum indexes of Peruvian imports are not available.

shown in soles in table 3 and in dollars in table 4. Quantities, values, and unit values of exports of selected commodities, in specified years, 1929 to 1938, are shown in table 5.

For every group and individual commodity shown in table 4 (except gold in bars, gold and silver in other forms, bismuth, and coffee), there was a sharp drop in the dollar value of exports between 1929 and 1932, caused in considerable part by lower prices. All groups and commodities, except the gold and silver group, showed increases in dollar value in 1937 over 1932. In many cases values in 1937 were in excess of those for 1929. (See table 4.) For the principal subgroups and commodities, the ratios of the dollar values of exports in 1938 to those in 1929 were as follows: Petroleum and derivatives, 50 percent; copper bars, 49 percent; cotton, 66 percent; and sugar, 41 percent.

TABLE 3.—Peru: Exports,<sup>1</sup> in terms of soles, by commodity groups, principal subgroups and commodities, in specified years, 1929 to 1938

[Value in thousands of soles]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	335,081	178,529	335,812	365,440	342,129
Mineral products.....	227,695	96,539	188,768	210,237	222,580
Petroleum and derivatives.....	129,048	77,188	118,787	120,749	115,938
Petroleum, crude.....	51,006	33,525	77,706	83,371	73,499
All other petroleum products.....	78,042	43,662	41,081	37,378	42,438
Ores and metallurgic minerals.....	94,546	19,312	69,890	89,398	106,515
Copper bars.....	65,745	13,752	43,094	50,866	57,890
Mineral concentrates.....	8,437	929	12,387	15,215	14,518
Gold, in bars.....	1,213	4,685	1,741	6,032	11,749
Bismuth, in bars, refined and with lead.....	2	323	2,448	660	1,565
Vegetable products.....	92,690	65,591	125,207	129,957	93,839
Industrial.....	55,836	37,199	97,701	95,870	66,443
Cotton.....	51,315	34,026	91,469	88,839	60,567
Derivatives of cotton.....	3,725	2,279	4,114	5,019	4,059
Foodstuffs.....	36,750	28,222	27,372	34,038	27,357
Sugar.....	33,770	25,975	25,031	31,759	24,948
Coffee.....	770	1,709	2,005	1,876	1,736
Animals and animal products.....	14,513	6,655	16,851	22,451	17,459
Inedible animal products (industrial).....	14,097	6,438	16,614	21,941	17,209
Wool, washed and unwashed.....	10,515	5,068	12,794	15,058	11,071
Gold and silver, not worked, and gold and silver coin and specie <sup>3</sup>	1,251	9,095	3,522	842	6,457
Beverages and liquors.....	7	3	19	33	26
Miscellaneous products.....	431	40	40	257	371
Total national exports.....	<sup>4</sup> 332,816	177,922	334,408	363,776	340,733
Total reexports.....	2,265	607	1,404	1,664	1,396

<sup>1</sup> Exports of Peruvian, including nationalized products. Bullion and specie are included. Transit trade is excluded. Values are f. o. b. frontier, excluding export duties.

<sup>2</sup> Classifications employed in this table are those given in the Peruvian export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Bars of gold of a fineness greater than 0.850, but containing silver, constitute most of this group.

<sup>4</sup> Includes goods valued at 229,870 soles entered through the port of Tacna during November and December, which are not included in the detail.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior del Perú*.

From three-fifths to two-thirds of all Peruvian exports in the decade 1929-38 consisted of mineral products; in 1938 the share was 65 percent. Exports of petroleum and derivatives, the most important mineral products subgroup, in general accounted for one-third or more of total Peruvian exports; in 1932, the year of smallest value of both total exports and exports of petroleum, they reached 43 percent. Exports of ores and metals, chiefly copper in bars, which constituted one-fifth of all exports in 1929, declined to less than 8 percent in 1932. Since

1936 the share of these commodities has increased regularly from 13 to 17 percent. Exports of mineral concentrates followed the trend of total exports. Gold in bars,<sup>14</sup> which was less than 1 percent of Peruvian exports in 1929, constituted nearly 3 percent in 1932, declined to less than 1 percent in 1936, and then increased to more than 3 percent in 1938.

TABLE 4.—Peru: Exports,<sup>1</sup> in terms of dollars, by commodity groups, principal sub-groups, and commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group, sub-group, or commodity <sup>2</sup>	1929 (1 sol= \$0.4000)		1932 (1 sol= \$0.2130)		1936 (1 sol= \$0.2490)		1937 (1 sol= \$0.2520)		1938 (1 sol= \$0.2242)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Grand total.....	134,033	100.0	38,027	100.0	83,617	100.0	92,091	100.0	76,705	100.0
Mineral products.....	89,478	66.8	20,563	54.1	47,003	56.2	52,980	57.5	49,902	65.1
Petroleum and derivatives.....	51,619	38.5	16,441	43.2	29,578	35.4	30,429	33.0	25,993	33.9
Petroleum, crude.....	20,402	15.2	7,141	18.8	19,349	23.1	21,010	22.8	16,479	21.5
All other petroleum products.....	31,217	23.3	9,300	24.4	10,229	12.3	9,419	10.2	9,515	12.4
Ores and metallurgical minerals.....	37,858	28.2	4,113	10.8	17,403	20.8	22,528	24.5	23,881	31.1
Copper bars.....	26,298	19.6	2,929	7.7	10,731	12.8	12,818	13.9	12,979	16.9
Mineral concentrates.....	3,375	2.5	198	.5	3,084	3.7	3,834	4.2	3,254	4.2
Gold, in bars.....	485	.4	998	2.6	434	.5	1,520	1.7	2,634	3.4
Bismuth, in bars, refined and with lead.....	1	( <sup>3</sup> )	69	.2	699	.7	166	.2	351	.5
Vegetable products.....	37,079	27.7	13,971	36.8	31,176	37.3	32,749	35.6	21,039	27.4
Industrial.....	22,334	16.7	7,923	20.8	24,328	29.1	24,159	26.2	14,897	19.4
Cotton.....	20,526	15.3	7,247	19.1	22,781	27.2	22,387	24.3	13,579	17.7
Derivatives of cotton.....	1,490	1.1	486	1.3	1,024	1.2	1,265	1.4	910	1.2
Foodstuffs.....	14,700	11.0	6,011	15.8	6,816	8.2	8,578	9.3	6,133	8.0
Sugar.....	13,508	10.1	5,533	14.5	6,233	7.5	8,003	8.7	5,593	7.3
Coffee, in the grain.....	308	.2	364	1.0	499	.6	473	.5	389	.5
Animals and animal products.....	5,805	4.3	1,417	3.7	4,196	5.0	5,658	6.1	3,914	5.1
Inedible animal products (industrial).....	5,639	4.2	1,381	3.6	4,137	4.9	5,529	6.0	3,858	5.0
Wool, washed and unwashed.....	4,206	3.1	1,078	2.8	3,186	3.8	4,047	4.4	2,482	3.2
Gold and silver, not worked, and gold and silver coin and specie <sup>4</sup> .....	500	.4	1,937	5.1	877	1.1	212	.2	1,448	1.9
Beverages and liquors.....	3	( <sup>5</sup> )	1	( <sup>5</sup> )	5	( <sup>5</sup> )	8	( <sup>5</sup> )	6	( <sup>5</sup> )
Miscellaneous products.....	173	.1	9	( <sup>5</sup> )	10	( <sup>5</sup> )	65	.1	83	.1
Total national exports.....	133,127	99.3	37,898	99.7	83,267	99.6	91,672	99.5	76,392	99.6
Total reexports.....	906	.7	129	.3	350	.4	419	.5	313	.4

<sup>1</sup> Exports of Peruvian, including nationalized, products. Bullion and specie are included. Transit trade is excluded. Values are f. o. b. frontier, excluding export duties.

<sup>2</sup> Classifications employed in this table are those given in the Peruvian export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Less than one-tenth of 1 percent.

<sup>4</sup> Bars of gold of a fineness greater than 0.850, but containing silver, constitute most of this group.

<sup>5</sup> Includes goods valued at \$91,948 entered through the port of Tacna during November and December, which are not included in the detail.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior del Perú*.

Almost all of the remaining Peruvian exports consist of vegetable products. In the years indicated, this group included from about one-fourth to more than one-third of all exports. (See table 3.)

<sup>14</sup> Does not include gold and silver in other forms. The gold and silver group has fluctuated widely but, in the last few years, has been exceeded in value by gold in bars.



The largest single commodity is cotton. The share of cotton in total exports increased from 15 percent in 1929 to 27 percent in 1936, reflecting in part the increased acreage resulting from the conversion of sugar land into cotton plantations. After 1936, the share of cotton exports declined, reaching 18 percent in 1938. Exports of foodstuffs, almost entirely accounted for by sugar, increased from 11 percent in 1929 to 16 percent in 1932, but in 1936 and the 2 years following constituted between 8 and 9 percent of all exports.

TABLE 5.—Peru: Exports of selected commodities, in specified years, 1929 to 1938

Commodity	1929	1932	1936	1937	1938
Quantity					
Petroleum, crude, 1,000 bbl.....	7, 727	4, 663	11, 402	11, 613	9, 177
Copper bars, short tons.....	61, 186	24, 836	36, 120	39, 276	40, 656
Cotton, bales.....	200, 421	204, 714	354, 321	356, 076	306, 636
Sugar, 1,000 lb.....	801, 105	716, 786	719, 068	689, 082	551, 007
Value (1,000 U. S. dollars <sup>1</sup> )					
Petroleum, crude.....	20, 402	7, 141	19, 349	21, 010	16, 479
Copper bars.....	26, 298	2, 929	10, 731	12, 818	12, 979
Cotton.....	20, 526	7, 247	22, 781	22, 387	13, 578
Sugar.....	13, 507	5, 533	6, 233	8, 003	5, 593
Unit value (U. S. dollars)					
Petroleum, crude, bbl.....	2. 64	1. 53	1. 70	1. 81	1. 80
Copper bars, short tons.....	429. 80	117. 94	297. 08	326. 36	319. 24
Cotton, bale.....	102. 41	35. 40	64. 29	62. 87	44. 28
Sugar, lb.....	. 017	. 008	. 009	. 012	. 010

<sup>1</sup> Converted at rates shown in table 1.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior del Perú*.

Peruvian exports of animals and animal products fall largely into the inedible products group, which consists principally of wool. In the decade 1929-38, the share of wool in total exports ranged from about 3 percent to 4 percent.

Other Peruvian export groups are gold and silver, not worked, and gold and silver coin and specie; beverages and liquors; and miscellaneous products. In 1938, these groups together accounted for approximately 2 percent of all exports.

*Destination.*—The principal markets for exports from Peru in 1938, with share of the total value taken by each country, were the United States, 27 percent; the United Kingdom, 20 percent; Germany, 11 percent; Argentina, 8 percent; France, 6 percent; and Chile, 6 percent. Other markets in that year were Canada, Belgium, Uruguay, Brazil, Japan, and Italy. Exports from Peru to selected countries, in specified years, 1929 to 1938, are shown in soles in table 6 and in dollars in table 7. More detailed data for 1937 are shown in table 8.

The positions of the various purchasers of Peruvian products varied considerably in the last decade; in various years the United States or the United Kingdom held first place. In 1929, the United States took one-third of the value of all exports. Its share declined to 17 percent in 1932, but increased thereafter, reaching 27 percent in 1938. Exports to the United States ranged in value from 6.6 million (1932)

to 44.6 million dollars (1929); in 1938 they amounted to 20.6 million dollars.

TABLE 6.—Peru: Foreign trade with selected countries, in terms of soles, in specified years, 1929 to 1938

[Value in thousands of soles]

Country	1929	1932	1936	1937	1938
<b>Exports to<sup>1</sup>—</b>					
All countries.....	335,081	178,529	335,812	365,440	342,129
UNITED STATES.....	111,575	30,944	64,802	81,039	91,706
United Kingdom.....	61,405	64,378	75,829	83,196	68,401
Germany.....	20,408	12,828	40,701	49,921	36,089
Japan.....	99	37	14,060	3,887	2,034
Italy.....	312	1,106	2,484	2,383	858
France.....	4,207	7,858	34,510	26,634	21,830
Argentina.....	24,744	7,732	2,362	18,537	26,637
Chile.....	25,975	12,561	17,464	22,079	20,679
Canada.....	24,281	13,014	30,763	26,426	16,700
All other <sup>2</sup> .....	62,075	28,071	52,837	51,338	<sup>3</sup> 57,175
<b>Imports from<sup>4</sup>—</b>					
All countries.....	189,852	76,089	200,500	235,206	260,159
UNITED STATES.....	79,416	21,918	63,901	83,397	89,227
United Kingdom.....	28,456	13,196	26,907	24,149	26,345
Germany.....	19,012	8,150	38,983	46,271	52,823
Japan.....	2,356	1,260	7,874	8,105	8,684
Italy.....	7,495	3,160	3,424	4,251	6,627
France.....	7,729	3,001	4,001	4,831	6,969
Argentina.....	6,245	4,058	17,203	19,093	15,901
Chile.....	1,471	1,900	4,918	4,869	5,225
Canada.....	1,026	3,014	4,768	5,319	4,915
All other.....	36,646	16,432	28,521	34,921	<sup>3</sup> 43,443

<sup>1</sup> Exports of Peruvian, including nationalized, products. Bullion and specie are included; transit trade is excluded. Values are f. o. b. frontier, excluding export duties.

<sup>2</sup> Includes shipments "to order" and commodities for "supply of vessels" as follows: 1929, 1,059,690 soles; 1932, 540,887 soles; 1936, 5,960,402 soles; 1937, 5,608,846 soles; and 1938, 3,032,182 soles.

<sup>3</sup> Includes trade with the following countries:

	Soles (1,000)		Soles (1,000)
Exports to—		Imports from—	
Belgium.....	12,803	Belgium.....	7,229
Uruguay.....	7,253	Netherlands.....	5,248
Brazil.....	6,610		

<sup>4</sup> Imports for consumption. Bullion and specie are included; transit trade is excluded. Values are c. i. f. frontier.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior del Perú*.

The United Kingdom purchased 18 percent of all Peruvian exports in 1929 and 36 percent in 1932; in subsequent years its share has been approximately 20 percent. Purchases by the United Kingdom varied between 13.7 million (1932) and 24.6 million dollars (1929); in 1938 they were valued at 15.3 million dollars. Inasmuch, however, as large quantities of Peruvian copper are exported to the United States and, after refinement in bond, reexported to the United Kingdom, the actual share of Peruvian exports taken by the United Kingdom was larger than these figures indicate.

German purchases of Peruvian products ranged in value between 2.7 million (1932) and 12.6 million dollars (1937); in 1938 they were 8 million dollars. The proportion of total Peruvian exports taken by Germany increased from 6 percent in 1929 to nearly 14 percent in 1937, but declined to 11 percent in 1938. Exports to France ranged between 1 and 10 percent of the total, and their value from 1.7 million (1929 and 1932) to 8.6 million dollars (1936); they were valued at 5 million dollars in 1938. Italy and Japan were not important purchasers of Peruvian products.

TABLE 7.—Peru: Foreign trade with selected countries, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Country	1929 (1 sol = \$0.4000)		1932 (1 sol = \$0.2130)		1936 (1 sol = \$0.2490)		1937 (1 sol = \$0.2520)		1938 (1 sol = \$0.2242)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
<b>Exports to <sup>1</sup>—</b>										
All countries.....	134,032	100.0	38,027	100.0	83,617	100.0	92,091	100.0	76,705	100.0
UNITED STATES.....	44,630	33.3	6,591	17.3	16,136	19.3	20,422	22.2	20,560	26.8
United Kingdom.....	24,562	18.3	13,713	36.1	18,881	22.6	20,965	22.8	15,336	20.0
Germany.....	8,163	6.1	2,732	7.2	10,135	12.1	12,580	13.7	8,091	10.6
Japan.....	40	( <sup>2</sup> )	8	( <sup>2</sup> )	3,501	4.2	979	1.0	456	0.6
Italy.....	124	.1	236	.6	619	.7	601	.6	193	.2
France.....	1,683	1.3	1,674	4.4	8,592	10.3	6,712	7.3	4,894	6.4
Argentina.....	9,898	7.4	1,647	4.3	588	.7	4,671	5.1	5,976	7.8
Chile.....	10,390	7.8	2,675	7.0	4,349	5.2	5,564	6.0	4,636	6.0
Canada.....	9,712	7.2	2,772	7.3	7,660	9.2	6,659	7.2	3,744	4.9
All other <sup>3</sup> .....	24,830	18.5	5,979	15.8	13,136	15.7	12,938	14.1	12,819	16.7
<b>Imports from <sup>4</sup>—</b>										
All countries.....	75,941	100.0	16,207	100.0	49,924	100.0	59,272	100.0	58,328	100.0
UNITED STATES.....	31,787	41.8	4,669	28.8	15,911	31.9	21,016	35.5	20,005	34.3
United Kingdom.....	11,382	15.0	2,811	17.4	6,700	13.4	6,066	10.3	5,907	10.1
Germany.....	7,605	10.0	1,736	10.7	9,707	19.5	11,660	19.7	11,843	20.3
Japan.....	942	1.2	268	1.6	1,961	3.9	2,043	3.4	1,947	3.3
Italy.....	2,996	4.0	673	4.2	853	1.7	1,071	1.8	1,486	2.6
France.....	3,092	4.1	639	3.9	996	2.0	2,218	2.0	1,562	2.7
Argentina.....	2,498	3.3	864	5.3	4,284	8.6	4,811	8.1	3,565	6.1
Chile.....	589	.8	405	2.5	1,225	2.5	1,227	2.1	1,171	2.0
Canada.....	410	.5	642	4.0	1,187	2.4	1,340	2.3	1,102	1.9
All other.....	14,658	19.3	3,500	21.6	7,100	14.1	8,800	14.8	9,740	16.7

<sup>1</sup> Exports of Peruvian, including nationalized, products. Bullion and specie are included; transit trade is excluded. Values are f. o. b. frontier, excluding export duties.

<sup>2</sup> Less than 1/10 of 1 percent.

<sup>3</sup> Includes shipments "to order" and commodities for "supply of vessels" as follows: 1929, \$423,876; 1932, \$115,209; 1936, \$1,484,140; 1937, \$1,413,429; and 1938, \$679,815.

<sup>4</sup> Includes trade with the following countries:

Exports to—	U. S. dollars (1,000)	Percent of total	Imports from—	U. S. dollars (1,000)	Percent of total
Belgium.....	2,870	3.7	Belgium.....	1,621	2.9
Uruguay.....	1,626	2.1	Netherlands.....	1,176	2.0
Brazil.....	1,482	1.9			

Imports for consumption. Bullion and specie are included; transit trade is excluded. Values are c. i. f. frontier.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior del Perú*.

Exports from Peru to other countries of Latin America usually form a substantial part of total exports. In 1937 they were valued at 13.6 million dollars, or nearly 15 percent of total. Chile and Argentina were important Latin American markets for Peruvian exports.

Mineral products exported by Peru in the past went principally to the United States, Canada, and France. In each of the 3 years 1935-37, the United States took approximately one-third of such exports. Crude petroleum was shipped chiefly to France, Canada, and the United Kingdom, although in 1937 Argentina appeared in third place as a destination, and in 1938, in first place. In 1935 and 1936 the Netherlands West Indies (Aruba) took more than one-fourth of all exports of gasoline;<sup>16</sup> other purchasers were Canada, Brazil, and Chile. In 1937, however, Germany (35 percent) became the leading market, followed by Canada (21 percent) and Chile (16 percent). All exports of copper bars from Peru in the 3 years mentioned went

<sup>16</sup> Gasoline shipped to Aruba is employed for blending purposes.

to the United States.<sup>16</sup> In ordinary times, Peruvian exports of gold and silver ores, concentrates, and precipitates go to the United States and to the United Kingdom.

TABLE 8.—Peru: Foreign trade by geographic areas and principal countries, in 1937

[Value in thousands of U. S. dollars]

Exports <sup>1</sup> (1 sol=\$0.2520)			Imports <sup>1</sup> (1 sol=\$0.2520)		
To—	Value	Percent of total	From—	Value	Percent of total
<b>Western Hemisphere:</b>			<b>Western Hemisphere:</b>		
UNITED STATES.....	20,422	22.2	UNITED STATES.....	21,016	35.4
Canada.....	6,659	7.2	Canada.....	1,340	2.3
Chile.....	5,564	6.0	Argentina.....	4,811	8.1
Argentina.....	4,671	5.1	Chile.....	1,227	2.1
All other Western Hemisphere countries.....	5,389	5.9	All other Western Hemisphere countries.....	592	1.0
<b>Total.....</b>	<b>42,705</b>	<b>46.4</b>	<b>Total.....</b>	<b>28,986</b>	<b>48.9</b>
<b>Europe:</b>			<b>Europe:</b>		
United Kingdom.....	20,965	22.8	United Kingdom.....	6,086	10.3
Germany.....	12,580	13.7	Germany.....	11,660	19.7
France.....	6,712	7.3	France.....	1,218	2.0
Italy.....	601	.6	Italy.....	1,071	1.8
Belgium.....	3,238	3.5	Belgium.....	1,466	2.4
All other European countries.....	3,892	4.2	All other European countries.....	4,074	6.9
<b>Total.....</b>	<b>47,968</b>	<b>52.1</b>	<b>Total.....</b>	<b>25,575</b>	<b>43.1</b>
<b>Asia:</b>			<b>Asia:</b>		
Japan.....	979	1.1	Japan.....	2,043	3.5
All other Asiatic countries.....	419	.4	British India.....	1,268	2.1
<b>Total.....</b>	<b>1,398</b>	<b>1.5</b>	All other Asiatic countries.....	784	1.3
<b>Africa:</b>			<b>Africa:</b>		
Oceania.....			Oceania.....	37	.1
<b>Total.....</b>			<b>Total.....</b>	<b>59,272</b>	<b>100.0</b>
<b>Grand total.....</b>	<b>92,091</b>	<b>100.0</b>	<b>Grand total.....</b>	<b>59,272</b>	<b>100.0</b>

<sup>1</sup> Imports for consumption. Exports of Peruvian (including nationalized) products. Bullion and specie are included; transit trade is excluded. Parcel post is included in imports, but excluded from exports. Import values are declared values as of the country of consignment, to which is added 20 percent for charges from port of shipment to port of disembarkation, c. i. f. frontier. Export values are partly as declared by merchants and partly official, f. o. b. frontier, excluding export duties.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior del Perú, 1937*.

In the 3 years 1935-37, the United Kingdom and Germany together took more than three-fifths of all Peruvian exports of vegetable products. Approximately three-fourths of all exports of raw cotton, the most important commodity in this group, went to the United Kingdom and Germany; in 1937, the share of the United Kingdom was over one-half and that of Germany was more than one-fourth; the next important market, Belgium, took about 5 percent.<sup>17</sup> Peruvian sugar in the 3 years 1935-37 went principally to the United Kingdom and Chile, the two countries together taking between two-thirds and three-fourths of all such exports. In 1937, the principal purchasers were Chile (37 percent), the United Kingdom (31 percent), and the United States (14 percent).

Peruvian exports of animals and animal products, largely accounted for by wool and animal hair, customarily went almost entirely to

<sup>16</sup> The discussions of export commodities by countries of destination and of import commodities by countries of origin are based on statistics furnished by the Division of Regional Information, Department of Commerce. Data for years subsequent to 1937 are not readily available.

<sup>17</sup> In recent years the United States has taken only small quantities of Peruvian long-staple cotton.

Germany, the United Kingdom, and the United States. In 1937, Germany took more than two-fifths of such exports, the United States about one-fourth, and the United Kingdom one-fifth. The leading market for alpaca wool in that year was the United States, followed by the United Kingdom and Germany. More than 80 percent of all exports of sheep's wool went to Germany; the United Kingdom occupied second place with 10 percent.

Of the remaining Peruvian export groups, unworked gold and silver and gold and silver coin and specie in 1937 went almost entirely to the United Kingdom and the United States; beverages and liquors were purchased chiefly by Colombia and the United States. Miscellaneous products went principally to France, the United States, and Colombia.

#### Imports into Peru.

*Composition.*—Imports into Peru consist of a wide variety of manufactured articles, foodstuffs, and raw materials. The Peruvian import classification consists of 22 groups, the most important of which are machinery, vehicles, instruments, and tools; foodstuffs; metals and manufactures; cotton fabrics and made-up articles; and chemical, pharmaceutical, and biological products. In 1938, these five groups accounted for nearly two-thirds of all goods purchased abroad. Imports into Peru, by commodity groups, principal sub-groups, and commodities, in specified years, 1929 to 1938, are shown in soles in table 9, and in dollars in table 10.

Between 1929 and 1932 there was a sharp drop in the dollar value of imports in all groups shown in table 10.<sup>18</sup> Imports in all groups in 1937 and 1938 were much larger than in 1932; but only chemical products, barks, dyes, and related products, electrical apparatus, paper products, and silk and rayon were larger in both these years than in 1929. For the principal groups and commodities, the ratios of the dollar values of imports in 1938 to those in 1929 were as follows: Machinery and vehicles, 95 percent; foodstuffs and spices, 62 percent; metals and metal manufactures, 85 percent; cotton and manufactures, 54 percent; chemical, pharmaceutical, and biological products, 139 percent; and barks, coloring materials, inedible oils, blackings, and gums, 107 percent.

The most important single Peruvian import group is usually that which includes machinery and vehicles, instruments and tools, and ships' stores. The commodities included in this group formed between 20 and 25 percent of total Peruvian imports in the decade 1929-38, except in 1932, when they declined to less than 12 percent. Almost all of the imports in this group ordinarily consist of machinery and vehicles. Automobiles, trucks, and accessories in most years constituted more than one-fourth of all imports of machinery and vehicles.

Foodstuffs and condiments, the second most important group, formed 15 percent of total Peruvian imports in 1938; these were largely wheat, rice, and milk. Imports of hog lard, which constituted nearly 2 percent of all Peruvian imports in 1929, declined to less than one-tenth of 1 percent in 1937 and 1938.

<sup>18</sup> Except the unimportant group designated "Merchandise imported under regulation 60 of the tariff."

TABLE 9.—Peru: Imports,<sup>1</sup> in terms of soles, by commodity groups, principal sub-groups, and commodities, in specified years, 1929 to 1938

[Value in thousands of soles]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	189,852	76,089	200,500	235,206	260,159
Ships' stores, instruments and tools, machines and vessels.....	38,896	8,852	45,937	53,240	64,900
Machinery and vehicles.....	34,594	7,469	40,578	47,525	58,533
Automobiles, trucks, etc., and accessories.....	9,493	867	11,023	15,434	16,736
Instruments and tools.....	3,200	1,034	4,582	4,919	5,192
Foodstuffs and spices.....	34,842	15,935	33,588	39,434	38,517
Wheat.....	13,431	8,116	15,489	22,815	15,144
Milk, whole, evaporated, or condensed.....	2,100	1,439	1,648	2,525	3,228
Rice.....	2,854	155	2,796	2,264	6,613
Lard, pure, hog, in all kinds of containers.....	2,996	459	176	79	117
Metals and jewelry.....	19,754	5,716	21,709	30,645	30,091
Manufactures of steel, aluminum, tin, iron, lead, and zinc.....	11,935	3,263	12,746	16,279	16,418
Metals, rough and prepared, industrial.....	6,165	6,738	6,738	11,136	10,462
Cotton.....	18,771	8,719	17,283	15,748	18,008
Fabrics (tissues) and passementerie.....	12,586	5,629	10,951	8,874	10,851
Made-up articles.....	4,018	1,458	4,107	4,393	5,351
Chemical, pharmaceutical and biological products.....	6,453	4,428	9,561	12,039	16,046
Chemical and pharmaceutical products.....	3,617	2,879	5,935	6,730	8,431
Pharmaceutical specialties, patent medicines, etc.....	1,828	1,033	2,083	3,449	5,006
Barks, coloring materials, inedible oils, blackings, and gums.....	8,019	5,155	10,850	13,526	15,287
Inedible oils, varnish and blackings.....	3,688	2,136	5,202	6,890	6,994
Petroleum oils used as lubricants.....	1,041	430	1,227	1,563	1,977
Petroleum wax, industrial.....	1,253	788	1,024	1,623	1,357
Barks and coloring materials.....	2,164	1,615	3,304	4,052	4,200
Gums, industrial.....	2,167	1,404	2,344	3,594	4,093
Electrical articles and apparatus.....	4,710	2,134	9,730	10,722	10,813
Stationery, cardboard, and paper.....	5,134	3,587	8,260	10,102	9,915
Paper, cardboard, and manufactures.....	4,573	3,229	6,183	7,312	6,598
Wood, reeds, vegetable fibers, and straw.....	8,361	2,944	7,329	8,671	9,886
Rough or prepared for industrial purposes.....	7,757	2,683	6,717	8,030	9,106
Common wood, sawn into boards, planks, etc., planed, grooved, etc.....	4,645	929	3,987	4,792	5,517
Stones, earths, ceramic ware, and glassware.....	5,333	2,005	5,720	7,079	7,556
Cement.....	1,426	290	665	1,142	955
Miscellaneous manufactures.....	7,682	2,836	6,495	8,202	7,390
Matches, wooden.....	4,076	1,177	352	440	606
Wool, hair, and leather.....	6,998	2,396	6,178	5,939	7,431
Fabrics (tissues) and passementerie.....	4,944	1,402	4,232	3,753	4,607
Hemp, flax, ramie, jute, and other similar fibers.....	5,202	2,869	5,465	5,879	4,883
Made-up articles.....	4,027	2,237	3,853	4,411	3,536
Silk, natural and artificial.....	1,265	820	3,414	4,061	4,694
Thread or yarn and made-up articles.....	310	406	2,645	3,186	3,672
Arms, ammunition, and explosives.....	3,634	1,127	2,734	3,110	3,776
Dynamite and other explosives.....	2,554	698	1,737	1,909	2,440
Toys and sports articles.....	1,264	559	1,683	1,982	2,600
Hides and skins.....	1,321	428	1,585	2,012	2,133
Leather, hides, and skins.....	1,038	355	1,068	1,523	1,558
Beverages and liquors.....	1,065	398	1,118	1,093	1,298
Furniture.....	1,322	245	429	495	1,287
Live animals.....	448	355	506	401	935
Musical instruments.....	1,629	288	418	411	621
Merchandise imported under regulation 60 of the tariff <sup>3</sup> .....	174	277	508	415	2,062
Total of above groups.....	182,176	72,063	200,500	235,206	260,159
Imports through the port of Tacna not included in the above groups.....	299	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Imports by parcel post not distributed among the above groups.....	7,378	4,026	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )

<sup>1</sup> Imports for consumption. Bullion and specie are included. Transit trade is excluded. Values are c. i. f. frontier.

<sup>2</sup> Classifications employed in this table are those given in the Peruvian import statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Commodities not specified in the tariff are treated in the same manner as products which they most closely resemble. Goods which are not susceptible of classification under any number of the tariff schedule pay a duty equal to 30 percent of the value of the goods in the customs warehouses.

<sup>4</sup> Distributed among the various groups.

<sup>5</sup> Distributed among the various groups. Imports by parcel post were valued in 1936 at 6,985,318 soles, in 1937 at 8,612,502 soles, and in 1938 at 9,757,726 soles.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior del Perú*.

TABLE 10.—Peru: Imports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>1</sup>	1929 (1 sol = \$0.4000)		1932 (1 sol = \$0.2130)		1936 (1 sol = \$0.2490)		1937 (1 sol = \$0.2520)		1938 (1 sol = \$0.2242)	
	Value	Per cent of total imports	Value	Per cent of total imports	Value	Per cent of total imports	Value	Per cent of total imports	Value	Per cent of total imports
Grand total.....	75,941	100.0	16,207	100.0	49,925	100.0	59,272	100.0	58,328	100.0
Ships' stores, instruments and tools, machines and vessels.....	15,558	20.5	1,885	11.6	11,438	22.9	13,416	22.6	14,551	24.9
Machinery and vehicles.....	13,838	18.2	1,591	9.8	10,104	20.2	11,976	20.2	13,123	22.5
Automobiles, trucks, etc., and accessories.....	3,797	5.0	185	1.1	2,745	5.5	3,899	6.6	3,752	6.4
Instruments and tools.....	1,316	1.7	220	1.4	1,141	2.3	1,240	2.1	1,164	2.0
Foodstuffs and spices.....	13,937	18.4	3,394	20.9	8,364	16.8	9,938	16.8	8,636	14.8
Wheat.....	5,372	7.1	1,729	10.7	3,857	7.7	5,749	9.7	3,395	5.8
Milk, whole, evaporated, or condensed.....	840	1.1	307	1.9	410	.8	636	1.1	726	1.2
Rice.....	1,142	1.5	33	.2	696	1.4	571	1.0	1,493	2.5
Lard, pure, hog, in all kinds of containers.....	1,198	1.6	98	.6	44	.1	20	(?)	26	(?)
Metals and jewelry.....	7,901	10.4	1,218	7.5	5,406	10.8	7,723	13.0	6,746	11.6
Manufactures of steel, aluminum, tin, iron, lead, and zinc.....	4,774	6.3	695	4.3	3,174	6.4	4,102	6.9	3,681	6.3
Metals, rough and prepared, industrial.....	2,466	3.2	442	2.7	1,678	3.4	2,806	4.7	2,346	4.0
Cotton.....	7,508	9.9	1,857	11.5	4,304	8.6	3,969	6.7	4,037	6.9
Fabrics (tissues) and passementerie.....	5,034	6.6	1,199	7.4	2,727	5.5	2,236	3.8	2,433	4.2
Made-up articles.....	1,607	2.1	353	2.2	1,023	2.0	1,099	1.9	1,200	2.1
Chemical, pharmaceutical, and biological products.....	2,581	3.4	943	5.8	3,381	6.8	3,034	5.1	3,598	6.2
Chemical and pharmaceutical products.....	1,447	1.9	613	3.8	1,478	3.0	1,696	2.9	1,890	3.2
Pharmaceutical specialties, patent medicines, etc.....	731	1.0	220	1.4	519	1.0	869	1.5	1,122	1.9
Barks, coloring materials, inedible oils, blackings, and gums.....	3,208	4.2	1,098	6.8	2,702	5.4	3,409	5.7	3,427	5.9
Inedible oils, varnish, and blackings.....	1,475	1.9	455	2.8	1,295	2.6	1,482	2.5	1,568	2.7
Petroleum oils used as lubricants.....	417	.5	92	.6	306	.6	379	.6	443	.8
Paraffin wax, industrial.....	501	.7	168	1.0	255	.5	409	.7	304	.5
Barks and coloring materials.....	866	1.1	344	2.1	823	1.6	1,021	1.7	942	1.6
Gums, industrial.....	867	1.1	299	1.8	564	1.2	906	1.5	918	1.6
Electrical articles and apparatus.....	1,884	2.5	455	2.8	2,423	4.9	2,702	4.6	2,424	4.2
Stationery, cardboard, and paper.....	2,054	2.7	764	4.7	2,057	4.1	2,546	4.3	2,223	3.8
Paper, cardboard, and manufactures.....	1,829	2.4	690	4.3	1,539	3.1	1,843	3.1	1,479	2.5
Woods, reeds, vegetable fibers, and straw.....	3,344	4.4	627	3.9	1,825	3.6	2,185	3.7	2,217	3.8
Rough or prepared for industrial purposes.....	2,103	4.1	571	3.5	1,672	3.4	2,024	3.4	2,042	3.5
Common wood, sawn into boards, planks, etc., planed, grooved, etc.....	1,858	2.4	198	1.2	993	2.0	1,206	2.0	1,237	2.1
Stones, earths, ceramic ware, and glassware.....	3,133	3.8	427	2.6	1,424	2.8	1,794	3.0	1,694	2.9
Cement.....	570	.8	62	.4	166	.3	288	.5	214	.4
Miscellaneous manufactures.....	3,073	4.0	604	3.7	1,617	3.2	2,067	3.5	1,657	2.8
Matches, wooden.....	1,630	2.1	251	1.6	88	.2	111	.2	136	.2
Wool hair, and feathers.....	2,759	3.6	508	3.1	1,538	3.1	1,497	2.5	1,666	2.8
Fabrics (tissues) and passementerie.....	1,978	2.6	299	1.8	1,054	2.1	946	1.6	1,033	1.8
Hemp, flax, ramie, jute, and other similar fibers.....	2,061	2.7	611	3.8	1,361	2.7	1,481	2.5	1,095	1.9
Made-up articles.....	1,611	2.1	476	2.9	959	1.9	1,112	1.9	793	1.4

See footnotes at end of table.

