

UNITED STATES TARIFF COMMISSION

The Foreign Trade
of
Latin America

(In three parts)

PART I.—Trade of Latin America
With the World and With the
United States

Revised

Report No. 146 • Second Series



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THE AMERICAS



UNITED STATES TARIFF COMMISSION

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 I.—Trade of Latin America With the World and With
the United States

(Revised)

Report No. 146 • Second Series • 1942

UNITED STATES TARIFF COMMISSION

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FOREWORD

Scope of the report.

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.

Trade statistics of Latin America.

Because of certain characteristics inherent in the trade statistics of the Latin American countries, they should be accepted with reservations and interpreted with caution. Especially is this true when the trade statistics of the various countries are combined to record Latin American trade as a whole, or the trade of a particular region of Latin America.

Not only do the export and import valuation systems of the several Latin American countries differ from one another, but in any one country they may be subject to frequent changes. A few countries employ the f. o. b. basis for valuations, and others the c. i. f. basis. In some countries declared values are accepted; in others the valuations are established on the basis of "official" unit values. An outstanding example of such valuation is that of Venezuelan exports. Exports of petroleum, the dominant Venezuelan export commodity, are assigned an official unit valuation, but such exports are actually worth only about 60 percent of the published values. Another example is the Guatemalan method of determining the value of imports. To the

declared foreign values there is added 25 percent, an amount estimated to cover the charges for freight, insurance, commissions, and other charges.

Classifications employed in the export and import schedules of the trade statistics of several of the Latin American countries are changed frequently, making comparison of data for some commodities over a period of years extremely difficult. The import classifications of Bolivia, Brazil, Uruguay, Venezuela, and Mexico underwent such far-reaching changes in the decade 1929-38 that it was not practicable to reduce the statistics (shown in part II) for the earlier years to comparability with the later years. In the import tables for these countries in part II, therefore, some or all of the data for the years prior to 1933 have been omitted.

The various currencies in use in the Latin American countries, and the different rates at which some of them have depreciated, make the trade statistics of many of the Latin American countries only approximate measures of their trade. Some of the currencies, notably those pegged to the United States dollar, are fairly stable; others fluctuate widely. The difficulty of converting statistics recorded in such currencies to United States dollars is complicated by the existence of multiple exchange rates, and by the allocation of exchange for particular countries or commodities at varying rates. In converting the currency of Argentina, for example, it was necessary to adjust the conversion factors, inasmuch as exchange in the period 1936-38 was obtainable partly on the basis of the official rate and partly on the basis of the free-market rate. In several cases the exchange conversion rates employed in this report, although proper for converting import and export statistics, are not even approximately appropriate for measuring the dollar equivalent of prices in the countries concerned. The official rate of the Chilean peso, for example, is about \$0.05, and the export draft rate about \$0.04, but trade statistics are recorded in pesos of 6 pence gold. This gold peso, which is equivalent to \$0.2061, should be used only for the purpose of converting the trade statistics.

The trade channels of certain countries, especially Paraguay and Uruguay, are such that it is not possible to determine accurately the countries of destination for exports and the countries of origin for imports. Exports from Paraguay, for instance, are in large part shipped to Argentina "in transit," and even those listed as direct exports to Argentina may subsequently be reexported from that country as Argentine products. Similarly, Paraguay's imports come largely from Argentina and probably include many products reexported from that country. The Costa Rican trade statistics do not list imports of commodities by countries of origin.

Certain types of data which would be useful in an analysis of the trade of certain of the Latin American countries are not available. Price and quantum indexes of exports, for instance, are obtainable only for Argentina, Chile, and Uruguay. For the analysis of certain countries, the exports of which consist of one or a few staple products, reliance may be placed on quantity figures and average yearly prices of the leading exports. For countries in which exports are more diversified—for example, Mexico—such statistics are unsatisfactory. Except for Argentina and Chile, price and quantum indexes of imports are not available.

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THE FOREIGN TRADE OF LATIN AMERICA

**PART I.—Trade of Latin America with the World and
with the United States**

LATIN AMERICA—A DESCRIPTION

The term "Latin America" as generally used means that area in the Western Hemisphere lying south of the Río Grande. For the purpose of this report the term is restricted to the 20 independent nations in that area.¹ These countries may be grouped in four geographic regions—South America, Central America, Mexico, and the West Indies.

Physical characteristics.

The total area of the 20 Latin American Republics is approximately 8,008,000 square miles. Of this total, 6,952,000 square miles, or 13 percent of the land surface of the world, are in South America, 218,000 square miles are in Central America, 764,000 square miles in Mexico, and 74,000 square miles in the West Indies. The area of South America is about two and one-third times that of the continental United States; and Brazil, which is approximately 300,000 square miles larger than the continental United States, occupies nearly one-half of the South American continent. The area of the six republics of Central America is but slightly larger than the combined area of Illinois, Indiana, Ohio, Michigan, and Wisconsin. Mexico occupies an area larger than that of Texas, Arizona, New Mexico, California, and Oregon combined. The three West Indian Republics, Cuba, Haiti, and the Dominican Republic, have a combined area roughly equivalent to that of Nebraska.

With the exception of the southern third of South America, most of Latin America falls within an area which is tropical, but for a number of reasons other than latitude the region has a variety of climates. South America extends southward more than 1,000 miles closer to the South Pole than does Africa and is the only southern continent that projects far into the Temperate Zone. It is not, however, as close to the South Pole as are North America, Europe, or Asia to the North Pole, and, therefore, the temperate portions are not subject to the extremes of climate that characterize similar areas in the northern continents. Moreover, the configuration of the South American Continent is such that the broadest section is at the Equator. Approximately two-thirds of the continent thus falls in the Tropics,

¹ These republics are as follows: South America—Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, and Venezuela; Central America—Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama; Mexico; West Indies—Cuba, the Dominican Republic, and Haiti. Possessions of European countries in Latin America are not included in this report; among these are British Guiana, Surinam, French Guiana, British Honduras, Jamaica, Trinidad, and the Netherlands West Indies. Of the total imports of the United States in 1939 from all countries of the Western Hemisphere which lie south of the United States, imports from the 20 Latin American countries constituted nearly 95 percent; approximately two-thirds of the remainder came from the Netherlands West Indies. Exports to the 20 Latin American countries constitute a similarly large percentage of the total export trade of the United States with those countries of the Western Hemisphere which lie south of the Río Grande.

and South America has the largest continental area in the world that is truly tropical.

Ocean currents, prevailing winds, and the Andes—one of the world's greatest mountain ranges—exercise a profound influence on the climate of various sections of South America. Although many of the South American countries are completely within the Tropical Zone, large portions of their areas lie at considerable elevations, and these are subject to temperate climates. In that part of the continent which is in the south temperate zone, the seasons are the reverse of those in the United States.

The climate of Central America is determined largely by the mountain and plateau highland and by the prevailing winds. The cordillera, the slopes of which are heavily forested, is closer to the Pacific coast than to the Caribbean, giving the eastern section a wider coastal plain. In the coastal plains, the climate is hot and humid; the rainfall is very heavy, and the vegetation luxuriant. In the interior the climate is more agreeable than on the coast, while in the highlands it is mild. Rainfall in most of the Central American countries is well-distributed throughout the year.

Because of the extensive area covered by Mexico, its climate is one of the most varied within a single national boundary. In general, there are two seasons, the rainy and the dry, but the amount of rainfall varies considerably with the altitude and the latitude. In the tropical coastal plains, and in adjacent regions with altitudes approaching 3,000 feet, the climate is generally hot and humid, and the rainfall is heavy. The plateau region of central Mexico, which comprises about three-fourths of the area and includes elevations up to 6,000 feet, is temperate in climate. Here there is less rain; in the valley of Mexico rainfall averages about 25 inches a year.

In the republics of the West Indies, situated in the Tropics, the extreme temperatures to be expected in this latitude are modified to some extent by the northeasterly trade winds and by the sea breezes. Here, also, elevation is a factor determining the climate, which ranges from tropical and subtropical to temperate. For the region as a whole, the rainfall averages about 60 inches annually.

Natural resources.

Minerals.—Latin America has important mineral resources, but the location of the deposits, transportation difficulties, and the lack of capital have retarded their development. Deposits of copper, tin, lead, zinc, manganese, and the precious metals, especially silver, however, have been worked extensively. Of the mineral resources regarded as basic to modern industry—coal, iron, and petroleum—only petroleum has been developed to a significant extent. Argentina, Bolivia, Brazil, Chile, Colombia, and Peru possess deposits of coal, but South America ranks last among the continents in coal production. Iron is to be found in most of the Latin American countries, but the deposits have remained largely undeveloped. Countries with the principal iron deposits are Brazil, Cuba, Chile, Peru, and Venezuela. Although in some of these countries the deposits consist of high-grade ore, their inaccessibility, the lack of adequate transportation facilities, and the absence of conveniently located coal deposits have operated to retard the production of iron. South America is one of the major world

sources of petroleum, with deposits in Argentina, Bolivia, Colombia, Ecuador, Peru, and Venezuela. Venezuela, Colombia, and Peru are the major producers, the foreign trade of Venezuela being largely dependent upon its oil resources.

South America has some of the most extensive commercially available copper deposits in the world. Some copper is found in nearly all of the countries, but the most important deposits are in Bolivia, Chile, Ecuador, and Peru. Bolivia contains one of the richest known copper regions, and Chile possesses extensive reserves, including what is believed to be the world's largest single copper deposit; in actual production of copper, Chile ranks second (United States first) among the countries of the world. Bolivia is the second largest producer of tin. Other metals found in South America include lead, zinc, mercury, chromium, manganese, bismuth, antimony, wolfram, and gold and silver. Less important mineral resources in South America include cobalt, molybdenum, mica, sulphur, potassic salts, lime, marble, agate, onyx, and opal.

For some materials South America is the sole, or one of the few, sources of world supply. Chile is the only country in the world where deposits of nitrate are known to exist in sufficient quantities for profitable exploitation, but the commercial production of synthetic nitrates in recent years has reduced the strategic importance of the Chilean deposits. Bolivia is one of the few major sources of tin in the world, as is Colombia of platinum; Brazil contains what are probably the world's largest manganese deposits. Peru is the leading producer of bismuth and vanadium. Venezuela and the island of Trinidad contain the world's most extensive deposits of asphalt, and Peru and Chile are important suppliers of guano.

Mexico has long been an important mineral-producing area. It has produced more silver than any other country in the world, and also ranks as one of the great suppliers of petroleum. Although silver, gold, lead, copper, and petroleum are the most important minerals in the Mexican economy, that country has substantial deposits of other minerals, including iron, tin, zinc, mercury, antimony, molybdenum, arsenic, graphite, and cadmium.

Forest resources.—Because of the abundance and wide dispersion of softwoods throughout the world, the Latin American production of woods for export is virtually confined to cabinet woods. The forest resources of South America, however, are extensive and it is not possible here to do more than indicate some of the main products. In Venezuela alone, it is estimated that there are over 600 species of wood. South American forests contain hardwoods such as balsa, eucalyptus, mahogany, rosewood, ebony, laurel, walnut, oak, and poplar; and softwoods such as pine, larch, cypress, and cedar. They also contain a wide range of medicinal plants. Other forest products include rubber, coconuts, Brazil nuts, tonka beans, balata, and quebracho and a number of other tanning materials and dyewoods.

Most of the woods mentioned, especially the hardwoods, are also found in Central America and Mexico, and to a lesser extent in the West Indian Republics.

Agriculture.—South America produces a wide variety of agricultural products. In its tropical and subtropical areas important crops include coffee, sugar, tobacco, cotton, rice, cacao, bananas,

olives, peanuts, tropical fruits and vegetables, citrus fruits, grapes, ginger and other spices, castor beans, tagua and babassu nuts, sisal, and yerba maté. In the more temperate regions and at the higher altitudes in the tropical areas, characteristic crops are wheat, corn, potatoes, alfalfa, flaxseed, and a wide range of other cereals, fruits, and vegetables. Many of these products are also grown in Central America. In that region bananas and chicle are especially important export commodities. Practically all of the commonly known fruits and vegetables are grown in Mexico; the chief tropical commodities include such products as sugarcane, coffee, rice, henequen, bananas, coconuts, cacao, pineapples, and numerous spices. In the West Indian Republics, the most important agricultural products are sugar, tobacco, coffee, cacao, bananas, coconuts, cotton, and henequen.

Livestock.—Appropriate climate, abundance of grazing lands, and ample vegetation make large areas in Latin America suitable for the raising of livestock. Cattle are raised in most parts of the area, but Argentina, Brazil, Uruguay, and Paraguay have become the principal producers. Sheep raising is particularly important in Uruguay and in Argentina. Hogs are raised in practically all parts of Latin America. The stock-raising potentialities of Latin America have not yet been fully realized. Large areas, many of which are still not easily accessible, would be available should economic conditions justify their utilization.

Population.

Population censuses are infrequent in many of the Latin American countries, the practical difficulties of enumeration being very great. Consequently, available statistics are largely estimates. The population of the 20 Latin American Republics, at the end of 1937, was estimated to be 123 million (see table 1).² Of this total, 88,250,000 were in South America, 7,125,000 in Central America, 19,150,000 in Mexico, and 8,500,000 in the West Indies. Brazil alone accounts for approximately one-third of the total population of Latin America and for nearly one-half the population of South America. With 15 percent of the land surface of the world, the 20 Latin American Republics have but 6 percent of its population. South America, with 13 percent of the land surface of the world, has but 4 percent of the total world population.

The 20 Latin American countries have an average of 15 inhabitants to the square mile as compared with 41 for the continental United States.³ In Latin American countries, as in many other countries, the inhabitants are concentrated in small areas. Although the population density for South America as a whole is only 13 inhabitants to the square mile, about three-fourths of the inhabitants live in about one-fourth of the total South American area. Vast tracts in the Amazon Basin and in Patagonia have a population of not more than 2 persons to the square mile. The population density of Brazil is 13 inhabitants to the square mile, but three-fourths of Brazil's population of 42 millions is concentrated in an area within 100 miles of the seacoast. For Central America, as a whole, there are approximately 33 inhab-

² *Statistical Year-Book of the League of Nations, 1937-38*. All statistics of population here given are the latest available estimates.

³ Population density for the 20 Latin American Republics is based on estimates of population as of December 31, 1930, contained in the *Statistical Year-Book of the League of Nations, 1937-38*. Population density of the United States was obtained from the census of 1930.

itants per square mile; El Salvador, however, has a concentration of 127. Mexico has a population density of about 25 inhabitants to the square mile. In the West Indian area, Haiti, with approximately 255 inhabitants to the square mile, and Cuba with 90, are the most densely populated.

TABLE 1.—Latin America: Area, population, and density of population

Country	Area in square miles	Latest census		Latest estimates		
		Date	Population	Date	Population	Inhabitants per square mile
South America:						
Argentina.....	1,079,965	1914	7,885,000	1937	12,762,000	11.8
Bolivia.....	506,792	1900	1,816,000	1936	3,000,000	5.9
Brazil.....	3,275,510	1920	30,636,000	1936	42,395,000	12.9
Chile.....	296,717	1930	4,288,000	1937	4,597,000	15.5
Colombia.....	448,794	1928	7,851,000	1938 ¹	9,033,000	20.1
Ecuador.....	275,936	.....	.....	1936 ¹	3,000,000	10.9
Paraguay.....	161,617	1899	656,000	1936	950,000	5.9
Peru.....	482,133	1876	2,699,000	1936	7,000,000	14.5
Uruguay.....	72,153	1908	1,043,000	1937	2,063,000	29.0
Venezuela.....	352,051	1936	3,428,000	1936	3,428,000	9.7
Total, South America.....	6,951,608	.....	.....	.....	88,253,000	12.7
Central America:						
Costa Rica.....	23,000	1927	472,000	1937	607,000	26.4
El Salvador.....	13,176	1930	1,438,000	1937	1,665,000	126.8
Guatemala.....	45,452	1921	2,005,000	1937 ¹	2,466,000	54.3
Honduras.....	44,275	1930	854,000	1936	1,000,000	22.6
Nicaragua.....	60,000	1920	638,000	1936 ¹	850,000	14.2
Panama.....	32,380	1930	467,000	1936	535,000	16.5
Total, Central America.....	218,283	.....	.....	.....	7,123,000	32.6
Mexico.....	763,944	1930	16,553,000	1937	19,154,000	25.1
West Indies:						
Cuba.....	44,164	1931	3,962,000	1936	4,370,000	98.9
Dominican Republic.....	19,332	1935	1,480,000	1936	1,520,000	78.6
Haiti.....	10,204	1918	1,631,000	1936 ¹	2,600,000	254.8
Total, West Indies.....	73,700	.....	.....	.....	8,490,000	115.2
Total, 20 Latin American countries.....	8,007,625	.....	.....	.....	123,025,000	15.4

¹ Uncertain or conjectural.

² Including the Chaco region, of about 100,000 square miles, ownership of which is disputed with Bolivia.

Source: Compiled from *Statistical Year-Book of the League of Nations, 1937-38* and *Statesman's Year-Book, 1938*.

Latin American countries are predominantly rural, yet they contain one of the great and important urban regions of the world, the southern Brazil-Río de la Plata area. In Latin America there are four cities with a population of more than 1,000,000⁴ and four with 500,000 to 1,000,000.⁵ In the 100,000 to 500,000 group, there are about 40 cities. Most of these are located in South America. Central America has only three cities with a population of more than 100,000. Mexico has one city with more than 1,000,000 population, and four cities in the 100,000 to 500,000 group. The West Indian Republics have only one city in the 500,000 to 1,000,000 group, and four cities in the 100,000 to 500,000 group.

⁴ Buenos Aires, Rio de Janeiro, Mexico City, and São Paulo.

⁵ Santiago de Chile, Montevideo, Habana, and Rosario.

Latin American economy.

*Agricultural and forest industries.*⁶—The basic economy of Latin America is agricultural and in some parts pastoral. It is estimated that over two-thirds of the population is engaged in agricultural (including pastoral) pursuits. In many of the Latin American countries a large part of this agricultural population operates on a basis of practically self-sufficient family units. Many of the products grown do not enter into international trade, and only to a minor extent into trade within the countries. As far as the principal food products (both vegetable and animal) are concerned, Latin America considered as a whole is practically self-sufficient. Except for inter-Latin American trade in foodstuffs, rice is one of the few staple food products imported in substantial quantities.