TABLE 10.—Peru: Imports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938—Continued

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 sol= \$0.4000)		1932 (1 sol= \$0.2130)		1936 (1 sol= \$0.2490)		1937 (1 sol= \$0.2520)		1938 (1 sol= \$0.2242)	
	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports	Value	Per- cent of total im- ports
Silk, natural and artificial.....	506	0.7	175	1.1	850	1.7	1,023	1.7	1,052	1.8
Thread or yarn and made-up articles.....	124	.2	86	.5	659	1.3	803	1.4	823	1.4
Arms, ammunition, and explosives.....	1,453	1.9	240	1.5	681	1.4	784	1.3	846	1.5
Dynamite and other explosives.....	1,021	1.3	149	.9	432	.9	481	.8	547	.9
Toys and sports articles.....	506	.7	119	.7	419	.8	499	.8	583	1.0
Hides and skins.....	528	.7	91	.6	395	.8	507	.9	478	.8
Leather, hides, and skins.....	415	.5	76	.5	266	.5	384	.6	349	.6
Beverages and liquors.....	426	.6	85	.5	278	.6	275	.5	291	.5
Furniture.....	529	.7	52	.3	107	.2	125	.2	288	.5
Live animals.....	179	.2	76	.5	126	.3	101	.2	210	.4
Musical instruments.....	652	.9	61	.4	104	.2	103	.2	139	.2
Merchandise imported under regulation 60 of the tariff <sup>4</sup> .....	70	.1	59	.4	126	.3	104	.2	469	.8
Total of above groups.....	72,870	96.0	15,349	94.7	49,925	100.0	59,272	100.0	58,328	100.0
Imports through the port of Tacna not included in the above groups.....	120	.1	( <sup>5</sup> )	-----	( <sup>5</sup> )	-----	( <sup>5</sup> )	-----	( <sup>5</sup> )	-----
Imports by parcel post not distributed among the above groups.....	2,951	3.9	858	5.3	( <sup>6</sup> )	-----	( <sup>6</sup> )	-----	( <sup>6</sup> )	-----

<sup>1</sup> Imports for consumption. Bullion and specie are included. Transit trade is excluded. Values are c. i. f. frontier.

<sup>2</sup> Classifications employed in this table are those given in the Peruvian import statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Less than one-tenth of 1 percent.

<sup>4</sup> Commodities not specified in the tariff are treated in the same manner as products which they most closely resemble. Goods which are not susceptible of classification under any number of the tariff schedule pay a duty equal to 30 percent of the value of the goods in the customs warehouses.

<sup>5</sup> Distributed among the various groups.

<sup>6</sup> Distributed among the various groups. Imports by parcel post were valued in 1936 at \$1,739,344, in 1937 at \$2,170,351, and in 1938 at \$2,187,682.

Source: Compiled by the United States Tariff Commission from *Anuario del Comercio Exterior del Perú*.

In 1938 manufactures of steel, aluminum, tin, iron, lead, and zinc, and rough or prepared industrial metals accounted for nearly 12 percent of total Peruvian imports. Cotton manufactures, about 7 percent of all imports in that year, consisted of about two-thirds fabrics and passementerie (trimmings) and about one-third made-up articles. Chemical, pharmaceutical, and biological products constituted 6 percent of total imports in 1938.

Import groups with shares of from 2 to 6 percent of the total import trade in 1938 were, in the order of their importance, barks, coloring materials, inedible oils, blackings, and gums; electrical articles and apparatus; stationery, cardboard, and paper; wood, reeds, vegetable fibers (other than textile fibers), and straw; stones, earths, ceramicware, and glassware; miscellaneous manufactures; and wool, hair, and feathers, and manufactures thereof. The remaining Peruvian import groups in 1938 each accounted for only a small fraction of the total.



*Sources.*—In 1938 the principal sources of Peruvian imports, with the share furnished by each country, were the United States, 34 percent; Germany, 20 percent; the United Kingdom, 10 percent; and Argentina, 6 percent. Other suppliers included Japan, Belgium, Italy, France, the Netherlands, Chile, and Canada.

In each of the 3 years 1936–38, the United States furnished approximately one-third of the value of all commodities imported into Peru, a share smaller than that in 1929 (42 percent). The value of imports from the United States ranged from 4.7 million (1932) to 31.8 million dollars (1929); in 1938 it was 20 million dollars.

In 1929 the United Kingdom and Germany occupied second and third places in Peruvian imports, with shares, respectively, of 15 and 10 percent. Their positions were reversed in the period 1936–38, Germany's share being approximately 20 percent in each of these years, while that of the United Kingdom declined from 13 percent in 1936 to 10 percent in 1938. Peruvian purchases from the United Kingdom ranged in value from 2.8 million (1932) to 11.4 million dollars (1929), and were 5.9 million dollars in 1938. Purchases from Germany varied between 1.7 million (1932) and 11.8 million dollars (1938). The increase in the share obtained by Germany is attributable principally to the low prices of German goods resulting from the employment of "aski"-mark exchange.

The shares of France, Italy, and Japan in the Peruvian import trade varied considerably; in the decade 1929–38 no one of these countries supplied more than 4 percent of the value of total imports. The share of Japan, though small, doubled in 1936–38 as compared with 1929 and 1932. France and Italy had smaller shares in 1936–38 than in 1929.

Imports into Peru from other countries of Latin America constitute an important part of total Peruvian imports. In 1937 they amounted to 6.6 million dollars, or 11 percent of the total. The principal Latin American suppliers in that year were Argentina and Chile.

The principal source of Peruvian imports of machinery, vehicles, instruments, and tools is the United States, which in the 3 years 1935–37 furnished between one-half and two-thirds of such imports. In 1937, the leading suppliers were the United States (65 percent), Germany (16 percent), and the United Kingdom (10 percent).

Foodstuffs and condiments imported into Peru in the period 1935–37 came principally from Argentina, Ecuador, Chile, and the United States. In 1937, Argentina supplied more than three-fourths of all imports of wheat, the most important foodstuff, followed by the United States with 17 percent, and Australia with 5 percent.

The leading suppliers of imports of metals and manufactures (including jewelry), in the 3 years 1935–37, were Germany, the United States, and the United Kingdom. In 1937 the United States occupied first place with more than one-third of such imports, followed by Germany with one-third and the United Kingdom with one-tenth. More than one-third of the cotton manufactures were furnished by the United Kingdom in the 3 years 1935–37; Japan and Germany were the other principal suppliers. Chemical, pharmaceutical, and biological products imported into Peru were purchased in the United States, Germany, and the United Kingdom; in 1937, these countries provided, respectively, 38 percent, 33 percent, and 8 percent of such imports. Barks, coloring materials, inedible oils, blackings, and gums

in 1937 came from the United States (47 percent), Germany (17 percent), and the United Kingdom (9 percent).

Of the remaining Peruvian imports, the principal suppliers in 1937 were the United States, Germany, and the United Kingdom. The United States was the leading source of electrical articles and apparatus; wood and manufactures; arms, ammunition, and explosives; toys and sports articles; furniture; and musical instruments. Germany was the chief exporter of stationery, cardboard, and paper; stones, earthenware, ceramicware, and glassware; natural and artificial silk; and leather and manufactures. Imports of wool, hair, and feathers, and manufactures thereof, and of beverages and liquors came principally from the United Kingdom. Chile was the most important source of live animals, and British India was the chief supplier of hemp, flax, jute, and manufactures thereof.

### UNITED STATES TRADE WITH PERU

Peru is one of the largest producers of minerals in South America; among its leading products are petroleum, copper, lead, zinc, and antimony. Peru, however, is also a substantial producer of agricultural products, including cotton, sugar, rice, and sheep. Agricultural production has increased somewhat in importance since 1929 as compared with the production of minerals. A similar shift has occurred in United States purchases from Peru; hides and skins, sugar, cocoa leaves, and alpaca wool have increased in proportion to the total trade, whereas imports of minerals have decreased. Peru remains, however, an important source for the United States of a number of metals, and minerals still represent almost two-thirds of all United States purchases from that country.

#### Trend of United States-Peruvian trade.

Since 1924 the trend of United States imports from Peru (not including gold and silver, for which see table 15) has depended chiefly upon the world demand for copper and upon its price. Copper ordinarily represents about one-half of total United States imports from Peru, but such imports usually are largely for refining and export and hence reflect world, rather than United States, demand for copper.

In the 1920's, United States imports from Peru rose to a peak of 30.2 million dollars in 1929. With the subsequent decline in industrial activity, the value of imports from Peru fell sharply. By 1932 total imports from that country amounted to only 3.7 million dollars, and were but 12 percent of those in 1929. Of this decline, copper accounted for more than one-half. The recovery in the trade after 1932 was gradual until 1937, when imports rose to a post-depression peak of 16.5 million dollars; there was a further increase to 17.9 million dollars in 1940. Since the middle of the last decade Peru's share in total United States purchases from Latin America has also been subject to wide fluctuations. Owing to the sharp contraction in imports from Peru during the depression years, the share of Peru was materially reduced, reaching a low in 1932 of 1.1 percent of the total, but rose in the following years and was nearly 3 percent in 1938, 1939, and 1940 (see table 11).

United States exports to Peru, depending in large part upon Peru's buying capacity as reflected in its sales to the United States and other world markets, have varied widely since 1924. They amounted to 29.4 million dollars in 1926 (the highest since 1920), but after 1929 declined almost as much as did imports. In the recovery after 1932, exports reached a peak of 19.2 million dollars in 1939 and increased further to 23.1 million in 1940. This recovery was greater than for most other countries of Latin America, and recent sales to Peru have represented a somewhat larger share of total United States sales to Latin America than did sales in a number of preceding years (see table 11).

TABLE 11.—United States imports from and exports to Peru, 1924-40

(Value in thousands of dollars)

Year	General imports <sup>1</sup>		Exports (including reexports)		Year	General imports <sup>1</sup>		Exports (including reexports)	
	Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America		Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America
1924.....	22,892	2.2	23,837	3.2	1933.....	5,472	1.7	4,985	2.3
1925.....	17,174	1.7	23,032	2.7	1934.....	6,191	1.7	9,891	3.2
1926.....	21,797	2.1	29,353	3.5	1935.....	7,482	1.6	12,174	3.5
1927.....	20,091	2.1	24,870	3.1	1936.....	9,023	1.8	13,439	3.4
1928.....	20,757	2.2	23,410	2.8	1937.....	16,525	2.5	19,001	3.3
1929.....	30,167	3.0	26,176	2.9	1938.....	12,813	2.8	16,892	3.4
1930.....	21,284	3.1	15,720	2.5	1939.....	13,959	2.7	19,246	3.4
1931.....	8,973	1.9	7,935	2.5	1940 <sup>2</sup> .....	17,943	2.9	23,123	3.2
1932.....	3,685	1.1	3,962	2.0					

<sup>1</sup> Not including imports of gold and silver, for which see table 15.<sup>2</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

#### United States imports from Peru.

*Composition.*—Unrefined copper is by far the principal commodity imported from Peru and customarily represents about 55 percent of total United States imports from that country. In most years since the United States import-excite tax on copper was imposed, all of these imports have been for refining in bond and export. As shown in table 12, imports of unrefined copper declined from 118 million pounds in 1929 to about 42 million pounds in 1932; the decrease in value was much greater because of the decline in prices. Thereafter, prices and demand improved somewhat and by 1939 about 72 million pounds were imported, valued at 7 million dollars, somewhat less than one-half of the value in 1929.

Other leading imports from Peru, in the order of their importance in 1939, are cane sugar, zinc ore, vanadium ore, hair of the alpaca, and lead ore (see table 12). Peru is the principal foreign source of several of these materials, including hair of the alpaca, vanadium ore, lead (ore and refined), zinc ore, and guano, and also of coca

leaves<sup>19</sup> and bismuth. It is also a leading source of mahogany and antimony.

Antimony and vanadium are strategic materials for which problems of procurement have arisen as a result of the war. Peru has been the only foreign source of United States imports of vanadium, which is used mainly in the production of alloy steel. The output in the United States has been sporadic and generally small compared with imports. The Peruvian ore is the product of a mine owned and operated by a United States corporation. Antimony, used chiefly in storage batteries, in recent years has been supplied principally by Mexico and Bolivia, but small amounts have also come from Peru.

Although aggregate imports from Peru have been materially smaller in recent years than in 1929, imports of several products have greatly exceeded those in that year; among these are hides and skins, cane sugar, coca leaves, hair of the alpaca, antimony ore, and bismuth. The sharp expansion in imports of sugar, rising from only a few thousand pounds in 1929 to a peak of 112 million pounds in 1938, resulted from the United States quota system for sugar, first adopted in 1934;<sup>20</sup> under this system, deficiency allotments permitted Peru to increase its shipments to this country. In striking contrast to this increase in trade, imports of cotton, Peru's most important agricultural product, failed to recover significantly from the low level of 1932. In 1929, imports of cotton from Peru were valued at 2.3 million dollars, but in recent years amounted to only a few thousand dollars. A large part of this decline resulted from the imposition in 1930 of an import duty on long-staple cotton, the type which customarily has constituted most of the imports from Peru.

*Dutiable status of imports.*—About one-fourth of the value of imports from Peru in recent years has been represented by dutiable products. Most of the unrefined copper, the leading import, is in ordinary times entered for refining and export and, therefore, is not subject to the import-excite tax imposed in 1932. The principal dutiable imports are sugar, zinc ore, hair of the alpaca, bismuth, and lead ore, pigs, and bars. The average ad valorem equivalent of the duties on dutiable imports from Peru was 81 percent in 1939 and was higher than that for dutiable imports from most other Latin American countries. This resulted from the fact that sugar, which represented almost one-third of the dutiable imports from Peru in that year, is subject to a duty of 1.875 cents per pound (96° sugar), equivalent to about 135 percent.<sup>21</sup>

<sup>19</sup> Coca leaves, not to be confused with the leaves of the cacao tree, are used principally for the manufacture of cocaine. Spent coca leaves are used in making nonnarcotic flavoring extracts for certain types of soft drinks, the consumption of which has increased considerably in recent years. Imports are controlled by the U. S. Bureau of Narcotics.

<sup>20</sup> Under the amendment to the Agricultural Adjustment Act in 1934, and the Sugar Act of 1937, imports of sugar were made subject to quotas. In recent years, the quotas assigned to the Philippines and several foreign countries, other than Cuba, have not been filled. The unused amounts of these quotas have been reallocated among other foreign countries, Peru being the principal beneficiary. As a result of such readjustments, Peru's initial quota in 1938 was increased from 12.1 million to 114 million pounds. Peru, however, supplies only a small part of total United States imports of sugar.

<sup>21</sup> Under the trade agreement between the United States and Cuba, imports of sugar from Cuba are dutiable at the exclusive preferential rate of 0.9 cent per pound (96° sugar); imports from other countries are subject to the full duty of 1.875 cents (96°).

TABLE 12.—United States imports for consumption from Peru of principal commodities, in specified years, 1929 to 1939  
[Value in thousands of dollars]

Commodity	Tariff status	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
			Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Goat and kid skins, dry and dry-salted	Free	1,000 pieces	609	408	514	137	894	386	976	528	667	322	604	336
Hides and skins, n. s. p. f. <sup>2</sup>	do	1,000 pieces	5	2			97	109	126	163	92	88	105	112
Cane sugar	Dutiable	1,000 pounds	( <sup>3</sup> )	( <sup>3</sup> )			44,398	420	105,109	1,122	111,537	1,127	77,648	1,085
Crude rubber (Hevea, Caucho, and other natural) <sup>4</sup>	Free	1,000 pounds	570	76	28	1	946	80	1,106	109	530	37	44	4
Cocoa leaves	Dutiable	1,000 pounds	100	19	149	25	305	48	347	86	390	69	468	80
Raw cotton (long-staple)	do	Bale (500 lb.)	21,270	2,521	710	29	1,375	95	1,672	139	516	35	787	47
Hair of the alpaca, Angora rabbit and other like animals, in the grease	do	1,000 pounds (clean content)	671	440	46	11	1,616	608	2,086	1,109	1,051	500	2,083	863
Mahogany	Taxable	1,000 ft.	( <sup>5</sup> )	( <sup>5</sup> )			1,330	59	1,405	63	2,604	109	3,275	128
Vanadium ore	Free	Ton (metal content)	8,714	795			153	156	562	639	618	892	1,700	902
Copper, unrefined, black, blister and converter in pigs or converter bars	Taxable	1,000 pounds (metal content)	*117,773	*16,995	*19,870	*1,094							449	47
For smelting, refining, and export	Free	1,000 pounds (metal content)			22,099	1,057	63,949	5,522	78,025	9,661	73,622	6,901	71,113	7,243
Copper, refined, in cathodes, ingots, plate or bars	Taxable	1,000 pounds (metal content)					224	16	1,340	177	1,940	180		
For smelting, refining and export	Free	1,000 pounds (metal content)												
Lead pigs and bars	Dutiable	1,000 pounds (metal content)	2,867	207			3,957	98	3,984	137	3,471	65	7,166	112
For smelting, refining and export	Free	1,000 pounds (metal content)							296	7				
Lead ores, fine dust and mattes, n. s. p. f. <sup>6</sup>	Dutiable	1,000 pounds (metal content)	5,865	240	131	5	5,507	83	2,442	48	2,510	82	3,283	118
For smelting, refining, and export	Free	1,000 pounds (metal content)	655	29			3,728	59	2,975	46	18,806	283	15,162	351
Zinc ores (except pyrites not more than 3% zinc)	Dutiable	1,000 pounds (metal content)	1,680	36			34	1	4,788	143	9,203	381	30,943	941
For smelting, refining, and export	Free	1,000 pounds (metal content)	155	3				( <sup>7</sup> )	78	3	696	28	4,358	119
Antimony ore	do	1,000 pounds (metal content)	61	2			973	65	1,584	136	807	64	861	63
Bismuth	Dutiable	1,000 pounds (metal content)	9	10	24	27	103	79	67	54	92	74	183	154
Nitrogenous fertilizer materials—Guano	Free	Ton	11,967	41	23,424	483					11,800	618	4,700	205
Imports of commodities shown above				22,156		2,869		7,884		14,340		11,855		13,000
Total imports from Peru				*30,167		*3,685		8,467		14,904		12,318		13,938
Principal imports (shown above) as percent of total				73.4		77.9		93.1		96.2		96.2		93.8

<sup>1</sup> Preliminary.

<sup>2</sup> Other than cattle, sheep and lamb, goat and kid, deer, elk, reptile, and seal.

<sup>3</sup> Other than gutta-balata.

<sup>4</sup> Less than 500.

<sup>5</sup> Not separately classified prior to the Tariff Act of 1930. Separately classified beginning January 1, 1935.

<sup>6</sup> Free of duty under the Tariff Acts of 1922 and 1930. Taxable under the Revenue Act of 1932, effective June 21, 1932. All imports in 1932 were entered free.

<sup>7</sup> Classified in 1929 as "Ore and mattes lead content."

<sup>8</sup> General imports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

## United States exports to Peru.

Manufactures, principally machinery and vehicles, and semimanufactures of metals (iron and steel) constitute all but a small part of United States sales to Peru (see table 13). The principal individual exports were, in the order of their value in 1939, airplanes (land), motortrucks, passenger cars, Douglas fir lumber, auto parts, mining and quarrying machinery, and dynamite. Exports to Peru are extremely diverse and none represents more than a small part of the total trade (see table 14).

Exports to Peru of most of the leading products increased greatly after 1932; a number were greater in recent years than in 1929. Exports of gasoline, steel bars, structural steel, radio sets, petroleum well-drilling apparatus, track-laying tractors, motor trucks, auto parts, and calcium arsenate in recent years exceeded those in 1929 by a substantial margin. The sharp rise in shipments of petroleum well-drilling apparatus suggests the more intensive development of Peruvian oil resources in recent years.

TABLE 13.—United States exports (domestic merchandise) to Peru, by commodity groups, in 1938 and 1939

[In thousands of dollars]

Commodity group	1938	1939 <sup>1</sup>	Commodity group	1938	1939 <sup>1</sup>
Animal and animal products, edible, total	248	233	Metal, etc.—Continued.		
Animals and animal products, inedible	117	109	Iron and steel bars, rods, plates, sheets, and skelp	469	772
Vegetable food products and beverages, total	433	436	Tin plate and tappers' tin	352	280
Vegetable products, inedible, except fibers and wood, total	523	722	Structural shapes	308	318
Automobile tire casings	251	280	Tubular products and fittings	209	520
Other vegetable products, inedible	272	442	Other metals and manufactures	1,146	1,668
Textile fibers and manufactures, total	372	616	Machinery and vehicles, total	8,137	7,870
Wood and paper, total	1,065	1,139	Industrial machinery	2,666	2,270
Board, planks, and scantlings, Douglas fir	709	699	Agricultural machinery and implements	707	530
Paper and manufactures	132	170	Automobiles, parts, and accessories	3,008	2,353
Other products	224	270	Aircraft and parts	223	1,311
Nonmetallic minerals, total	1,081	1,168	Other machinery and vehicles	1,533	1,406
Gasoline and other petroleum motor fuels	196	145	Chemicals and related products, total	1,478	2,163
Lubricating oil	386	402	Calcium arsenate	140	200
Other nonmetallic minerals	499	621	Explosives, fuses, etc.	416	538
Metals and manufactures, except machinery and vehicles, total	2,494	3,558	Other chemicals and related products	922	1,425
			Miscellaneous	649	827
			Total exports	16,587	18,841

<sup>1</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 14.—United States exports (domestic merchandise) to Peru of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Wheat.....	1,000 bu. (60 lb.).....	146	174	2	1	.....	.....	587	628	55	33	.....	.....
Automobile tire casings.....	Thousand.....	15	231	7	63	11	160	13	246	15	251	19	280
Railroad ties.....	Thousand.....	382	340	6	3	124	130	190	217	11	8	.....	.....
Sawn timber—Douglas fir.....	1,000 feet.....	16,052	205	2,570	23	4,403	62	7,869	138	4,285	71	4,109	70
Boards, planks, and scantlings of rough Douglas fir.....	1,000 feet.....	69,108	1,385	14,024	162	33,491	683	39,407	829	37,333	680	38,115	603
Gasoline and other petroleum motor fuel <sup>2</sup> .....	1,000 bbl.....	.....	13	3	21	14	119	5	39	25	106	13	146
Residual fuel oil.....	1,000 bbl.....	( <sup>3</sup> )	( <sup>3</sup> )	.....	.....	75	70	167	163	106	106	.....	.....
Lubricating oil:													
Red and pale.....	1,000 bbl.....	13	256	2	36	7	114	7	135	10	168	10	145
Cylinder.....	1,000 bbl.....	6	95	2	32	8	132	9	149	11	196	15	239
Refined paraffin wax.....	1,000 pounds.....	5,759	257	2,890	83	3,472	128	3,448	124	1,728	53	2,069	122
Steel bars, not containing alloy.....	1,000 pounds.....	10,157	180	115	3	590	11	6,032	155	8,593	198	13,772	324
Plates, other than boiler plate, not fabricated.....	1,000 pounds.....	1,708	72	129	2	1,508	31	6,441	169	3,425	77	4,467	98
Steel sheets, galvanized.....	1,000 pounds.....	3,536	129	377	10	1,584	39	4,011	153	1,782	69	4,117	146
Steel sheets, black, ungalvanized.....	1,000 pounds.....	5,450	160	504	11	1,235	29	1,784	55	3,407	101	6,154	157
Tin plate,terneplate and tangers' tin.....	1,000 pounds.....	14,366	675	1,747	58	10,701	433	10,099	500	6,943	352	6,216	260
Structural shapes, not fabricated.....	Ton.....	1,555	79	101	4	1,274	50	4,809	195	3,673	198	2,294	111
Structural shapes, fabricated.....	Ton.....	1,200	127	337	21	457	47	961	100	1,220	110	2,816	238
Casing and oil-line pipe.....	1,000 pounds.....	3,483	149	27	2	1,197	43	5,374	218	1,801	86	4,529	189
Miscellaneous iron and steel manufactures <sup>3</sup> .....	.....	.....	198	.....	13	.....	60	.....	120	.....	124	.....	129
Radio receiving sets.....	Number.....	60	5	848	29	12,299	315	11,285	298	5,910	156	6,880	157
Excavators, including power shovels.....	Number.....	3	52	.....	.....	.....	.....	.....	.....	3	120	4	30
Dredging machinery and parts.....	.....	.....	21	.....	.....	.....	2	.....	.....	.....	115	.....	( <sup>4</sup> )
Mining and quarrying machinery.....	.....	.....	627	.....	62	.....	403	.....	533	.....	401	.....	432
Petroleum and gas well drilling apparatus.....	.....	.....	72	.....	10	.....	145	.....	323	.....	.....	.....	229
Petroleum well and refining machinery, other than petroleum and gas well-drilling apparatus.....	.....	.....	139	.....	12	.....	69	.....	67	.....	156	.....	134
Sewing machines for domestic use.....	Number.....	6,478	191	3	( <sup>5</sup> )	3,835	130	3,739	138	2,662	91	3,230	110
Miscellaneous industrial machinery and parts <sup>3</sup> .....	.....	.....	228	.....	24	.....	58	.....	91	.....	127	.....	198
Typewriters.....	Number.....	3,430	185	400	23	2,788	130	4,323	183	5,125	208	4,820	156
Track-laying tractors.....	Number.....	39	68	.....	.....	80	123	103	262	189	308	119	228
Parts and accessories for tractors.....	.....	.....	77	.....	18	.....	40	.....	60	.....	90	.....	103

See footnotes at end of table.

PERU.

TABLE 14.—United States exports (domestic merchandise) to Peru of principal commodities, in specified years, 1929 to 1939—Continued

[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Motor trucks, busses, and chassis.....	Number.....	\$ 1,242	\$ 764	163	77	1,781	1,028	2,444	1,670	1,895	1,392	1,328	935
Passenger cars and chassis.....	Number.....	\$ 1,948	\$ 1,376	98	56	1,817	1,211	1,873	1,311	1,532	1,183	1,202	898
Automobile parts for replacement.....	Number.....		351		84		277		442		413		493
Landplanes (powered).....	Number.....	( <sup>2</sup> )		( <sup>2</sup> )		8	42	9	429	1	2	22	989
Airplane parts, instruments, and accessories (except tires).....	Number.....		125		127		133		339		185		213
Calcium arsenate.....	1,000 pounds.....	1,670	85	1,471	52	3,376	125	1,792	76	3,648	140	4,868	200
Miscellaneous chemical specialty compounds <sup>3</sup> .....	1,000 gallons.....		22		11		43		56		87		242
Ready-mixed paints, stains, and enamels.....	1,000 gallons.....	( <sup>4</sup> )	( <sup>4</sup> )	20	36	34	64	43	80	48	87	50	89
Dynamite.....	1,000 pounds.....	3,694	468	1,055	124	2,129	265	1,554	198	2,183	282	2,942	364
Exports of commodities shown above.....			9,681		1,277		6,853		10,783		9,137		9,507
Total exports to Peru.....			25,995		3,904		13,310		18,883		16,587		18,841
Principal exports (shown above) as percent of total.....			37.2		32.7		61.5		57.1		55.1		50.5

<sup>1</sup> Preliminary.<sup>2</sup> Classified as "Gasoline, naphtha, and other finished light products" in 1929 and 1932.<sup>3</sup> Not separately classified.<sup>4</sup> Concrete reinforcement bars only.<sup>5</sup> Includes galvanized-iron sheets.<sup>6</sup> Exports not strictly comparable for the series.<sup>7</sup> Less than 500.<sup>8</sup> May include some second-hand articles.

Source: Compiled from official statistics of the U. S. Department of Commerce.



**Balance of payments between the United States and Peru.**

Statistics of the balance of payments between the United States and Peru (shown in table 15) are subject to certain limitations, inasmuch as the statistics for the merchandise account include substantial amounts of unrefined copper and other metals, valued at several million dollars, which are the products of Peruvian mines owned by United States interests, and which, moreover, are imported into the United States in ordinary times principally for refining and export. Such shipments are nevertheless of importance to Peru in determining its supply of dollar exchange and its merchandise balance with the United States; they ultimately give rise to a substantial amount of foreign exchange for Peru. From the revenue obtained by the sale of the metal in world markets, the United States firms owning the mines must purchase sufficient Peruvian currency to pay the operating expenses (such as wages, materials, and export taxes) of their Peruvian properties. The amount of foreign exchange obtained by Peru in this manner is less than the value of copper shipped by the amount the foreign companies do not expend in Peru. This part of the value of the product, representing the return on investment and expenses incurred abroad, may fluctuate widely from year to year. The return on direct investments in Peru (a credit for the United States) is not shown in the table.

In recent years the United States has had a substantial export balance on merchandise account with Peru;<sup>22</sup> it has actually been somewhat larger than indicated for the reasons cited above. Purchases of Peruvian gold and silver, however, have been particularly large since the United States devalued the dollar and initiated its silver-purchase program; these have offset all or at least a large part of the probable credit balance on merchandise account. Because shipments of gold and silver are from Peruvian mines, and do not represent the movement of monetary reserves, they might more properly be considered as a part of the merchandise account.

Interest payments on Peruvian dollar bonds held in the United States, having an estimated par value of 54 million dollars at the end of 1938,<sup>23</sup> were until 1931 a large credit item for the United States in the balance of payments. Since then, owing to a default, the interest, bond-redemption, and sinking-fund receipts have practically ceased.

Available statistics indicate that in recent years the United States in its financial transactions with Peru has had a net debit balance, which has arisen chiefly from the gold and silver accounts. The statistics upon which the net balance is based, however, do not include the return on United States direct investments in Peru, the net movement of banking funds and security transactions, or the investment of new United States capital in that country. The first of these may be substantial; United States direct investments in Peru were valued at 96 million dollars at the end of 1936.<sup>24</sup> New investments in Peru, on the other hand, have probably been small in recent years, although the size of the net movement of long- and short-term capital is not

<sup>22</sup> According to Peruvian statistics (see table 2), that country frequently has an export trade balance with the United States. This disparity is accounted for almost entirely by the fact that Peru reports gold and silver in its merchandise trade, whereas the United States does not.

<sup>23</sup> U. S. Department of Commerce, *The Balance of International Payments of the United States in 1938, 1939*, appendix D, p. 90.

<sup>24</sup> U. S. Department of Commerce, *American Direct Investments in Foreign Countries—1925, 1938*, table 4, p. 12.

known. It appears, however, that the actual net debit balance with Peru, if all items could be taken into account, would disappear or be much less than is indicated by the partial statement of the balance of payments.

TABLE 15.—*Partial balance of payments between the United States and Peru, 1929-38*

[In millions of dollars]

	1929	1930	1931	1932	1933	1934	1935	1936	1927	1938
<b>Trade and service items:</b>										
Merchandise exports to Peru <sup>1</sup> .....	26.2	15.7	7.9	4.0	5.0	9.9	12.2	13.4	19.0	16.9
Merchandise imports from Peru <sup>1</sup> .....	30.2	21.3	9.0	3.7	5.5	6.2	7.5	9.0	16.5	12.8
Net merchandise exports to (+) or imports from (-) Peru.....	-4.0	-5.6	-1.1	+3	-5	+3.7	+4.7	+4.4	+2.5	+4.1
Receipts from Peru for shipping services <sup>2</sup> .....	1.3	1.0	.8	.5	.3	.5	.6	.7	1.0	.8
Expenditures of Peruvian travelers in the United States <sup>3</sup> .....	.9	.8	.5	.5	.4	.4	.6	.7	.7	.6
Expenditures of United States travelers in Peru <sup>3</sup> .....	.5	.5	.4	.2	.2	.3	.4	.5	.6	.5
Interest receipts from Peru <sup>3</sup> .....	4.7	4.7	.7					.1	.2	
Net receipts from Peru for serv- ices <sup>4</sup> .....	+6.4	+6.0	+1.6	+8	+5	+6	+8	+1.0	+1.3	+9
Net receipts from Peru on trade and service account <sup>4</sup> .....	+2.4	+4	+5	+1.1		+4.3	+5.5	+5.4	+3.8	+5.0
<b>Gold and silver:</b>										
Net gold imports from Peru <sup>1</sup> .....	-1.9	-6.9	-6.4	-3.1	-1.5	-1.4	-2.1	-2.4	-3.1	-4.0
Net silver imports from Peru <sup>1</sup> .....	-10.4	-5.9	-2.3	-1.3	-1.7	-3.9	-10.2	-7.4	-6.8	-7.4
Net gold and silver imports from Peru.....	-12.3	-12.8	-8.7	-4.4	-3.2	-5.3	-12.3	-9.8	-9.9	-11.4
<b>Capital items:</b>										
Bond-redemption and sinking-fund receipts from Peru <sup>5</sup> .....		+1.2	+4							+4
<b>Net balance on items shown <sup>6</sup>.....</b>	<b>-9.9</b>	<b>-11.2</b>	<b>-7.8</b>	<b>-3.3</b>	<b>-3.2</b>	<b>-1.0</b>	<b>-6.8</b>	<b>-4.4</b>	<b>-6.1</b>	<b>-6.0</b>

<sup>1</sup> United States statistics, unadjusted.<sup>2</sup> Rough estimates.<sup>3</sup> Unadjusted for repurchases by foreigners of Peruvian dollar bonds.<sup>4</sup> Excluding return on United States direct investments in Peru.<sup>5</sup> Bond-redemption receipts adjusted for repurchases by foreigners in all years; sinking-fund receipts in 1938 only.<sup>6</sup> Exclusive of return on direct investments (receipts) and new investments (payments) in Peru.

NOTE.—Net credit balances for the United States are indicated by +; net debit balances by -.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

# URUGUAY

## A DESCRIPTION

### Physical characteristics.

The Republic of Uruguay,<sup>1</sup> situated on the southeastern coast of the South American continent, is bounded on the north and northeast by Brazil, on the west by Argentina (the boundary being the Uruguay River), and on the south by the estuary of the Río de la Plata. Its area, 72,153 square miles, is somewhat larger than that of the New England States, plus New Jersey. The ocean and river coast line of Uruguay is nearly 700 miles long.

The eastern and southern part of Uruguay consists for the most part of low, rolling, grassy plains, which are an easterly extension of the Argentine pampas. The topography of the northern and north-western parts of the country, however, is more varied. Here low, wooded ranges, the southward extension of the Paraná plateau of southern Brazil, alternate with broad valleys. The Uruguayan coast line is fringed with tidal lakes and sand dunes.

The peninsular position of Uruguay gives it an equable and healthful climate. There are no decided rainy and dry seasons; rainfall is well distributed throughout the year, with the heaviest precipitation in May and in October. Because Uruguay is in the South Temperate Zone, its seasons are the reverse of those in North America.

### Population.

According to the census of 1908, the population of Uruguay was 1,043,000. In 1937 the number of inhabitants was estimated to be 2,093,000. On the basis of this estimate, there were in that year about 29 persons to the square mile, making Uruguay the most densely populated country of South America.

Nearly one-third of the Uruguayan population is concentrated in the capital and principal city, Montevideo, which in 1937 had an estimated population of 684,000. Other important Uruguayan cities, with their estimated population in 1937, are Paysandú, at the head of deep-water navigation on the Uruguay River, 31,000; Salto, farther up the Uruguay River, 30,000; and Mercedes, an agricultural and pastoral center on the lower Río Negro, 24,000.

Uruguay has a high degree of racial homogeneity, more than nine-tenths of its people being of European extraction. The remainder of the population is composed of mestizos, Indians, and Negroes. Recent immigration has been largely from Spain, Italy, Argentina, Brazil, and France, although other European countries have also been represented. In 1936 the number of immigrants totaled 196,200, but was nearly offset by 191,500 emigrants.

<sup>1</sup> In Spanish, República Oriental del Uruguay (Eastern Republic of the Uruguay).

**Natural resources and economy.**

*Pastoral industries.*—Because of the flatness of the terrain and the abundance of natural feeds, livestock raising early became the principal Uruguayan industry. At the present time, more than three-fourths of the area is devoted to grazing, and approximately four-fifths of Uruguay's exports consist of animal products. In recent years, wool alone has accounted for more than two-fifths of the value of total exports.

The development of pastoral industries in Uruguay in general has resembled that of Argentina. During the colonial period, the area along the Uruguay River became the center of an important meat-salting and drying industry, which maintained its importance until after the introduction of the frigorificos (large meat-packing plants) at the beginning of this century. The frigorifico was slow in attaining prominence in the Uruguayan meat industry because at first the native stock did not produce a grade of beef satisfactory for the export markets. With the development of improved types of beef cattle, largely through the importation of stock for breeding, the frigorifico became dominant in the Uruguayan meat industry. The number of cattle in Uruguay in 1860 was about 3.6 million; by 1908 it had reached more than 8 million. Since that year it has varied between 7 and 8 million.

The sheep industry of Uruguay has also had a history similar to that of Argentina. Flocks tended to increase until the area available for grazing was reduced by the settlement of the country, causing a partial shift from pastoral to agricultural activities. Since then, attention has been directed to improving breeds rather than to increasing numbers. In 1930 the number of sheep in Uruguay was 20.5 million. In 1932 it stood at 15.4 million, but by 1937 had increased to nearly 18 million.

*Agriculture.*—Although Uruguayan agriculture is of small importance as compared with the pastoral industries, it has become increasingly significant in recent years. The Government has made efforts to stimulate agriculture and to extend the acreage devoted to crops, but only about 6 percent of the Uruguayan area is at present under cultivation. The principal crops are wheat, corn, flaxseed, oats, and barley, but tobacco, citrus fruits, and a variety of vegetables are also grown. Since the beginning of this century, grape cultivation and wine making have undergone considerable development. In the last century Uruguay imported most of its breadstuffs, but sufficient wheat is now produced to supply the domestic demand and to leave a small exportable surplus.

*Mining.*—Mining is of little importance in Uruguay. Some gold is mined in the northern part of the country; other minerals include silver, copper, lead, zinc, antimony, manganese, iron, sulfur, asbestos, lignite, and precious and semiprecious stones. There are important deposits of such nonmetallic minerals as granite, marble, and talc, and quantities of common stone and sand are exported to nearby countries.

*Manufacturing.*—Uruguay was one of the first of the Latin American countries to encourage the development of manufacturing industries. This policy, which dates from the beginning of the century, has since been consistently followed. As in many other Latin Ameri-

can countries, the depression, with its consequent exchange difficulties, contributed to the expansion of manufacturing in the last decade. In addition to high import duties on manufactured products, the quota system is operated to favor domestic industry.

Uruguayan industry is largely dependent upon imports of raw materials and fuels, although the completion of projected hydroelectric installations may to some extent reduce the dependence on imported fuels. The Government grants tariff reductions or exemptions on raw materials imported into the country, and export commodities manufactured of Uruguayan raw materials are accorded especially favorable exchange rates.

The Uruguayan Government, through autonomous agencies created by the state, engages in numerous industrial activities, operating meat, chemical, petroleum, and cement plants, in addition to communication facilities, banks, insurance, port works, hotels, and pleasure resorts. The Government's policy has encouraged the establishment of a large number of small factories. The 1937 industrial census showed a total of 11,493 manufacturing establishments, employing 88,267 persons. Capital invested in industry in 1937 totaled 256 million pesos (approximately 202 million dollars), and the gross output in that year was valued at more than 262 million pesos (207 million dollars). Uruguayan manufacturing is largely concentrated in Montevideo and its vicinity.

Uruguayan industry produces a wide variety of products. Included are cotton and woolen textiles, electrical machinery, batteries, transformers, refrigerators, automobile tires and tubes, motor-vehicle bodies, furniture, heating systems, enamelware, aluminum articles, celluloid articles, glass and glassware, asbestos-cement sheeting, electric light bulbs, surgical catgut, and coal-dust briquettes. An attempt has been made to establish a silk industry. Fuel, alcohol, and cement have been state monopolies since 1931, when the Administración Nacional de Combustibles, Alcohol, y Portland was established.

### THE FOREIGN TRADE OF URUGUAY

In international trade, Uruguay occupies seventh position among the nations of Latin America. Uruguayan exports in 1938, which amounted to 96 million pesos (55 million dollars), represented 3 percent of the value of those from the 20 Latin American republics combined, and 4 percent of those from the 10 South American countries. In the same year, Uruguayan imports were valued at 75 million pesos (43 million dollars), or 3 percent of the value of all commodities imported into the 20 Latin American nations, and 4 percent of those taken by the republics of South America.

Uruguayan exports have usually exceeded imports; in the period 1936-38, the export balance ranged between 10 and 13 million dollars.

#### Uruguayan commercial policy.

During the decade 1929-38, Uruguay's foreign trade was greatly influenced by a rigid exchange-control and quota system, by the policy of balancing imports from a particular country against exports to that country, and by currency depreciation.

*The tariff.*—The Uruguayan tariff is both a revenue and protective measure with many rates as high as 70 percent ad valorem. It is of the single-column type, with no minimum or maximum schedules, but the Executive possesses discretionary power to increase duties on imports of manufactured articles and raw materials similar to those produced in Uruguay, and to impose penalty duties.

The tariff was created by selecting certain ad valorem rates as base rates and assigning practically all commodities, other than beverages and foodstuffs, to one or another of these rate categories. The tariff has been raised by increasing the original ad valorem rates by successive increments, generally of 4 or 5 percent ad valorem.

Since the Uruguayan ad valorem duties are assessed on the basis of official valuations,<sup>2</sup> they are in effect specific duties. The official unit valuations are nominally subject to revision every 3 years, but in practice have been revised less frequently. A series of enactments has provided for additional ad valorem duties on specified commodities. A special mechanism for increasing import duties is provided by the requirement that a specified proportion of import duties, except on certain necessities and raw materials, must be paid in "gold," that is, the equivalent of gold in terms of Uruguayan currency. A law of October 10, 1931, empowers the Executive to increase duties in terms of Uruguayan currency by determining the products on which one-fourth of the duties must be paid in "gold"; moreover, this proportion may be increased to one-half.<sup>3</sup>

Most of the items in the Uruguayan tariff are subject to rates which, including surtaxes, exceed 50 percent of the official valuations. Many of them consist of the 48-percent basic rate plus additional duties totaling 21 percent, and, hence, amount in the aggregate to 69 percent. Changes in the basic rates require the approval of the Congress, but the Executive is authorized to establish a basic rate of 48 percent for articles comparable to those manufactured in Uruguay, without reference to the Congress. By a decree of October 6, 1931, duties were thus increased from 31 percent on established official valuations (plus 14 percent additional duties) to 48 percent (plus 14 percent additional duties) for about 550 categories included in the hardware, naval stores, textile, and smallwares schedules.

The Executive has also been authorized under various laws to transfer products required by local industry from their regular classifications to the raw-materials schedule (under which the basic duty may be as low as 5 percent). For short periods or for specific shipments, the Executive may exempt entirely foodstuffs and raw materials from the basic duties in time of local shortage. The Executive is also authorized to grant a 9-year "privilege" for the exclusive manufacture of any article in Uruguay. This usually implies the transfer of the materials required by the new industry to the raw-materials schedule, if they are not already included therein. The Executive is further

<sup>2</sup> The official unit valuations employed by Uruguay are recommended by Customs Valuation Committees, composed of customs officials and delegates of industrial and commercial organizations, and are subject to approval of the Uruguayan Executive before adoption. The committees are authorized to appraise, designate, and classify merchandise either for entire tariff schedules or for individual items.

Import values are originally compiled on the basis of the official appraised valuations. Beginning with 1918 the calculated "real" or market values are published for commodity groups, but not for individual commodities. The import values shown in this report are official appraised values, and have customarily ranged from 20 to 35 percent lower than actual values. Export valuations employed by Uruguay are commercial valuations, i. e., "real" or market values.

<sup>3</sup> Exemption from the one-fourth duty payment in "gold" has been extended to certain specified products of several countries.

authorized to increase to the general rate the duties on products classified in the raw-materials schedule, when it is shown that adequate supplies of similar articles produced in Uruguay are available.

By a decree of October 10, 1931, the Executive was empowered to increase by as much as one-half the duties and other customs charges on the products of countries which do not apply most-favored-nation or minimum-tariff treatment to Uruguayan products, or which apply thereto the minimum tariff in a form which may be considered prohibitive. Reductions below Uruguay's basic rates have been granted on a few specified products in commercial agreements.<sup>4</sup> Tariff favors to neighboring countries are excepted from the most-favored-nation pledge in several of these agreements.

*Exchange control.*—The gold standard was officially suspended by Uruguay in December 1929. Prior to that time, the peso was fixed at 1.5273 grams of fine gold (equivalent to \$1.0342 based on the gold content of the dollar before 1934). Since the suspension of gold payments the peso has been revalued several times. The latest such revaluation—that of January 12, 1938—fixed the gold value of the peso at 0.58502 gram (equivalent to \$0.6583 on the basis of the present gold value of the United States dollar).

Exchange control was introduced September 7, 1931. Beginning in 1933, the Exchange Control Commission, in allocating foreign exchange for payment of imports from particular foreign countries, began to restrict such allotments in accordance with the purchases of Uruguayan products by each country.

By 1934, three types of exchange rates had developed in Uruguay—the official rate, the free-market rate, and the "controlled free" market rate. Under that system, the exporter was allowed to sell a certain part of the exchange derived from exports in the "controlled free" market, the proportion varying with the commodity. The exchange in the "controlled free" market was employed to pay for imports important to the Uruguayan economy, though not as essential as those for which official exchange was granted. The remainder was purchased by the Government at the official rate, and was reserved for service of the debt, for Government requirements, and for payment of imports of necessary products. Importers unable to obtain from the Exchange Control Commission an allotment of the controlled free exchange were forced to purchase exchange at an "uncontrolled free" rate, which was subject to considerable fluctuation.

In January 1935 a quota system for the allocation of exchange was inaugurated, and quarterly quotas of controlled exchange were established. Under this system there was allotted to pay for imports from each particular foreign country an amount of exchange not less than 75 percent of that created by the country's purchases of Uruguayan products. In addition to that basis of allotment, priorities in the granting of exchange were provided for, based on the type of goods imported. In March 1936, the Bank of the Republic (Banco de la República) was authorized to fix the rates for exchange in the free market. Official exchange was abolished by a decree of December 4, 1937.

<sup>4</sup> Commercial agreements involving tariff concessions or import quotas have been entered into with Brazil (1935), Spain (1935), the Soviet Union (1935), the United Kingdom (1935), Paraguay (1935 and 1939), and Canada (1936).

Since 1938, three types of exchange have been quoted—the “controlled free” rate, the “uncontrolled free” rate, and the “compensation” exchange rates. In addition, a special exchange rate exists for the use of the Government, state enterprises, and public-utility companies. All exchange derived from exports must be delivered to the Bank of the Republic. A part must be delivered at the “controlled free” rate, the proportion varying from time to time and from commodity to commodity. Exchange not so delivered must be sold to the Bank at the “uncontrolled free” rate.<sup>5</sup>

“Controlled free” exchange, which corresponds most nearly to that usually designated as “official” exchange in most other countries with exchange-control systems, is allocated by the bank to importers for imports of prime materials and necessities. At first, allocation was dependent upon issuance of a prior import permit, but, effective April 9, 1939, the requirement that prior exchange permits be obtained by importers was abolished. Importers are allowed however, to continue to obtain prior permits if they so desire. After December 4, 1937, special rates more favorable than the “controlled free” rate, were quoted by the bank to the Government for service of the debt, to state enterprises, and to private public-utility companies for imports of necessary materials.<sup>6</sup>

The so-called “compensation” exchange is not related to compensation agreements, but is in effect an exchange subsidy made available to exporters of specified Uruguayan commodities. At first (after October 15, 1938), the “compensation” rate consisted of the “controlled free” rate plus 20 percent when utilized in discounting drafts covering shipments of canned meat, and the “controlled free” rate plus 28 percent when applied to exports of flaxseed. The rate, however, has been changed from time to time. In the middle of 1939 the “compensation” rate was 30 percent above the “controlled free” rate, and as late as January 5, 1940, it was quoted at 35 percent above the “controlled free” rate.<sup>7</sup>

Both “controlled” and “compensation” exchange are allocated only to the extent that exchange is created by exports of national products. The restrictive character of the Uruguayan exchange-control regulations has varied with the state of the trade balance. Individual countries receive preferential or nonpreferential treatment, depending on the relation between their purchases from and their sales to Uruguay. In addition, specific import commodities receive preferred or non-preferred treatment. In 1932-33 the exchange restrictions were severe, particularly with respect to payments of imports from the United States, and in 1935, a similar situation arose. An abundance of exchange during 1936 and most of 1937 resulted in the relaxation

<sup>5</sup> For the years covered in this report, the average dollar equivalent of the peso was as follows: Official rate, 1929, \$0.983; 1932, \$0.476; 1936, \$0.797; 1937, \$0.790; (*Federal Reserve Bulletin*, February 1939). Controlled free rate, 1936, \$0.523; 1937, \$0.5575; 1938, \$0.5697; 1939, \$0.4995. Uncontrolled free rate, 1938, \$0.4173; 1939, \$0.3626. Recent rates (averages for July 1940) are as follows: Controlled free rate, \$0.3266. Uncontrolled free rate, \$0.3553 (*Foreign Commerce Yearbook*, and *Commerce Reports*, August 31, 1940). The compensation-exchange rates in 1938 were \$0.4149 and \$0.4621, depending on the type of compensation. Rates employed for the conversion of trade statistics in this report are the official rate (1929 and 1932), and the controlled free rate (1936-38). Because of the varieties of exchange, the conversion rates used in the tables in this report are approximations, and the resulting figures should be regarded as a reflection of general trends, rather than as absolute statements of value.

<sup>6</sup> This special rate at first was fixed at 8 pesos to the pound sterling, as compared with the “controlled free” rate of 5.58 pesos for private commercial transactions. By a decree effective January 1, 1939, the special rate was fixed at 8.60 pesos to the pound sterling, as compared with 9.50 pesos for private transactions. The last quotation of the special rate (7.60 pesos to the pound sterling) appears for January 5, 1940 (*Commerce Reports*, January 27, 1940).

<sup>7</sup> *Commerce Reports*, January 27, 1940.



of restrictions, but they were again tightened toward the end of 1937. In 1938, because the trade balance between the United States and Uruguay was at all times adverse to Uruguay, the United States was not granted any quota under controlled exchange. In 1939 and 1940, however, both controlled and compensated exchange was allotted for certain imports from the United States.

*Commercial treaties and agreements.*—Since 1933 Uruguay has entered into trade-balancing or clearing agreements with Spain (1933 and 1935), France (1934, 1935, and 1938), Germany (1934, 1935, 1937, and 1939), the Soviet Union (1935), the United Kingdom (1935), Italy (1935 and 1937), Belgium (1936), and Switzerland (1938).<sup>8</sup> In addition, direct barter arrangements have been made through the Bank of the Republic by certain United States and Uruguayan exporters.

Countries with which trade or clearing agreements are in effect have since 1935 been entitled to remittances for their shipments to Uruguay at the "controlled free" market rate. This not only gives them a price advantage, but also in effect grants to them reductions in custom duties on certain commodities, since it gives them the right to pay in "controlled free" exchange that portion of the import duties which is levied on such commodities in gold.

#### Trend of the trade.

*Exports.*—The outstanding feature of the Uruguayan export trade is the extent of the country's dependence on the products of pastoral industry, especially wool, frozen and chilled beef, canned meats, and cattle hides. In the period 1929-38, four-fifths or more of all exports, in terms of value, consisted of animals and animal products. Significant developments in the Uruguayan export trade during the decade were the decline in the importance of exports of meats and extracts and the increasing importance of exports of wool. Uruguayan exports to all countries and to the United States, in the period 1924-38, are shown in tables 1 and 2.<sup>9</sup>

Uruguay's exports in 1929 were valued at 93 million pesos (92 million dollars). In 1932, as a result of low prices, trade restrictions abroad, and the operation of the exchange-control system, they declined to 58 million pesos (27 million dollars), or 61 percent of the 1929 peso value and 30 percent of the dollar value. The value of exports increased thereafter, reaching 99 million pesos (55 million dollars) in 1937. The peso value of exports in this year was larger than in 1929, but the dollar value was only about 60 percent as great. In 1938, exports declined slightly to 96 million pesos (nearly 55 million dollars); the decrease largely resulted from lower prices of wool and smaller exports of some meats. Preliminary reports indicate that exports in the first 10 months of 1939 totaled 84 million pesos, as compared with 75 million pesos in the same period of 1938.

<sup>8</sup> Those with Germany, Italy, and the Soviet Union were made between private financial or banking organizations. A clearing agreement in its simplest form provides that the importers of each of the two contracting countries shall pay the cost of their imports from the other country into accounts in their own national currency maintained by agencies selected or established for that purpose. These funds are paid out to those who have exported commodities from the country in question to the other. Thus, if payments to exporters in the trade between the two countries just equal the expenditures of the importers, no movement of foreign exchange is required. In payments agreements the exchange usually is controlled in only one of the two countries; the other maintains a free-exchange market.

<sup>9</sup> The year 1929, which is the earliest shown in the detailed tables hereinafter presented, was not a peak year. In exports either to the world as a whole or to the United States. Exports to the world (in terms of pesos), were higher in all years from 1924 to 1928, inclusive, and also in 1930. In terms of dollar value, exports to the world were higher in the years 1925 to 1928, inclusive, than in 1929. Exports to the United States (in terms of both peso and dollar value) were higher in 1925 and 1926 than in 1929.

TABLE 1.—Uruguay: Trade with the world, 1924-38

[Value in thousands]

Year	Exports		Conversion rate: 1 peso equals—	Imports	
	Pesos	United States dollars		Pesos	United States dollars
1924.....	106,836	87,894	\$0.8227	62,931	51,773
1925.....	98,854	97,272	.9840	73,357	72,184
1926.....	94,304	95,690	1.0147	74,112	75,201
1927.....	96,419	97,711	1.0134	81,830	82,926
1928.....	100,803	103,484	1.0266	93,955	96,454
1929.....	92,952	91,679	.9863	93,234	92,006
1930.....	100,935	86,673	.8587	91,300	78,400
1931.....	78,303	43,349	.5536	88,782	49,150
1932.....	58,284	27,428	.4706	55,510	26,123
1933.....	66,685	32,429	.4863	63,790	31,021
1934.....	65,773	32,395	.4643	61,375	28,496
1935.....	95,362	43,008	.4510	59,476	26,824
1936.....	90,212	47,244	.5237	66,029	34,579
1937.....	98,932	55,352	.5595	79,876	44,691
1938.....	96,343	54,886	.5697	74,931	42,688

<sup>1</sup> Since 1928, includes merchandise shipped "in transit" to Brazil.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República Oriental del Uruguay*.

TABLE 2.—Uruguay: Trade with the United States, 1924-38<sup>1</sup>

[Value in thousands]

Year	Exports			Imports		
	Pesos	United States dollars	Percent of total to United States	Pesos	United States dollars	Percent of total from United States
1924.....	7,104	5,844	6.6	15,198	12,503	24.1
1925.....	11,969	11,807	12.1	20,628	20,298	28.1
1926.....	11,095	11,258	11.8	21,322	21,635	28.8
1927.....	7,481	7,581	7.8	24,893	25,217	30.4
1928.....	10,523	10,803	10.4	28,474	29,232	30.3
1929.....	11,061	10,910	11.9	28,182	27,796	30.2
1930.....	7,601	6,527	7.5	23,477	20,160	25.7
1931.....	3,496	1,835	4.5	17,090	9,461	19.2
1932.....	2,385	1,122	4.1	5,318	2,502	9.6
1933.....	5,551	2,699	8.3	5,502	2,676	8.6
1934.....	7,273	3,377	10.4	9,004	4,180	14.7
1935.....	10,869	4,902	11.4	10,211	4,605	17.2
1936.....	13,871	7,264	15.4	9,040	4,734	13.7
1937.....	13,973	7,818	14.1	10,874	6,084	13.6
1938.....	3,826	2,180	4.0	8,846	5,039	11.8

<sup>1</sup> For conversion rates, see table 1.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República Oriental del Uruguay*.

Value, price, and quantum indexes of Uruguayan exports for the period 1924-36 are shown in table 3.<sup>10</sup> These indexes show that the decline in the peso value of exports from Uruguay between 1929

<sup>10</sup> The quantum index is an attempt to measure the variations in the volume of a country's trade by eliminating the effect of price changes from the value of figures. The method employed in constructing the indexes involves adjusting the value figures of total exports or imports in accordance with the variations in the country's export and import price indexes. The adjusted figures are then expressed as percentages of the corresponding figures for the base year. Because of the limitations of the basic data employed in the construction of the price indexes, the quantum indexes derived therefrom are only approximate measures of the changes in the volume of a country's exports or imports.

and 1932 resulted more from decreases in the quantities of goods exported than from changes in the level of export prices.<sup>11</sup> In 1932 the quantum of exports was more than one-fourth lower than in 1929. After 1929 prices in terms of pesos moved downward, reaching their low in 1931; they recovered somewhat in 1932, the level in that year being about one-eighth lower than in 1929. The recovery in the value of Uruguayan exports after 1932, which brought them nearly to the 1929 level in 1936, is attributable more to the recovery of prices of Uruguayan products than to increases in the quantities of goods exported. By 1936, export prices (in terms of pesos) were about one-fifth higher than in 1929, but the quantum of exports was about one-fifth lower than in that year. Although comparable data for more recent years are not available, it is known that prices of wool and meats have increased appreciably, especially since the war began in September 1939.

TABLE 3.—Uruguay: Value, price, and quantum indexes of exports, 1924-36<sup>1</sup>

Year	Exports, index of—			Year	Exports, index of—		
	Value (pesos)	Price (pesos)	Quantum		Value (p-esos)	Price (pesos)	Quantum
1924.....	110.9	135.9	81.5	1931.....	81.2	90.9	89.3
1925.....	102.6	129.1	79.4	1932.....	60.4	97.8	61.8
1926.....	97.8	119.1	82.1	1933.....	69.2	99.2	69.7
1927.....	100.0	100.0	100.0	1934.....	72.4	123.3	58.7
1928.....	104.5	117.0	89.3	1935.....	98.9	123.9	79.8
1929.....	96.4	111.9	86.2	1936.....	93.6	133.1	70.3
1930.....	104.7	97.6	107.3				

<sup>1</sup> 1927=100. The indexes of value and price are not to be taken as reflecting accurately changes in dollar values. Data for more recent years are not available.

Source: League of Nations, *Review of World Trade*, 1933, p. 71.

*Imports.*—The most notable features of the Uruguayan import trade in the decade 1929-38 were the increase in the relative importance of imports of materials and equipment for industry (in large part machinery, fuel, raw materials, and semifinished manufactures), the maintenance by the United Kingdom of its position as the principal supplier of Uruguayan imports, the variation in the share of total imports furnished by the United States, and the increase in the share of Germany in 1938. Imports into Uruguay from all countries and from the United States, in the period 1924-38, have already been shown in tables 1 and 2.<sup>12</sup>

Imports into Uruguay, which in 1929 amounted to 93 million pesos (92 million dollars), declined in 1932 to 55 million pesos (26 million dollars), or approximately 60 percent of their 1929 peso value and 28 percent of their dollar value. Most of the import groups shared in this decline, but of the more important groups, decreases were most substantial in automobiles and accessories, building and construction materials, and smallwares and notions. By 1937, imports had recovered to 80 million pesos (45 million dollars), or 85 percent of the 1929 peso figure and 48 percent of the dollar value. In 1938, the value of imports declined to 75 million pesos (43 million dollars). Imports in

<sup>11</sup> In 1931 both the quantum and the value of goods exported were higher than in 1929.

<sup>12</sup> The year 1929 (the earliest shown in the detailed tables) was not a peak year in imports from the world as a whole or from the United States, having been exceeded in 1928.

the first 10 months of 1939 were valued at 54 million pesos<sup>13</sup> as compared with 62 million pesos in the similar period of 1938.<sup>14</sup>

#### Exports from Uruguay.

*Composition.*—Most of the exports from Uruguay consist of animals and animal products and agricultural products and byproducts. In 1938 these two groups accounted for more than 94 percent of total exports, in terms of value. In most years of the decade 1929–38 considerably more than four-fifths of all exports were of animal products, and between 7 percent and 14 percent were of agricultural products. Other groups in the export schedule are extractive materials and products; commodities for the supply of vessels; coal for the supply of vessels; and miscellaneous products. Exports from Uruguay, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938, are shown in pesos in table 4 and in dollars in table 5.

For every group and almost every individual commodity shown in table 5 there was a sharp drop in the dollar value of exports between 1929 and 1932, caused in considerable part by lower prices. Most commodities for which data are given showed marked increases in dollar value in 1937 over 1932; dollar values in 1937, however, were in most cases far below those in 1929. In general, dollar values in 1938 differed little from those in 1937.

For the principal subgroups and commodities, the ratios of the dollar values of exports in 1938 to those in 1929 were as follows: Wool, 85 percent; frozen and chilled beef, 53 percent; canned meats, 47 percent; hides, 55 percent; flaxseed, 81 percent; wheat, 35 percent; and minerals and metals, 32 percent.

The two most important Uruguayan export commodities are wool, and meats and meat extracts. In 1929, wool accounted for less than one-third of total exports, and for slightly more than one-third of total exports of animal products. In the years 1936–38, however, more than two-fifths of all exports consisted of wool, and it was the leading export commodity.

The principal Uruguayan export commodity in 1929 was meats and meat extracts, which accounted for 32 percent of total exports. This share was maintained in 1932, but by 1936 this group represented less than 18 percent of the value of all shipments abroad. This decline in relative importance reflected in part the effect of the Ottawa Agreements on Uruguayan exports of meats to the United Kingdom. By 1938, however, the share had increased, reaching 23 percent. The principal meat product, frozen and chilled beef, accounted in 1938 for 12 percent of the value of all exports, and for more than one-half of the value of all meats and meat extracts. Other meat products exported from Uruguay include canned meats, frozen mutton, canned tongues, meat extract, frozen casings, and frozen fowl (see tables 4 and 5).<sup>15</sup>

The remaining important Uruguay export in the animals-and-animal-products classification is hides, which, in the years 1929, 1932, and 1936–38, ranged between 12 and 14 percent of all exports. Other commodities, none of which constituted over 2 percent of total exports

<sup>13</sup> Preliminary.

<sup>14</sup> Price and quantum indexes of Uruguayan imports are not available. The official customs valuations have customarily ranged from 20 to 35 percent lower than actual values.

<sup>15</sup> In the Uruguayan export classification, fish and game products and fowl are included in the "extractive material" group.

in 1938, were live animals; tallow, grease, and other fats; bristles and hair; bones and bone ash; horns; and fertilizer (guano).

TABLE 4.—Uruguay: Exports,<sup>1</sup> in terms of pesos, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of pesos]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	92,952	58,284	90,212	96,932	96,343
Animals and animal products.....	78,452	48,013	72,219	83,510	80,832
Wool.....	28,620	18,667	41,965	45,442	42,013
Wool, unwashed.....	27,294	17,932	37,250	39,998	35,243
Wool, washed.....	541	464	4,332	4,721	6,206
Meat and extracts.....	29,918	18,733	15,908	19,579	21,910
Beef, frozen and chilled.....	12,817	10,588	6,313	9,235	11,709
Canned meats.....	6,522	4,030	5,352	6,300	5,375
Mutton, frozen.....	4,700	1,330	1,162	1,543	1,858
Canned tongues.....	450	384	456	708	634
Meat extract, excluding liquid.....	2,167	1,437	1,397	679	873
Casings, frozen.....	1,000	631	508	622	876
Hides.....	11,965	7,539	10,558	13,724	11,347
Cattle hides, dried and salted.....	3,921	2,004	1,449	5,211	2,676
Cattle hides, frigorífico, salted.....	4,691	3,428	4,851	4,556	4,993
Sheepskins, dry.....	2,342	1,677	2,884	2,509	2,321
Live animals.....	3,228	605	1,264	2,392	2,143
Cattle.....	2,102	526	1,119	2,306	1,971
Tallow, grease, fats, etc.....	2,667	1,114	1,178	757	949
Bristles and hair.....	343	227	197	250	314
Bones and bone ash (meal).....	437	176	253	416	739
Horns.....	115	57	41	59	48
Fertilizer (guano).....	162	156	57	52	26
Agricultural products and byproducts.....	9,244	4,264	12,707	9,796	10,230
Grains, cereals, flour, and pastes.....	9,123	3,979	11,484	9,279	9,265
Flaxseed (linseed).....	3,625	3,958	5,316	4,552	5,098
Wheat.....	4,162	.....	4,786	4,032	2,537
Rice.....	.....	.....	186	501	63
Flour, wheat.....	918	17	1,162	169	1,562
Fodder and oleaginous feeds.....	74	146	356	464	646
Fruits and vegetables.....	35	51	528	47	117
Extractive materials and products.....	5,044	5,095	4,467	3,184	3,407
Minerals and metals.....	4,427	3,408	2,612	2,335	2,440
Sand.....	2,350	1,925	1,111	1,302	1,748
Stone, common.....	656	860	1,047	909	635
Fish and game and products.....	515	760	1,532	59	15
All other products.....	102	927	1,323	791	952
Eggs, fresh and cold storage.....	29	781	918	431	580
Fowls, frozen.....	26	140	105	360	372
Commodities for the supply of vessels.....	162	849	177	529	767
Coal for the supply of vessels.....	( <sup>1</sup> )	( <sup>2</sup> )	( <sup>3</sup> )	1,225	660
Miscellaneous products.....	49	63	643	687	427

<sup>1</sup> Primarily special exports. Bullion and goods in transit to Brazil are included. Specie and parcel post are excluded. No data are published concerning specie movements. Values are commercial valuations, i. e., real or market values.

<sup>2</sup> Classifications employed in this table are those given in the Uruguayan export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Not included in total exports.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República Oriental del Uruguay*, vol. II.

Grains and grain products account for practically all Uruguayan exports of agricultural products and byproducts. In 1938, exports in this classification constituted 11 percent of the total; flaxseed accounted for 5 percent, wheat for nearly 3 percent, and wheat flour for less than 2 percent. Other agricultural exports—fodder and oleaginous feeds, and fruits and vegetables—are relatively unimportant.

Exports of extractive materials and products from Uruguay varied between 3 percent and 9 percent of the total in the decade 1929-38. No metals were exported, and sand and common stone were the only minerals (2.5 percent in 1938). Other materials classed as "extractive" were fish and game products, including eggs and frozen fowl.

The remaining Uruguayan exports are commodities for the supply of vessels and miscellaneous products. In 1938, none of these groups formed as much as 1 percent of total exports.

TABLE 5.—Uruguay: Exports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group, sub-group, or commodity <sup>2</sup>	1929 (1 peso = \$0.9863)		1932 (1 peso = \$0.4706)		1936 (1 peso = \$0.5237)		1937 (1 peso = \$0.5395)		1938 (1 peso = \$0.5697)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Grand total.....	91,679	100.0	27,428	100.0	47,244	100.0	55,352	100.0	54,886	100.0
Animals and animal products.....	77,377	84.4	22,595	82.4	37,821	80.1	46,724	84.4	46,030	83.9
Wool.....	28,228	30.8	8,785	32.0	21,988	46.5	25,425	45.9	23,995	43.6
Wool, unwashed.....	26,920	29.4	8,439	30.8	19,508	41.3	22,379	40.4	20,078	36.6
Wool, washed.....	1,308	1.4	346	1.2	2,480	5.2	3,046	5.5	2,917	5.3
Meat and extracts.....	29,508	32.2	8,816	32.1	8,331	17.6	10,955	19.8	12,482	22.7
Beef, frozen and chilled.....	12,642	13.8	4,983	18.2	3,306	7.0	5,167	9.3	6,671	12.2
Canned meats.....	6,433	7.0	1,896	6.9	2,803	5.9	3,525	6.4	3,062	5.6
Mutton, frozen.....	4,635	5.1	626	2.3	608	1.3	863	1.6	1,038	1.9
Canned tongues.....	444	.5	181	.7	239	.5	396	.7	361	.7
Meat extract, excluding liquid.....	2,137	2.3	676	2.5	732	1.5	380	.7	497	.9
Casings, frozen.....	987	1.1	297	1.1	266	.6	348	.6	499	.9
Hides.....	11,801	12.9	3,548	12.9	5,529	11.7	7,679	13.9	6,465	11.8
Cattle hides, dried and salted.....	3,867	4.2	943	3.4	759	1.6	2,915	5.3	1,524	2.8
Cattle hides, frigorifico, salted.....	4,626	5.0	1,613	5.9	2,540	5.4	2,549	4.6	2,844	5.2
Sheepskins, dry.....	2,310	2.5	759	2.9	1,511	3.2	1,404	2.5	1,322	2.4
Live animals.....	3,183	3.5	285	1.0	662	1.4	1,339	2.4	1,221	2.2
Cattle.....	2,073	2.3	248	.9	586	1.2	1,290	2.3	1,123	2.0
Tallow, grease, fats, etc.....	2,630	2.9	524	1.9	617	1.3	424	.8	540	1.0
Bristles and hair.....	339	.4	107	.4	103	.2	140	.3	179	.3
Bones and bone ash (meal).....	431	.5	83	.3	133	.3	233	.4	421	.8
Horns.....	113	.1	27	.1	22	( <sup>3</sup> )	33	.1	28	.1
Fertilizer (guano).....	160	.2	73	.3	30	.1	29	.1	15	( <sup>3</sup> )
Agricultural products and byproducts.....	9,118	9.9	2,007	7.3	6,655	14.1	5,481	9.9	5,828	10.6
Grains, cereals, flour, and pastes.....	8,998	9.8	1,873	6.8	6,014	12.7	5,192	9.4	5,278	9.6
Flaxseed (linseed).....	3,575	3.9	1,863	6.8	2,784	5.9	2,547	4.6	2,904	5.3
Wheat.....	4,105	4.5	—	—	2,506	5.3	2,267	4.1	1,445	2.6
Rice.....	—	—	—	—	97	.2	280	.5	36	.1
Flour, wheat.....	906	1.0	8	( <sup>3</sup> )	609	1.3	95	.2	890	1.6
Fodder and oleaginous feeds.....	73	.1	69	.3	186	.4	259	.5	311	.6
Fruits and vegetables.....	34	( <sup>3</sup> )	24	.1	276	.6	26	( <sup>3</sup> )	67	.1
Extractive materials and products.....	4,975	5.4	2,397	8.7	2,339	4.9	1,782	3.2	1,941	3.5
Minerals and metals.....	4,366	4.8	1,604	5.8	1,368	2.9	1,306	2.4	1,390	2.5
Sand.....	2,318	2.5	996	3.3	582	1.2	729	1.3	996	1.8
Stone, common.....	647	.7	405	1.5	548	1.2	508	.9	362	.7
Fish and game and products.....	508	.6	358	1.3	278	.6	33	.1	9	( <sup>3</sup> )
All other products.....	101	.1	436	1.6	693	1.5	442	.8	542	1.0
Eggs, fresh and cold storage.....	28	( <sup>3</sup> )	367	1.3	481	1.0	241	.4	330	.6
Fowl, frozen.....	26	( <sup>3</sup> )	66	.2	212	.4	201	.4	212	.4
Commodities for the supply of vessels.....	160	.2	399	1.5	92	.2	296	.5	448	.8
Coal for the supply of vessels.....	( <sup>4</sup> )	—	( <sup>4</sup> )	—	( <sup>4</sup> )	—	685	1.3	376	.7
Miscellaneous products.....	49	.1	30	.1	337	.7	384	.7	243	.5

<sup>1</sup> Primarily special exports. Bullion and goods in transit to Brazil are included. Specie and parcel post are excluded. No data are published concerning specie movements. Values are commercial valuations, i. e., real or market values.