In Latin America, however, a number of agricultural products, and many forest products, are produced partially or principally for export to world markets. The importance of Latin America's agricultural products in the world economy may be gaged by the fact that it accounts for nine-tenths of the international trade in coffee, one-half of the trade in flaxseed, one-third in cane sugar, one-third in cacao, and one-third in castor seeds. In addition, Latin America produces and exports large quantities of cotton, wheat, corn, tobacco, chicle, henequen, tropical fruits, spices, oil-producing nuts and seeds, rubber, hardwoods in the form of logs or lumber, dyewoods and other tanning materials, and quinine and other drugs.

Some of the Latin American countries are largely dependent upon the export of a single agricultural product, or a very few such products. In 1938 exports from all of the Central American countries, the three West Indian Republics, and all of the South American countries except Bolivia, Chile, Peru, and Venezuela consisted in large part, if not entirely, of agricultural (not including pastoral) products. The four countries named and Mexico export a larger proportion of mineral products than of agricultural products. The export trade of Colombia and Ecuador is composed of substantial proportions of both agricultural and mineral products, and that of Uruguay consists chiefly of pastoral products.

In 1938 agricultural products (not including pastoral) accounted for more than 47 percent of all Argentine exports; three products—corn, wheat, and linseed—accounted for 39 percent. Other important agricultural or forest products were oats, barley, wheat flour, bran, and quebracho extract. In 1938 exports of coffee from Brazil constituted 45 percent of that country's total exports, amounting to 296 million dollars; four agricultural and forest products—coffee, cotton, cacao, and oil-producing seeds and nuts—accounted for more than 70 percent of its total export trade. Paraguay in 1938 exported products valued at more than 8 million dollars, 27 percent of which consisted of raw cotton, 18 percent of quebracho extract, and 7 percent of yerba maté, or a total of about 52 percent for these three products. From Colombia exports in 1938 were valued at 81 million dollars, of which more than 61 percent consisted of coffee and 6 percent of bananas. Of Ecuador's total exports, approximating 13 million dollars in 1938, 23 percent consisted of cacao, 10 percent of coffee, 6 percent

⁶ See the section on pastoral products for a discussion of such products as fresh, frozen, chilled, and canned meats; wool; hides and skins; tallow; and other animal products.

of rice, and over 4 percent of tagua, or a total of nearly 44 percent for these four products.

Agricultural and forest commodities account for even larger proportions of the exports of the Central American area. Nearly 85 percent of Costa Rica's export trade in 1938 consisted of coffee, bananas, and cacao. In 1937 over 90 percent of El Salvador's export trade consisted of coffee. Approximately 90 percent of the export trade of Guatemala in 1938 was accounted for by coffee and bananas; these commodities also constituted nearly 60 percent of the export trade of Honduras in that year.

The West Indian Republics are similarly dependent upon the export of one or a few agricultural and forest products. In 1938 nearly 80 percent of Cuba's total export trade consisted of sugar and sugar products. The Dominican Republic is largely dependent on raw sugar, cacao, and coffee; in 1938 these constituted 81 percent of its exports. The export trade of Haiti is more diversified than that of Cuba or the Dominican Republic, but in 1938 agricultural products accounted for 97 percent of its total shipments to foreign countries.

Pastoral industries.—Cattle raising has been carried on in most parts of Latin America since the beginning of the colonial period. Aided by the development of refrigeration facilities, improved stock, and cheaper and more adequate transportation, stock raising and its allied industries have expanded rapidly. Latin America now accounts for approximately two-thirds of all the fresh, chilled, and frozen beef which enters international trade, about one-fifth of the mutton and lamb, and nearly all of the canned beef. The Latin American countries also account for about 30 percent of all the cattle hides and calfskins produced in the world, about 20 percent of the sheep and lamb skins, 10 percent of the goatskins, 15 percent of the horse skins, and about 95 percent of the wild pig and hog skins; their share of the international trade in these items is still larger.

The countries of Latin America from which exports of pastoral products are most important are Uruguay, Argentina, Paraguay, and Brazil. Of these, Uruguay is the only country from which exports are now predominantly pastoral. Approximately 84 percent of Uruguay's exports in 1938 were the products of pastoral industry; wool alone constituted 44 percent, the remaining 40 percent consisting of frozen, chilled, and canned meats, hides, skins, tallow, and other animal products. Exports of animal products from Argentina were more than 45 percent of the total exports in 1938; these exports consisted of meats, wool, hides and skins, and allied products. In 1938, 36 percent of total Paraguayan exports consisted of pastoral products; chief among these were cattle hides, which accounted for nearly one-third of the exports of animal products. Although appreciable quantities of animal products are exported from Brazil, such commodities are only a small percentage of total Brazilian exports (9 percent in 1938); the principal commodities are hides and skins, and frozen, chilled, and canned meats.

Mining.—In certain Latin American countries, mineral production has long been of great significance, and exports from some of these countries consist largely, or almost entirely, of mineral products. Latin America produces about one-third of the world's tin, one-third of the silver, one-fourth of the copper, and one-seventh of the petro-

leum. The lack of cheap fuel has retarded the development of Latin American mineral resources. Although the area contains substantial deposits of coal, most are inaccessible or of poor quality. Colombia, Peru, Venezuela, and Mexico have the greatest potential power resources in Latin America, inasmuch as they possess not only coal, but also petroleum and water power.

The export trade of five Latin American countries—Bolivia, Chile, Venezuela, Peru, and Mexico—is composed chiefly of minerals. In 1938, approximately 92 percent of the total exports from Bolivia, valued at 35 million dollars, consisted of minerals, including tin, which alone accounted for 68 percent. Other metals exported were silver, lead, wolfram, zinc, antimony, and copper. Of the total exports of Chile, amounting to approximately 141 million dollars in 1938, more than 48 percent consisted of copper bars and 22 percent of nitrates; total exports of mineral products amounted to 78 percent of Chilean shipments to foreign countries. In Venezuela, exports of petroleum, asphalt, and their products accounted for approximately 90 percent of that country's total exports of 278 million dollars in 1938.⁷ More than 50 percent of Peruvian exports in 1938, valued at 76 million dollars, consisted of petroleum and copper and its concentrates. Mexico is one of the most diversified mineral-producing areas in the world. In 1938 approximately 79 percent of that country's total exports of 185 million dollars consisted of minerals and mineral products; these, in the order of their importance, included petroleum and petroleum products, gold,⁸ silver, lead, zinc, copper, and antimony. Base metals accounted for nearly 30 percent of Mexico's total exports in 1938, the precious metals for nearly 39 percent, and petroleum and its allied products for more than 9 percent.

In 1938, exports of petroleum, gold, and platinum amounted to approximately 35 percent of the value of total exports from Colombia. That country is the world's second largest producer of platinum, being exceeded only by the Soviet Union. Approximately one-third of the exports from Ecuador (valued at nearly 13 million dollars in 1938) were composed of minerals; chief among these were petroleum, cyanide precipitates, silver, and gold. Exports of minerals form but a small part of exports from Brazil. Brazil, however, is a producer and exporter of manganese ore, a strategic material in the production of steel. Some iron ore is also mined in Brazil, but this is consumed principally in the domestic market.

Manufacturing.—Although the economy of Latin America is primarily dependent upon the production of agricultural, pastoral, and forest commodities, and of minerals, manufacturing industries in some countries are becoming increasingly important. Manufacturing in Latin America has been retarded by the lack of skilled labor, the small population in many of the countries, and the lack of certain commodities essential to the development of heavy industries. The chief deterrents have been the quality of the coal and iron of Latin America, their inaccessibility, and the location of the two in relation to each other. Dependence upon imported coal and oil in many countries has been

⁷ Exports of petroleum from Venezuela are recorded in terms of an official unit value which overvalues such exports by approximately 66 2/3 percent.

⁸ Gold and silver are included with commodity exports by Mexico and several other Latin American countries but are not included with commodity imports in United States statistics.

chiefly responsible for a localization of manufacturing at the seacoast, inasmuch as the high cost of transportation has made it unprofitable to transport these fuels to inland points.

Manufacturing in Latin America has been confined chiefly to the production of consumption goods. These include such products as cotton cloth, shoes and other types of clothing, furniture, building materials, soap, toilet preparations, cigarettes, cigars, wine, beer, rope and twine, prepared and canned meats, canned fruits, paint, matches, paper, tin cans, glassware, and household utensils. In addition, the assembling of automobiles provides employment for a substantial number of men in several countries. The larger manufacturing establishments in many of the Latin American countries are financed by foreign capital, although an increasing number of small plants has recently been established with capital of domestic origin.

The principal manufacturing industries concerned with exports are those engaged in the simple processing of mineral, agricultural, pastoral, and forest products. These include such industries as meat packing and refrigeration, flour milling, sugar extraction and refining, cigar manufacturing, and the crushing of oil-bearing seeds and nuts.