<sup>2</sup> Classifications employed in this table are those given in the Uruguayan export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Less than one-half of 1 percent.

<sup>4</sup> Not included in total exports.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República Oriental del Uruguay*, vol. II.

Quantities, values, and unit values of selected Uruguayan export commodities, in specified years, 1929 to 1938, are shown in table 6. The trend of exports of unwashed wool, the leading export commodity, was downward (in terms of quantity) from 1929 to 1937, the quantity in 1937 (82 million pounds) being 76 percent of that in 1929. The dollar value of exports of wool declined by more than two-thirds between 1929 and 1932; thereafter it increased, in 1937 reaching 83 percent of that in 1929. In 1938 the quantity increased substantially over 1937 (to 102 million pounds), but the dollar value was somewhat lower.

Exports of chilled and frozen beef from Uruguay declined from 169 million pounds in 1929 to 91 million pounds in 1936, or 54 percent of the 1929 figure. Thereafter they increased, the quantity in 1938 (145 million pounds) being 86 percent of that in 1929. Dollar values in 1936 were about one-fourth of those in 1929; by 1938 they had increased to more than one-half of the 1929 level. In 1929 somewhat more than one-half, and in 1932 and 1938 approximately three-fifths of the exports of chilled and frozen beef, in terms of quantity, consisted of frozen beef. In 1937 exports of these two types were about equal, whereas in 1936 frozen beef accounted for over three-fifths.

Exports of canned meat declined from 72 million pounds in 1929 to 44 million pounds in 1932. Thereafter they increased to 75 million pounds in 1937, but declined in 1938 to 49 million pounds (68 percent of the 1929 figure). In dollar value, exports of canned meat in 1932 declined to 29 percent of their 1929 value. In 1937 the value increased to 55 percent of the 1929 level, but dropped off somewhat in 1938.

TABLE 6.—Uruguay: Exports of selected commodities, in specified years, 1929 to 1938

Commodity	1929	1932	1936	1937	1938
Quantity					
Wool, unwashed, 1,000 lb.....	107,326	91,359	90,991	81,646	102,039
Beef, frozen, 1,000 lb.....	87,299	85,796	33,873	67,171	89,596
Beef, chilled, 1,000 lb.....	81,848	58,605	57,487	69,980	55,858
Meat, canned, 1,000 lb.....	71,895	44,418	69,897	75,510	49,040
Mutton, frozen, 1,000 lb.....	49,145	13,616	14,788	17,947	18,919
Flaxseed, 1,000 bu.....	2,201	3,082	3,028	2,951	2,849
Value (1,000 U. S. dollars) <sup>1</sup>					
Wool, unwashed.....	26,920	8,439	19,508	22,379	20,078
Beef, frozen.....	6,435	2,822	1,056	2,224	3,723
Beef, chilled.....	6,207	2,161	2,251	2,943	2,948
Meat, canned.....	6,433	1,896	2,503	3,525	3,062
Mutton, frozen.....	4,635	628	608	863	1,058
Flaxseed.....	3,575	1,863	2,764	2,547	2,904
Unit value (U. S. dollars)					
Wool, unwashed, lb.....	\$0.251	\$0.092	\$0.214	\$0.274	\$0.197
Beef, frozen, lb.....	.074	.033	.031	.033	.042
Beef, chilled, lb.....	.076	.037	.039	.042	.033
Meat, canned, lb.....	.080	.043	.040	.047	.062
Mutton, frozen, lb.....	.094	.046	.041	.048	.056
Flaxseed, bu.....	1.624	.704	.919	.863	1.019

<sup>1</sup> Converted at rates shown in table 1.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República Oriental del Uruguay*.

Uruguayan exports of frozen mutton in 1929 amounted to 49 million pounds. They declined to 14 million pounds in 1932, increasing to 19 million pounds in 1938, or 38 percent of the 1929 figure. The dollar value of exports of frozen mutton dropped sharply in 1932 as compared with 1929. It declined still further in 1936, when it was only 13 percent of that in 1929, but recovered in 1938 to 23 percent of the 1929 figure.

Exports of flaxseed from Uruguay increased from 2.2 million bushels in 1929 to 3 million bushels in 1932. In the period 1936-38 they declined from 3 million to 2.8 million bushels; in 1938, therefore, they were still 29 percent above the 1929 level. The dollar value of exports of flaxseed in 1932, however, was only 52 percent of that in 1929. Thereafter values increased irregularly, in 1938 reaching 81 percent of the 1929 level.

TABLE 7.—Uruguay: Foreign trade with selected countries, in terms of pesos, in specified years, 1929 to 1938

[Value in thousands of pesos]

Country	1929	1932	1936	1937	1938
<b>Exports to 1—</b>					
All countries.....	92,952	58,284	90,212	98,932	96,343
<b>UNITED STATES</b> .....	11,061	2,385	13,871	13,973	3,826
United Kingdom.....	21,413	16,254	23,330	23,867	25,208
Germany.....	13,498	9,074	10,085	13,288	22,641
Japan.....	58	71	6,248	9,651	1,609
Italy.....	6,306	6,253	3,704	5,387	4,257
France.....	11,149	8,288	5,664	4,582	7,136
Argentina.....	11,672	5,156	10,009	9,401	9,204
Brazil.....	2,761	688	2,792	2,684	3,469
All other.....	15,034	10,115	14,509	16,089	* 18,963
<b>Imports from 1—</b>					
All countries.....	93,284	55,510	66,029	79,876	74,931
<b>UNITED STATES</b> .....	28,182	5,318	9,040	10,674	8,846
United Kingdom.....	15,465	10,484	12,393	13,435	15,219
Germany.....	9,029	5,317	6,510	8,383	12,288
Japan.....	1,049	433	3,396	3,697	3,580
Italy.....	4,168	2,288	2,110	2,910	3,101
France.....	3,639	1,855	1,567	1,976	1,623
Argentina.....	8,442	9,672	3,055	5,844	3,393
Brazil.....	6,849	5,723	4,643	4,994	5,804
All other.....	16,661	14,420	23,315	27,763	* 21,077

<sup>1</sup> Primarily special exports. Bullion, parcel post, and goods in transit to Brazil are included; specie is excluded. No data are published concerning specie movements. Values are commercial valuations, i. e., "real" or market values.

\* Includes trade with the following countries:

Exports to—	Pesos (1,000)	Imports from—	Pesos (1,000)
Belgium.....	2,670	Belgium.....	2,146
Netherlands.....	2,570	Netherlands.....	1,488

<sup>2</sup> Primarily special imports. Bullion is included; specie and parcel post are excluded. No data are published concerning specie movements. Values are based on official appraised values.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República Oriental del Uruguay*.

**Destination.**—In 1938, four countries took two-thirds of the value of all exports from Uruguay. These principal markets, with the share of the total taken by each, were the United Kingdom, 26 percent; Germany, 23 percent; Argentina, 9 percent; and France, 7 percent. Other purchasers in 1938 included Italy, the United States, Brazil, Belgium, the Netherlands, and Japan. Exports from Uruguay to selected countries, in specified years, 1929 to 1938, are shown in pesos



in table 7 and in dollars in table 8. More detailed data for 1937 are shown in table 9.

The most significant features of the distribution of Uruguayan exports in the decade 1929-38 were the wide fluctuations in the share taken by the United States, the maintenance by the United Kingdom of its position as the leading Uruguayan export market, and the substantial increase in Germany's share in 1938.

The United Kingdom, long the leading market for Uruguayan products, in the decade 1929-38 consumed approximately one-fourth of all Uruguayan exports. The value of United Kingdom purchases ranged from 7.6 million (1932) to 21 million dollars (1929). The share of Germany ranged between 11 and 16 percent, except in 1938, when it increased to 23 percent. In value, Germany's purchases varied from 4.3 million (1932) to 13.3 million dollars (1929).

TABLE 8.—Uruguay: Foreign trade with selected countries, in terms of dollars, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Country	1929 (1 peso = \$0.9663)		1932 (1 peso = \$0.4706)		1936 (1 peso = \$0.5237)		1937 (1 peso = \$0.5565)		1938 (1 peso = \$0.5607)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
<b>Exports to—</b>										
All countries.....	91,679	100.0	27,428	100.0	47,244	100.0	55,312	100.0	54,886	100.0
UNITED STATES.....	10,910	11.9	1,122	4.1	7,264	15.4	7,819	14.1	2,150	4.0
United Kingdom.....	21,120	23.0	7,649	27.9	12,218	25.8	13,374	24.1	14,361	26.1
Germany.....	13,313	14.5	4,270	15.6	5,282	11.2	7,435	13.4	12,886	23.5
Japan.....	57	.1	33	.1	3,272	6.9	5,465	9.8	917	1.7
Italy.....	6,220	6.8	2,943	10.7	1,940	4.1	3,014	5.5	2,425	4.4
France.....	10,996	12.0	3,999	14.2	2,996	6.3	2,564	4.6	4,663	7.4
Argentina.....	11,512	12.6	2,426	8.8	5,242	11.1	5,290	9.5	5,244	9.6
Brazil.....	2,723	3.0	324	1.2	1,462	3.1	1,562	2.7	1,975	3.6
All other.....	14,828	16.1	4,761	17.4	7,366	16.1	9,000	16.3	10,820	19.7
<b>Imports from—</b>										
All countries.....	92,006	100.0	26,123	100.0	34,579	100.0	44,691	100.0	42,658	100.0
UNITED STATES.....	27,796	30.2	2,502	9.6	4,734	13.7	6,094	13.6	5,039	11.8
United Kingdom.....	15,253	16.6	4,954	18.9	6,490	18.8	7,517	16.8	8,679	20.3
Germany.....	8,905	9.7	2,502	9.6	3,409	9.8	4,690	10.5	7,011	16.4
Japan.....	1,635	1.1	204	.8	1,778	5.1	2,098	4.6	2,040	4.8
Italy.....	4,111	4.5	1,077	4.1	1,105	3.2	1,628	3.6	1,767	4.1
France.....	3,589	3.9	673	2.6	821	2.4	1,167	2.5	924	2.2
Argentina.....	8,326	9.0	4,852	17.4	1,600	4.6	3,270	7.3	1,933	4.5
Brazil.....	6,558	7.1	2,683	10.3	2,432	7.0	2,794	6.3	3,397	7.7
All other.....	16,433	17.9	6,786	26.0	12,210	35.4	15,553	34.8	12,067	28.2

<sup>1</sup> Primarily special exports. Bullion, parcel post, and goods in transit to Brazil are included; specie is excluded. No data are published concerning specie movements. Values are commercial valuations, i. e., "real" or market values.

<sup>2</sup> Includes trade with the following countries:

Exports to—	U. S. dollars (1,000)	Percent of total	Imports from—	U. S. dollars (1,000)	Percent of total
Belgium.....	1,521	2.8	Belgium.....	1,222	2.9
Netherlands.....	1,404	2.7	Netherlands.....	648	2.0

<sup>3</sup> Primarily special imports. Bullion is included; specie and parcel post are excluded. No data are published concerning specie movements. Values are based on official appraised values.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República Oriental del Uruguay*.

The proportion of the value of Uruguayan exports taken by the United States has fluctuated widely. In 1929, 12 percent of all Uruguayan shipments abroad went to the United States. Its share declined to 4 percent in 1932, increased irregularly to 14 percent in

1937, and dropped sharply to 4 percent in 1938. In terms of value, shipments to the United States ranged from 1.1 million (1932) to 11 million dollars (1929). These marked variations resulted chiefly from the sharp fluctuations in shipments of wool. Because of the large and fairly stable production of wool (other than carpet wool) in the United States, this country's imports of wool decline abruptly when the demand for manufactures of wool declines, and rise markedly when that demand increases.

TABLE 9.—Uruguay: Foreign trade, by geographic areas and principal countries, in 1937

[Value in thousands of U. S. dollars]

Exports <sup>1</sup> (1 peso=\$0.5595)			Imports <sup>1</sup> (1 peso=\$0.5595)		
To—	Value	Percent of total	From—	Value	Percent of total
<b>Western Hemisphere:</b>			<b>Western Hemisphere:</b>		
UNITED STATES.....	7,818	14.1	UNITED STATES.....	6,084	13.6
Canada.....	238	.4	Canada.....	270	.6
Argentina.....	5,260	9.5	Netherlands West Indies.....	3,960	8.9
Brazil.....	1,502	2.7	Argentina.....	3,270	7.2
All other Western Hemisphere countries.....	323	.6	Brazil.....	2,794	6.3
			All other Western Hemisphere countries.....	3,814	8.5
<b>Total.....</b>	<b>15,141</b>	<b>27.3</b>	<b>Total.....</b>	<b>20,192</b>	<b>45.2</b>
<b>Europe:</b>			<b>Europe:</b>		
United Kingdom.....	13,354	24.1	United Kingdom.....	7,517	16.8
Germany.....	7,424	13.4	Germany.....	4,690	10.5
France.....	2,564	4.6	France.....	1,107	2.5
Italy.....	3,014	5.5	Italy.....	1,628	3.6
Belgium.....	2,194	4.0	Belgium.....	2,205	4.9
All other European countries.....	4,410	8.0	Netherlands.....	1,327	3.0
			All other European countries.....	2,851	6.4
<b>Total.....</b>	<b>32,970</b>	<b>59.6</b>	<b>Total.....</b>	<b>21,325</b>	<b>47.7</b>
<b>Asia:</b>			<b>Asia:</b>		
Japan.....	5,405	9.8	Japan.....	2,068	4.6
All other Asiatic countries.....	74	.1	All other Asiatic countries.....	661	1.5
<b>Total.....</b>	<b>5,479</b>	<b>9.9</b>	<b>Total.....</b>	<b>2,729</b>	<b>6.1</b>
<b>Africa:</b>			<b>Africa:</b>		
.....	53	.1	.....	433	1.0
<b>Oceania:</b>			<b>Oceania:</b>		
.....	1,709	3.1	.....	12	( <sup>1</sup> )
Country not specified.....					
<b>Grand total.....</b>	<b>55,352</b>	<b>100.0</b>	<b>Grand total.....</b>	<b>44,661</b>	<b>100.0</b>

<sup>1</sup> Primarily special trade, but certain reexports are included. Bullion is included, but specie is excluded. No data are published concerning specie movements. Parcel post is also excluded. Import values are on the basis of the official appraised values; real or market values are also published. Goods in transit to Brazil are included. Export values are commercial valuations. The conversion factor is an approximation owing to the variety of exchange, and the figures should be used as a reflection of general trend rather than as absolute statement of values.

<sup>2</sup> Less than one-tenth of 1 percent.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República Oriental del Uruguay, 1937*.

In the later years of the decade 1929–38, French and Italian purchases of Uruguayan products constituted smaller shares of the total than in 1929 and 1932. Exports to Japan, which formed a negligible proportion of the value of total exports in 1929 and 1932, increased markedly in 1936 and 1937, but declined sharply in 1938.<sup>16</sup>

Exports from Uruguay to other Latin American countries go almost entirely to Argentina and Brazil. In 1937 they were valued at nearly

<sup>16</sup> The value of exports to France, Italy, and Japan varied as follows: France, from 2.6 million (1937) to 11 million dollars (1929); Italy, from 2 million (1936) to 6.2 million dollars (1929); and Japan, from 33,000 (1932) to 5.4 million dollars (1937).

7 million dollars and constituted more than 12 percent of total exports, 9 percent going to Argentina and 3 percent to Brazil. Some of these shipments, especially those to Argentina, probably were re-exported to Europe or the United States.

In ordinary times, meats exported from Uruguay go largely to the United Kingdom. In 1938 that country took all the exports of chilled beef, nearly all of the frozen mutton, approximately one-half (by value) of the canned meat, over 40 percent of the frozen pork, and nearly 20 percent of the frozen beef. Other markets for frozen beef in 1938 were Germany (35 percent), and France (23 percent). Other purchasers of frozen pork were Italy, Germany, and the Netherlands. The United States ranked second as a market for canned meat in 1938, taking over one-fourth of the total value; other markets were France, Germany, and Belgium.

In 1938, Germany was the leading purchaser of Uruguayan exports of unwashed wool, taking over two-fifths of the total, in terms of value. The United Kingdom took nearly one-fourth, and was followed by Italy, France, Czechoslovakia, and Japan. In some other years, notably 1929 and 1937, the share of exports of unwashed wool taken by the United States was much larger than in 1938. Semiwashed wool in 1938 went almost entirely to the United Kingdom. Washed wool was shipped to a large number of markets, the most important of which were Belgium, Czechoslovakia, Poland and Danzig, and the United Kingdom.

#### Imports into Uruguay.

*Composition.*—Uruguayan imports consist of a wide variety of manufactured products, semifinished products, fuels, and raw materials.<sup>17</sup> The Uruguayan import classification consists of 21 groups, the most important of which are primary materials; general merchandise; hardware and ships' stores; smallwares and notions; building and construction materials; and automobiles and accessories. In both 1929 and 1938 these six groups accounted for 85 percent of all Uruguayan imports, in terms of value. Imports into Uruguay, by groups and principal commodities, in specified years, 1929 to 1938, are shown in pesos in table 10 and in dollars in table 11.

Fluctuations in the buying power of Uruguay during the decade 1929-38 affected certain groups of imports more than others. Capital goods, for example, varied more than consumer goods. The small imports of building and construction materials, automobiles and accessories, and electrical articles and appliances in 1932 made the share of some other groups higher in that year than in other years shown in table 11. The changes in absolute value from year to year were in part the result of price fluctuations.

In terms of dollar value, imports in most groups in 1937 and 1938 were much smaller than in 1929, but larger than in 1932; the dominant group of primary materials, however, showed little decline from 1929. In dollar value the ratios of imports in 1938 to those in 1929 for the major groups were as follows: Primary materials, 94 percent; general merchandise, 48 percent; hardware and ships' stores, 24 percent; smallwares and notions, 47 percent; building and construction materials, 21 percent; and automobiles and accessories, 38 percent.

<sup>17</sup> Because of changes in the Uruguayan import classification, it has not been practicable to provide data for individual commodities in 1929; only group totals are shown (see tables 10 and 11).

TABLE 10.—Uruguay: Imports,<sup>1</sup> in terms of pesos, by commodity groups and principal commodities, in specified years, 1929 to 1938

[Value in thousands of pesos]

Commodity group or commodity <sup>2</sup>	1929	1932	1936	1937	1938
<b>Grand total</b> .....	<b>93,284</b>	<b>55,510</b>	<b>66,029</b>	<b>79,876</b>	<b>74,931</b>
<b>Primary materials</b> .....	<b>15,968</b>	<b>14,859</b>	<b>19,647</b>	<b>24,098</b>	<b>26,149</b>
Petroleum, crude.....		( <sup>3</sup> )	( <sup>3</sup> )	2,085	3,455
Coal.....		3,099	3,326	4,181	3,339
Fuel oil.....		2,864	2,609	3,181	2,800
Machinery, industrial and agricultural.....		451	1,084	1,427	1,872
Peanuts, shelled for industrial purposes.....		( <sup>3</sup> )	445	955	1,110
Lubricating oils.....		475	560	530	937
Cotton yarn.....		467	433	840	880
Burlap.....		460	738	667	820
Tin plate, unworked.....	( <sup>3</sup> )	435	405	450	776
Iron and steel, in sheets.....		136	459	617	596
Artificial silk yarn.....		( <sup>3</sup> )	300	375	492
Tractors, agricultural.....		63	223	465	413
Sugar, raw.....		231	( <sup>3</sup> )	344	380
Wire, galvanized, for fencing and for vineyards.....		203	375	487	353
Wire, baling.....		221	306	335	359
Anilines in general.....		120	262	227	332
Sirup, sugarcane.....		( <sup>3</sup> )	161	225	.....
Phosphate, mineral for agriculture.....		( <sup>3</sup> )	1	212	1
<b>General merchandise ("almacen en general")</b> .....	<b>16,305</b>	<b>11,825</b>	<b>12,301</b>	<b>11,751</b>	<b>12,791</b>
Sugar, refined.....		3,876	4,355	4,376	5,239
Yerba maté.....		1,682	2,137	1,980	2,271
Olive oil.....		1,447	1,101	649	719
Tobacco.....	( <sup>3</sup> )	611	823	657	683
Coffee, in the grain.....		541	547	528	605
Peanuts, shelled and unshelled.....		9	79	111	645
Spirituous liquors (aguardiente).....		440	385	357	436
Kerosene.....		1,384	2,052	1,511	371
Small wares and notions <sup>4</sup> .....	9,212	4,434	7,158	7,863	7,535
Hardware and ships' stores.....	15,252	11,358	12,639	11,194	6,392
Naphtha.....	( <sup>3</sup> )	9,299	10,321	8,253	2,975
China ware, porcelain ware, and glassware.....		126	274	311	356
<b>Building and construction materials <sup>5</sup></b> .....	<b>16,536</b>	<b>3,892</b>	<b>3,649</b>	<b>7,385</b>	<b>6,112</b>
Iron and steel, for construction.....		1,044	1,312	1,861	1,786
Pine, Brazil.....		370	411	670	849
Iron tubes and pipes, in general, and for sanitary installation.....	( <sup>3</sup> )	69	13	15	332
Pine, candlewood.....		281	281	670	286
Fir, spruce, and Douglas.....		159	218	251	331
Cement, portland or roman.....		94	31	282	275
<b>Automobiles and accessories</b> .....	<b>7,406</b>	<b>1,116</b>	<b>2,769</b>	<b>4,103</b>	<b>4,575</b>
Chassis.....		46	468	1,002	1,073
Automobiles.....	( <sup>3</sup> )	52	761	1,542	910
Automobile tires and tubes.....		852	1,200	911	500
Paper, stationery, and products.....	2,181	1,474	2,324	2,426	2,904
Electrical articles and appliances.....	4,097	1,135	1,310	2,094	2,202
Wire and cable.....	( <sup>3</sup> )	267	417	601	697
Electric light bulbs.....	( <sup>3</sup> )	211	284	442	270
<b>Plants, fruits, and vegetables</b> .....	<b>3,330</b>	<b>2,413</b>	<b>1,486</b>	<b>2,904</b>	<b>1,958</b>
Potatoes.....	( <sup>3</sup> )	2,049	1,019	2,005	1,071
Bananas.....		324	407	573	544
Jewelry, silverware, watches, and clocks, etc.....	696	259	656	1,333	1,350
Drugs and chemical products.....	618	579	699	809	934
<b>Pharmaceutical, surgical, dental, and photographic articles and equipment</b> .....	<b>462</b>	<b>463</b>	<b>282</b>	<b>379</b>	<b>558</b>
Livestock.....	199	1,286	529	563	353
Pharmaceutical specialties and specifics.....	348	217	174	245	278
Fabrics, upholsterers' materials, and trimmings.....	235	74	170	240	249
Shoemakers' wares, saddlery, and skins.....	722	170	160	160	129
Perfumery and toilet articles.....	334	62	72	89	52
Musical instruments.....	330	43	14	21	47
Toys.....					59
Furniture.....	83	19	1	5	4
Articles free of duty.....				2,197	.....

<sup>1</sup> Primarily special imports. Bullion is included. Specie and parcel post are excluded. No data are published concerning specie movements. Values are based on official appraised values.

<sup>2</sup> Classifications employed in this table are those given in the Uruguayan import statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Not available.

<sup>4</sup> Not shown separately.

<sup>5</sup> There are over 1,000 import classifications in this group.

<sup>6</sup> Wheat is included in this group. Imports were negligible except in 1937, when they amounted to 1,717,824 pesos.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República Oriental del Uruguay*, vol. II.

TABLE 11.—Uruguay: Imports,<sup>1</sup> in terms of dollars, by commodity groups and principal commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group or commodity <sup>1</sup>	1929 (1 peso = \$0.9663)		1932 (1 peso = \$0.4706)		1936 (1 peso = \$0.5237)		1937 (1 peso = \$0.5595)		1938 (1 peso = \$0.5697)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Grand total.....	92,006	100.0	26,123	100.0	34,570	100.0	44,691	100.0	42,588	100.0
Primary materials.....	15,750	17.1	6,993	26.8	10,289	29.8	13,482	30.2	14,897	34.9
Petroleum, crude.....			( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1,166	2.6	1,908	4.6
Coal.....			1,458	5.6	1,742	5.0	2,339	5.2	1,902	4.5
Fuel oil.....			1,348	5.2	1,366	4.0	1,780	4.0	1,595	3.7
Machinery, industrial and agricultural.....			212	.8	568	1.6	796	1.8	1,067	2.5
Peanuts, shelled for in- dustrial purposes.....			( <sup>1</sup> )		233	.7	534	1.2	632	1.5
Lubricating oils.....			223	.9	293	.8	297	.7	534	1.3
Cotton yarn.....			220	.8	227	.7	470	1.1	501	1.2
Burlap.....			216	.8	386	1.1	373	.8	467	1.1
Tin plate, unworked.....			205	.8	212	.6	252	.6	442	1.0
Iron and steel, in sheets.....	( <sup>1</sup> )		64	.2	240	.7	345	.8	339	.8
Artificial silk yarn.....	( <sup>1</sup> )		( <sup>1</sup> )		157	.5	210	.5	280	.7
Tractors, agricultural.....			30	.1	117	.3	240	.6	235	.6
Sugar, raw.....			109	.4	( <sup>1</sup> )		193	.4	216	.5
Wire, galvanized, for fencing and for vine- yards.....			96	.4	196	.6	273	.6	201	.5
Wire, baling.....			104	.4	160	.5	187	.4	205	.5
Anilines in general.....			57	.2	137	.4	127	.3	189	.4
Sirup, sugarcane.....			( <sup>1</sup> )		95	.3	126	.3		
Phosphate, mineral, for agriculture.....			( <sup>1</sup> )		1	( <sup>1</sup> )	119	.3	( <sup>1</sup> )	( <sup>1</sup> )
General merchandise ("al- macen en general").....	15,096	16.4	5,471	20.9	6,442	18.6	6,575	14.7	7,287	17.1
Sugar, refined.....			1,824	7.0	2,281	6.6	2,448	5.5	2,984	7.0
Yerba maté.....			792	3.0	1,119	3.2	1,108	2.5	1,394	3.0
Olive oil.....			681	2.6	577	1.7	363	.8	410	1.0
Tobacco.....			287	1.1	431	1.2	368	.8	369	.9
Coffee, in the grain.....	( <sup>1</sup> )		255	1.0	287	.8	296	.7	379	.9
Peanuts, shelled and un- shelled.....			4	( <sup>1</sup> )	41	.1	62	.1	367	.9
Spiritous liquors (aguar- diente).....			207	.8	202	.6	200	.4	248	.6
Kerosene.....			651	2.5	1,074	3.1	845	1.9	212	.5
Smallwares and notions <sup>1</sup> .....	9,086	9.9	2,987	8.0	3,749	10.9	4,399	9.8	4,280	10.0
Hardware and ships' stores.....	15,043	16.3	5,345	20.5	6,614	19.1	6,257	14.0	3,641	8.5
Naphtha.....			4,334	16.8	5,405	15.6	4,617	10.3	1,695	4.0
Chinaware, porcelain- ware, and glassware.....	( <sup>1</sup> )		59	.2	144	.4	174	.4	208	.5
Building and construction materials <sup>1</sup> .....	16,299	17.7	1,831	7.0	1,911	5.5	4,132	9.3	3,482	8.2
Iron and steel, for con- struction.....			491	1.9	687	2.0	1,041	2.3	1,017	2.4
Pine, Brazil.....			177	.7	215	.6	375	.8	484	1.1
Iron tubes and pipes, in general, and for sani- tary installation.....	( <sup>1</sup> )		33	.1	7	( <sup>1</sup> )	8	( <sup>1</sup> )	189	.4
Pine, candlewood.....			132	.5	147	.4	380	.8	163	.4
Fir, spruce, and Douglas Cement, portland or roman.....			75	.3	114	.3	140	.3	189	.4
Automobiles and accessories.....	7,304	7.9	525	2.0	1,430	4.2	2,295	5.1	2,777	6.5
Chassis.....			22	.1	245	.7	560	1.3	611	1.4
Automobiles.....			26	.1	398	1.2	863	1.9	518	1.2
Automobile tires and tubes.....			401	1.5	628	1.8	510	1.1	285	.7
Paper, stationery, and prod- ucts.....	2,151	2.3	694	2.7	1,217	3.5	1,357	3.0	1,654	3.9
Electrical articles and ap- pliances.....	4,041	4.4	534	2.1	686	2.0	1,172	2.6	1,255	2.9
Wire and cable.....			126	.5	218	.6	536	.8	397	.9
Electric light bulbs.....			99	.4	149	.4	247	.6	154	.4
Plants, fruits, and vegetables.....	3,275	3.6	1,136	4.4	778	2.3	1,625	3.6	1,116	2.6
Potatoes.....			994	3.7	534	1.5	1,122	2.5	610	1.4
Bananas.....			152	.6	213	.6	321	.7	310	.7

See footnotes at end of table.

TABLE 11.—Uruguay: Imports,<sup>1</sup> in terms of dollars, by commodity groups and principal commodities, in specified years, 1929 to 1938—Continued

[Value in thousands of U. S. dollars]

Commodity group or commodity <sup>1</sup>	1929 (1 peso = \$0.9863)		1932 (1 peso = \$0.4706)		1936 (1 peso = \$0.5237)		1937 (1 peso = \$0.5595)		1938 (1 peso = \$0.5697)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
Jewelry, silverware, watches, and clocks, etc. ....	686	0.7	136	0.5	343	1.0	746	1.7	769	1.8
Drugs and chemical products	610	.7	273	1.0	366	1.1	453	1.0	532	1.2
Pharmaceutical, surgical, dental, and photographic articles and equipment. ....	455	.5	218	.8	148	.4	212	.5	318	.7
Livestock .....	196	.2	605	2.3	277	.8	331	.8	201	.5
Pharmaceutical specialties and specifics .....	344	.4	102	.4	91	.3	137	.3	158	.4
Fabrics, upholsterers' mate- rials, and trimmings .....	222	.2	35	.1	89	.3	134	.3	142	.3
Shoemakers' wares, saddlery, and skins .....	712	.8	80	.3	84	.2	90	.2	74	.2
Perfumery and toilet articles	330	.4	29	.1	38	.1	50	.1	29	.1
Musical instruments .....	325	.4	20	.1	7	( <sup>2</sup> )	12	( <sup>2</sup> )	27	.1
Toys .....									34	.1
Furniture .....	81	.1	9	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	3	( <sup>2</sup> )	2	( <sup>2</sup> )
Articles free of duty .....							1,229	2.8		

<sup>1</sup> Primarily special imports. Bullion is included. Specie and parcel post are excluded. No data are published concerning specie movements. Values are based on official appraised values.

<sup>2</sup> Classifications employed in this table are those given in the Uruguayan import statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Not available.

<sup>4</sup> Not shown separately.

<sup>5</sup> Less than one-tenth of 1 percent.

<sup>6</sup> Less than \$500.

<sup>7</sup> There are over 1,000 import classifications in this group.

<sup>8</sup> Wheat is included in this group. Imports were negligible except in 1937, when they amounted to \$961,123.

Source: Compiled by the United States Tariff Commission from *Anuario Estadístico de la República Oriental del Uruguay*, vol. II.

"Primary materials," the most important Uruguayan import classification, embraces a wide variety of commodities, including fuels, industrial and agricultural machinery, semimanufactures, and raw materials. Imports in this group increased in share of total imports from 17 percent in 1929 to 35 percent in 1938; this increase probably reflected, in part, the effect of import controls on commodities in other groups and the continued growth of domestic industry. The most important commodities were crude petroleum, coal, fuel oil, industrial and agricultural machinery, shelled peanuts (for industrial purposes), lubricating oils, cotton yarn, and burlap.

The second Uruguayan import classification is "almacén en general," a term which may be translated freely as general merchandise. This group, in the decade 1929-38, accounted for from 15 percent to 21 percent of all commodities imported into Uruguay. The most important items in 1938 were sugar (7 percent) and yerba maté (3 percent). Other commodities, none of which exceeded 1 percent of all imports, were olive oil; tobacco; coffee, in the grain; peanuts, shelled and unshelled; spirituous liquors; and kerosene. Imports of kerosene declined markedly after 1936.

Smallwares and notions form the third most important import group, accounting for 10 percent of total imports in 1938. This group embraces over 1,000 import classifications. Since 1936, Japan

has been the principal supplier, averaging about 50 percent of total imports within the group for the years 1936-38.

Other important Uruguayan imports, with share of all imports in 1938, are hardware and ships' stores, 8 percent; building and construction materials, 8 percent; and automobiles and accessories, 6 percent. The principal item in the hardware and ships' stores group was naphtha, imports of which have declined since 1936. In the building-and-construction-materials group, the most important single commodities were iron and steel for construction and Brazilian pine (see tables 10 and 11). Imports of wheat were included in this group; they were negligible in all the years shown except 1937, when they were valued at nearly 1 million dollars. Imports of automobiles and accessories increased steadily after 1936.