The countries of Latin America in which manufacturing has been most developed are Argentina, Brazil, Chile, and Mexico. These countries, or the areas in them where manufacturing is principally conducted, are not tropical. Argentina is the leading manufacturing country in Latin America. Its industrial activity is concentrated largely in the region of Buenos Aires. In 1937 nearly 75 percent of all Argentine industry was located in the Federal District and in the Province of Buenos Aires. Manufacturing establishments in Argentina produce a wide variety of fairly advanced consumers' goods, in addition to simply processed agricultural, pastoral, and forest products, such as chilled, frozen, and canned meats, wheat flour, oils and fats, dye-stuffs, and leather. Many of these establishments are small; in 1935 only 36 factories employed more than 1,000 workmen, and most of these were engaged in the production of foodstuffs and meats, or in the assembling of automobiles. Of the 40,613 industrial establishments recorded in Argentina in 1935, 29,400, or approximately 73 percent, employed 5 men or less.

Production of consumers' goods constitutes the principal part of the Brazilian industrial economy. One of the largest industries in Brazil is the textile industry. Cotton-textile manufacturing is the most important branch of the industry, but woolen and rayon textiles and piece goods of hemp, jute, and flax are also produced. Manufacturing for export, except for the processing of certain agricultural and forest products, is unimportant.

In the production of consumers' goods, Chile has attained a substantial degree of self-sufficiency. The manufacturing industries of that country rank second to agriculture in the number of persons employed; approximately 24 percent of the laboring population works in industrial plants, which are largely concentrated in the region about Santiago. More than 90 percent of all Chilean manufacturing occurs in this district. Manufacturing industries producing for export are concerned principally with the treatment of minerals, especially copper and nitrates.

Mexico produces a substantial part of its requirements of consumers' goods. In addition, there are some heavy industries manufacturing such products as structural steel, rails, car wheels, springs, nails, and wire. The largest industries of Mexico, however, manufacture foodstuffs, beverages, and the basic types of textiles; in the production of these articles Mexico is practically self-sufficient. Manufacturing industries which sell abroad are concerned principally with the simple processing of that country's mineral and forest products.

COMMERCIAL POLICY OF LATIN AMERICAN COUNTRIES

The several Latin American countries utilize most, if not all, of the various types of trade controls now employed by many nations throughout the world; in addition to customs duties, these include exchange and quota controls, bilateral agreements, official valuations, export taxes, and export subsidies. All of these controls are not employed by each of the 20 Latin American Republics, and some of the controls are enforced more rigidly and are more inclusive in certain countries than in others.

There is no uniformity in the commercial policy of the 20 Latin American countries.¹ In general, customs duties have been increased since 1929 and are high. In most countries they provide a large part of governmental revenue and in some countries constitute the principal source of governmental income, being designed primarily for that purpose. In others, additional sources of governmental income have been drawn upon, and tariffs have become less important from the standpoint of revenue. In certain countries where the tariff has been designed to protect and promote domestic industries, the application of the protective principle has operated to reduce customs receipts.

During the depression the decline in the value of the export trade of the Latin American countries made it difficult for them to meet the service on their foreign loans and to obtain imports essential to their economies. Inasmuch as many of these countries are principally producers of agricultural products and raw materials, their situations were aggravated by the fact that the prices of their principal export commodities declined more rapidly than those of the manufactured goods which constitute a large part of their imports. Because of these adverse circumstances, several of the Latin American countries early in the decade 1930-39 adopted exchange controls and other trade restrictions in an effort to protect their financial resources and to maintain the value of their currencies.

Except for the United States, Latin American countries find their principal markets in Europe; in fact, some of the South American countries sell the major portion of their exports in European markets. During the decade 1930-39 nearly all of the countries of Europe imposed additional trade barriers which were severely restrictive, and some embraced the policy of economic self-sufficiency. Most European countries, in their effort to control and restrict imports, adopted to a greater or lesser extent such devices as exchange and quota controls and bilateral agreements. This action served to accentuate the unfavorable position of those Latin American countries which customarily sold substantial quantities of their products in Europe and has been largely responsible for their retention and expansion of trade restrictions in an effort to maintain their export markets, to secure

¹ See part II of this report for a discussion of the commercial policy of each Latin American country.

payment for the products sold, and to safeguard their own financial structure.

In general, more South American countries maintain exchange controls than do the other Latin American countries.² The latter have undoubtedly found such restrictive devices less necessary than have their southern neighbors, inasmuch as a very large part of their export trade is destined for the United States market where free exchange is readily available. Exchange controls as administered in Latin America vary widely in the extent and rigidity with which they are exercised. In some countries the rate at which foreign exchange can be bought or sold is fixed by law or decree; in others there is a multiplicity of rates, official and unofficial, the rates varying as between commodities, or countries, or both; in still others the exchange is allocated among the supplying countries and the types of commodities imported. An attempt is frequently made to allocate exchange to a given country on the basis of its importance as an export market. Under this system it is possible to favor a particular country in the amount of exchange allocated and in the rate of exchange made applicable to the imports therefrom. In similar fashion, imports of specific commodities may be favored; adequate exchange at favorable rates is made available for essential commodities, whereas others cannot be imported because little or no exchange is provided for payment. Thus the device may be, and frequently is, used to protect or encourage domestic industries.

Most Latin American countries have entered into bilateral agreements with foreign countries.³ These have been compensation, clearing, or barter arrangements of various kinds designed to maintain certain exports of the negotiating Latin American countries and to obtain payment therefor, to equalize the import and export trade between the signatory countries, or to provide for the exchange of surplus products. Such agreements have been used more extensively by South American countries than by most of the others in Latin America. Inasmuch as many Latin American countries have customarily had export trade balances with European countries, they have usually found it necessary, in order to maintain or expand their export markets, to agree to take a larger quantity of goods at favorable rates of exchange from the negotiating country. Thus the agreements have frequently operated to reduce the opportunity of third countries to sell their products in Latin America.

Quotas, customs duties, and official valuations are employed by a number of the Latin American countries as concomitant parts of their trade-control systems. Quotas are frequently imposed in connection with the allocation of exchange to specific commodities; they have been utilized for bargaining purposes in the negotiation of commercial agreements and to limit the imports of specific commodities for the protection of the country's financial structure or its individual industries, especially cotton textiles. By giving the executive authority to modify rates of duty, to reclassify articles for duty purposes, and to

² Of the 10 South American countries, 9 maintain exchange controls, whereas only 4 of the other Latin American countries do so.

³ Argentina, Brazil, and Chile are important Latin American countries which have signed such agreements; important European countries parties thereto are Germany, Italy, and, more recently, the United Kingdom.

alter fixed valuations,⁴ the tariff has also become an important bargaining power in the negotiation of agreements, and is so utilized by many of the Latin American Republics.

Latin American countries, like many others in recent years, have been burdened with a surplus of certain commodities⁵ and, like others, have resorted to export subsidies in an attempt to alleviate distress, or to meet competition in world markets from the subsidized commodities of other countries. This practice has now become a part of the commercial policy of some of the Latin American countries.⁶ Export taxes have also been utilized for various purposes by certain of these countries.⁷ If a particular country has a monopoly or a partial monopoly of a certain product, it can impose an export tax on that product to provide governmental revenue; the tax is also employed to discourage the export of raw materials which can be processed within the country⁸ and, by at least one country,⁹ to recapture for the Government profits arising out of increased prices for export products made possible by currency depreciation.

⁴ Most Latin American countries use the c. f. f. basis for valuation and thus obtain a higher duty on products subject to ad valorem rates than if an f. o. b. basis were used; duties are further increased, sometimes substantially, by assessing ad valorem duties on the basis of official valuations which exceed market values.

⁵ Notably coffee in Brazil.

⁶ The war, to the extent that it raises prices, may permit the discontinuance of this practice, at least for certain products.

⁷ The Executive in Venezuela is authorized to impose an export tax on any export product; such a tax has been imposed on exports of tonka beans.

⁸ For example, the export tax on henequen from Mexico, favoring the export of binder twine.

⁹ Mexico. This country has also granted subsidies on imports to reduce the price of certain basic food-stuffs.

TRADE OF LATIN AMERICA WITH THE WORLD

General statement.

Latin America is an important world producer of tropical foodstuffs, raw materials, and minerals, and is a substantial consumer of manufactures and semimanufactures. That area is more important, however, as a supplier of products shipped in international trade than as a market for such products.

This situation may be attributed in part to the debtor position of Latin America in relation to the rest of the world. During the decade 1929-38, the 20 Latin American countries shipped to foreign markets (including Latin American countries themselves) from 8 to 9 percent of total world exports and received from 5 to 7 percent of total world imports. In the period of the depression, Latin American imports declined more in relation to world totals than did exports, although the latter declined somewhat. Latin American exports, moreover, were larger in relation to total world exports in 1937 than in 1929, while Latin American imports were not. The more rapid decline during the depression of imports into Latin America than of exports therefrom occurred despite the fact that the prices of most Latin American export products declined more sharply in that period than did the prices of imported articles.

It is apparent, therefore, that during the period of the depression, imports into Latin America declined more abruptly in terms of quantity than did exports from that area. Indeed, the quantities of certain products exported from some of the Latin American countries actually increased, although the total value of the exports of such products declined.

In 1937, exports from Latin America amounted to more than 10 percent of the value of total world exports, and imports into Latin America amounted to 7 percent of total world imports.

Exports to the world.