The import groups discussed above constituted more than 85 percent of all Uruguayan imports in 1938. Of the remaining 15 import groups, the most important in 1938 were paper, stationery, and products; electrical articles and appliances; plants, fruits, and vegetables; jewelry, silverware, watches, and clocks; and drugs and chemical products. The remaining 10 groups together accounted for little more than 2 percent of total imports (see table 11).

*Sources.*—On the basis of value, the principal sources of imports into Uruguay in 1938, with share of the total supplied by each country, were the United Kingdom, 20 percent; Germany, 16 percent; the United States, 12 percent; and Brazil, 8 percent. Other suppliers in that year included Japan, Argentina,<sup>18</sup> Italy, Belgium, France, and the Netherlands. Imports into Uruguay from selected countries, in specified years, 1929 to 1938, have already been shown in pesos in table 7 and in dollars in table 8. More detailed data for 1937 are shown in table 9.

During the decade 1929-38 the United Kingdom usually was the principal supplier of Uruguayan imports, with the United States ranking second. In 1929, however, the United States was first; in 1938 it dropped to third place, and Germany ranked second. The share of the United Kingdom varied between 17 percent (1937) and 20 percent (1938), while the value of imports from that source ranged from 5 million (1932) to 15 million dollars (1929); it was about 9 million dollars in 1938.

The share of the United States fluctuated widely, ranging from about 10 percent (1932) and 12 percent (1938) to 30 percent (1929); the value varied from 2.5 million (1932) to 28 million dollars (1929), and was 5 million dollars in 1938. The decline in Uruguayan imports from the United States between 1937 and 1938 may have been due in part to the fact that purchases of Uruguayan products by the United States in 1938 amounted to less than one-third of those in 1937. In accordance with the bilateral balancing policy, therefore, the United States received no quota under the controlled-exchange allotments during 1938. Small amounts of free exchange were occasionally granted, however, for the importation of automobiles, agricultural machinery, and some raw materials; some "compensated" exchange was also available.

Germany's share in the Uruguayan import trade was approximately 10 percent in all years shown except 1938, when it increased to 16 per-

<sup>18</sup> A large part of the goods credited to Argentina probably consist of reexports from that country.

cent. The value of German exports to Uruguay ranged from 2.5 million (1932) to 9 million dollars (1929), and was 7 million dollars in 1938. The proportions of the value of total imports furnished by Italy and France ranged between 2 and 5 percent. Imports from Japan in 1929 and 1932 represented 1 percent or less; in the years 1936-38, they averaged nearly 5 percent.<sup>19</sup>

Imports into Uruguay from other countries of Latin America represent an important part of the total Uruguayan import trade. In 1937 they were valued at 9.6 million dollars, or about one-fifth of all imports. The most important Latin American sources of imports in that year were Argentina (7 percent of total imports) and Brazil (6 percent); some of this trade, especially with Argentina, may represent goods originating elsewhere.

### UNITED STATES TRADE WITH URUGUAY

The commercial relations of the United States with Uruguay are strikingly similar to those with Argentina.<sup>20</sup> The trade with the two countries in the decade 1929-38 was similar in composition, had almost the same trend, and was subject to similar controls.

Whereas imports into the United States from many other countries of Latin America are chiefly articles free of duty, imports from Argentina and Uruguay are composed largely of certain dutiable agricultural and pastoral products. Although these commodities are produced in the United States, imports in periods of considerable business activity have supplied a substantial part of the enlarged demand in the United States. At other times, when industrial activity has been reduced, imports of certain of these products, notably wool and hides, have been greatly curtailed, because domestic supplies have been adequate to meet the reduced demand. Because of the similarity of the export products of these two countries, the marked fluctuations in United States trade with them have been much the same.

In contrast to the import trade balances which the United States has had with most Latin American countries, this country, except in a few recent years, usually has had substantial export balances with both Uruguay and Argentina. But, since the adoption of new commercial policies in these countries involving trade controls based upon the principle of bilateral balancing, purchases from the United States have been restricted approximately to the amount of Uruguayan and Argentine sales to the United States. As a consequence, for almost a decade the positions of these countries as markets for United States products have been reduced drastically.

United States imports from both countries also are subject to certain restrictions other than duties. Sanitary restrictions have prevented the importation of certain meats and meat products from Uruguay as well as Argentina.

<sup>19</sup> The values of imports from France, Italy, and Japan varied as follows: France, from \$21,000 (1936) to 3.6 million dollars (1929); Italy, from 1 million (1932) to 4 million dollars (1929); and Japan, from 204,000 (1932) to 2 million dollars (1937 and 1938).

<sup>20</sup> See the chapter on Argentina, p. 31 ff.



**Trend of United States-Uruguayan trade.**

United States imports from Uruguay fluctuated widely in value not only during the last decade of severe changes in United States industrial conditions, but also during the 1920's. Wide changes in the price and the volume of United States imports of wool, the leading import from Uruguay, were primarily responsible. During the 1920's imports from Uruguay reached a high of 18.7 million dollars in 1929, then declined sharply to a low of 2.1 million in 1932. Ensuing recovery raised imports to 13.8 million dollars in 1937, but a much smaller demand for wool in 1938 led to greatly reduced imports (4.8 million dollars) in that year. In 1939, United States purchases increased markedly and were nearly double those in the preceding year. The rise was especially sharp after the outbreak of war in Europe. In 1940, imports into the United States from Uruguay amounted to 17.6 million dollars, nearly double those in 1939, and greater than in any year since 1929 (see table 12).

Uruguay's share in total United States imports from Latin America, amounting to 1.8 percent in 1939, has also varied materially; it was lowest in 1932 and highest in 1936. No clear trend is discernible, however, in the period 1924-39.

Uruguay's position as a market for United States exports also has fluctuated considerably, the most notable development being the greatly reduced share in United States sales to Latin America accounted for by Uruguay since 1931. In the 8 years 1932-39, the proportion going to Uruguay averaged but 1.7 percent of the total, compared with 3.2 percent in the 5 years, 1927-31.

TABLE 12.—United States imports from and exports to Uruguay, 1924-40

(Value in thousands of dollars)

Year	General imports		Exports (including reexports)		Year	General imports		Exports (including reexports)	
	Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America		Value	Percent of total United States imports from Latin America	Value	Percent of total United States exports to Latin America
1924.....	7,070	0.7	18,222	2.5	1933.....	3,773	1.2	3,614	1.7
1925.....	16,100	1.6	21,270	2.5	1934.....	4,711	1.3	6,140	2.0
1926.....	18,502	1.8	23,015	2.8	1935.....	6,987	1.5	6,223	1.8
1927.....	10,895	1.1	25,060	3.1	1936.....	12,232	2.4	8,531	2.2
1928.....	11,709	1.2	26,016	3.1	1937.....	13,809	2.1	13,203	2.3
1929.....	18,677	1.8	28,245	3.1	1938.....	4,752	1.1	5,060	1.0
1930.....	12,354	1.8	21,413	3.4	1939.....	9,375	1.8	5,183	.9
1931.....	3,877	.8	9,519	3.1	1940 <sup>1</sup> .....	17,629	2.8	11,275	1.6
1932.....	2,104	.7	3,217	1.7					

<sup>1</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Between 1929 and 1932, United States exports to Uruguay declined almost 90 percent, or about as much as the contraction in United States imports from Uruguay. The recovery after the low in 1932 was substantial; in 1937, exports to Uruguay totaled 13.2 million

dollars and were four times those in 1932, but were still less than half as great as those in 1929. Exports in 1938 were very much less than those in 1937. This decline was caused at least in part by the curtailment of exchange allocated in Uruguay for the purchase of United States products, a curtailment directly related to the decline in United States purchases of Uruguayan goods. In 1939, exports were slightly larger than in 1938, but in 1940 they were more than double those in 1939 (see table 12).

#### United States imports from Uruguay.

*Composition.*—The United States buys principally animal products from Uruguay, by far the chief items being wool and canned beef, which represented three-fourths of total purchases from Uruguay in 1939. The relative importance of these products in the trade of preceding years, however, varied greatly, principally because of the wide fluctuations in the volume of United States imports of wool from Uruguay as well as from other countries. In 1929, imports of wool from Uruguay amounted to 10 million pounds and were valued at 6.9 million dollars, or 37 percent of total purchases from that country. By 1932 the United States demand for foreign wools, other than carpet wools, had almost ceased, and imports of wool from Uruguay were only 0.5 million pounds, valued at \$96,000. With the subsequent recovery in the United States market for apparel wools, which represent all but a small part of the wool obtained from Uruguay, imports of wool from that country increased greatly in both volume and value; in 1937 they amounted to 14.0 million pounds, valued at 6.9 million dollars. In 1938, purchases of wool again declined drastically, but in 1939 they rose to 10.6 million pounds, valued at 3.9 million dollars, and represented 45 percent of total imports from Uruguay (see table 13). The United States has purchased more of its imported wool from South American countries since the British Government in 1939 took over the output of Australia and New Zealand, formerly large suppliers for the United States.

Purchases of canned beef from Uruguay, after Argentina the second largest supplier, have been more stable than purchases of wool. They have, moreover, increased in importance in the trade, having represented 30 percent of total imports in 1939, compared with 18 percent in 1929.

Other leading imports from Uruguay are flaxseed, tankage, meat extract, and hides and skins. Purchases of flaxseed were valued at more than 1 million dollars in 1938, the first year that Uruguay was a substantial source of this product, which formerly was imported almost exclusively from Argentina.

*Dutiable status of imports.*—United States imports from Uruguay in recent years have been only in small part free of duty (10 percent in 1938), inasmuch as the principal items in the trade, apparel wool, canned beef, and flaxseed, are all dutiable. About 60 percent of the imports from Latin America as a whole enter free of duty. The rates of duty on the principal imports from Uruguay are relatively high.

TABLE 13.—United States imports for consumption from Uruguay of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Tariff status	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
			Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Beef, including corned beef, canned	Dutiable	1,000 lb.	30,341	3,345	15,798	1,387	45,772	4,242	34,751	3,527	25,772	2,685	27,364	2,699
Beef and veal, pickled or cured	do	1,000 lb.	3,813	514	726	49	1,592	120	905	73	811	59	1,531	162
Sheep, lamb, and goat casings	Free	1,000 lb.	41	48	2	2	20	14	21	17	43	34	66	44
Meat extract, including fluid	Dutiable	1,000 lb.	265	284	237	94	54	17	108	31	203	92	593	217
Cattle hides, wet-salted, over 25 pounds	do	1,000 pieces	235	1,996	38	120	86	490	96	869	15	102	17	74
Sheep and lamb skins, woolled (wool on), dry and green-salted	Free	1,000 pieces	30	20			38	23	176	110			55	37
Sheep and lamb skins, pickled skins, not split, no wool	do	1,000 pieces	909	630	241	39	125	51	330	132	327	100	375	84
Hides and skins, n. s. p. f. <sup>2</sup>	do	1,000 pieces	11	6	96	40	94	145	72	116	20	30	15	20
Bones, crude, steamed or ground	do	1,000 lb.	16,235	259	15,302	81	14,257	134	9,700	146	7,070	74	6,664	69
Tankage	do	1,000 tons	1.4	56	.4	5	6.9	248	5	287	3	114	9	350
Flaxseed	Dutiable	1,000 bu.							120	172	892	1,095	691	796
Wool, unmanufactured, total		1,000 lb., ol. content	10,366	6,879	466	96	14,409	5,344	14,052	6,941	2,043	834	3,869	3,869
Carpet wool		1,000 lb., ol. content	97	29	162	28	1,933	459	1,796	664	752	299	948	237
Free under bond for manufacturing into carpets.		1,000 lb., ol. content					1,541	375	1,297	473	575	207	470	125
Apparel wools		1,000 lb., ol. content					342	81	499	191	176	83	479	112
Finer than 40s but not finer than 44s	Dutiable	1,000 lb., ol. content	10,269	6,850	304	68	12,476	4,888	12,256	6,277	1,291	574	6,623	3,602
Finer than 44s but not finer than 50s	do	1,000 lb., ol. content			74	13	2,727	761	1,856	695	137	44	1,001	470
Finer than 50s	do	1,000 lb., ol. content	10,269	6,850	230	55	7,389	2,903	6,926	3,470	886	381	3,919	1,456
Nitrogenous fertilizer materials:		1,000 lb., ol. content					2,300	1,134	3,474	2,112	208	149	4,103	1,727
Dried blood, n. s. p. f.	Free	1,000 tons	1.4	94	.6	15	.3	13	1.5	85	.8	39	1.4	66
Imports of commodities shown above				14,137		1,937		10,841		12,237		5,258		8,356
Total imports from Uruguay				18,677		2,104		11,604		12,805		5,367		8,582
Principal imports (shown above) as percent of total				75.7		92.1		94.2		95.9		98.2		97.3

<sup>1</sup> Preliminary.

<sup>2</sup> Other than cattle, sheep and lamb, elk, buck, or doe, and kip, calf, and seal skins.

<sup>3</sup> Reported in pounds.

<sup>4</sup> General imports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

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Imports of combing wool, finer than 44s, in the grease (the largest classification), are dutiable at 34 cents per pound, clean content; the ad valorem equivalent on imports in 1939 from Uruguay, the principal supplier, was 86 percent. Canned beef is dutiable at 6 cents per pound (but not less than 20 percent); the ad valorem equivalent on imports from Uruguay in 1939 was 63 percent. Fresh beef is important in Uruguay's exports, but quarantine restrictions, imposed because of the existence of foot-and-mouth disease in parts of Uruguay, prevent its entry into the United States.<sup>21</sup> Flaxseed is dutiable at 65 cents a bushel, or an ad valorem equivalent of 55 percent on imports from Uruguay in 1939. The leading duty-free imports are tannage, sheep and lamb skins, crude bones, and carpet wool (see table 13).

#### United States exports to Uruguay.

The United States sells to Uruguay mainly manufactured products; the leading groups of commodities are machinery and vehicles, and metals and manufactures thereof (see table 14). The principal individual exports in 1939 were tin plate (15 percent of the total trade), lubricating oil (7 percent), auto parts (4 percent), passenger cars (3 percent), cotton carded yarn (3 percent), and wheel tractors (3 percent). The comparatively large exports of tin plate to Uruguay reflect that country's extensive meat-packing and canning industries. The trade in these and in other leading exports to Uruguay is shown in table 15.

TABLE 14.—United States exports (domestic merchandise) to Uruguay, by commodity groups, in 1938 and 1939

[Value in thousands of dollars]

Commodity group	Value		Percent of total	
	1938	1939 <sup>1</sup>	1938	1939 <sup>1</sup>
Animals and animal products, edible	13	30	0.3	0.6
Animals and animal products, inedible (except wool and hair)	12	10	.2	.2
Vegetable food products and beverages	95	122	1.9	2.4
Vegetable products, inedible (except fibers and wood)	232	382	4.6	7.5
Textile fibers and manufactures	29	287	.6	5.6
Wood and paper	282	305	5.6	5.9
Nonmetallic minerals	834	648	16.7	12.6
Metals and manufactures (except machinery and vehicles)	760	1,146	15.2	22.3
Machinery and vehicles	2,351	1,621	47.0	31.6
Chemicals and related products	204	341	4.1	6.7
Miscellaneous	192	235	3.8	4.6
Total	5,004	5,127	100.0	100.0

<sup>1</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

In recent years, aggregate exports to Uruguay have been much smaller than in predepression years, but sales of a few particular commodities have exceeded those in the earlier period. Among these are tin plate, wheel tractors, cotton tire fabric, steel sheets, radio sets, and petroleum-refining equipment. The increased exports of a

<sup>21</sup> Effective January 1, 1927, under an order of the U. S. Department of Agriculture (Bureau of Animal Industry, Order 288), a prohibition was placed on imports of fresh meat from the regions of countries affected by foot-and-mouth disease. By section 306 of the Tariff Act of 1930, imports of cattle and fresh meat are prohibited entry from any foreign country in any part of which the Secretary of Agriculture finds foot-and-mouth disease to exist. In May 1935 a treaty between the United States and Argentina was signed which would permit the importation of fresh meat from such areas as are free from foot-and-mouth disease; however, this sanitary convention has not been ratified by the United States Senate.

number of these have resulted from Uruguay's greater industrialization, such as the recent establishment of plants to manufacture petroleum products, automobile tires, cement, and other products. Exports of most articles to Uruguay, however, have been very small in recent years compared with exports before 1931, principally because of Uruguay's trade-control system. Under that system, purchases from countries with which Uruguay has an import trade balance are restricted to only the most essential products. Moreover, such imports as are permitted are accorded far less favorable rates of exchange than are imports from the principal competing countries.<sup>22</sup>

#### **Balance of payments between the United States and Uruguay.**

The balance of payments between the United States and Uruguay in the decade 1929-38 is of special interest because of that country's commercial policy. Operating on the principle of a bilateral balancing of trade, Uruguay since 1933 has restricted imports from countries with which it has had an import trade balance. Before this policy was adopted, the United States usually had a heavy export trade balance with Uruguay. Since 1932, however, the trade between the two countries has been more nearly in balance (as shown in table 16), with Uruguay usually having a small merchandise credit balance. For a time before the adoption of its new commercial policy Uruguay partially offset its debit trade balance with the United States by substantial shipments of gold, but since 1933 there have been none.

Compared with other items shown in the balance of payments, the interest, bond-redemption, and sinking-fund receipts from Uruguay have been large throughout the period. Although the dollar bonds of Uruguay went into default between 1931 and 1934, the readjustment-sinking-fund bonds issued in exchange in 1937 and 1938 have received interest in full. Estimated United States holdings of Uruguayan dollar bonds at the end of 1938 amounted to 36 million dollars par value.<sup>23</sup>

As evidenced by the statistics shown in table 16, the United States usually has had a net credit balance in its financial transactions with Uruguay. The actual net credit balance, however, may be larger or smaller than that shown in the last item in the table, which is based upon partial statistics only. Statistics are not available indicating the amount of new capital investments, the movement of banking funds and of capital in security transactions, or the return on direct investments in Uruguay. At times the amounts of one or more of these items may have been comparatively large.

To meet the net balance owing to the United States, Uruguay has relied, in the past, upon its net credit balances with other countries, particularly those of Europe. Uruguay may not be able to continue this practice, however, in view of the new conditions imposed by the war. The loss of European markets and the restrictions imposed by the United Kingdom upon the use of funds obtained by Uruguay from its sales in the British market may seriously hamper that country's capacity to obtain dollar exchange and to cover debit balances in the United States. Under these circumstances it is, therefore, of con-

<sup>22</sup> See the section on Uruguayan commercial policy, p. 245 ff.

<sup>23</sup> U. S. Department of Commerce, *The Balance of International Payments of the United States in 1938*, 1939, appendix D, p. 90.

TABLE 15.—United States exports (domestic merchandise) to Uruguay of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Walnuts	1,000 lb		( <sup>2</sup> )	( <sup>1</sup> )	( <sup>2</sup> )	477	45	601	53	314	30	393	38
Automobile, truck, and bus casings	Number	33,666	364	3,612	49	6,770	84	6,935	78	572	10	1,219	19
Gum rosin	1,000 bbl., 500 lb. gross	13	185	11	59	5	55	7	103	5	61	7	75
Leaf tobacco	1,000 lb	38	14	101	27	264	96	288	88	245	70	517	150
Cotton carded yarn, not combed	1,000 lb	591	308	750	122			598	139			702	172
Cotton combed yarn	1,000 lb	378	289	220	119			132	95			68	51
Cotton tire fabric	1,000 sq. yd					148	40	410	135	1	( <sup>2</sup> )	34	7
Cordage, except of cotton or jute—blinder twine	1,000 lb	2,260	233	1,086	59	1,336	93	1,583	117	( <sup>2</sup> )	( <sup>2</sup> )		
Rough Southern pine	M feet	23,896	965	5,585	132	7,271	106	11,301	406	4,495	144	4	146
Cooperage—tight shooks	1,000 sets	65	111	9	12	24	38	1	1	31	55	43	75
Bituminous coal	1,000 tons	17	77	6	27	6	27	21	103	19	103	8	38
Casoline and other petroleum motor fuel	1,000 bbl	461	3,638	484	230	154	384	93	274	120	275	79	152
Naphtha, solvents, and other finished light products	Barrel	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	56	( <sup>2</sup> )	108	1	4,071	39	85	1
Illuminating oil (kerosene)	1,000 bbl	196	1,443	29	169	59	105	57	122	7	17	( <sup>2</sup> )	2
Lubricating oil, red, pale, cylinder, and n. e. s.	1,000 bbl	33	490	14	180	21	234	30	357	29	306	33	338
Lubricating grease	1,000 lb	774	41	228	10	322	34	708	38	489	25	628	36
Steel sheets, galvanized	Short ton	( <sup>2</sup> )	( <sup>2</sup> )	75	4	832	62	1,541	160	126	15	42	4
Steel sheets, black (ungalvanized)	Short ton	642	29	39	2	91	5	1,629	100	47	3	206	14
Tin plate, ternplate and taggers' tin	Short ton	5,312	483	1,021	71	13,112	1,196	11,212	1,170	5,115	562	7,404	752
Sheet piling	Short ton	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )			3,254	191	28			
Rails, 60 pounds and over per yard	Ton	2,515	122					4,376	219	6			( <sup>2</sup> )
Household electric refrigerators	Number	( <sup>2</sup> )	100	7	979	74	1,620	144	318	( <sup>2</sup> )	21	650	21
Receiving sets	Number	3,124	130	4,768	88	8,487	216	8,178	197	1,889	35	1,224	43
Receiving sets components			42	6		121		171		71		49	
Mining and quarrying machinery			56	2		7		68		44		10	
Petroleum well and refining machinery, other than petroleum and gas-well drilling apparatus						14		19		68		7	
Sheet and plate metal-working machines			10		( <sup>2</sup> )	57		25		41		10	
Miscellaneous industrial machinery and parts <sup>2</sup>			286		44	213		244		120		55	
Cash registers	Number	565	85	4	4	15	142	35	150	44	100	11	
Horse and power plows	Number	3,987	127	6	( <sup>2</sup> )	1,481	43	3,009	121	1,220	91	416	40
Miscellaneous cultivating implements and parts <sup>2</sup>			85	7		36		58		47		36	
Combines or reaper-threshers	Number	294	381		5	6	85	102	120	148	69	90	
Miscellaneous harvesting implements and parts <sup>2</sup>			42	6		10		28		54		17	
threshers	Number	33	45	2	2	8		32		30			
Wheel tractors (including wheel tractors without wheels)	Number	195	209	1	1	104	96	441	362	253	21	191	170
Parts and accessories for tractors			88				36		81		25		

Motor trucks, busses, and chassis (new).....	Number.....	3,478	2,003	46	23	988	646	1,662	1,102	224	141	172	112
Passenger cars and chassis (new).....	Number.....	7,520	4,428	44	21	1,664	957	3,129	1,770	473	301	280	172
Automobile parts for replacement.....	Number.....		606		103		285		469		191		197
Landplanes (powered).....	Number.....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	2	20	3	6	6	110		
Railway motor passenger cars.....	Number.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	13	254	4	80				
Parts of railway cars, except axles and wheels.....	Number.....		2		( <sup>3</sup> )		8		87		24		5
Explosives, other than smokeless powder and dynamite.....	1,000 lb.....	27	9	2	1			220	67				
Positive exposed motion-picture films.....	1,000 linear feet.....	3,497	102	1,843	44	3,055	54	3,454	69	3,381	66	2,952	31
Printing and lithographic ink.....	1,000 lb.....	247	17	91	6	264	13	300	15	492	28	309	21
Exports of commodities shown above.....			17,443		1,625		5,951		9,300		3,650		3,257
Total exports to Uruguay.....			28,178		3,194		8,466		13,105		5,004		5,127
Principal exports (shown above) as percent of total.....			61.9		50.9		70.3		71.0		73.1		63.5

<sup>1</sup> Preliminary.

<sup>2</sup> Not separately classified.

<sup>3</sup> Less than 500.

<sup>4</sup> Classified as "Gasoline, naphtha and other finished light products."

<sup>5</sup> Classified as "50 pounds and over per yard" in 1929.

<sup>6</sup> Not strictly comparable throughout years shown.

<sup>7</sup> May include some second-hand articles.

Source: Compiled from official statistics of the U. S. Department of Commerce.

siderable importance to Uruguay that in 1939 and since the outbreak of the war, United States purchases from Uruguay (according to United States statistics) have materially exceeded sales thereto.

TABLE 16.—*Partial balance of payments between the United States and Uruguay, 1929-38*

[In millions of dollars]

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
<b>Trade and service items:</b>										
Merchandise exports to Uruguay <sup>1</sup>	28.2	21.4	9.5	3.2	3.6	6.1	6.2	8.5	13.2	5.1
Merchandise imports from Uruguay <sup>1</sup> .....	18.7	12.4	3.9	2.1	3.8	4.7	6.9	12.2	13.8	4.7
Excess of merchandise exports to (+) or imports from (-) Uruguay.....	+9.5	+9.0	+5.6	+1.1	-0.2	+1.4	-0.7	-3.7	-0.6	+0.4
Receipts from Uruguay for shipping services <sup>2</sup>	1.3	1.0	.8	.....	.....	.2	.2	.3	.6	.2
Expenditures of Uruguayan travelers in the United States <sup>3</sup>	.1	.1	.1	.....	.....	.....	.....	.....	.1	.1
Expenditures of United States travelers in Uruguay <sup>3</sup> .....	.1	.1	.1	.....	.....	.1	.....	.1	.1	.1
Interest receipts from Uruguay.....	2.0	3.1	3.3	3.2	2.1	1.8	1.7	1.7	1.5	*1.2
Net receipts from Uruguay for services <sup>4</sup> .....	+3.3	+4.1	+4.1	+3.2	+2.1	+1.9	+1.9	+1.9	+2.1	+1.4
Net receipts from (+) or payments to (-) Uruguay on trade and service account <sup>5</sup> .....	+12.8	+13.1	+9.7	+4.3	+1.9	+3.3	+1.2	-1.8	+1.5	+1.8
<b>Gold and silver:</b>										
Net gold imports from (-) or exports to (+) Uruguay <sup>6</sup>	-3	-8.4	-6.1	-4.4	+9	.....	.....	.....	.....	.....
<b>Capital items:</b>										
Bond-redemption and sinking-fund receipts from Uruguay <sup>7</sup> .....	.....	+8	+1.1	.....	.....	+5	+7	+1.9	+2.8	+2
Net balance on items shown <sup>8</sup> .....	+12.5	+5.5	+4.7	-1.1	+2.8	+3.8	+1.9	+1	+4.3	+2.0

<sup>1</sup> United States statistics, unadjusted.

<sup>2</sup> Rough estimates.

<sup>3</sup> Allowance made for repurchases of Uruguayan dollar bonds by foreigners.

<sup>4</sup> Excluding return on United States direct investments in Uruguay.

<sup>5</sup> Bond-redemption receipts adjusted for repurchases by foreigners in all years; sinking-fund receipts in 1938 only.

<sup>6</sup> Exclusive of return on direct investments (receipts) and new investments (payments) in Uruguay.

NOTE.—Net credit balances for the United States are indicated by +; net debit balances by -.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.



# VENEZUELA

## A DESCRIPTION

### Physical characteristics.

The United States of Venezuela,<sup>1</sup> located on the northern coast of South America, is bounded on the west by Colombia, on the east by British Guiana, and on the south by Brazil. Extending approximately 900 miles from east to west, and nearly 700 miles north and south at its widest point, its area is 352,000 square miles, slightly smaller than that of Texas and Colorado combined. In general, Venezuela may be divided into four regions—the Andean region in the west and north, the Orinoco lowlands or llanos to the south, the Guiana highland on the east, and the coastal plain.

The Andean region extends from the Colombian border northeast to the Caribbean Sea, and thence eastward along the coast. To the south of the Andes, and stretching more than 600 miles from east to west, lies the Orinoco Plain, or llanos, one of the three major plains regions of South America. This region, a large part of which is inundated in the rainy season, has a characteristic vegetation consisting principally of isolated trees and tall grass. The grass grows to a height of 6 feet or more and is green and lush in the rainy season. In the dry season a thorny scrub is the dominant vegetation. South and east of the Orinoco system, toward British Guiana and Brazil, is the Guiana highland, a plateau largely covered with tropical forests, much of which is unexplored. Between the Andes and the Caribbean Sea lies the coastal plain; at its western end, surrounded by the Andean highlands, lies the low region around Lake Maracaibo, the principal oil-producing area.

Although Venezuela lies entirely within the Torrid Zone, its climate varies greatly with the elevation. There are three general climatic areas—the torrid region, from the coast up to an altitude of about 2,000 feet; the temperate region, from 2,000 up to about 6,000 feet; and the cold region, over 6,000 feet. The climate in the lower altitudes along the coastal plain and in the interior plains and river valleys is tropical. In the llanos, because of the heavy precipitation during the rainy season, large areas are annually in flood. In the highlands, where most of the cities are located, the climate is mild, healthful, and invigorating. In the very high altitudes, it is cold and damp.

### Population.

The population of Venezuela has not grown rapidly. In 1905 it was 2,598,000; according to the census of 1936 it totaled 3,428,000, indicating a density of population of about 10 persons to the square mile. The population, however, is concentrated in the northern

<sup>1</sup> In Spanish, *Estados Unidos de Venezuela*. The federation consists of 30 states, 2 territories, and the Federal District.

highlands and in the northwest region in the vicinity of Lake Maracaibo. Caracas, the capital and principal city, had a population of 230,000 in 1936. Only one other city, Maracaibo, has more than 100,000 inhabitants (110,000 in 1936). Other important cities are Valencia, Barquisimeto, Maracay, and Ciudad Bolívar.

Venezuela's population is particularly heterogeneous. Mixed races constitute about 65 percent of the population, Europeans about 20 percent, Negroes 8 percent, and Indians about 7 percent. Venezuela has had little immigration since the end of the colonial period. Only small numbers of immigrants are allowed to enter annually, and in some years emigration has equaled immigration.

#### Natural resources and economy.

*Mining.*—From the standpoint of international trade, the production of petroleum is the most important industry of Venezuela. No other country of Latin America, except El Salvador, is dependent upon the export of a single commodity to the same extent as is Venezuela. In 1938 about 90 percent of all Venezuelan exports, in terms of value, consisted of petroleum and its derivatives. Practically the entire production is by foreign-controlled companies operating under government concession.

Most of Venezuela's petroleum is exported as crude oil to the Netherlands West Indian possessions of Aruba and Curaçao, where it is refined and reexported principally to the United States and the United Kingdom. The two very large refineries on these islands operate almost entirely on Venezuelan crude oil; they receive three-fourths of the total value of all Venezuela's exports. In an economic sense, therefore, Venezuela and the Netherlands West Indies form a unit in the petroleum industry.

Other minerals found in Venezuela include gold,<sup>2</sup> silver, copper, magnesite, coal, iron, tin, asphalt, asbestos, mica, and salt. Venezuela's iron reserves, the ore of which averages from 60 to 70 percent, are exceedingly important, but have not been exploited to any considerable extent. Venezuela is also believed to have extensive coal reserves; in general, however, the fields are inaccessible and have not been developed.

*Agriculture.*—The importance of petroleum and its products in the foreign trade of Venezuela has tended to obscure the significant place which agricultural, pastoral, and forest activities occupy in the national economy. A large part of the Venezuelan population is agricultural, and, until 1925, agricultural exports (principally coffee) were more important than those of petroleum. Agricultural products do not now form a large part of total exports in terms of value, but the quantities involved are substantial, although the quantities produced for domestic use are much more important.

The leading Venezuelan export crop is coffee; cacao ranks second. Other products, grown chiefly for consumption within the country, include corn, sugar, cotton, tobacco, wheat, rice, beans, potatoes, fruits, and a wide variety of vegetables. Almost all of the cotton produced in Venezuela is utilized in the domestic textile mills. In recent years the Government has attempted to stimulate agriculture and

<sup>2</sup> The value of Venezuelan gold production in 1939 was estimated to be 4.4 million dollars.

agricultural exports by aids of various kinds to agriculturalists and by export bounties on agricultural products.<sup>3</sup>

*Pastoral industries.*—Pastoral activities form an important source of Venezuelan national wealth, especially the cattle industry. Cattle hides are an important export; the beef is consumed largely within the country. Sheep, goats, hogs, and horses are also raised, and goatskins are exported.

*Forest industries.*—The forest resources of Venezuela are extensive and include about 600 species of wood. Nearly one-half of the country's area is covered by forest, but there has been no extensive development of lumbering. The chief forest products are cabinet woods, rubber, balatá (a gum resembling gutta percha), the tonka bean (a seed used for flavoring), divi-divi (a substance used in dyeing and tanning), copaiba (a resinous substance used for medicinal purposes), and vanilla.

*Manufacturing.*—The manufacturing industries of Venezuela are not extensive, although in recent years there has been a considerable development in certain lines, and for some products the entire domestic requirements are produced locally. High duties are imposed on imported manufactures, but domestic production on the whole is so small that there is little competition with imported commodities in most lines. Through the tariff and through loans, the Government encourages the establishment of small industries, especially those which utilize domestic raw materials.

The cotton-textile industry is Venezuela's principal manufacturing industry. The local mills utilize domestically produced cotton. Although aided by high import duties, they manufacture chiefly the cheaper grades of cloth. In an endeavor further to assist the industry, the Government in 1938 established import quotas on some cotton textiles, and made credits available to the manufacturers.

Other Venezuelan manufactures include soap, cigars, cigarettes, tobacco, candles, cheese, edible fats, canned meat and fish, chocolate, beer, shoes, clothing, glass bottles, matches, paper, rope, furniture, rugs, straw hats, cement, refined petroleum products, lumber products, and light iron products.

In 1934 a monopoly for the supply of fresh meat was granted to the *Compañía Ganadera Industrial Venezolana*. The company produces fresh meats, dried salt meat, meat extract, canned tongues and sausage, corned beef, lard, and also hides for export. In 1938 the Government sponsored, by means of loans, the establishment of a factory for the manufacture of mother-of-pearl buttons, a factory to produce bags from sisal, and a fish-processing industry which includes canning, oil extraction, and fertilizer production. Private capital in 1938 established a factory for the production of paper bags, and enlarged the cement plant at Caracas, which now has an annual capacity of 300,000 barrels. The Venezuelan Government also has made available funds to encourage the production of cement.

## THE FOREIGN TRADE OF VENEZUELA

On the basis of official statistics, Venezuela, as a foreign-trading nation, in 1938 ranked third among the Latin American countries and

<sup>3</sup> For a discussion of government aids and export bounties, see the section on Venezuelan commercial policy, p. 276.

third among the nations of South America.<sup>4</sup> On this basis, exports from Venezuela in 1938 amounted to 887 million bolívares (278 million dollars); in that year they constituted approximately 15 percent of total shipments from the 20 republics of Latin America, and 19 percent of exports from the 10 South American countries. Imports into Venezuela in 1938 amounted to 311 million bolívares (97 million dollars), or nearly 7 percent of those received by the 20 Latin American nations, and 9 percent of those entering the 10 republics of South America.

According to Venezuelan statistics, exports have usually exceeded imports, the export balance in the period 1936-38 ranging from 142 to 180 million dollars. The figures for Venezuela, however, are inflated because exports of petroleum, constituting about 90 percent of the total value of exports, are highly overvalued. According to Venezuelan statistics, exports of petroleum and products in 1937 were valued at 770 million bolívares; if the petroleum statistics are adjusted to take into account their overvaluation, however, they amounted to about 460 million bolívares. Moreover, such financial returns to the foreign petroleum companies as are included in the sales value of petroleum exports do not represent foreign purchasing power available to Venezuela in foreign markets. Thus, petroleum exports do not provide foreign exchange for Venezuela in amounts commensurate with the values reported in the trade returns.<sup>5</sup>

#### Venezuelan commercial policy.

Venezuelan foreign trade in the decade 1929-38 was influenced by tariff changes, export subsidies, commercial agreements, exchange regulations, and import quotas on cotton textiles.

*The tariff.*<sup>6</sup>—During the decade 1929-38 Venezuela continued its policy of stimulating domestic industry by high import duties. Since 1929, five tariff revisions have been enacted by the Venezuelan Congress.<sup>7</sup> Sharp increases in duties were put into effect in 1933. In 1934 the rates on a number of commodities were revised upward, and this trend continued under the revision of 1935. The tariff law of that year increased penalty duties to 50 percent and authorized the establishment of quotas. The revision of October 23, 1936, provided for numerous increases in duties on "luxury" products and articles not considered necessities, and reduced the duties on certain so-called necessities.

The new tariff act of October 23, 1936, conferred comprehensive powers over foreign trade on the Venezuelan Executive, some of which had been in effect under previous legislation. These include authority (for justifiable reasons) to admit imports free of duty, to prohibit them, and to raise or lower duties. The Executive was specifically authorized to double import duties; to apply duties not exceeding 100

<sup>4</sup> An arbitrary valuation is placed on exports of petroleum; such exports are worth only about 60 percent of the published values. Because of the large part of Venezuelan exports accounted for by petroleum, this practice results in a considerable overstatement of the total value of Venezuelan exports. This overvaluation should be borne in mind in any analysis of Venezuela's share of the total Latin American export trade, and also in any analysis of the Venezuelan balance of trade or the composition of Venezuelan exports.

<sup>5</sup> In addition to returns on investments, the expenses incurred outside of Venezuela by foreign companies decrease the amount of exchange made available by the exports of such companies. If the companies were controlled by Venezuelan interests but financed with foreign capital, the net exchange position might not be very different from that which now prevails.

<sup>6</sup> Import values employed by Venezuela are f.o.b. as per consular invoice. Export values are, in principle, current market values, f. o. b. Venezuelan port or frontier, including export duties and taxes, but in fact the values assigned to petroleum, the dominant export, are greatly in excess of market values.

<sup>7</sup> July 1, 1930; July 22, 1933; July 7, 1934; July 15, 1935; and Oct. 23, 1936.

percent ad valorem, irrespective of existing tariff rates; to establish import quotas and an import-permit system; to establish import prohibitions; to reduce import duties by as much as one-fourth; and to conclude compensation or similar agreements. These powers were conferred with the sole proviso that the action taken shall be reported to the Congress at its next regular session.

*Exchange control.*—In the early years of the decade 1929–38, because of the lack of foreign debts and the strong position of the treasury, Venezuela was not confronted with the problems faced by many other Latin American countries. As the gold value of most other currencies depreciated, the foreign-exchange value of the bolívar in terms of the other currencies appreciated. The appreciation of the bolívar in 1933 and 1934 placed the principal Venezuelan export commodities at a price disadvantage in world markets.

On August 22, 1934, in order to prevent further appreciation of the bolívar, an agreement was entered into by the Government, the banks, and the oil companies, under which dollar exchange was to be purchased at a fixed rate and sold at a slightly higher rate.<sup>8</sup>

On December 1, 1936, exporters of coffee and certain other agricultural products were required to sell their drafts to the Bank of Venezuela in order to obtain the authorized export bounties. In February 1937 the National Exchange Centralization Office was created under the joint supervision of the Ministries of Development (Fomento) and Finance. This office took over the exchange functions of the Bank of Venezuela, and was authorized to regulate all exchange operations.

On April 27, 1937, the Exchange Centralization Office reduced the rate at which it would purchase exchange derived from petroleum and subsidized agricultural commodities from 3.90 to 3.09 bolívares per dollar.<sup>9</sup> The selling rate to the bank was fixed at 3.17 bolívares to the dollar,<sup>10</sup> and that to the public at 3.19 bolívares to the dollar.<sup>11</sup>

There are now two types of exchange in Venezuela, the first derived from exports of petroleum and of subsidized agricultural products, and the second from other sources. After the Exchange Centralization Office has reserved sufficient exchange to cover government requirements, the remainder is made available to pay for imported merchandise, although importers have not always been able to obtain this type of exchange. Foreign drafts derived from sources other than exports of petroleum and subsidized agricultural products may be sold in the open market without restriction, but the rates (in terms of bolívares) are higher than those authorized for official exchange.<sup>12</sup>

As a result of conditions arising from the outbreak of war in Europe, the Exchange Centralization Office in March 1940 revised its methods of exchange control. Under the new plan, the supply of exchange available is allocated in accordance with the following schedule of priority: Government payments abroad; strictly commercial payments abroad; payment of interest or dividends on foreign capital invested in Venezuela; and all other demands for foreign exchange.

<sup>8</sup> The buying rate was 3.90 bolívares to the dollar (1 bolívar = \$0.2564) and the selling rate 3.93 bolívares to the dollar (1 bolívar = \$0.2544).

<sup>9</sup> 1 bolívar = \$0.3236.

<sup>10</sup> 1 bolívar = \$0.3154.

<sup>11</sup> 1 bolívar = \$0.3135.

<sup>12</sup> For the years covered in this report, the average dollar equivalent of the bolívar (official rate) was as follows: 1929, \$0.1930; 1932, \$0.1509; 1936, \$0.2551; 1937, \$0.2824; 1938 and 1939, \$0.3135. The open-market rate in recent years has been as follows: 1938, \$0.3067; 1939, \$0.3115. Recent quotations (averages for May 1940) are as follows: Official (bank) rate, \$0.3135; open-market rate, \$0.2817.

The banks were requested to give preference to imports from countries with which Venezuela's trade balances were the least unfavorable.<sup>13</sup>

A subsequent modification of the plan permitted the banks to sell their quota of exchange freely for the needs of commercial payments abroad, without previous consultation with the Exchange Centralization Office. Certain technical changes were also made in the procedure specified for the other categories.

An Executive decree published June 25, 1940, to become effective immediately, required that all foreign-exchange transactions should be consummated only at rates fixed by the Exchange Centralization Office.

*Import quotas.*—In accordance with the authority granted in the law of 1936 to establish import quotas, an Executive decree of April 11, 1938, prescribed the regulations for import-quota systems. The purpose of such quotas as might be introduced was declared to be the reestablishment of trade equilibrium with those countries with which Venezuela had an adverse trade balance. The first and only import quotas—those on cotton textiles—were established on November 15, 1938, in order to meet a crisis in the Venezuelan textile industry.<sup>14</sup>

*Commercial treaties and agreements.*—In the decade 1929–38, Venezuela entered into commercial agreements with Denmark and France, the arrangements providing for increased import quotas for Venezuelan coffee and tariff reductions by Venezuela on French and Danish products. Since 1938, Venezuela has concluded agreements with Germany, Italy, Japan, and the United States.

The agreement with Germany (effective December 1, 1938) recognized the principle of trade-balancing and provided for German purchases of Venezuelan coffee and cacao, payment to be made in German goods. Agreements with Italy (June 29, 1939) and with Japan (July 1, 1939) provided for trade-balancing and import quotas for Venezuelan products. A trade agreement with the United States (November 6, 1939) provided for tariff concessions by both countries, and a barter agreement with Spain (December 1939) provided for the exchange of Venezuelan coffee for Spanish cement.

Under the trade agreement between Venezuela and the United States, concessions granted to the United States covered 96 tariff products. In 1938, these products represented about 36 percent of total United States exports to Venezuela. Reductions in duty, ranging from 2.5 to 62.5 percent, were obtained on 35 products; and on 61 products, assurances against less favorable customs treatment were obtained.

Concessions granted Venezuela by the United States included the guarantee of continued free entry of crude petroleum and fuel oil for use of vessels and a reduction of 50 percent in the import tax<sup>15</sup> on these products for other uses on an annual quota of imports (from all countries) not in excess of 5 percent of the total quantity of crude

<sup>13</sup> Approximately three-fourths of Venezuela's exports (in terms of value) are shipped to the Netherlands West Indies, and consist of crude petroleum sent there for refining. Venezuelan imports from most other countries therefore usually exceed Venezuelan exports to those countries.

<sup>14</sup> The quotas affected heavy cotton duck and cotton suitings, cotton bedspreads and blankets, cotton towels, and certain cotton wick. On November 16, 1939, the quota quantities of cotton suitings and heavy duck were increased, and the quota restriction on wick was removed. By a decree of June 26, 1940, quota restrictions on the heavier type of cotton suitings and on blankets were removed, and the quota on heavy cotton duck was increased.

<sup>15</sup> Petroleum and its products entering the United States are on the free list of the Tariff Act of 1930, but are subject to import-excite taxes under the Revenue Act of 1932.

petroleum processed in refineries in the continental United States during the preceding calendar year. On 2 other products, reductions of duty of 50 percent were granted, and on 1 product the existing duty was bound against increase. On the remaining 9 products listed in the schedule of United States concessions, most of which are tropical commodities not produced in the United States, existing duty-free entry into the United States was bound against change. In 1938, all the products covered in the agreement accounted for 89 percent of the value of total United States imports from Venezuela.

*Agricultural subsidies and the 3-year Plan.*—Since 1934 the Venezuelan Government has followed a policy of granting subsidies to agriculturalists and export bounties on agricultural products. In July 1934, 10 million bolívars were appropriated for the relief of growers of coffee and cacao; this amount was continued in 1935. In 1936 the Government appropriated 30 million bolívars for the aid of producers of coffee, cacao, sugar, cattle and hides, and other agricultural commodities. Export bounties were authorized for coffee, cacao, sugar, cattle, hides, all forest products, oleaginous seeds, fruits and vegetables, tobacco, corn, and alcohol and liquors.<sup>16</sup>

In subsequent years the Government continued its policy of export bounties on agricultural products, the rates being changed in accordance with the increase in or decline of commodity prices. In an effort to relieve unemployment and to stimulate industry, the Government embarked on an extensive program of public works in 1936; in 1938 this was expanded into a 3-year plan of social, economic, and cultural development, to include construction of sanitary facilities, low-cost housing, schools, public buildings, port facilities, highways, and railroads.

#### **Trend of the trade.**

*Exports.*—Petroleum constitutes more than three-fourths of total Venezuelan exports, and Venezuela is the world's largest exporter of crude petroleum. This predominance of petroleum is relatively recent. Coffee, which long ago displaced cacao as the leading export commodity, remained the most important until 1925, when petroleum took the lead.

Venezuela's trade with the world and with the United States, in the period 1924-38, is shown in tables 1 and 2. From 1924 until 1929 both the bolívar and the dollar value of Venezuelan exports increased steadily. Exports to the world as a whole in 1929 (the earliest shown in the detailed tables hereinafter presented) were nearly double the average for the 5 years 1924-28. Exports to the United States in 1929 were more than double the average for the same 5 years.

According to Venezuelan trade statistics, exports from Venezuela in 1929 were valued at 779 million bolívars (150 million dollars). In 1932 they declined to 628 million bolívars (95 million dollars), or 80 percent of their 1929 bolívar value and 63 percent of their dollar value. There was a further decline in the bolívar value in 1933, but the dollar value in that year was substantially higher than in 1932. After 1933, Venezuelan exports increased regularly, amounting to 887 million bolívars (278 million dollars) in 1938, which represented

<sup>16</sup> Total bounty and government-aid payments for the fiscal year 1936-37 were over 22 million bolívars (about 6.6 million dollars). At one time or another exports of all agricultural, pastoral, forest, and water products (except pearls) have been subsidized.

114 percent of the 1929 bolivar value and 180 percent of the 1929 dollar value, the marked difference in these two percentages being due to the devaluation of the dollar in 1933-34.

TABLE 1.—Venezuela: Trade with the world, 1924-38

[Value in thousands]

Year	Exports		Conversion rate: 1 bolivar equals—	Imports	
	Bolivares	United States dollars		Bolivares	United States dollars
1924	213,496	41,053	\$0.1923	215,925	41,522
1925	329,999	63,657	.1929	303,673	58,578
1926	395,403	76,155	.1926	412,382	79,425
1927	444,115	84,293	.1898	363,589	69,009
1928	609,555	117,339	.1925	416,613	80,198
1929	778,560	150,262	.1930	452,852	87,400
1930	762,494	144,111	.1890	363,856	68,769
1931	651,618	111,036	.1704	210,759	35,913
1932	628,259	94,804	.1509	153,458	23,157
1933	617,547	114,987	.1862	143,588	26,736
1934	671,943	201,180	.2904	159,686	47,810
1935	711,730	181,562	.2551	225,194	57,447
1936	768,463	196,035	.2551	211,590	53,977
1937	871,463	246,101	.2824	304,634	86,029
1938	887,276	278,161	.3135	310,949	97,483

Source: Compiled by the United States Tariff Commission from *Estadística Mercantil y Marítima, Estados Unidos de Venezuela*.

TABLE 2.—Venezuela: Trade with the United States, 1924-38<sup>1</sup>

[Value in thousands]

Year	Exports			Imports		
	Bolivares	United States dollars	Percent of total to United States <sup>2</sup>	Bolivares	United States dollars	Percent of total from United States
1924	32,559	6,261	15.3	119,424	22,965	55.3
1925	54,128	10,441	16.4	163,304	31,501	53.8
1926	98,214	18,916	24.8	228,613	44,031	55.4
1927	104,316	19,799	23.5	189,723	36,009	52.2
1928	162,020	31,189	26.6	239,113	46,029	57.4
1929	215,984	41,685	27.7	248,999	48,057	55.0
1930	175,166	33,106	23.0	186,958	35,167	51.1
1931	135,259	23,048	20.8	100,489	17,123	47.7
1932	130,626	19,712	20.8	69,736	10,523	45.5
1933	90,857	16,917	14.7	69,597	12,959	48.5
1934	107,658	32,233	16.0	71,979	21,550	45.1
1935	114,265	29,149	16.1	99,690	25,431	44.3
1936	134,563	34,327	17.5	100,238	25,571	47.4
1937	119,067	33,625	13.7	160,950	45,452	52.8
1938	117,551	36,852	13.2	175,244	54,939	56.4

<sup>1</sup> For conversion rates, see table 1.

<sup>2</sup> Inasmuch as a considerable part of the petroleum exported to the Netherlands West Indies is converted into products (mainly fuel oil) which are exported to the United States, the share of the United States as an ultimate destination of Venezuelan exports is much larger than here shown.

Source: Compiled by the United States Tariff Commission from *Estadística Mercantil y Marítima, Estados Unidos de Venezuela*.

No adequate price index or quantum index of Venezuelan exports is available, nor are prices of Venezuelan exports of crude petroleum.<sup>17</sup>

<sup>17</sup> A price index covering 7 export commodities, unweighted and not including petroleum, is available. For the years covered in this report (taking 1913 as a base), the index stood as follows: 1929, 98.3; 1932, 61.5; 1936, 58.5; and 1937, 62.7. (*Estados Unidos de Venezuela, Ministerio de Fomento, Números Índices de Precios al por Mayor en Venezuela, 1913-37.*)



Statistics for the leading Venezuelan export commodities, however, indicate that the decline in the value of Venezuelan exports between 1929 and 1932, and the subsequent recovery, were attributable more to fluctuations in price than to variations in the quantities of goods exported.<sup>18</sup>

*Imports.*—Imports into Venezuela consist of a wide range of manufactured products and foodstuffs, and some raw materials. They are greatly influenced by the Venezuelan tariff duties (which are among the highest in the world), and to some extent by the Government's policy respecting domestic industry.<sup>19</sup>

Venezuelan imports from the world and from the United States, in the period 1924–38, have been shown in tables 1 and 2. From 1924 until 1929 both the bolívar and the dollar value of Venezuelan imports increased irregularly. Imports from the world as a whole in 1929 (the earliest shown in the detailed table), were about one-third greater than the average for the 5 years 1924–28. Imports from the United States in 1929 were also approximately one-third greater than the average for the same 5 years.

Imports into Venezuela, valued at 453 million bolívares (87 million dollars) in 1929, declined in 1933 to 144 million bolívares (27 million dollars), or 32 percent of the 1929 bolívar value and 31 percent of the 1929 dollar value. By 1938 imports had increased to 311 million bolívares (97 million dollars). In this year the dollar value was more than 10 percent in excess of that for 1929, but the bolívar value was only 69 percent of that in 1929, the wide disparity being caused by the devaluation of the dollar.

Neither an adequate price index nor a quantum index of Venezuelan imports is available.<sup>20</sup> Such incomplete information as is available, however, indicates that the decline in the value of Venezuelan imports between 1929 and 1932, and the subsequent recovery, were attributable more to fluctuations in the quantities of goods imported than to variations in price.

#### Exports from Venezuela.

*Composition.*—Exports from Venezuela, by groups and principal commodities, in specified years, 1929 to 1938, are shown in bolívares in table 3 and in dollars in table 4. For most groups there was a sharp drop in the dollar value of exports between 1929 and 1932, principally because of lower prices. The dollar value of exports of gold, however, increased markedly. Most groups for which data are shown<sup>21</sup> increased in dollar value in 1937 over 1932, and for petroleum and derivatives, gold, livestock, meats, and tobacco (a very small item), the figures exceeded those for 1929. For the major groups, the ratios of the dollar value of exports in 1938 to that in 1929 were as follows: Petroleum and derivatives, 227 percent; coffee, 31 percent; gold, 485 percent; and cacao, 67 percent.

<sup>18</sup> See the discussion of selected Venezuelan export commodities, p. 262 ff. The value of Venezuelan exports is distorted by the overvaluation of exports of petroleum.

<sup>19</sup> See the section on manufacturing.

<sup>20</sup> A price index for 12 import commodities (unweighted) gives the following trend for the years covered in this report (taking 1913 as a base): 1929, 113.8; 1932, 102.6; 1936, 83.4; and 1937, 87.0. The fall in the prices of Venezuelan imports in terms of bolívares between 1932 and 1936, as indicated by these statistics, is probably attributable in large part to the appreciation of the bolívar in terms of the currencies of the countries in which most of Venezuela's imports originate.

<sup>21</sup> Because of changes in the Venezuelan export classification, it has been impracticable to provide comparable data for all groups and commodities in 1929 and 1932.

On the basis of Venezuelan trade statistics, petroleum and its products accounted for 76 percent of total exports in 1929, 85 percent in 1932, 89 percent in 1936, and 93 percent in 1938. Even with adjustments for the arbitrary valuation, exports of petroleum probably account for three-fourths or more of the value of total exports.

Almost all of the shipments of petroleum and derivatives consist of crude petroleum, which constituted 74 percent of total exports in 1929 and 90 percent in 1938. Exports of fuel oil, the most important petroleum derivative, amounted to approximately 3 percent of all exports in the years for which data are available. Gas oil and gasoline together accounted for less than 1 percent of total exports in 1938.

TABLE 3.—Venezuela: Exports,<sup>1</sup> in terms of bolivares, by commodity groups and principal commodities, in specified years, 1929 to 1938

[Value in thousands of bolivares]

Commodity group or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	778,560	628,259	768,463	871,463	887,276
Petroleum and derivatives.....	593,610	531,635	684,226	770,042	828,265
Petroleum, crude.....	577,709	481,123	645,422	736,428	797,443
Fuel oil.....	( <sup>3</sup> )	19,560	24,750	24,111	25,974
Gas oil.....	5,651	9,569	6,970	7,307	4,675
Gasoline.....	9,143	21,358	6,997	2,030	61
Asphalt.....	1,067	5			
Coffee.....	133,792	58,323	39,688	38,091	25,677
Gold.....	4,989	10,485	19,912	36,115	14,897
Gold coin.....		( <sup>4</sup> )	5,202	20,800	
Gold, in bars.....		3,152	12,761	12,758	12,754
Cacao.....	24,175	12,142	11,449	13,942	9,977
Livestock.....	2,649	1,232	2,760	2,806	1,784
Cattle.....	2,503	1,186	2,536	2,731	1,734
Hides and skins.....	6,391	1,564	3,369	4,371	1,640
Vegetable products, miscellaneous.....	( <sup>5</sup> )	( <sup>6</sup> )	873	635	650
Mineral products, miscellaneous.....	( <sup>5</sup> )	( <sup>6</sup> )	88	280	589
Fruits and vegetables.....	( <sup>5</sup> )	( <sup>6</sup> )	935	1,063	463
Bananas.....	55	289	269	723	317
Wood.....	382	175	242	189	356
Food products, miscellaneous.....	( <sup>5</sup> )	( <sup>6</sup> )	( <sup>5</sup> )	428	195
Manufactured products, miscellaneous.....	( <sup>5</sup> )	( <sup>6</sup> )	133	148	121
Fertilizers.....	348	166	118	106	83
Meats.....	66	4	<sup>7</sup> (129)	197	69
Fish and products.....	155	184	(34)	63	64
Animal products, miscellaneous.....	( <sup>5</sup> )	( <sup>6</sup> )	632	69	53
Beverages and other alcoholic liquors.....	6	( <sup>5</sup> )	( <sup>5</sup> )	46	37
Tobacco.....	13	9	<sup>7</sup> (7)	26	27
Pearls, tortoise shell, and similar products.....	1,612	4,400	465	325	11
Tonka beans.....	961	480	1,852	145	5
Salt.....	301		( <sup>5</sup> )	( <sup>5</sup> )	
Reexports.....	3,968	4,831	1,722	2,376	2,313

<sup>1</sup> General exports. Bullion and specie are included. Parcel post is excluded. Values are current market values, f. o. b. Venezuelan port or frontier, including export duties and taxes, except in the case of petroleum, for which fixed unit values are employed.

<sup>2</sup> The classifications employed in this table are those given in the Venezuelan export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Not shown separately; if any, included with crude petroleum.

<sup>4</sup> Not shown separately.

<sup>5</sup> Included in "Animal and vegetable products."

<sup>6</sup> Omit when adding for total; probably also included in "Animal products, miscellaneous."

<sup>7</sup> Omit when adding for total; probably also included in "Vegetable products, miscellaneous."

<sup>8</sup> Less than 500 bolivares.

Source: Compiled by the United States Tariff Commission from *Estadística Mercantil y Marítima, Estados Unidos de Venezuela*.

Only three other export groups—coffee, gold, and cacao—account for more than 1 percent of Venezuelan exports. Coffee in 1929 constituted 17 percent of the total, but declined to 9 percent in 1932, to 5 percent in 1936, and to 3 percent in 1938. In terms of dollars, shipments of coffee were valued at 26 million in 1929 and at 8 million

in 1938. Exports of gold (exclusive of coined gold) became increasingly important in the later years of the decade 1929-38, rising in value from less than one-half million dollars in 1932 (one-half of 1 percent of total exports) to nearly 4 million dollars in 1938 (1.5 percent of total exports). Exports of cacao, in 1929 valued at 4.7 million dollars, constituted 3 percent of all exports; in 1938 they amounted to 3.1 million dollars, but aggregated only 1 percent of the total exports in that year.

TABLE 4.—Venezuela: Exports,<sup>1</sup> in terms of dollars, by commodity groups and principal commodities, in specified years, 1929 to 1938

(Value in thousands of U. S. dollars)

Commodity group or commodity <sup>1</sup>	1929 (1 bolivar = \$0.1930)		1932 (1 bolivar = \$0.1509)		1936 (1 bolivar = \$0.2551)		1937 (1 bolivar = \$0.2824)		1938 (1 bolivar = \$0.3135)	
	Value	Per-cent of total	Value	Per-cent of total	Value	Per-cent of total	Value	Per-cent of total	Value	Per-cent of total
Grand total.....	150,262	100.0	94,804	100.0	196,035	100.0	246,101	100.0	278,161	100.0
Petroleum and derivatives.....	114,567	76.2	80,224	84.6	174,546	89.0	217,490	88.4	259,661	93.3
Petroleum, crude.....	111,498	74.2	72,601	76.6	64,647	84.0	207,967	84.5	249,999	89.9
Fuel oil.....	( <sup>2</sup> )		2,952	3.1	6,314	3.2	6,809	2.8	8,143	2.9
Gas oil.....	1,091	.7	1,444	1.5	1,778	.9	2,064	.8	1,466	.5
Gasoline.....	1,765	1.2	3,223	3.4	1,785	.9	573	.2	19	( <sup>3</sup> )
Asphalt.....	204	.1	( <sup>4</sup> )							
Coffee.....	25,822	17.2	8,801	9.3	10,125	5.2	10,757	4.4	8,050	2.9
Gold.....	963	.6	1,582	1.7	5,080	2.6	10,199	4.1	4,670	1.7
Gold coin.....			( <sup>5</sup> )		1,327	.7	5,874	2.4		
Gold, in bars.....			476	.5	3,255	1.7	3,603	1.5	3,998	1.5
Cacao.....	4,666	3.1	1,832	1.9	2,921	1.5	3,937	1.6	3,128	1.1
Livestock.....	511	.3	186	.2	704	.4	792	.3	559	.2
Cattle.....	483	.3	179	.2	647	.3	771	.3	544	.2
Hides and skins.....	1,233	.8	236	.2	859	.4	1,234	.5	614	.2
Vegetable products, miscellaneous.....	( <sup>6</sup> )		( <sup>6</sup> )		222	.1	179	.1	204	.1
Mineral products, miscellaneous.....	( <sup>6</sup> )		( <sup>6</sup> )		22	( <sup>6</sup> )	79	( <sup>6</sup> )	185	.1
Fruits and vegetables.....	( <sup>6</sup> )		( <sup>6</sup> )		239	.1	300	.1	145	.1
Bananas.....	11	( <sup>6</sup> )	44	( <sup>6</sup> )	69	( <sup>6</sup> )	204	.1	99	( <sup>6</sup> )
Wood.....	74	( <sup>6</sup> )	26	( <sup>6</sup> )	62	( <sup>6</sup> )	53	( <sup>6</sup> )	111	( <sup>6</sup> )
Food products, miscellaneous.....	( <sup>6</sup> )		( <sup>6</sup> )		( <sup>6</sup> )		121	( <sup>6</sup> )	61	( <sup>6</sup> )
Manufactured products, miscellaneous.....	( <sup>6</sup> )		( <sup>6</sup> )		34	( <sup>6</sup> )	42	( <sup>6</sup> )	38	( <sup>6</sup> )
Fertilizers.....	67	( <sup>6</sup> )	25	( <sup>6</sup> )	30	( <sup>6</sup> )	30	( <sup>6</sup> )	26	( <sup>6</sup> )
Meats.....	13	( <sup>6</sup> )	1	( <sup>6</sup> )	(33)	( <sup>6</sup> )	56	( <sup>6</sup> )	22	( <sup>6</sup> )
Fish and products.....	30	( <sup>6</sup> )	28	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	18	( <sup>6</sup> )	20	( <sup>6</sup> )
Animal products, miscellaneous.....	( <sup>6</sup> )		( <sup>6</sup> )		161	.1	20	( <sup>6</sup> )	16	( <sup>6</sup> )
Beverages and other alcoholic liquors.....	1	( <sup>6</sup> )	( <sup>6</sup> )		( <sup>6</sup> )		13	( <sup>6</sup> )	.12	( <sup>6</sup> )
Tobacco.....	2	( <sup>6</sup> )	1	( <sup>6</sup> )	(2)	( <sup>6</sup> )	7	( <sup>6</sup> )	9	( <sup>6</sup> )
Pearls, tortoise shell, and similar products.....	311	.2	664	.7	119	.1	92	( <sup>6</sup> )	3	( <sup>6</sup> )
Tonka beans.....	186	.1	72	( <sup>6</sup> )	472	.2	41	( <sup>6</sup> )	2	( <sup>6</sup> )
Salt.....	58	( <sup>6</sup> )			( <sup>6</sup> )		( <sup>6</sup> )	( <sup>6</sup> )		
Reexports.....	766	.5	729	.8	439	.2	671	.3	725	.3

<sup>1</sup> General exports. Bullion and specie are included. Parcel post is excluded. Values are current market values, f. o. b. Venezuelan port or frontier, including export duties and taxes, except in the case of petroleum for which fixed unit values are employed.

<sup>2</sup> The classifications employed in this table are those given in the Venezuelan export statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> Not shown separately; if any, included with crude petroleum.

<sup>4</sup> Less than one-tenth of 1 percent.

<sup>5</sup> Not shown separately.

<sup>6</sup> Included in "Animal and vegetable products."

<sup>7</sup> Omit when adding for total; probably also included in "Animal products, miscellaneous."

<sup>8</sup> Omit when adding for total; probably also included in "Vegetable products, miscellaneous."

<sup>9</sup> Less than 500.

Source: Compiled by the United States Tariff Commission from *Estadística Mercantil y Marítima Estados Unidos de Venezuela*.

The remaining groups in the Venezuelan export classification together accounted in 1938 for about 1 percent of all exports. The more important were hides and skins (chiefly cattle hides and goat-skins), livestock (largely cattle), fruits and vegetables (chiefly bananas), and miscellaneous vegetable products.

Quantities, values (in dollars), and unit values of exports of selected commodities from Venezuela, in specified years, 1929 to 1938, are shown in table 5. The trend of exports of crude petroleum in later years of the decade (on the basis of both quantity and value) was upward. Exports of crude petroleum, in terms of quantity, declined from 129 million barrels in 1929 to 109 million barrels in 1932, but thereafter increased, reaching 179 million barrels in 1938, or more than one and one-third times the level in 1929.<sup>22</sup>

Venezuelan exports of coffee, while fluctuating considerably, displayed a downward trend in both volume and dollar value in later years of the period 1929-38. In 1929 the quantity exported amounted to 142 million pounds. Declining to 109 million pounds in 1932, exports recovered to 136 million pounds in 1936. Thereafter they declined, reaching 79 million pounds in 1938, or less than three-fifths of the 1929 level. The dollar value in 1938, however, was less than one-third of that in 1929.

Exports of cacao beans from Venezuela declined from nearly 47 million pounds in 1929 to 35 million pounds in 1932, and maintained approximately that level in 1936 and 1937. In 1938 exports increased to almost the 1929 level, but the dollar value in 1938 was only two-thirds of that in 1929.

TABLE 5.—Venezuela: Exports of selected commodities, in specified years, 1929 to 1938

Commodity	1929	1932	1936	1937	1938
Quantity					
Petroleum, crude, 1,000 bbl.....	129,445	109,053	150,483	169,133	179,222
Coffee, 1,000 lb.....	141,907	108,517	135,721	91,949	79,130
Cacao beans, 1,000 lb.....	46,560	35,110	36,280	35,909	45,418
Value (1,000 U. S. dollars) <sup>1</sup>					
Petroleum, crude.....	111,498	72,801	164,647	207,967	249,999
Coffee.....	25,822	8,901	10,125	10,757	8,050
Cacao beans.....	4,666	1,832	2,921	3,937	3,128
Unit value (U. S. dollars)					
Petroleum, crude, bbl. <sup>2</sup> .....	0.861	0.656	1.094	1.230	1.395
Coffee, lb.....	.182	.081	.075	.117	.102
Cacao beans, lb.....	.100	.052	.081	.110	.069

<sup>1</sup> Converted at values shown in table 4.

<sup>2</sup> See footnote 4, p. 276.

Source: Compiled by the United States Tariff Commission from *Estadística Mercantil y Marítima, Este-o Unidos de Venezuela*.

<sup>22</sup> The dollar value of such exports in 1938, as indicated by Venezuelan trade statistics, was two and one-fourth times that in 1929. The increase in the unit value of petroleum shown in these statistics does not correspond to the general variations in petroleum prices and the unit values of United States imports during this period. For this reason, statistics of the value of Venezuelan exports of petroleum have little significance as indications of trend.

*Destination.*—The principal destinations of Venezuelan exports in 1938, and the share of the total value taken by each country, were the Netherlands West Indies, 76 percent; the United States, 13 percent; the United Kingdom, 3 percent; and Germany, 3 percent. Other markets in 1938 included France, Italy, Japan, and Canada. Exports from Venezuela to selected countries, in specified years, 1929 to 1938, are shown in bolivares in table 6 and in dollars in table 7. More detailed data for 1937 are shown in table 8.

Significant developments in the Venezuelan export trade during the decade 1929-38 included the advance in the position of the Netherlands West Indies as a market for Venezuelan petroleum, and the decline in the importance of the United States as a market for direct shipments of Venezuelan products. In 1929, 56 percent of all exports from Venezuela (in terms of value) went to the Netherlands West Indies, and in 1938, 76 percent. These shipments (valued at 212 million dollars in 1938) consist of crude petroleum sent there for refining and reexport, principally to the United Kingdom and the United States.

TABLE 6.—Venezuela: Foreign trade with selected countries, in terms of bolivares, in specified years, 1929 to 1938

[Value in thousands of bolivares]

Country	1929	1932	1936	1937	1938
<b>Exports to 1—</b>					
All countries.....	778,560	628,259	768,483	871,463	887,276
Netherlands West Indies.....	433,724	430,734	542,978	629,575	674,904
UNITED STATES.....	215,984	130,626	134,563	119,067	117,551
United Kingdom.....	9,045	5,783	28,501	47,936	28,887
Germany.....	36,335	13,032	15,616	21,164	28,378
Japan.....	.....	.....	255	362	700
Italy.....	3,682	684	2,555	3,504	1,894
France.....	22,190	16,946	15,289	14,154	11,315
All other.....	57,600	30,454	28,706	35,681	23,947
<b>Imports from 1—</b>					
All countries.....	452,852	153,458	211,590	304,634	310,949
UNITED STATES.....	248,999	69,736	100,238	160,950	175,244
United Kingdom.....	58,107	22,127	21,383	28,409	21,874
Germany.....	41,561	19,055	31,849	41,434	37,259
Japan.....	1,005	639	7,899	9,589	5,387
Italy.....	9,556	4,433	3,220	6,297	7,639
France.....	19,953	10,282	11,063	8,520	9,184
All other.....	73,671	27,166	35,938	49,435	54,342

<sup>1</sup> General exports. Bullion and specie are included. Parcel post is excluded. Values are current market values, f. o. b. Venezuelan port or frontier, including export duties and taxes, except in the case of petroleum, for which fixed unit values have been employed.

<sup>2</sup> Includes trade with the following countries:

Exports to—	Bolivares (1,000)	Imports from—	Bolivares (1,000)
Canada.....	7,984	Belgium.....	22,631
		Netherlands.....	16,127

<sup>3</sup> General imports. Bullion, specie, and parcel post are included. Values are f. o. b. port, as per consular invoice.

Source: Compiled by the United States Tariff Commission from *Estadística Mercantil y Marítima, Estados Unidos de Venezuela*.

Next to the Netherlands West Indies, the United States is the principal market for direct shipments of Venezuelan products; in the decade 1929-38 its purchases ranged between 20 million dollars (1932) and 42 million dollars (1929); they amounted to 37 million dollars in 1938. Its importance in relation to the total Venezuelan export trade de-

clined, however, its share dropping from 28 percent in 1929 to 13 percent in 1938. This decline was caused chiefly by the decrease in the absolute quantity of exports of crude petroleum to the United States. United States purchases from Venezuela consist almost entirely (in the order of their importance) of crude petroleum, coffee, cacao, gold, and hides and skins. In 1938, the United States received (in terms of value) 13 percent of the crude petroleum, 25 percent of the coffee, nearly 16 percent of the cacao, more than 36 percent of the hides and skins, and 39 percent of the gold exported from Venezuela.