In recent years the export trade of Latin America in general has followed the course of world trade. In the period 1929-38, exports attained their highest level in 1929, reached their low in 1932 and 1933, and recovered substantially thereafter. These fluctuations, the result of world economic conditions, may be attributed principally to changes in commodity prices, although variations in the physical quantity of the goods exported were also contributing factors. Export statistics for 1929-38 are shown in table 2.

TABLE 2.—Latin America: Total exports from the 20 Latin American countries, 1929-38

Year	Value	Comparison of 1929 with subsequent years	Comparison of 1932 with subsequent years
		Percent	Percent
	<i>Millions of U. S. dollars</i>		
1929.....	2,912.9	100.0	-----
1930.....	1,992.6	68.4	-----
1931.....	1,489.7	51.1	-----
1932.....	1,038.8	35.7	100.0
1933.....	1,145.2	39.3	110.2
1934.....	1,676.3	57.5	161.4
1935.....	1,738.9	59.7	167.4
1936.....	1,911.5	65.6	184.0
1937.....	2,420.5	83.1	233.0
1938.....	1,833.7	63.0	176.5

Sources: Compiled by the United States Tariff Commission from *Statistical Year-Book of the League of Nations*.

In 1932 Latin American exports aggregated, in terms of value, only slightly more than one-third of those in 1929; by 1936 they amounted to almost two-thirds, and in 1937 to more than four-fifths. The recovery of exports from the period of extreme depression was rapid; in 1936 the value was 84 percent greater, and in 1937, 133 percent greater, than that in 1932. Although exports declined in 1938 and were slightly smaller than in 1936, they were still over 76 percent greater than in 1932. Preliminary reports indicate that exports in 1939 were larger than in the preceding year.

South America is the principal exporting area in the Latin American group, accounting for about 77 percent of the total export trade. Mexico and the West Indies each contribute about 10 percent of the total, and Central America about 3 percent. During the decade 1929-38, little change occurred in the relative importance of the export trade of these regions; the relationship in 1938 was almost identical with that in 1929 (see table 3).

The export trade of Latin America is largely concentrated in a few countries. In fact, 7 of the 20 countries accounted for 85 percent of total Latin American exports in both 1929 and 1938; these countries, named in the order of the value of their exports in 1938, were Argentina (24 percent of the value of total Latin American exports), Brazil (16 percent), Venezuela (15 percent), Mexico (10 percent), Cuba (8 percent), Chile (8 percent), and Colombia (5 percent). With few exceptions, the 7 countries have maintained approximately the same relative positions throughout the period 1929-38.

Argentina ranked first in both 1929 and 1938; in 1929 its share of that trade was 31 percent, and in 1938, 24 percent. The decline in the relative importance of Argentine exports in 1938 was caused in part by crop failures and by a reduction in the purchases of Argentine products by the United States and certain European countries. Brazil maintained its position as the second most important exporting country in Latin America throughout the period 1929-38, and its share of total exports fluctuated within narrow limits, ranging from 14.5 to 17 percent. Chile ranked fourth (10 percent) as an exporter among the Latin American countries in 1929, but dropped to sixth in 1938. The Chilean position was especially affected by the decline in the quantity and average unit value of its exports of nitrates.

Another country which has experienced a marked change in its position in Latin American export trade is Venezuela. In 1929 it ranked sixth and its share of the trade was 5 percent; in 1938 it rose to third and its share to 15 percent. The rise may be attributed principally to the substantial increase in Venezuelan exports of petroleum. Cuba ranked fifth as an exporter of Latin American products in both 1929 and 1938. The importance of its position is due in part to the preferential tariff position which it occupies in trade with the United States.¹

Latin American exports consist chiefly of mineral, pastoral, agricultural, and forest products; the last two groups include a wide variety of tropical and semitropical commodities, as well as a large number of those produced in the Temperate Zone. Nearly all Latin American exports are in the form of raw and semimanufactured materials.

Important among Latin American exports of mineral products are crude petroleum, nitrates, tin, copper, silver, gold, and manganese. Shipments of pastoral products consist principally of meats, hides and skins, and wool. The forest products exported include a wide variety of both soft and hard woods,² and tanning materials and dye-woods. Exports of tropical agricultural products consist of cane sugar (raw and refined), coffee, cacao, chicle, bananas, tobacco, oil-bearing seeds and nuts, henequen, molasses, and Brazil nuts. Other agricultural exports consist of grains including wheat, corn, barley, and oats, and cotton and flaxseed.

Most of these Latin American products are produced principally, if not entirely, for export. In fact, many of these commodities, should they lack an export market, would find only limited use within the countries which produce them. Commodity prices and the volume of foreign demand, therefore, have a profound effect upon the economies of Latin American countries.

¹ Products imported into the United States from Cuba are accorded rates of duty at least 20 percent below the most-favored-nation rates. The rate of duty applicable to sugar (96°) imported from foreign countries other than Cuba is 0.9375 cent per pound; the rate on comparable sugar from Cuba is 0.75 cent per pound but imports into the United States are limited by an absolute quota. Cuba's second most important export product, tobacco, is likewise accorded preferences substantially in excess of 20 percent; imports into the United States at the reduced rates, however, are limited by a quota.

² Some of the more important varieties are pine, balsa, laurel, rauli, and mahogany.

TABLE 3.—Latin America: Total exports¹ from the 20 Latin American countries, in specified years, 1929 to 1938[Value in millions of United States dollars²]

Country	1929		1932		1936		1937		1938 ³	
	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
Total, 20 Latin American countries ⁴	2,012.9	100.0	1,038.8	100.0	1,911.5	100.0	2,420.5	100.0	1,833.7	100.0
South America.....	2,214.6	76.0	794.4	76.5	1,466.3	76.7	1,898.3	78.4	1,422.1	77.6
Argentina.....	907.6	31.2	331.4	31.9	536.1	28.0	757.4	31.3	437.6	23.9
Bolivia ⁵	51.1	1.8	10.4	1.0	37.3	1.9	46.2	1.9	35.2	1.9
Brazil ⁶	461.5	15.8	178.1	17.2	321.1	16.8	350.3	14.5	296.1	16.2
Chile.....	282.8	9.7	34.3	3.3	112.8	5.9	192.2	7.9	138.7	7.6
Colombia ⁷	123.5	4.2	66.3	6.4	89.9	4.7	104.4	4.3	91.4	5.0
Ecuador ⁸	17.2	.6	8.7	.8	13.9	.7	14.0	.6	11.7	.6
Paraguay.....	12.8	.4	7.5	.7	7.1	.4	9.0	.4	8.0	.4
Peru.....	116.8	4.0	37.1	3.6	83.3	4.4	93.2	3.8	77.2	4.2
Uruguay.....	92.0	3.2	27.4	2.6	72.1	3.8	78.0	3.2	58.9	3.2
Venezuela ⁹	149.3	5.1	93.2	9.0	192.7	10.1	253.6	10.5	267.3	14.6
Central America.....	101.1	3.5	48.8	4.7	50.9	2.7	62.1	2.6	58.7	3.2
Costa Rica ⁷	18.2	.6	8.5	.8	8.3	.5	11.5	.5	11.8	.6
El Salvador ⁷	18.4	.6	5.5	.5	10.1	.5	15.6	.6	13.5	.7
Guatemala ⁸	24.9	.9	10.7	1.0	15.0	.8	16.1	.7	16.4	.9
Honduras ⁷ (fiscal years).....	24.6	.9	17.6	1.7	9.1	.5	9.6	.4	8.5	.5
Nicaragua ⁷	10.9	.4	4.5	.5	4.2	.2	5.2	.2	4.6	.3
Panama.....	4.1	.1	2.0	.2	4.2	.2	4.1	.2	3.9	.2
Mexico ⁷	284.6	9.8	97.3	9.4	215.4	11.3	247.5	10.2	186.1	10.1
West Indies.....	312.6	10.7	98.3	9.4	178.9	9.3	212.6	8.8	166.8	9.1
Cuba.....	272.4	9.3	79.9	7.7	154.7	8.1	185.8	7.7	144.5	7.9
Dominican Republic ⁸	23.5	.8	11.2	1.0	14.7	.7	17.8	.7	15.4	.8
Haiti ⁸ (fiscal years).....	16.7	.6	7.2	.7	9.5	.5	9.0	.4	6.9	.4

¹ Unless otherwise stated, the figures represent special trade, merchandise only, i. e., bullion and specie are excluded.

² Conversion rates are based on the United States dollar containing 23.22 grains of fine gold in 1929 and 1932, and 13.71 grains of fine gold in 1936, 1937, and 1938.

³ Wholly or partly estimated.

⁴ Ratio of total exports from Latin American countries to total world exports (exclusive of Spain): 1929, 8.9 percent; 1932, 8.2 percent; 1936, 9.1 percent; 1937, 9.3 percent; and 1938, 8.1 percent.

⁵ Includes bullion and specie.

⁶ General exports.

⁷ General exports, including bullion and specie.

⁸ Includes bullion.

Source: Compiled by the United States Tariff Commission from *Statistical Year-Book of the League of Nations*.

Imports from the world.

As with exports, imports into Latin America attained a peak in 1929; they declined sharply thereafter and in 1932 reached a low point for the decade 1929-38. After 1932, Latin American import trade recovered appreciably, but did not regain the levels attained in 1929. These fluctuations, the result of world economic conditions, may be attributed both to changes in commodity prices and to variations in the physical quantity of the goods which moved in foreign trade. Import statistics for the years 1929-38 are shown in table 4.