TABLE 7.—Venezuela: Foreign trade with selected countries, in terms of dollars, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Country	1929 (1 bolivar= \$0.1930)		1932 (1 bolivar= \$0.1509)		1936 (1 bolivar= \$0.2551)		1937 (1 bolivar= \$0.2824)		1938 (1 bolivar= \$0.3135)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
<b>Exports to <sup>1</sup>—</b>										
All countries.....	150,262	100.0	94,804	100.0	196,035	100.0	246,101	100.0	278,161	100.0
Netherlands West Indies.....	83,709	55.7	64,968	68.6	138,514	70.7	177,792	72.2	211,583	76.1
UNITED STATES.....	41,685	27.7	19,712	20.8	34,327	17.5	33,625	13.7	36,852	13.2
United Kingdom.....	1,746	1.2	873	.9	7,271	3.7	13,543	5.5	9,056	3.2
Germany.....	7,013	4.7	1,966	2.1	3,984	2.0	5,977	2.4	8,897	3.2
Japan.....					65	.1	102	(?)	219	.1
Italy.....	710	.5	103	1	652	.3	690	.4	500	.2
France.....	4,283	2.8	2,557	2.7	3,900	2.0	3,997	1.6	3,547	1.3
All other.....	11,116	7.4	4,595	4.8	7,322	3.7	10,075	4.2	7,507	2.7
<b>Imports from <sup>4</sup>—</b>										
All countries.....	87,400	100.0	23,157	100.0	53,977	100.0	86,029	100.0	97,483	100.0
UNITED STATES.....	48,057	55.0	10,523	45.5	25,571	47.4	45,452	52.8	54,939	56.4
United Kingdom.....	11,214	12.8	3,339	14.4	5,455	10.1	8,023	9.3	6,858	7.0
Germany.....	8,021	9.2	2,875	12.4	8,125	15.1	11,701	13.6	11,681	12.0
Japan.....	194	.2	97	.4	2,015	3.7	2,708	3.2	1,689	1.7
Italy.....	1,844	2.1	669	2.9	821	1.5	1,778	2.1	2,401	2.5
France.....	3,851	4.4	1,552	6.7	2,822	5.2	2,406	2.8	2,879	2.9
* All other.....	14,219	16.3	4,102	17.7	9,168	17.0	13,961	16.2	17,036	17.5

<sup>1</sup> General exports. Bullion and specie are included. Parcel post is excluded. Values are current market values, f. o. b. Venezuelan port or frontier, including export duties and taxes, except in the case of petroleum, for which fixed unit values have been employed.

<sup>2</sup> Less than one-tenth of 1 percent.

<sup>3</sup> Includes trade with the following countries:

	U. S. dollars		U. S. dollars		
Exports to—	(1,000)	Percent of total	Imports from—	(1,000)	
Canada.....	2,503	0.9	Belgium.....	7,095	7.3
			Netherlands.....	5,056	5.2

<sup>4</sup> General imports. Bullion, specie, and parcel post are included. Values are f. o. b. port, as per consular invoice.

Source: Compiled by the United States Tariff Commission from *Estadística Mercantil y Marítima, Estados Unidos de Venezuela*.

The share of the United Kingdom in the direct Venezuelan export trade, which was unimportant in 1929 and 1932, increased to more than 5 percent in 1937, but declined to 3 percent in 1938. Values ranged from 900,000 (1932) to 13.5 million dollars (1937). In 1938 they amounted to 9 million dollars. Practically all Venezuelan exports to the United Kingdom consist of gold and petroleum.

Direct Venezuelan exports to Germany constituted nearly 5 percent of the total value of exports in 1929, but in the remaining years under

consideration amounted to between 2 and 3 percent, although in terms of dollars the trade was considerably greater in 1938 than in 1929. The value of exports to Germany ranged between 2 million (1932) and 9 million dollars (1938). About nine-tenths of Germany's purchases from Venezuela consisted of coffee, cacao, and hides and skins.

Direct purchases by France declined from nearly 3 percent in 1929 to somewhat more than 1 percent in 1938. Direct purchases by Italy and Japan were negligible; in none of the years 1929-38 did combined exports to these two countries exceed one-half of 1 percent of the total.<sup>23</sup> Venezuelan exports (direct) to other Latin American countries are small. In 1937 they were valued at approximately 1.9 million dollars, or six-tenths of 1 percent of total exports.

TABLE 8.—Venezuela: Foreign trade, by geographic areas and principal countries, in 1937

[Value in thousands of U. S. dollars]

Exports <sup>1</sup> (1 bolivar=\$0.2824)			Imports <sup>1</sup> (1 bolivar=\$0.2824)		
To—	Value	Percent of total	From—	Value	Percent of total
<b>Western Hemisphere:</b>			<b>Western Hemisphere:</b>		
UNITED STATES.....	33,625	13.7	UNITED STATES.....	45,452	52.8
Canada.....	4,180	1.7	Canada.....	42	.1
Netherlands West Indies.....	177,792	72.2	Netherlands West Indies.....	478	.6
All other Western Hemisphere countries.....	3,633	1.5	Colombia.....	380	.4
			All other Western Hemisphere countries.....	796	.9
Total.....	219,230	89.1	Total.....	47,148	54.8
<b>Europe:</b>			<b>Europe:</b>		
United Kingdom.....	13,543	5.5	United Kingdom.....	8,023	9.3
Germany.....	5,977	2.4	Germany.....	11,701	13.6
France.....	3,997	1.6	France.....	2,496	2.8
Italy.....	990	.4	Italy.....	1,778	2.1
Netherlands.....	900	.4	Belgium.....	4,960	5.8
All other European countries.....	1,345	.6	Netherlands.....	4,718	5.5
			All other European countries.....	2,089	2.4
Total.....	26,752	10.9	Total.....	35,665	41.5
<b>Asia:</b>			<b>Asia:</b>		
Japan.....	102	( <sup>2</sup> )	Japan.....	2,708	3.2
All other Asiatic countries.....	( <sup>2</sup> )	( <sup>2</sup> )	All other Asiatic countries.....	436	.5
Total.....	102	( <sup>2</sup> )	Total.....	3,144	3.7
<b>Africa:</b>			<b>Africa:</b>		
	17	( <sup>2</sup> )	Africa.....	4	( <sup>2</sup> )
			Oceania.....	38	( <sup>2</sup> )
Grand total.....	246,101	100.0	Grand total.....	66,029	100.0

<sup>1</sup> General imports. Exports comprise domestic exports and reexports. Parcel post is included in imports but excluded from exports. Bullion and specie are included. Import values are f. o. b. port as per consular invoice. Exports are current market values f. o. b. Venezuelan port or frontier, including export duties and taxes, except in the case of petroleum.

<sup>2</sup> Less than five one-hundredths of 1 percent.

<sup>3</sup> Less than 500.

Source: Compiled by the United States Tariff Commission from *Estadísticas Mercantil y Marítima, Estados Unidos de Venezuela, 1937*.

<sup>23</sup> The values of exports to France, Italy, and Japan varied as follows: France, from 2.6 million dollars (1932) to 4.3 million dollars (1929); Italy, from \$103,000 (1932) to \$990,000 (1937); and Japan, from \$65,000 (1936) to \$219,000 (1938). No exports to Japan were recorded in 1929 and 1932.

The shares of Venezuelan exports ultimately taken in ordinary times by the United States, the United Kingdom, and certain other European countries are much greater than those shown in Venezuelan export statistics, inasmuch as most of the Venezuelan petroleum is shipped to the Netherlands West Indies for refining, whence it is reexported, principally to the United States and European countries. The Netherlands West Indies is one of the three largest exporters of petroleum and petroleum products in the world. In 1938 exports from this area amounted to nearly 163 million barrels. Of this amount, fuel oil constituted 60 percent; gasoline, 19 percent; and Diesel oil and gas oil, 6 percent each. The remaining 9 percent consisted of kerosene, lubricating oil, and crude oil. The principal markets in the past have been the United Kingdom, the United States, the Netherlands, and Germany. Exports of heavy fuel oil, the largest single classification in exports from the Netherlands West Indies, aggregated 97.4 million barrels in 1938. These exports went to a large number of destinations, among the more important of which were the United States (27 percent), the United Kingdom (14 percent), Argentina (9 percent), Germany (7 percent), Italy (6 percent), the Netherlands (5 percent), French Africa (4 percent), Brazil (3 percent), Gibraltar (3 percent), Panama Canal Zone (2 percent), and France (2 percent).<sup>24</sup>

#### Imports into Venezuela.

*Composition.*—Dutiable Venezuelan import classifications are machines, instruments, apparatus, vehicles, and accessories; textiles; foodstuffs and beverages; metals and manufactures; chemicals; minerals (nonmetallic), glass, ceramics, and manufactures; wood, paper, cardboard, and manufactures; animals and industrial animal products; plants and industrial plant products; and sundries. Imports into Venezuela, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938, are shown in bolívares in table 9 and in dollars in table 10.<sup>25</sup>

Because of the lack of comparable data for 1929 and 1932, a comparison of the value of the various major import groups in those years with the period 1936-38 is not possible. For some of the individual subgroups and commodities, however, the data are available; for these, the ratios of the dollar value of imports in 1938 to those in 1929 were as follows: Automobiles, trucks, and accessories, 149 percent; cotton fabrics, 63 percent; wheat flour, 90 percent; rice, 66 percent; preserved milk, 383 percent; lard, 23 percent; perfumery, soap, and similar products, 99 percent; lubricating oils, 124 percent; cement, 105 percent; tanned hides and skins (other than sole leather), 97 percent.

<sup>24</sup> Aside from heavy fuel oil, the principal petroleum products exported from the Netherlands West Indies have been gasoline, Diesel oil, gas oil, kerosene, lubricating oil, and crude oil. Exports of gasoline from the Netherlands West Indies amounted in 1938 to 31 million barrels, of which the United Kingdom took 56 percent; the Netherlands, 11 percent; Germany, 5 percent; Brazil, 4 percent; and Sweden, 3 percent. Exports of Diesel oil in 1938 were 9.8 million barrels; of this amount 24 percent went to the United Kingdom and 10 percent each to Norway and the Netherlands. Other markets were Gibraltar, Germany, the Canary Islands, and the Panama Canal Zone. Exports of gas oil, amounting to 9.6 million barrels in 1938, went principally to the United Kingdom (23 percent), the Netherlands (22 percent), Germany (15 percent), and Sweden (12 percent). Kerosene, aggregating 5.2 million barrels in that year, was sold to the United Kingdom (29 percent), the Netherlands (21 percent), the United States (12 percent), and Sweden (8 percent). Lubricating oil (2.3 million barrels in 1938) went to the United States (42 percent), the Netherlands (36 percent), the United Kingdom (14 percent), and Germany (8 percent). Exports of crude oil in 1938 amounted to 7.8 million barrels, of which the Netherlands took 35 percent; France, 25 percent; the United States, 20 percent; and Italy, 14 percent.

<sup>25</sup> During the decade 1929-38, the Venezuelan import classifications were changed four times. Because of these successive changes, which involved numerous shifts of subgroups and commodities, it has been impracticable to provide data for the years 1929 and 1932, except for a few commodities.



TABLE 9.—Venezuela: Imports,<sup>1</sup> in terms of bolivares, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of bolivares]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
Grand total.....	452,852	153,458	211,590	304,634	310,940
Dutiable imports:					
Machines, instruments, apparatus, and accessories.....	( <sup>3</sup> )	( <sup>3</sup> )	28,428	44,394	86,667
Vehicles and accessories.....	( <sup>3</sup> )	( <sup>3</sup> )	*15,388	23,872	32,390
Automobiles, trucks, and accessories.....	26,813	5,095	*14,542	21,964	24,619
Metals and manufactures.....	( <sup>3</sup> )	( <sup>3</sup> )	*8,907	17,379	61,877
Iron and steel and manufactures.....	( <sup>3</sup> )	( <sup>3</sup> )	5,243	12,378	52,113
Iron and steel manufactures.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	8,313	44,870
Iron and steel piping, not coppered, bronzed, or nicked, and connections, plugs, and cocks.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1,344	25,292
Enameled iron or steel articles.....	( <sup>3</sup> )	( <sup>3</sup> )	1,764	2,879	1,047
Raw and semiworked iron and steel.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	4,064	7,244
Structural shapes and rails.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1,193	1,778
Copper, bronze, brass, and manufactures in chief value of these metals.....	( <sup>3</sup> )	( <sup>3</sup> )	554	1,580	4,421
Aluminum, antimony, tin, nickel, lead, zinc, and manufactures in chief value of these metals.....	( <sup>3</sup> )	( <sup>3</sup> )	704	1,364	1,417
Foodstuffs and beverages.....	( <sup>3</sup> )	( <sup>3</sup> )	21,253	28,664	24,407
Cereals, meal and flour, and starch.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	10,591	10,557
Wheat flour.....	10,042	5,450	4,534	6,029	6,581
Rice, in the grain (husked).....	5,300	2,194	2,377	2,130	2,164
Oats, rolled.....	489	316	918	1,212	1,433
Eggs, and milk and its preparations.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	4,303	7,036
Milk, preserved.....	2,096	924	1,093	2,417	4,948
Butter, pure.....	3,447	1,542	558	1,109	1,056
Cheese.....	1,622	553	572	777	1,027
Preparations, preserves, and miscellaneous products.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	4,112	6,527
Special foods for children, and dietetic foods (not containing more than 10 percent cocon).....	( <sup>3</sup> )	( <sup>3</sup> )	800	1,232	1,629
Beverages and other liquids.....	( <sup>3</sup> )	( <sup>3</sup> )	2,808	3,602	3,776
Cognac.....	( <sup>3</sup> )	( <sup>3</sup> )	868	1,092	1,164
Whisky.....	1,159	394	618	782	919
Vegetables, pot herbs, fruits, and spices.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	2,263	2,719
Meat and fish products.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1,973	2,230
Sardines of all kinds.....	2,617	326	1,121	1,657	1,711
Lard, oils, and fats.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1,726	2,458
Lard.....	7,265	2,895	70	840	1,047
Olive oil, pure <sup>4</sup> .....	1,680	568	866	751	1,258
Textiles.....	( <sup>3</sup> )	( <sup>3</sup> )	32,290	41,868	31,435
Cotton.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	28,998	18,930
Cotton fabrics, pure.....	32,874	13,896	*17,041	20,246	12,747
Cloth, bleached, plain weave, weighing not more than 130 grams.....	( <sup>3</sup> )	( <sup>3</sup> )	*2,126	2,006	1,378
Dyed fabrics, figured weave.....	( <sup>3</sup> )	( <sup>3</sup> )	*553	2,456	1,148
Drill (cotton suiting).....	( <sup>3</sup> )	( <sup>3</sup> )	*3,879	6,133	3,267
Fabrics, printed, figured.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	2,224	1,456
Made-up articles and manufactures.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	3,780	3,756
Stockings and socks, not exceeding 340 grams per dozen pairs.....	2,034	1,144	1,192	1,377	362
Yarn and thread.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	2,625	1,628
Thread, ordinary sewing.....	2,622	1,673	1,909	1,964	1,032
Duck, plush, knitted tissues, and special tissues.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1,504	1,104
Duck.....	1,711	622	814	1,277	857
Wool.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	3,952	4,028
Wool fabrics.....	3,451	1,070	*2,019	2,774	2,906
Woolen or goat's hair fabrics, pure and mixed.....	( <sup>3</sup> )	( <sup>3</sup> )	1,801	2,300	2,329
Silk, and flax and ramie.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	5,637	5,325
Flax and ramie fabrics.....	556	275	*1,136	1,968	1,546
Silk fabrics.....	1,206	2,963	*1,626	1,457	1,198
Hemp, jute, and other common fibers.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1,676	1,799
Fabrics.....	( <sup>3</sup> )	( <sup>3</sup> )	*913	709	585
Raw materials and yarns.....	( <sup>3</sup> )	( <sup>3</sup> )	*442	842	1,014
Chemicals.....	( <sup>3</sup> )	( <sup>3</sup> )	11,917	14,495	17,948
Pharmaceutical products.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	7,674	8,130
Patent medicines and specifics, n. s. m.....	( <sup>3</sup> )	( <sup>3</sup> )	6,048	6,440	6,956
Chemical products.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1,795	2,896
Perfumery, soap, and similar products <sup>5</sup> .....	*2,801	*1,636	1,809	1,649	1,752
Paints and colors.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1,363	2,224
Explosives and fireworks.....	( <sup>3</sup> )	( <sup>3</sup> )	310	167	943

See footnotes at end of table.

TABLE 9.—Venezuela: Imports,<sup>1</sup> in terms of bolivares, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938—Con.

[Value in thousands of bolivares]

Commodity group, subgroup, or commodity <sup>2</sup>	1929	1932	1936	1937	1938
<b>Dutiable imports—Continued.</b>					
Minerals (nonmetallic), glass, ceramics, and manufactures.....	( <sup>3</sup> )	( <sup>3</sup> )	6, 149	8, 355	16, 369
Glass and crystal.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	3, 533	3, 258
Flasks or bottles.....	( <sup>3</sup> )	( <sup>3</sup> )	1, 191	1, 659	1, 346
Petroleum, bitumen, and derivatives.....	( <sup>3</sup> )	( <sup>3</sup> )	1, 908	2, 658	5, 157
Lubricating oils.....	3, 784	2, 379	875	907	2, 893
Mineral products and manufactures, miscellaneous.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1, 133	6, 765
Cement.....	6, 215	2, 661	627	377	3, 996
Wood, paper, cardboard, and manufactures.....	( <sup>3</sup> )	( <sup>3</sup> )	*3, 913	6, 127	8, 786
Paper, cardboard, and imitations.....	( <sup>3</sup> )	( <sup>3</sup> )	3, 571	4, 461	5, 103
Paper and cardboard, unmanufactured.....	( <sup>3</sup> )	( <sup>3</sup> )	2, 132	2, 530	2, 647
Manufactures of paper and cardboard.....	( <sup>3</sup> )	( <sup>3</sup> )	1, 439	1, 931	2, 456
Animals and industrial animal products.....	( <sup>3</sup> )	( <sup>3</sup> )	3, 786	4, 910	4, 341
Hides and skins, and manufactures.....	( <sup>3</sup> )	( <sup>3</sup> )	3, 243	4, 157	3, 462
Hides and skins, tanned, other than sole leather.....			2, 732	3, 329	2, 747
Hats of all kinds <sup>4</sup> .....	*4, 596	*2, 184	1, 654	( <sup>5</sup> )	( <sup>5</sup> )
Furniture of all kinds <sup>6</sup> .....	*4, 977	*1, 735	732	( <sup>5</sup> )	( <sup>5</sup> )
Plants and industrial plant products.....	( <sup>3</sup> )	( <sup>3</sup> )	*3, 200	2, 925	3, 815
Miscellaneous products.....	( <sup>3</sup> )	( <sup>3</sup> )	*6, 605	9, 698	15, 652
Gymnastic, sports, and hunting articles, games and toys.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1, 895	2, 246
Electrical equipment.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	2, 685	7, 741
All other miscellaneous products.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	5, 018	5, 865
Footwear, finished or half finished, n. s. m., and hats, n. s. m.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1, 357	1, 864
<b>Duty-free and exempt imports:</b>					
Duty-free goods.....	( <sup>3</sup> )	( <sup>3</sup> )	9, 902	13, 224	26, 508
Gold coin (private importation).....	( <sup>3</sup> )	( <sup>3</sup> )	-----	863	552
<b>Products specially exempt from duty by the Government:</b>					
Supplies for petroleum companies.....	( <sup>3</sup> )	( <sup>3</sup> )	46, 955	85, 576	( <sup>10</sup> )
Supplies for other purposes.....	( <sup>3</sup> )	( <sup>3</sup> )	3, 430	3, 604	( <sup>10</sup> )
<b>Products imported by the National Government (free of duty):</b>					
Government supplies, etc.....	( <sup>3</sup> )	( <sup>3</sup> )	17, 598	19, 496	11 2, 296
Silver coin.....	( <sup>3</sup> )	( <sup>3</sup> )	4, 471	3, 155	-----
Nickel coin.....	( <sup>3</sup> )	( <sup>3</sup> )	400	-----	96
Parcel post.....	23, 374	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )

<sup>1</sup> General imports. Bullion, specie, and parcel post are included. Values are f. o. b. port as per consular invoice.

<sup>2</sup> Classifications employed in this table are those given in the Venezuelan import statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> During the period covered in this table, the import classifications were changed four times. Because of these successive changes, which involved numerous shifts of subgroups and commodities from group to group, it has been impracticable to provide data for the years 1929 and 1932, except in the case of a few individual commodities. Data for 1936 are comparable with those for 1937 and 1938, except in the case of those marked with an asterisk. These probably are comparable, but may not be strictly so.

<sup>4</sup> Does not include metal furniture, which amounted to approximately 543,000 bolivares.

<sup>5</sup> Data for years 1929, 1932, and 1936 compiled from *Anuario Estadístico de Venezuela*, 1938.

<sup>6</sup> Does not include wood furniture, which amounted to approximately 189,000 bolivares.

<sup>7</sup> Distributed under "Miscellaneous," subgroup "All other."

<sup>8</sup> Hats included in "Hats," and footwear in "Animals and industrial animal products."

<sup>9</sup> Distributed under groups "Metals" and "Wood, paper, cardboard, and manufactures."

<sup>10</sup> Distributed among the various groups.

<sup>11</sup> Consists of imports "reserved to the Government" only. Government supplies were distributed among the various groups.

<sup>12</sup> Parcel post, which is distributed among the groups, subgroups, and commodities, was valued at 10,049,196 bolivares in 1932; 9,740,587 bolivares in 1936; 13,117,668 bolivares in 1937; and 13,692,862 bolivares in 1938.

\* See footnote 3.

Source: Compiled by the United States Tariff Commission from *Estadística Mercantil y Marítima, Estados Unidos de Venezuela*.

Imports of commodities classified as duty-free under the Venezuelan tariff schedule constituted about 8 percent of total imports into Venezuela in 1938,<sup>26</sup> but several types of special exemptions ordinar-

<sup>26</sup> Important commodities in this classification include oil-drilling and specified agricultural equipment; stoves and water heaters; insecticide and disinfecting equipment; fencing materials; and medicines for specific uses. In 1937 these commodities accounted for over 50 percent of articles imported free of duty under the tariff.

ily bring the proportion of imports on which no duties are paid up to 40 percent or more. These are imports by petroleum companies (largely oil-well and pipe-line machinery and equipment); other private imports specially exempted for the purpose of fostering domestic production; imports by the National Government for its own use; and imports of commodities reserved to the National Government.<sup>27</sup> The exempted imports by the petroleum companies constituted 30 percent of aggregate imports in 1938. Those products imported by or reserved for the National Government in 1938 accounted for 8 percent, and exempt private imports for nearly 2 percent. In 1929, imports by parcel post, shown separately, constituted 5 percent of all imports. In subsequent years, imports by parcel post were distributed among the various groups, subgroups, and commodities.

TABLE 10.—Venezuela: Imports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>2</sup>	1929 (1 bolivar = \$0.1930)		1932 (1 bolivar = \$0.1509)		1935 (1 bolivar = \$0.2551)		1937 (1 bolivar = \$0.2824)		1938 (1 bolivar = \$0.3135)	
	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
Grand total.....	87,400	100.0	23,157	100.0	53,977	100.0	86,029	100.0	97,483	100.0
Dutiable imports:										
Machines, instruments, apparatus, and accessories.....	( <sup>1</sup> )		( <sup>1</sup> )		7,252	13.4	12,537	14.6	27,170	27.9
Vehicles and accessories.....	( <sup>1</sup> )		( <sup>1</sup> )		3,926	7.3	6,741	7.8	10,151	10.4
Automobiles, trucks, and accessories.....	5,175	5.9	769	3.3	3,710	6.9	6,203	7.2	7,718	7.9
Metals and manufactures.....					2,272	4.2	4,908	5.7	19,398	19.9
Iron and steel and manufactures.....					1,338	2.5	3,495	4.1	10,337	10.6
Iron and steel manufactures.....					( <sup>1</sup> )		2,348	2.7	14,067	14.4
Iron and steel piping, not coppered, bronzed or nickeled, and connections, plugs, and cocks.....					( <sup>1</sup> )		379	.4	7,929	8.1
Enameled iron or steel articles.....					450	.8	813	.9	328	.3
Raw and semiprocessed iron and steel.....	( <sup>1</sup> )		( <sup>1</sup> )		( <sup>1</sup> )		1,148	1.3	2,271	2.3
Structural shapes and rails.....					( <sup>1</sup> )		337	.4	557	.6
Copper, bronze, brass, and manufactures in chief value of these metals.....					141	.3	446	.5	1,386	1.4
Aluminum, antimony, tin, nickel, lead, zinc, and manufactures in chief value of these metals.....					180	.3	385	.4	444	.5
Foodstuffs and beverages.....					5,422	10.0	8,095	9.4	10,787	11.1
Cereals, meal and flour, and starch.....					( <sup>1</sup> )		2,991	3.5	3,310	3.4
Wheat flour.....	1,938	2.2	822	3.6	1,157	2.1	1,703	2.0	1,750	1.8
Rice, in the grain (husked).....	1,023	1.2	331	1.4	606	1.1	602	.7	678	.7
Oats, rolled.....	94	.1	46	.2	234	.4	342	.4	449	.5
Eggs, and milk and its preparations.....	( <sup>1</sup> )		( <sup>1</sup> )		( <sup>1</sup> )		1,215	1.4	2,206	2.3
Milk, preserved.....	405	.5	139	.6	279	.5	683	.8	1,551	1.6
Butter, pure.....	655	.8	233	1.0	142	.3	318	.4	331	.3
Cheese.....	313	.4	83	.4	146	.3	219	.3	322	.3
Preparations, preserves, and miscellaneous products.....	( <sup>1</sup> )		( <sup>1</sup> )		( <sup>1</sup> )		1,161	1.3	1,733	1.8
Special foods for children, and dietetic foods (not containing more than 10 percent cocoa).....	( <sup>1</sup> )		( <sup>1</sup> )		204	.4	348	.4	611	.6
Beverages and other liquids.....	( <sup>1</sup> )		( <sup>1</sup> )		716	1.3	1,017	1.2	1,184	1.2
Cognac.....	( <sup>1</sup> )		( <sup>1</sup> )		221	.4	308	.4	365	.4
Whisky.....	224	.3	60	.3	158	.3	221	.3	268	.3
Vegetables, pot herbs, fruits, and spices.....	( <sup>1</sup> )		( <sup>1</sup> )		( <sup>1</sup> )		639	.7	852	.9

See footnotes at end of table.

<sup>27</sup> Articles the importation of which is prohibited by or reserved to the National Government, include sea and rock salt, and solid preparations with a base of sea or rock salt; frozen, dried, and salted meats (except frozen poultry); matches; cigarette paper; and coconuts and copra.

TABLE 10.—Venezuela: Imports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938—Continued

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>1</sup>	1929 (1 bolivar= \$0.1930)		1932 (1 bolivar= \$0.1509)		1936 (1 bolivar= \$0.2551)		1937 (1 bolivar= \$0.2824)		1938 (1 bolivar= \$0.3135)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
<b>Dutiable imports—Continued.</b>										
<b>Foodstuffs and beverages—Con.</b>										
Meat and fish products.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		557	0.6	699	0.7
Sardines of all kinds.....	505	0.6	49	0.2	286	0.5	468	.5	537	.6
Lard, oils, and fats.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		487	.6	771	.8
Lard.....	1,402	1.6	437	1.9	18	( <sup>2</sup> )	237	.3	328	.3
Olive oil, pure <sup>4</sup> .....	324	.4	86	.4	221	.4	212	.3	394	.4
Textiles.....	( <sup>2</sup> )		( <sup>2</sup> )		8,237	15.3	11,824	13.7	9,855	10.1
Cotton.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		8,189	9.5	5,941	6.1
Cotton fabrics, pure.....	6,345	7.3	2,097	9.1	4,347	8.1	5,717	6.6	3,996	4.1
Cloth, bleached, plain weave, weighing not more than 130 grams.....	( <sup>2</sup> )		( <sup>2</sup> )		542	1.0	567	.7	432	.4
Dyed fabrics, figured weave.....	( <sup>2</sup> )		( <sup>2</sup> )		141	.3	695	.8	360	.4
Drill (cotton suiting).....	( <sup>2</sup> )		( <sup>2</sup> )		989	1.8	1,732	2.0	1,024	1.1
Fabrics, printed, figured.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		628	.7	456	.5
Made-up articles and manufac- tures.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		1,068	1.2	864	.9
Stockings and socks, not ex- ceeding 340 grams per dozen pairs.....	393	.4	173	.7	304	.6	389	.5	114	.1
Yarn and thread.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		741	.9	510	.5
Thread, ordinary sewing.....	506	.6	252	1.1	487	.9	555	.6	330	.3
Duck, plush, knitted tissues, and special tissues.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		425	.5	346	.4
Duck.....	330	.4	94	.4	208	.4	361	.4	262	.3
Wool.....	666	.8	161	.7	516	1.0	713	1.3	1,263	1.3
Wool fabrics.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		1,186	.9	911	.9
Woolen or goat's hair fabrics, pure and mixed.....	( <sup>2</sup> )		( <sup>2</sup> )		460	.9	650	.8	730	.7
Silk, and flax and ramie.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		1,592	1.9	1,669	1.7
Flax and ramie fabrics.....	107	.1	42	.2	290	.5	456	.6	485	.5
Silk fabrics.....	245	.3	450	1.9	415	.8	411	.5	376	.4
Hemp, jute, and other common fibers.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		473	.5	551	.6
Fabrics.....	( <sup>2</sup> )		( <sup>2</sup> )		233	.4	200	.2	183	.2
Raw materials and yarns.....	( <sup>2</sup> )		( <sup>2</sup> )		113	.2	238	.3	318	.3
Chemicals.....	( <sup>2</sup> )		( <sup>2</sup> )		3,040	5.6	4,093	4.8	5,627	5.8
Pharmaceutical products.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		2,167	2.5	2,549	2.6
Patent medicines and specifics, n. s. m.....	( <sup>2</sup> )		( <sup>2</sup> )		1,543	2.9	1,819	2.1	2,181	2.2
Chemical products.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		507	.6	908	.9
Perfumery, soap, and similar pro- ducts <sup>5</sup> .....	541	.6	247	1.1	462	.9	466	.5	534	.5
Paints and colors.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		385	.4	697	.7
Explosives and fireworks.....	( <sup>2</sup> )		( <sup>2</sup> )		79	.1	47	.1	296	.3
Minerals (nonmetallic), glass, ceram- ics, and manufactures.....	( <sup>2</sup> )		( <sup>2</sup> )		1,569	2.9	2,359	2.7	5,132	5.3
Glass and crystal.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		998	1.2	1,021	1.0
Flasks or bottles.....	( <sup>2</sup> )		( <sup>2</sup> )		304	.6	469	.5	422	.4
Petroleum, bitumen, and deriva- tives.....	( <sup>2</sup> )		( <sup>2</sup> )		487	.9	751	.9	1,617	1.7
Lubricating oils.....	730	.8	359	1.6	223	.4	256	.3	907	.9
Mineral products and manufac- tures, miscellaneous.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		320	.4	2,121	2.2
Cement.....	1,199	1.4	402	1.7	160	.3	107	.1	1,253	1.3
Wood, paper, cardboard, and manu- factures.....	( <sup>2</sup> )		( <sup>2</sup> )		7,998	1.8	1,730	2.0	2,754	2.8
Paper, cardboard, and imitations.....	( <sup>2</sup> )		( <sup>2</sup> )		911	1.7	1,260	1.5	1,600	1.6
Paper and cardboard, unmanu- factured.....	( <sup>2</sup> )		( <sup>2</sup> )		544	1.0	715	.8	830	.9
Manufactures of paper and card- board.....	( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )		( <sup>2</sup> )	
Animals and industrial animal pro- ducts.....	( <sup>2</sup> )		( <sup>2</sup> )		367	.7	545	.6	770	.8
Hides and skins, and manufactures.....	( <sup>2</sup> )		( <sup>2</sup> )		966	1.8	1,387	1.6	1,361	1.4
Hides and skins, tanned, other than sole leather <sup>6</sup> .....	( <sup>2</sup> )		( <sup>2</sup> )		827	1.5	1,174	1.4	1,085	1.1
	887	1.0	330	1.4	697	1.3	940	1.1	861	.9

See footnotes at end of table.

TABLE 10.—Venezuela: Imports,<sup>1</sup> in terms of dollars, by commodity groups, principal subgroups, and commodities, in specified years, 1929 to 1938—Continued

[Value in thousands of U. S. dollars]

Commodity group, subgroup, or commodity <sup>1</sup>	1929 (1 bolivar= \$0.1930)		1932 (1 bolivar= \$0.1509)		1936 (1 bolivar= \$0.2551)		1937 (1 bolivar= \$0.2824)		1938 (1 bolivar= \$0.3135)	
	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total	Value	Per- cent of total
<b>Dutiable imports—Continued.</b>										
Hats of all kinds <sup>2</sup> .....	961	1.1	262	1.1	422	0.8	( <sup>3</sup> )	.....	( <sup>3</sup> )	.....
Furniture of all kinds.....					187	.3	( <sup>3</sup> )	.....	( <sup>3</sup> )	.....
Plants and industrial plant products.....					816	1.5	826	1.0	1,196	1.2
Miscellaneous products.....					1,655	3.1	2,710	3.2	4,970	5.1
Gymnastic, sports, and hunting articles, games and toys.....					( <sup>3</sup> )	.....	535	.6	704	.7
Electrical equipment.....					( <sup>3</sup> )	.....	758	.9	2,427	2.5
All other miscellaneous products.....					( <sup>3</sup> )	.....	1,417	1.6	1,839	1.9
Footwear, finished or half finished, n. s. m., and hats, n. s. m.					( <sup>3</sup> )	.....	383	.4	584	.6
<b>Duty-free and exempt imports:</b>										
Duty-free goods.....	( <sup>3</sup> )	.....	( <sup>3</sup> )	.....	2,526	4.7	3,734	4.3	8,310	8.5
Gold coin (private importation).....							244	.3	173	.2
Products specially exempt from duty by the Government:										
Supplies for petroleum companies.....					11,978	22.2	24,167	28.1	( <sup>4</sup> )	.....
Supplies for other purposes.....					875	1.6	1,018	1.2	( <sup>4</sup> )	.....
Products imported by the National Government (free of duty):										
Government supplies, etc.....					4,459	8.3	5,506	6.4	13,720	.7
Silver coin.....					1,140	2.1	891	1.0		
Nickel coin.....					102	.2			30	( <sup>5</sup> )
Parcel post.....	4,511	5.2	( <sup>6</sup> )	.....	( <sup>6</sup> )	.....	( <sup>6</sup> )	.....	( <sup>6</sup> )	.....

<sup>1</sup> General imports. Bullion, specie, and parcel post are included. Values are f. o. b. port, as per consular invoice.

<sup>2</sup> Classifications employed in this table are those given in the Venezuelan import statistics for 1938. Groups are ranked according to value in 1938.