TABLE 4.—Latin America: Total imports into the 20 Latin American countries, 1929-38

Year	Value	Comparison of 1929 with subsequent years	Comparison of 1932 with subsequent years
		Percent	Percent
1929	2,425.0	100.0	100.0
1930	1,791.5	73.9	126.4
1931	1,024.2	42.2	166.1
1932	618.7	25.5	183.5
1933	781.8	32.2	200.6
1934	1,027.9	42.4	267.8
1935	1,135.2	46.8	240.6
1936	1,241.0	51.2	257.8
1937	1,650.9	68.3	240.6
1938	1,488.5	61.4	

Source: Compiled by the United States Tariff Commission from *Statistical Year-Book of the League of Nations*.

In 1932, imports into Latin America aggregated only about one-fourth of the value of those in 1929; by 1936 they amounted to one-half of the imports in 1929, and in 1937 to more than two-thirds. Latin American imports were 100 percent greater in 1936, and 168 percent greater in 1937 than in 1932. Although imports declined somewhat in 1938, they did not decline as rapidly as exports and were still 140 percent greater than in 1932. Price changes account in part for the variation in imports, but are not so important as in exports.

South America customarily accounts for more than 75 percent of all Latin American imports (79 percent in 1938). Mexico and the West Indies each purchase from 7 to 10 percent of the total, and Central America about 5 percent (see table 5). During the decade 1929-38 little change took place in the relative position of three of these areas as markets for imports, their share in 1938 being almost identical with that in 1929. The share of the West Indian Republics in imports, however, decreased from 10.6 percent to 8.3 percent of the total.

The seven leading exporting countries in Latin America are also the seven largest purchasers of foreign goods; in 1938, and in 1929 as well, they accounted for approximately 84 percent of all Latin American imports. Although these seven countries were the principal sellers and purchasers in foreign markets, they did not hold the same relative rank in both of these phases of Latin American foreign trade. Named in the order of the value of their imports in 1938, the seven leading countries were Argentina (30 percent of the value of total Latin American imports), Brazil (20 percent), Mexico, Cuba, Venezuela, and Chile (7 percent each), and Colombia (6 percent). Of these countries, Venezuela showed the greatest increase in 1938 as compared with 1929. In 1929, it ranked seventh among the importing countries of Latin America and accounted for only 4 percent of all imports into that area; in 1938 it ranked fourth, with 7 percent of the total. Other countries which increased their participation in the import trade of Latin America were Brazil (17 percent in 1929 and 20 percent in 1938) and Colombia (5 percent in 1929 and 6 percent in 1938). The other four leading countries—Argentina, Mexico, Cuba, and Chile—declined in importance as markets for imports.

Imports into Latin America are largely complementary to production in that area. Latin American countries produce for local consumption principally basic foodstuffs and, in a few of the more industrialized countries, manufactured goods for direct consumption, such as textiles, clothing, hosiery, and shoes; some of the industrialized countries also produce, though in limited quantities, durable consumption goods and production goods. For export, these countries rely almost entirely on raw materials derived from agriculture and livestock, forests, and mines. Imports into Latin American countries are almost infinite in their variety and include both consumption and production goods. The proportion of total imports represented by either one of these two groups and the type of goods imported within each group vary from country to country and are dependent in large part upon the economy of each country and the purchasing power and habits of its people. Imports of consumption goods include both nondurable consumption goods, such as textiles, clothing, and prepared foodstuffs (for example, canned fruits, milk, and fish, and wheat flour), and durable consumption goods, such as radios, electric refrigerators, automobiles, tires, and other rubber goods.³ Imports of production goods are also diversified. They include chemicals; petroleum; coal; agricultural and industrial machinery; motors (gasoline and electric); electrical equipment; sewing machines; office equipment and appliances; airplanes; railroad locomotives, cars, and equipment; and finished and semifinished iron and steel products.

Many of the Latin American countries are attempting to develop manufacturing industries within their own boundaries. To the extent that they are successful in this endeavor, the imports of some products will probably be curtailed. But should the standard of living and purchasing power of the Latin American people be improved by these efforts, the import trade of Latin America, although changed somewhat in character, would probably expand rather than contract.

³ Imports of consumption goods are purchased by a small proportion of the population of Latin American countries, principally people in the large cities. The limited purchasing power of most people in Latin America does not permit the acquisition of imported articles.

TABLE 5.—Latin America: Total imports¹ into the 20 Latin American countries, in specified years, 1929 to 1938

[Value in millions of United States dollars †]

Country	1929		1932		1936		1937		1938 ²	
	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
Total, 20 Latin American countries ³	2,425.0	100.0	618.7	100.0	1,241.0	100.0	1,656.9	100.0	1,488.5	100.0
South America.....	1,870.6	77.1	455.8	73.7	928.7	74.8	1,257.3	75.9	1,182.2	79.4
Argentina.....	819.5	33.9	215.2	34.8	347.0	28.0	482.1	29.1	442.6	29.7
Bolivia ⁴	26.1	1.1	4.7	.8	20.6	1.7	22.0	1.3	24.4	1.6
Brazil ⁵	421.7	17.4	105.8	17.1	247.1	19.9	334.3	20.2	292.7	19.7
Chile.....	196.8	8.1	26.0	4.2	71.3	5.7	88.3	5.3	103.2	6.9
Colombia ⁷	123.0	5.1	29.2	4.7	68.4	5.5	96.1	5.8	88.0	5.9
Ecuador ⁸	16.8	.7	4.3	.7	11.1	.9	11.0	.7	10.3	.7
Paraguay.....	13.2	.5	3.8	.6	7.3	.6	9.3	.6	8.1	.5
Peru.....	76.0	3.1	17.6	2.9	50.2	4.0	60.1	3.6	59.4	4.0
Uruguay ⁹	92.0	3.8	26.1	4.2	52.7	4.2	63.6	3.8	48.6	3.3
Venezuela ⁸	85.5	3.5	23.1	3.7	53.0	4.3	90.5	5.5	104.9	7.1
Central America.....	114.3	4.7	39.0	6.3	64.0	5.2	79.4	4.8	72.6	4.9
Costa Rica ⁷	20.2	.8	5.5	.9	8.4	.7	11.8	.7	12.2	.8
El Salvador ⁷	17.8	.7	5.2	.8	8.4	.7	10.3	.6	9.1	.6
Guatemala ⁷	30.4	1.3	7.5	1.2	14.4	1.2	21.0	1.3	21.0	1.4
Honduras ⁷ (fiscal years).....	14.9	.6	8.4	1.4	8.8	.7	10.3	.6	9.1	.6
Nicaragua ⁷	11.8	.5	3.5	.6	5.1	.4	4.2	.3	3.6	.3
Panama ⁸	19.2	.8	8.9	1.4	18.9	1.5	21.8	1.3	17.6	1.2
Mexico ⁷	194.2	7.6	57.6	9.3	127.7	10.3	170.2	10.3	110.0	7.4
West Indies.....	255.9	10.6	66.3	10.7	120.6	9.7	150.0	9.0	123.7	8.3
Cuba ⁸	216.2	8.9	51.0	8.2	103.2	8.3	129.4	7.8	105.0	7.1
Dominican Republic ¹⁰	22.5	1.0	7.8	1.3	9.8	.8	11.5	.7	10.2	.7
Haiti ¹⁰ (fiscal years).....	17.2	.7	7.5	1.2	7.6	.6	9.1	.5	7.6	.5

¹ Unless otherwise stated, the figures represent special trade, merchandise only, i. e., bullion and specie are excluded.

² Conversion rates are based on the U. S. dollar containing 23.22 grains of fine gold in 1929 and 1932, and 13.71 grains of fine gold in 1936, 1937, and 1938.

³ Wholly or partly estimated.

⁴ Ratio of total imports into Latin American countries to total world imports (exclusive of Spain): 1929, 6.9 percent; 1932, 4.5 percent; 1936, 5.6 percent; 1937, 6.0 percent; and 1938, 6.2 percent.

⁵ Includes bullion and specie.

⁶ General imports.

⁷ General imports, including bullion and specie.

⁸ After 1936, includes freight.

⁹ Official values.

¹⁰ Includes bullion.

Source: Compiled by the United States Tariff Commission from *Statistical Year-Book of the League of Nations*.

Principal markets for Latin American exports and sources of Latin American imports.

Among the principal industrial nations of the world, the United States is by far the largest market for exports from Latin America (see table 6), in recent years having taken approximately one-third of all Latin American products shipped abroad. In 1938 the United States accounted for 30.2 percent of the export trade of that area, the United Kingdom for 16.8 percent, Germany for 10.5 percent, France for 4.1 percent, Italy for 1.6 percent, Japan for 1.3 percent, and all other countries (including Latin American countries) for 35.5 percent. During the decade 1929-38, the United States and the United Kingdom maintained their positions as leading markets for Latin American goods, although they declined somewhat in relative importance;

Germany and Japan increased in importance; and France and Italy declined. These six countries took 70 percent of Latin American exports in 1929 and 65 percent in 1938.