<sup>3</sup> During the period covered in this table, the import classifications were changed four times. Because of these successive changes, which involved numerous shifts of subgroups and commodities from group to group, it has been impracticable to provide data for the years 1929 and 1932, except for a few individual commodities. Data for 1936 are comparable with those for 1937 and 1938, except those marked with an asterisk. These probably are comparable, but may not be strictly so.

<sup>4</sup> Does not include metal furniture, which amounted to approximately \$139,000.

<sup>5</sup> Less than 5/10 of 1 percent.

<sup>6</sup> Data for years 1929, 1932, and 1936 compiled from *Anuario Estadístico de Venezuela*, 1938.

<sup>7</sup> Does not include wood furniture, which amounted to approximately \$48,000.

<sup>8</sup> Distributed under "Miscellaneous," subgroup "All other."

<sup>9</sup> Distributed under groups "Metals" and "Wood, paper, cardboard, and manufactures."

<sup>10</sup> Hats included in "Hats," and footwear in "Animals and industrial animal products."

<sup>11</sup> Distributed among the various groups.

<sup>12</sup> Consists of imports "reserved to the Government" only. Government supplies were distributed among the various groups.

<sup>13</sup> Parcel post, which is distributed among the groups, subgroups, and commodities, was valued at \$1,516,000 in 1932; \$2,465,000 in 1936; \$3,704,000 in 1937; and \$4,292,712 in 1938.

<sup>14</sup> See footnote 3.

Source: Compiled by the United States Tariff Commission from *Estadísticas Mercantil y Marítima, Estados Unidos de Venezuela*.

The most important dutiable import group in 1938—machines, instruments, apparatus, and vehicles—accounted for 28 percent of the value of total imports. Metals and manufactures, the second-ranking group, constituted 20 percent of total imports, followed by foods and beverages, 11 percent; textiles, 10 percent; products of the chemical industries, 6 percent; sporting, electrical, and miscellaneous goods, 5 percent; and minerals (nonmetallic), glass, and ceramics, 5 percent. Other import classifications, with their share of the value of total imports in 1938, were as follows: Wood, paper, cardboard, and their manufactures, 3 percent; animals and industrial animal

products, 1 percent; and plants and industrial plant products, 1 percent. Since the tariff classification "free of duty" includes certain commodities of the types listed above under the dutiable classifications, the percentages shown do not indicate all of the imports of the various types of articles mentioned.

Prior to 1938, Venezuelan import statistics did not show any commodity break-down for the published totals of exempted categories. The discussion of the composition of the Venezuelan import trade, therefore, is largely confined to the data for 1938. Table 11 shows the actual duty treatment accorded the various import groups in that year.

Duties have been collected on large percentages of imports of certain commodities into Venezuela, but for certain important classes the exempt category has been high. For the groups listed below, the percentage on which duties actually were collected were as follows: Foods and beverages, more than 99 percent; animals and industrial animal products, 82 percent; textiles, 80 percent; products of the chemical industries, 75 percent; plants and industrial plant products, 68 percent; wood, paper, cardboard, and manufactures, 68 percent; and minerals, glass, and ceramics, 51 percent. In the important group comprising machines, instruments, apparatus, and vehicles, only 49 percent (by value) entered duty-paid. Only 23 percent of the value of all metals and manufactures were duty-paid.

Imports by parcel post are concentrated largely in sporting, electrical, and miscellaneous goods; textiles; animals and industrial animal products; and plants and industrial plant products. In 1938, 19 percent of the value of all sporting, electrical, and miscellaneous goods, 15 percent of all textiles, 10 percent of all animals and industrial animal products, and 8 percent of all plants and industrial plant products entered via parcel post (see table 11). Importing by parcel post is advantageous, because on such imports the specific duty is levied on the net weight, with a moderate duty on the packing,<sup>28</sup> whereas on other imports the specific duties are based on gross weight.

*Sources.*—Significant features of the Venezuelan import trade in the decade 1929–38 were the maintenance by the United States of its position as the dominant supplier, and the decline in the importance of the United Kingdom. Imports into Venezuela from selected countries, in specified years, 1929 to 1938, have already been shown in tables 7 and 8. In 1938, the principal sources of Venezuelan imports, with the share of the total value supplied by each country, were the United States, 56 percent; Germany, 12 percent; the United Kingdom, 7 percent; Belgium, 7 percent; and the Netherlands, 5 percent. Other important suppliers in that year included Japan, France, and Italy.

During the decade 1929–38, the United States furnished approximately one-half of the total imports into Venezuela in each year; the share was highest in 1938. The value of imports from the United States ranged from 10.5 million (1932) to 55 million dollars (1938). In 1929 and 1932, the United Kingdom occupied second place, with shares of 13 and 14 percent, respectively. In the period 1936–38, however, that country's share declined from 10 to 7 percent, and Germany became the second supplier. In value, purchases from the

<sup>28</sup> Duty-free imports by parcel post are negligible; in the first 6 months of 1938 they amounted to only 200,000 bolivares (\$63,000).

United Kingdom varied between 3 million (1932) and 11 million dollars (1929); in 1938, they were 7 million dollars. Germany's share in the Venezuelan import trade ranged from 9 percent to 15 percent, the value ranging from 3 million (1932) to 12 million dollars (1937 and 1938). The shares of France, Italy, and Japan varied; in 1938 these three countries combined accounted for 7 percent of the value of imports into Venezuela (see table 7).<sup>29</sup>

TABLE 11.—Venezuela: Imports, by groups, showing tariff treatment, in 1938

[In percentage of group totals]

Commodity group	Duty-paid imports			Imports exempted from duty				Parcel post
	Venezuelan commerce	Petroleum and other foreign companies	Total duty-paid	National government	Oil-company contracts	Other exemptions	Total exempted from duty	
Machines, instruments, apparatus, and vehicles.....	46.6	2.4	49.9	10.1	36.4	2.9	49.4	1.7
Metals and manufactures.....	20.9	2.5	23.4	9.9	62.6	1.9	74.4	2.2
Textiles.....	79.0	.8	79.8	1.9	2.9	.2	5.0	15.2
Foodstuffs and beverages.....	95.8	3.6	99.4	.4	( <sup>1</sup> )	.2	.6	( <sup>1</sup> )
Sporting, electrical, and miscellaneous goods.....	43.5	3.8	47.3	6.3	25.1	1.9	33.3	19.4
Chemical products.....	73.8	1.2	75.0	2.6	13.8	2.3	18.7	6.3
Minerals (nonmetallic), glass, ceramics and manufactures.....	40.3	10.9	51.2	14.0	30.0	2.2	46.2	2.6
Wood, paper, cardboard, and manufactures.....	53.6	14.9	68.5	6.9	20.6	.6	28.1	3.4
Animals and industrial animal products.....	80.9	.8	81.7	6.6	1.7	.2	8.5	9.8
Plants and industrial plant products.....	63.8	4.0	67.8	3.2	19.9	1.1	24.2	8.0

<sup>1</sup> Less than one-tenth of 1 percent.

Source: Compiled by the United States Tariff Commission from *Estadística Mercantil y Marítima, Estados Unidos de Venezuela, Semestre de Enero a Junio de 1938* and *Semestre de Julio a Diciembre de 1938*.

Venezuelan imports from the other countries of Latin America are negligible. In 1937 they amounted to only \$861,000, as compared with total imports of 86 million dollars.

The United States is by far the principal supplier of duty-paid imports in the important group of "machines, instruments, apparatus, vehicles, and accessories." In imports of textiles and products in 1937,<sup>30</sup> the United Kingdom ranked first, followed by Japan, Germany, and the United States. The most important source of duty-paid foodstuffs and beverages imported into Venezuela is the United States; more than one-third of the shipments received from this country in 1937 consisted of wheat flour. Other suppliers of beverages and foodstuffs in 1937, with the principal commodities furnished, were France, cognac and champagne; the Netherlands, cheese and rice; Thailand (Siam), rice; Italy, wines; Denmark, butter; and Spain, sardines and white wines.

Germany was the leading country of origin for duty-paid imports of metals and manufactures in 1937, followed by the United States and Belgium. In the same year, the United States and Germany were the principal sources of imports in the following duty-paid

<sup>29</sup> The values of imports from France, Italy, and Japan ranged as follows: France, from 1.6 million (1932) to 3.9 million dollars (1929); Italy, from 669,000 (1932) to 2.4 million dollars (1938); Japan, from 67,000 (1932) to 2.7 million dollars (1937).

<sup>30</sup> The latest year for which statistics are readily available.

groups: Minerals (nonmetallic), glass, ceramics, and manufactures; wood, paper, cardboard, and manufactures; animals and industrial animal products; and plants and industrial plant products.

In 1937 approximately 70 percent of the products specially exempted from duty originated in the United States. Most of the remainder was furnished by the Netherlands (11 percent), Belgium (8 percent), the United Kingdom (7 percent), and Germany (2 percent). Of products imported by the National Government, 61 percent came from the United States, 11 percent from Germany, 6 percent from Finland, and 6 percent from Belgium. Germany was the leading supplier of imports by parcel post in 1937 (37 percent), followed by the United States (25 percent), France (11 percent), Italy (8 percent), Switzerland (5 percent), the United Kingdom (4 percent), and Czechoslovakia (4 percent).

### UNITED STATES TRADE WITH VENEZUELA

Venezuela is the world's largest exporter of petroleum; it is also the principal source of United States imports of crude petroleum. Although the purchases of Venezuelan petroleum and petroleum products by the United States are not ordinarily as large as those taken by Europe, they are of considerable importance in both United States and Venezuelan foreign trade. Petroleum represents all but a small part of total United States imports from Venezuela, and it is the income of the Venezuelan petroleum industry upon which largely depends the nation's foreign purchasing power, and, in turn, United States exports to Venezuela.

Because of the substantial volume of indirect import trade from Venezuela into the United States through the Netherlands West Indies, official trade statistics of the direct trade fail to indicate the actual position of Venezuela in United States imports. United States general imports from Venezuela were reported at 23.6 million dollars in 1939, but this figure greatly understates the trade originating in Venezuela, inasmuch as 18.5 million dollars of petroleum products were imported from the nearby Netherlands West Indies where refineries, owned by nationals of the United States and the Netherlands and operating on crude petroleum obtained largely from Venezuela, are situated.<sup>21</sup>

#### Trend of United States-Venezuelan trade.

Statistics showing the trend of United States imports from Venezuela and of imports of petroleum products from the Netherlands West Indies are given in table 12. Both direct and indirect imports from Venezuela fluctuated materially in the decade 1929-38 with changes in the world demand for and in the price of petroleum. Imports from Venezuela expanded greatly during the last half of the 1920's, reflecting in part the enlarged output of Venezuela's relatively new petroleum industry. This period of expansion was interrupted by the industrial depression, and during the period 1930-32 imports

<sup>21</sup> The real value of United States imports originating in Venezuela is, of course, less than the combined imports from Venezuela and petroleum products from the Netherlands West Indies by the amount of the value added by manufacture. There are a few small refineries in Venezuela, but these are mainly to supply domestic consumption. Venezuela's refining capacity is growing, however, chiefly because the Government in recent years has required companies receiving additional petroleum concessions to build refineries in that country. The refineries constructed under this requirement are small compared with those in the Netherlands West Indies.



were considerably smaller in terms of both value and quantity. A further contraction in imports in 1933 was probably caused, in large part, by the imposition in the preceding year of a United States import-excite tax on petroleum and its products, which prior to June 1932 had been imported free of duty.

The fluctuating price of petroleum was an important factor influencing the trend of United States imports of petroleum from Venezuela. In 1939, for example, the average unit value of imports of crude petroleum from Venezuela was about 70 cents per barrel, compared with only 50 cents in 1933 and with 95 cents in 1929. The rising price of petroleum since 1933 has accounted for the advance in the value of imports from Venezuela, inasmuch as the volume of imports of crude petroleum has been no larger in recent years than at the recession low of 1932. Indirect imports from Venezuela through the Netherlands West Indies have shown trends similar to those of direct imports.

TABLE 12.—United States imports from and exports to Venezuela, together with imports of petroleum products from the Netherlands West Indies, 1924-40

[Value in thousands of dollars]

Year	Imports			Exports (including reexports)	
	General imports from Venezuela	Petroleum products from the Netherlands West Indies <sup>1</sup>	Direct imports from Venezuela as percent of total imports from Latin America	Exports to Venezuela	Percent of total United States exports to Latin America
1924.....	16,463	2,746	1.6	17,643	2.4
1925.....	19,564	8,212	2.0	25,157	3.0
1926.....	23,316	23,813	2.2	39,690	4.8
1927.....	28,598	29,437	3.0	34,744	4.3
1928.....	38,905	53,921	4.1	37,920	4.6
1929.....	51,224	63,965	5.1	45,325	5.0
1930.....	36,868	77,580	5.4	32,967	3.3
1931.....	26,845	50,343	5.6	15,645	5.0
1932.....	20,294	23,447	6.3	10,229	5.2
1933.....	13,450	6,000	4.3	13,115	6.1
1934.....	22,120	8,168	6.0	19,281	6.3
1935.....	21,428	12,561	4.7	18,585	5.4
1936.....	26,258	14,231	5.2	24,079	6.1
1937.....	22,770	19,745	3.4	46,446	8.0
1938.....	20,032	19,050	4.4	52,278	10.6
1939.....	23,613	18,509	4.6	61,956	10.9
1940 <sup>2</sup> .....	41,590	17,965	6.7	69,211	9.6

<sup>1</sup> General imports, 1924-30; imports for consumption, 1931-40. Merchandise imported under bond for the supply of vessels and for manufacture and export is included.

<sup>2</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Although direct imports from Venezuela in recent years have been materially smaller than in the peak year 1929, they compare favorably with those in the middle 1920's. Imports totaled 41.6 million dollars in 1940, 23.6 million in 1939, 51.2 million in 1929, and 19.6 million in 1925. Similarly, Venezuela's share in total United States imports from Latin America has been smaller recently than in 1929, but considerably larger than in several other years of the 1920's. In

1940, direct imports from Venezuela represented 6.7 percent of total imports from Latin America, compared with 4.5 percent in 1939, 5.1 percent in 1929, and 2 percent in 1925. If the total value of petroleum products from the Netherlands West Indies is added, the comparable ratios become 7.4 percent in 1939, 10.6 percent in 1929, and 2.7 percent in 1925.<sup>32</sup>

Although, as a source of United States imports, Venezuela declined in importance during the decade 1929-38, as a market for United States products it greatly increased. Venezuela's share in total United States exports to Latin America increased rapidly from 5.4 percent in 1935 to 10.9 percent in 1939, when it was more than double that in 1929; in 1940 the share was 9.5 percent (table 12). Exports to Venezuela in 1939, amounting to 62 million dollars, were one-third greater in value than in 1929, and several times those in 1932. Exports in 1940, valued at 69.2 million dollars, not only were a substantial increase over those in 1939, but represented the peak year in exports to Venezuela. Most of this extraordinary increase in sales was the result of the accelerated pace of petroleum exploration and development in Venezuela, which has led to greatly increased purchases from the United States of necessary materials and machinery.

#### United States imports from Venezuela.

*Composition.*—In 1939 the principal United States imports from Venezuela were crude petroleum (82 percent), coffee (8 percent), cacao (6 percent), and dry goatskins (1 percent). With the growth of Venezuela's petroleum industry during the last decade, the share of imports accounted for by petroleum increased, while that for coffee decreased greatly (see table 13). Since 1933 most of the imports of petroleum products from the Netherlands West Indies, shown in table 12, have consisted of fuel oil, chiefly for the supply of vessels; before 1933 considerable quantities of gasoline were imported.

In examining the trend of imports in the period shown in table 13, it should be noted that the value of imports in 1929 was very high compared with other years.

Although the United States buys substantial amounts of petroleum from Venezuela and petroleum products from the Netherlands West Indies, it is itself the world's largest producer and a net exporter of petroleum and its products. Imports may be explained in large part by the fact that Venezuelan crude petroleum is more suitable for making heavy petroleum products, such as fuel oil and asphalt, than domestic petroleum, which is a better source of gasoline and other light products.<sup>33</sup> Imports from Venezuela and the Netherlands West Indies are also the result of intercorporate transactions, for the three leading producers in Venezuela, two of which operate refineries in the Netherlands West Indies, are themselves leading refiners and distributors on the Atlantic coast, where most of the imports are consumed. Moreover, transportation costs from Venezuela and the Netherlands West Indies to this consuming area are smaller than from the midcontinent producing fields of the United States.

<sup>32</sup> This somewhat overstates the share of trade supplied by Venezuela because of the value added by the refining of the crude petroleum in the Netherlands West Indies.

<sup>33</sup> Markedly increased demand for fuel oil in the United States at certain times has led to an oversupply of gasoline, which is obtained as a joint product in the manufacture of fuel oil and other refined products. This situation would be aggravated if only domestic petroleum were utilized to satisfy domestic requirements for fuel oil.

Since the imposition in June 1932 of the import-excise taxes on petroleum and its products, imports of these products have been materially smaller than they were before that time; and the position of the United States as a market for Venezuelan crude and refined petroleum products has declined.

*Dutiable status of imports.*—In 1939, more than three-fourths of the direct imports from Venezuela were dutiable or subject to import-excise taxes. Practically all of the imports, however, entered free of duty before the import-excise tax was imposed on petroleum in June 1932. Although refined petroleum products are also subject to excise taxes, a large part of the imports of these products from the Netherlands West Indies has customarily entered free of duty because they were either for the supply of vessels (fuel oil) or for further manufacture and export (unfinished derivatives of crude).

In the trade agreement with Venezuela, effective December 16, 1939, the import-excise tax on crude petroleum, topped crude, fuel oil, and gas oil was reduced 50 percent, from ½ cent to ¼ cent per gallon; imports entered or withdrawn from warehouse at the reduced rate, however, are subject to a quota for all these forms combined, amounting to no more than 5 percent of the total quantity of crude petroleum processed in refineries in continental United States during the preceding calendar year.<sup>34</sup> Imports in excess of this amount are

TABLE 13.—United States imports for consumption from Venezuela of principal commodities, in specified years, 1929 to 1939

Commodity	Unit	1929	1932	1936	1937	1938	1939 <sup>1</sup>
		Quantity					
Goat and kid skins, dry and dry-salted.	1,000 pieces....	975	472	1,041	866	529	701
Cocoa or cacao beans.....	1,000 pounds..	21,611	16,442	12,213	14,875	10,067	13,662
Coffee, raw or green.....	1,000 pounds..	64,981	46,327	60,646	34,974	23,951	20,170
Crude petroleum:							
For consumption.....	1,000 barrels	34,431	25,645	(26,035	21,272	20,846	25,645
For manufacture and export.....				2,352	1,915	2,717	2,485
		Value (1,000 U. S. dollars)					
Goat and kid skins, dry and dry-salted.	Free.....	454	136	322	352	194	276
Cocoa or cacao beans.....	Free.....	2,716	1,088	1,179	1,695	759	1,357
Coffee, raw or green.....	Free.....	13,686	4,900	4,909	3,286	1,963	1,781
Crude petroleum:							
For consumption.....	Taxable free..	32,009	13,657	(17,928	15,761	14,955	17,726
Bonded for manufacture and export.				1,466	1,112	1,576	1,376
Imports of commodities shown above.....		49,465	19,781	25,824	22,206	19,457	22,516
Total imports from Venezuela.....		51,224	20,294	26,261	22,751	20,051	23,413
Principal imports (shown above) as percent of total.....		96.6	97.5	96.3	97.6	97.0	96.2

<sup>1</sup> Preliminary.

<sup>2</sup> Free of duty under the Tariff Acts of 1922 and 1930. Taxable under the revenue act effective June 21, 1932; no free imports for period June 21 to December 31, 1932.

<sup>3</sup> General imports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

<sup>34</sup> For 1940, the quota and its allocation by countries were as follows:

Country	Percent	Thousand barrels
Venezuela.....	71.9	44,590
Netherlands and overseas possessions.....	20.3	12,564
Colombia.....	4.0	2,476
All other countries.....	3.8	2,352
Total.....	100.0	61,982

taxable at the rate in the revenue act; this rate was bound against increase, as were the duty-free status of crude petroleum and fuel oil and the duty- and tax-free status of these products when for ships' supplies.

#### United States exports to Venezuela.

Venezuela is largely a nonindustrial country, and United States sales to Venezuela consist chiefly of manufactures, especially machinery, vehicles, and manufactures of metal (see table 14). Exports of manufactured foodstuffs are also substantial. As a result principally of the development of the Venezuelan petroleum industry, exports of machinery and vehicles increased materially in the decade 1929-38, having risen from 16 million dollars in 1929 to 25 million in 1938, and having increased from about one-third to almost one-half of total exports.

The direct effect of the accelerated exploration and development of Venezuela's petroleum resources in recent years is seen in the marked increase in the exports to Venezuela of oil-well-drilling apparatus, the leading export to that country (see table 15). Exports to Venezuela, the largest foreign market of the United States for equipment of this kind, increased from 2 million dollars in 1936 to 6 million in 1938 (almost four times those in 1929).

TABLE 14.—United States exports (domestic merchandise) to Venezuela, by groups of commodities, in 1938 and 1939

[In thousands of dollars]

Commodity group	1938	1939 <sup>1</sup>	Commodity group	1938	1939 <sup>1</sup>
Animals and animal products, edible	2,441	4,239	Nonmetallic minerals, total	1,733	2,613
Lard, including neutral	331	909	Lubricating oil	468	607
Dairy products	1,151	2,173	Cement	377	833
Other animals and animal products	959	1,157	Other nonmetallic minerals	938	1,173
Animals and animal products, inedible, total	599	1,202	Metals and manufactures, except machinery and vehicles, total	10,145	12,635
Leather	368	688	Iron and steel bars, rods, plates, sheets, and skelp	954	1,275
Other animals and animal products, inedible	231	514	Structural shapes	1,391	1,327
Vegetable food products and beverages, total	3,233	3,790	Tubular products and fittings	3,133	3,879
Oatmeal in packages	404	398	Wire and manufactures	401	829
Wheat flour	1,635	1,606	Copper and manufactures	427	417
Biscuits and crackers	252	252	Other metals and manufactures	3,839	4,908
Other vegetable food products and beverages	942	1,634	Machinery and vehicles, total	25,017	25,093
Vegetable products, inedible, except fibers and wood, total	981	1,530	Electrical machinery and apparatus	3,610	3,066
Automobile tires	365	575	Industrial machinery	11,441	10,946
Other vegetable products, inedible	616	965	Agricultural machinery	730	1,203
Textile fibers and manufactures, total	1,578	2,698	Automobiles, parts, and accessories	6,736	7,027
Raw cotton	4	200	Aircraft and parts	517	446
Cotton cloth, duck, and tire fabric	537	970	Other machinery and vehicles	1,983	2,405
Other textile fibers and manufactures	1,037	1,528	Chemicals and related products, total	2,541	3,266
Wood and paper, total	1,851	1,911	Medicinals and pharmaceuticals	1,018	1,172
Boards, planks, and scantlings, softwoods	642	269	Pigments, paints, and varnishes	468	801
Other wood and wood products	504	461	Other chemicals and related products	1,055	1,493
Paper and manufactures	705	1,181	Miscellaneous	1,900	2,611
			Total exports	52,069	61,588

<sup>1</sup> Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 15.— United States exports (domestic merchandise) to Venezuela of principal commodities, in specified years, 1929 to 1939

[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Lard	1,000 lb.	9,440	1,307	6,861	425	43	8	878	113	3,470	331	11,463	909
Dried whole milk	1,000 lb.	447	189	140	49	209	78	362	130	1,663	657	3,541	1,339
Infants' foods, malted milk, etc.	1,000 lb.	95	32	148	43	478	140	975	313	1,078	374	1,898	679
Sardines, canned	1,000 lb.	2,294	173	102	8	2,135	147	2,972	225	3,910	301	4,554	327
Oatmeal, groats, and rolled oats	1,000 lb.	898	91	543	49	2,626	223	3,769	345	5,057	430	5,461	420
Wheat flour, wholly of United States wheat	1,000 bbl. <sup>2</sup>	278	1,845	208	782	7	34	36	216	110	568	98	382
Other wheat flour	1,000 bbl.					204	990	217	1,364	207	1,067	301	1,124
Automobile tire casings (truck, bus, other)	1,000 units	28	459	18	177	18	232	24	373	24	365	38	575
Cotton duck, unbleached	1,000 sq. yd.	745	217	472	61	1,001	179	1,315	286	932	160	425	93
Crossed piling	1,000 lin. ft.	1,851	761	226	67	310	168	834	413	197	101	76	48
Boards, planks, and scantlings, softwood:													
Southern pine, rough	1,000 ft.	7,826	410	646	25	2,995	150	4,961	248	4,930	297	2,054	115
Hydraulic cement (white portland and other)	1,000 bbl. <sup>2</sup>	108	270	66	110	61	141	116	210	217	377	499	833
Steel sheets, galvanized	1,000 lb.	( <sup>3</sup> )	( <sup>3</sup> )	818	28	3,331	107	6,000	242	6,552	304	9,984	421
Water, oil, gas, and other storage tanks, complete, and knocked-down material.	1,000 lb.	( <sup>3</sup> )	( <sup>3</sup> )	628	84	1,566	89	8,195	321	9,886	426	8,886	343
Structural shapes:													
Not fabricated	Ton	154	9	51	2	723	39	2,050	122	3,944	273	4,823	307
Fabricated	Ton	6,214	419	414	35	4,257	266	10,124	789	13,552	1,119	10,861	1,020
Casing and oil-line pipe, seamless and welded.	1,000 lb.	90,830	4,045	5,410	212	24,922	1,026	60,189	2,872	49,827	2,363	64,993	2,792
Kerosene cooking stoves	Number	1,047	18	45	10	204	3	3,138	42	29,476	323	18,165	174
Miscellaneous iron and steel manufactures <sup>11</sup>	Number	941		59		59		169		397		481	775
Steam-turbine generator sets	Number	27	18			4		11		13		10	165
Household electric refrigerators and parts	Number	( <sup>3</sup> )	( <sup>3</sup> )	285	20	2,253	188	4,325	408	3,944	370	4,737	429
Radio receiving sets	Number	24	3	4,074	137	12,385	387	17,024	496	15,593	403	20,068	450
Petroleum and gas-well drilling apparatus	Number	1,566		228		228		1,968		4,534		5,960	4,127
Other petroleum well and refining machinery	Number	2,501		209		209		1,276		1,594		933	1,086
Sewing machines for domestic use	Number	11,210	282	1,994	65	4,921	142	11,889	309	10,759	273	12,034	284
Iron or steel body valves and parts for steam, water, oil, and gas.	Number		928	28		28		166		465		296	504
Motor trucks, busses, and chassis (new)	Number	1,607	1,308	418	212	3,134	1,912	4,964	3,418	4,622	3,708	4,565	3,645
Passenger cars and chassis (new)	Number	3,449	2,751	1,008	575	2,640	1,647	4,629	3,031	3,088	2,204	3,170	2,267
Automobile parts for replacement	Number		414		157				1,329		1,766		991

See footnotes at end of table.

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TABLE 15—United States exports (domestic merchandise) to Venezuela of principal commodities, in specified years, 1929 to 1939—Con.  
[Value in thousands of dollars]

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 <sup>1</sup>	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Landplanes (powered).....	Number.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1	13	8	302	9	283	7	272
Miscellaneous vehicles and parts.....	.....		44		4		43		118		278		130
Ready-mixed paints, stains, and enamels.....	1,000 gal.....	10 74	16 142	42	77	92	169	148	274	104	295	193	326
Exports of commodities shown above.....	.....		21, 133		3, 886		12, 428		25, 312		26, 651		27, 263
Total exports to Venezuela.....	.....		44, 856		10, 111		23, 913		46, 229		52, 089		61, 588
Principal exports (shown above) as percent of total.....	.....		47.1		38.4		52.0		54.8		51.2		44.4

- <sup>1</sup> Preliminary.  
<sup>2</sup> Includes neutral lard.  
<sup>3</sup> Classified as "dried milk." Probably includes some "dried skimmed milk."  
<sup>4</sup> Classified as "oatmeal flaked, and rolled oats."  
<sup>5</sup> Barrel of 198 pounds.  
<sup>6</sup> Classified as "piling." Probably includes some other than creosoted.  
<sup>7</sup> Barrel of 376 pounds.  
<sup>8</sup> Not separately classified.  
<sup>9</sup> Classified as "kerosene cooking stoves and ranges."  
<sup>10</sup> Classified as "kerosene cooking stoves and heaters."  
<sup>11</sup> Probably not strictly comparable over the period shown.  
<sup>12</sup> Classified as "oil-well drilling apparatus."  
<sup>13</sup> Classified as "other oil-well and oil-refining machinery."  
<sup>14</sup> May include some second-hand.  
<sup>15</sup> Classified in 1938 and 1939 as "automobile parts for replacement on vehicles with either United States or foreign trade name or assembly on new vehicles with foreign trade name."  
<sup>16</sup> Classified as "other ready-mixed paints."

Source: Compiled from official statistics of the U. S. Department of Commerce.

Other leading exports to Venezuela in 1939, and their relation to total United States exports to that country, were as follows: Motor trucks, 6 percent; casing and oil-line pipe, 5 percent; passenger cars, 4 percent; and structural steel shapes, 2 percent. As compared with exports in 1929, notable increases in recent years have occurred in the exports of dried whole milk, infants' food, cement, steel sheets, storage tanks, structural shapes, steam generators, electric refrigerators, radio sets, and motor trucks. These products, combined with the larger exports of oil-well-drilling apparatus, were chiefly responsible for the record volume of total exports to Venezuela in the later years of the decade. Marked declines in the exports of particular products were confined largely to cotton cloth, wood piling, Southern pine lumber, and oil-line pipe (see table 15). After the outbreak of the war in Europe certain exports increased considerably, in particular tubular steel products and oil-line pipe, purchases of which have shifted from European countries to the United States.

#### **Balance of payments between the United States and Venezuela.**

As a result of the large volume of indirect trade with Venezuela in petroleum products, the balance of trade indicated by the statistics of the direct trade between the United States and Venezuela (see table 16) is rather misleading. Before 1937, the United States had an import trade balance with Venezuela, but, owing to the great increase in exports in the period 1937-39, a very large export balance developed. If the direct trade is taken into account the earlier import trade balance is greatly increased, whereas the recent export trade balance is materially decreased. That a large export trade balance has obtained in the last few years, however, is clear, for the total value of petroleum products imported from the Netherlands West Indies has been materially smaller than the export balance with Venezuela.<sup>35</sup>

Interest is an important element in the balance of payments for most Latin American countries, but for Venezuela it is conspicuous by its absence. Few, if any, Venezuelan bonds are held abroad, and the Venezuelan Government in fact has no foreign debt whatever. Thus, unlike the situation in most other Latin American countries, the service on foreign-held Venezuelan bonds is a matter of small importance in the Venezuelan balance of payments. United States direct investments in Venezuela, however, are large and on these, remittances of income are substantial. At the end of 1936 such investments were estimated at about 186 million dollars, all but a small part of which were represented by petroleum properties.<sup>36</sup> Statistics showing the income from these holdings are not available, but unquestionably the amounts involved have often been large compared with other items in the balance of payments between the two countries.

A substantial part of the merchandise exported to Venezuela consists of supplies and equipment purchased by petroleum enterprises in Venezuela owned by United States nationals; some of these purchases represent the reinvestment of income obtained from the operation of petroleum properties.

<sup>35</sup> If indirect imports from Venezuela through the Netherlands West Indies are considered a part of the merchant list account, it may be appropriate for balance-of-payments purposes also to include certain exports to the Netherlands West Indies, inasmuch as some such exports are for the purpose of operating the plants refining Venezuelan petroleum. In 1939 United States imports from Venezuela and United States imports of petroleum products from the Netherlands West Indies totaled 42 million dollars, while United States exports to these regions totaled 100 million dollars; thus there was an export trade balance for the area as a whole of 58 million dollars.

<sup>36</sup> U. S. Department of Commerce, *American Direct Investments in Foreign Countries—1936, 1938*, table 4, p. 12.

Probably no real significance should be attached to the "net balance" shown in the last item of table 16, because of the substantial indirect trade with Venezuela, shown separately at the end of the table, and because of the lack of statistics on certain items, such as the return on direct investments, movement of banking funds, movement of capital through security transactions, and new capital investments, all of which may be large. The available statistics indicate that in the last few years Venezuela has had a large net debit balance in its financial transactions with the United States, primarily as a result of the debit merchandise balance. However, this does not represent the actual debit balance for Venezuela, because a part of the indicated balance merely reflects the large purchases in the United States of equipment and supplies by the foreign petroleum companies operating in Venezuela. Such purchases do not involve a foreign-exchange problem for Venezuela, because they are paid for out of the funds received by the companies from the sale of their products in world markets.

TABLE 16.—*Partial balance of payments between the United States and Venezuela, 1929-38*

[In millions of dollars]

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
<b>Trade and service items:</b>										
Merchandise exports to Venezuela <sup>1</sup>	45.3	33.0	15.6	10.2	13.1	19.3	18.6	24.1	46.4	52.3
Merchandise imports from Venezuela <sup>1</sup>	51.2	36.9	26.8	20.3	13.5	22.1	21.4	26.3	22.8	20.0
Excess of merchandise exports to (+) or imports from (-) Venezuela	-5.9	-3.9	-11.2	-10.1	-4	-2.8	-2.8	-2.2	+2.6	+32.3
Receipts from Venezuela for shipping services <sup>2</sup>	1.3	1.0	.8	.5	.3	.3	.3	.5	.9	.9
Expenditures of Venezuelan travelers in the United States <sup>2</sup>	1.1	1.0	.7	.6	.4	.5	.7	1.0	1.1	1.3
Expenditures of United States travelers in Venezuela <sup>2</sup>	.7	.7	.6	.5	.5	.6	.4	.5	.7	1.2
Net receipts from Venezuela for services	+1.7	+1.3	+9	+6	+2	+2	+6	+1.0	+1.3	+1.0
Net receipts from (+) or payments to (-) Venezuela on trade and service account <sup>2</sup>	-4.2	-2.6	-10.3	-9.5	-2	-2.6	-2.2	-1.2	+24.9	+33.3
<b>Gold and silver:</b>										
Net gold imports from (-) or exports to (+) Venezuela <sup>3</sup>	+1.2	-3.8	-1.0	-1.8	-4	-8	-6	-5	-5	-1.5
Net silver imports from (-) or exports to (+) Venezuela <sup>3</sup>	+4					-1	+1.5	+2	+1.0	
Net gold and silver imports from (-) or exports to (+) Venezuela	+1.6	-3.8	-1.0	-1.8	-4	-9	+9	-3	+5	-5
Net balance on items shown <sup>4</sup>	-2.6	-6.4	-11.3	-11.3	-6	-3.5	-1.3	-1.5	-25.4	+31.8
<b>Merchandise exports to the Netherlands West Indies<sup>1</sup></b>	24.1	24.0	9.6	6.5	10.3	13.4	14.3	14.2	34.2	42.8
<b>Imports of petroleum and its products from the Netherlands West Indies<sup>1</sup></b>	63.9	77.6	50.3	23.4	6.0	8.2	12.6	14.2	19.7	19.1

<sup>1</sup> United States statistics, unadjusted.

<sup>2</sup> Rough estimates.

<sup>3</sup> Excluding return on United States direct investments in Venezuela.

<sup>4</sup> Exclusive of return on direct investments (receipts) and new investments (payments) in Venezuela.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.