The United States is also the principal supplier of commodities imported into Latin America (see table 6). In 1929 the share of the United States in the Latin American market was 38.5 percent; in 1932 it declined to 32.1 percent, and since that time has remained at approximately the same level (33.9 percent in 1938). The share of the United Kingdom in the import trade of Latin America declined from 16.3 percent in 1932 to 11.7 percent in 1938. Germany, however, increased its participation from 9.5 percent in 1932 to 16.2 percent in 1938. These three countries supplied more than 60 percent of total Latin American imports in 1938. Among the other important industrial countries—France, Italy, and Japan—each supplied approximately 3 percent. Of these three countries, only Japan increased its share of the trade during the period 1929–38. The six leading industrial countries supplied approximately 70 percent of Latin American imports in 1938.

TABLE 6.—Latin America: Trade of the 20 Latin American countries with selected countries, in specified years, 1929 to 1938

(Value in thousands of United States dollars)

Country	1929		1932		1936		1937		1938 ¹	
	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
Exports to—										
All countries ²	2, 012, 270	100. 0	1, 041, 252	100. 0	1, 826, 857	100. 0	2, 329, 153	100. 0	³ 1, 802, 300	100. 0
UNITED STATES ⁴	938, 054	33. 9	332, 512	31. 9	605, 682	33. 2	719, 579	30. 9	543, 980	30. 2
United Kingdom.....	535, 904	18. 4	203, 448	19. 5	243, 405	18. 8	410, 588	17. 6	302, 457	16. 8
Germany.....	234, 775	8. 1	76, 914	7. 4	148, 074	8. 1	204, 336	8. 8	188, 016	10. 5
Japan.....	3, 818	. 1	1, 109	. 1	35, 988	2. 0	37, 956	1. 6	24, 128	1. 3
Italy.....	91, 399	3. 1	32, 736	3. 2	32, 440	1. 8	70, 708	3. 0	28, 383	1. 6
France.....	181, 794	6. 3	69, 768	6. 7	91, 831	5. 0	94, 935	4. 1	73, 487	4. 1
All other.....	876, 526	30. 1	324, 765	31. 2	608, 337	31. 1	790, 991	34. 0	640, 941	35. 5
Imports from—										
All countries ²	2, 415, 398	100. 0	619, 362	100. 0	1, 201, 956	100. 0	1, 624, 205	100. 0	³ 1, 467, 071	100. 0
UNITED STATES ⁴	931, 014	38. 5	198, 857	32. 1	385, 704	32. 1	652, 259	34. 0	498, 305	33. 9
United Kingdom.....	362, 039	15. 0	101, 197	16. 3	167, 709	13. 9	214, 572	13. 2	171, 228	11. 7
Germany.....	261, 944	10. 8	58, 721	9. 5	188, 058	15. 7	250, 275	15. 4	237, 794	16. 2
Japan.....	14, 767	. 6	6, 442	1. 0	35, 860	3. 0	40, 362	2. 8	37, 070	2. 6
Italy.....	113, 411	4. 7	33, 711	5. 5	24, 155	2. 0	38, 257	2. 4	43, 918	3. 0
France.....	124, 479	5. 2	30, 403	4. 9	39, 799	3. 3	48, 518	3. 0	48, 267	3. 3
All other.....	607, 744	25. 2	100, 026	30. 7	360, 671	30. 0	473, 062	29. 2	429, 880	29. 8

¹ Preliminary.² Trade statistics of Honduras in 1929-37 are for fiscal years ended July 31; in 1938, by governmental decree, they are for the 11 months ended June 30. Data for Haiti are for fiscal years ended Sept. 30.³ Exports from El Salvador to the United Kingdom, Japan, Italy, and France are included in "All other."⁴ Trade of Costa Rica with the United States includes Panama in 1929 and 1932.⁵ Gold shipments are excluded from Colombian exports as follows: 1929, \$5,026,397 (to the United States, \$5,013,077); 1932, \$2,941,292; 1936, \$11,884,381; 1937, \$18,109,787; and 1938, \$10,503,879, all to the United States.

Source: Compiled by the United States Tariff Commission from official statistics of the 20 Latin American countries.

TRADE OF LATIN AMERICA WITH THE UNITED STATES

General statement.

The trade between Latin America and the United States rests chiefly upon the diversity of the commodities produced in the two regions. This dissimilarity arises from differences in climate, in natural resources, and in economic development.

Latin America in large part is situated in the Tropical Zone and is a leading world producer of tropical foodstuffs and raw materials. Moreover, it is largely a nonindustrial area. The United States, on the other hand, is situated in the Temperate Zone and is highly industrialized; its export products are mainly manufactures and agricultural products common to temperate agricultural regions. Trade between the two regions has consisted essentially of the exchange of Latin American tropical foodstuffs and industrial raw materials for United States manufactures and semimanufactures.

Northward to United States markets move coffee, sugar, bananas, chicle, tobacco, henequen, and many other tropical products; gold, silver, copper, petroleum, nitrates, and other minerals; and flaxseed, wool, hides, skins, and certain other agricultural and pastoral products, the production of which in this country is insufficient for home requirements. Major exports from the United States to Latin America are automobiles, trucks, mining machinery, electrical machinery, agricultural equipment, cotton cloth, and wheat flour.

Although the trade in the main is complementary, it is not entirely so, and therefore major problems affecting commerce between the two regions have arisen. A part of Latin America is situated in the Temperate Zone, and in large measure the agricultural and pastoral output of this section is similar to that of the United States; the two regions produce many of the same minerals; and certain countries, including Argentina, Brazil, Mexico, and Cuba, are undergoing rapid industrialization. All of these factors operate to reduce the complementary nature of the products of Latin America and of the United States. Latin America, however, remains an indispensable source of foodstuffs and raw materials not produced in the United States, and is also an essential supplementary source of numerous raw materials available in the United States but produced in insufficient quantities to satisfy domestic requirements. Moreover, Latin America, despite its industrial development, still requires many of the products manufactured in the United States.

Although the trade is based in large part on permanent geographic factors, significant alterations in the nature and distribution of United States trade with Latin America have occurred in the last decade. United States imports from Latin America have become more diversified. For example, imports of coffee decreased from 85 percent of the total value of imports from Brazil in 1932 to a low of 59 percent in 1937. Products now comprising an increased share of

this trade include, among others, babassu nuts, cottonseed oil, canned beef, and cattle hides. Equally important changes have occurred in the composition of United States exports to Latin America as a result of the accelerated rate of industrialization in Latin America, the recent broadening of purchasing power, and the technological development of new products. Increased industrialization in Argentina, Brazil, Cuba, and Mexico, in recent years, accounts for increased exports to some of these countries of machinery of various types and such semimanufactures as steel plates and sheets, cotton yarn, caustic soda, tin plate, and petroleum. Improved economic conditions in many Latin American countries have resulted in increased United States exports of radio sets and parts, household electric refrigerators, and motion-picture films.

Fluctuations in the world prices of Latin America's great income-producing commodities have been of outstanding importance in determining the value of trade of that region with the United States and with the rest of the world. In the last 10 years the variations in the value of United States imports from Latin America reflect largely fluctuations in prices, although fluctuations in physical volume have been of considerable importance in influencing the trade of certain commodities such as minerals, wool, hides and skins, flaxseed, and corn. The supplies forthcoming each year of the principal tropical foodstuffs, such as sugar, coffee, bananas, and cacao, are fairly fixed and not readily adjusted to changes in market conditions. Even moderate changes in the demand for these products have led to great fluctuations in prices, since the demand for them is inelastic; that is, the volume of sales does not respond readily to changes in prices. Hence, when the world demand for Latin American foodstuffs decreased, as it did after 1929 when business conditions were depressed, the somewhat reduced volumes of Latin American exports of these goods brought greatly reduced prices. There was, therefore, a great decline in the value of United States imports from Latin America. And when the world demand increased after 1932 there was a marked rise in the value of imports.

Under the circumstances, the fluctuations in the purchasing power of the exporting countries in Latin America have, of course, been large and have had a decided effect upon the capacity of this area to import goods from the United States and elsewhere, to make payments on foreign debts and investments, and to maintain stable currencies and public finance.

Widely fluctuating world prices for the principal Latin American exports in the last decade, together with fluctuations in world consumption of some of these products, have had a crucial effect upon the capacity of the Latin American countries to make interest payments to United States holders of dollar bonds (having, as of 1936, a par value of about 1.1 billion dollars, or 30 percent of total United States holdings of foreign dollar bonds) and to transfer income to United States owners of direct investments in Latin America (valued at about 2.8 billion dollars, or 43 percent of total United States direct investments in foreign countries).¹ Foreign exchange available for such payments has customarily been derived in large part from Latin America's

¹ U. S. Department of Commerce, *The Balance of International Payments of the United States in 1938*, appendix D, p. 90, and *American Direct Investments in Foreign Countries, 1936*, table 1, p. 6.

excess of exports in its trade with the United States, but during the last decade the trade balances of many of the Latin American countries with the United States have fluctuated widely because of changes in the world prices of major Latin American products and in the demand for certain of them in the United States. At the same time, many of these countries had outstanding large amounts of dollar bonds obligating them to pay interest charges which were fixed in amount. The effect of this situation upon the Latin American countries was particularly conspicuous in the period 1930-33, when most countries defaulted on interest and sinking-fund payments and many established rigid government control of foreign exchange and trade.

The outbreak of war in Europe (September 1939), and the subsequent spread of hostilities to the Pacific (December 1941) have had a marked effect upon the trade of the Latin American countries with the United States. In the 12-month period September 1939 through August 1940, there was a sharp increase in exports from the United States to Latin American countries, chiefly because they were unable to obtain their customary supplies in European markets. Imports into the United States from Latin American countries, however, did not increase rapidly, and therefore many of these countries had enlarged import or debit trade balances with the United States. In this period, several Latin American countries, especially those in South America, experienced serious commercial and financial difficulties, because their export markets in continental Europe were closed, their sales to the United Kingdom were made in terms of blocked pounds sterling, and their exports to the United States failed to keep pace with their increased imports from this country.

In the second half of 1941, however, the United States began to exercise a more rigid control over its exports, and its import requirements for many basic materials were greatly increased by the acceleration of its defense and Lend-Lease programs. This development had the dual effect of restricting exports to Latin American countries and of increasing imports therefrom. Moreover, the entrance of the United States into the war in December 1941 operated further to retard exports and to stimulate imports.² As a result, Latin American countries as a group, and most Latin American countries individually, recorded substantial export balances with the United States. The accumulation of credits in this country by the nations south of the Rfo Grande will permit them more adequately to service their dollar obligations and to establish reserves that may be utilized advantageously after the war is over.

Trade of Latin America with the United States, by regions.

In analyzing the trade of Latin America with the United States, the countries of that area may be segregated into four geographic regions or groups. These are (1) the Caribbean countries, consisting of Colombia, Venezuela, the Central American countries, Mexico, and the West Indian Republics; (2) Brazil; (3) the west-coast South American countries consisting of Bolivia, Chile, Ecuador, and Peru; and (4) the east-coast Temperate Zone South American countries consisting of Argentina, Paraguay, and Uruguay (see table 7). Among these groups the importance of trade with the United States in relation to total trade (import and export combined) is greatest in the Caribbean area, where it averages approximately 50 percent. In Brazil, trade

² This development was intensified in the first quarter of 1942 by a growing shortage in shipping caused chiefly by the spread of hostilities in the Pacific.

with the United States constitutes about 30 percent of the total, in the west-coast South American countries, nearly 25 percent, and in the east-coast countries over 10 percent.

In the Caribbean group, exports to the United States in terms of value have customarily exceeded imports therefrom; nevertheless, exports to the United States have accounted for a smaller share of total exports than have imports from the United States of total imports. In the trade of Brazil, exports to the United States have also exceeded imports, but in the trade of the west-coast and the east-coast South American countries, imports from the United States have generally been larger than exports thereto. The trade of some of the countries differs considerably from that of others in the same group. This is especially true of the west-coast South American countries. The trade of Ecuador, for example, is quite different from that of other countries in the group. Among the Caribbean countries, the trade of Venezuela and Mexico differs from that of the others, inasmuch as minerals constitute an important part of the exports of these two countries.

Exports to and imports from the United States of the 20 Latin American countries in 1938, arranged on a regional basis, are shown in table 7. The proportion of the trade of each country accounted for by trade with the United States is also shown.

TABLE 7.—Trade of the 20 Latin American countries with the United States, 1938
[Value in thousands of United States dollars]

Country	Imports from the United States		Exports to the United States	
	Value	Percent of total	Value	Percent of total
Caribbean countries:				
Mexico.....	63,027	57.7	124,944	67.4
Cuba.....	75,152	70.9	108,363	76.0
Dominican Republic.....	6,072	53.5	4,607	32.1
Haiti.....	4,126	54.3	2,972	42.8
Costa Rica.....	6,195	49.1	4,628	45.6
El Salvador.....	4,275	46.7	0,755	61.8
Guatemala.....	7,492	44.7	11,346	60.4
Honduras.....	5,871	62.0	6,362	86.5
Nicaragua.....	3,058	59.7	3,061	67.3
Panama.....	10,139	57.6	3,340	80.2
Colombia.....	45,043	51.2	42,601	52.7
Venezuela.....	54,039	56.4	39,852	13.2
Brazil.....	71,576	24.2	101,458	34.3
West-coast South American countries:				
Bolivia.....	6,556	25.5	1,595	4.6
Chile.....	28,020	27.7	20,458	14.6
Ecuador.....	3,828	34.6	4,731	37.5
Peru.....	20,065	34.8	20,560	26.3
East-coast, Temperate Zone South American countries:				
Argentina.....	75,832	17.6	35,266	8.5
Paraguay.....	860	0.6	1,010	12.2
Uruguay.....	5,030	11.8	2,180	4.0

Source: Compiled by the United States Tariff Commission from official statistics of the 20 Latin American countries.

The Caribbean countries.—In 1938 the Caribbean countries as a group purchased from the United States 55 percent of all their imports (total imports amounted to nearly 500 million dollars), and sold to the United States more than 45 percent of all their exports (amounting in

that year to 750 million dollars). The prominent position occupied by the United States in the trade of these countries is due to a number of factors; among these may be mentioned the character of the commodities which these countries produce and the large demand in the United States for such products, the capital invested by United States citizens in these countries, their proximity to the United States, the direction of the principal trade routes, the availability of shipping services, and the formal or informal relationship existing between their currencies and the United States dollar.

Except for northern Mexico, the countries bordering the Caribbean Sea are located in the Tropics. Consequently, the agricultural and forest commodities which they produce are largely complementary to, rather than competitive with, those produced in the United States. The outstanding exceptions are tobacco and sugar, the largest exports from this area, in terms of value. Exports of sugar, however, supplement United States production, which has always been inadequate for United States requirements; and exports of tobacco differ from, and are complementary to, most of the types grown in the United States. Other principal agricultural and forest products exported from this region are coffee, cacao, bananas, chicle, henequen, and cabinet woods (principally mahogany). These commodities are not produced in the United States and are entered free of duty. The United States market for such products is large and the Caribbean countries furnish substantial quantities. Indeed, the United States is the principal export market for each of the Caribbean countries, except Venezuela.³

The principal mineral products exported by the Caribbean countries are petroleum, and gold and silver. Petroleum is most important in the export trade of Venezuela, but that country sells only about 15 percent of its petroleum exports directly to the United States, inasmuch as Venezuelan petroleum is refined principally in the Netherlands West Indies and is subsequently exported from there in its refined form. Moreover, the United States import-excite tax, imposed on petroleum and petroleum products in 1932, operated to curtail the sale (whether direct or indirect) of Venezuelan petroleum in the United States.⁴ Most of the gold and silver mined in the Caribbean area, however, has found its way to the United States because in recent years such metals could be disposed of advantageously in that market.

Substantial amounts of capital have been invested by citizens of the United States in the production of certain of the principal export commodities of the Caribbean countries, especially sugar, bananas, chicle, petroleum, and silver. Of the 2,847 million dollars invested in Latin America by United States citizens (as of 1936), 1,675 million dollars, or 59 percent, was invested in Caribbean countries. This capital has been a factor in stimulating trade, both exports and imports, between these countries and the United States. Steamship lines have been established primarily to transport the principal Caribbean export products. Once established, they have in many

³ Venezuela would be less conspicuous as an exception if the crude petroleum shipped from that country to the Netherlands West Indies and thence in refined form to the United States could be included in the export statistics of the country of origin.

⁴ The import-excite tax on crude petroleum was $\frac{1}{4}$ cent per gallon. In the trade agreement with Venezuela this tax was reduced to $\frac{1}{4}$ cent per gallon so long as the total quantity of crude oil and fuel oil entering the United States in any calendar year is not in excess of 5 percent of the total quantity of crude oil processed in refineries in the continental United States during the preceding calendar year.

instances carried the lesser export products as well, and returning, have brought United States goods to be sold in Caribbean markets. The proximity of these producing areas and markets has contributed to making this trade profitable, inasmuch as it has not been handicapped by the expenses of a long haul or by the time lag between order and delivery necessitated by great distances. In addition, the close relationship between the currencies of most of the Caribbean countries and the United States dollar has operated to give a certain degree of stability to commercial and financial transactions between the two areas.

The imports of Caribbean countries from the United States are largely complementary to production in those countries, as are their exports to production in the United States. Producing principally basic foodstuffs for local consumption, and tropical agricultural and forest products and minerals for export, the Caribbean countries must purchase abroad most of their requirements of manufactured articles, including both consumption and production goods. Many of these products are obtained almost entirely from the United States. Indeed, in each of the Caribbean countries, the United States is by far the leading supplier of total imports, and in 6 of the 12 countries accounts for more than two-thirds of their total purchases abroad.

The countries having the largest trade with the United States in the Caribbean area are Mexico, Cuba, Colombia, and Venezuela; of these, Cuba ranks highest in the proportion of total import and export business done with the United States. In 1938, Cuban exports to the United States were valued at 108 million dollars and imports from the United States at 75 million dollars. Trade between the two countries is the beneficiary of preferential tariff treatment. Moreover, sugar and sugar products exported from Cuba (accounting for 80 percent of Cuban export trade) are accorded, in addition to a substantial tariff preference, a sizable quota in the United States market. Tobacco, the other principal Cuban export product, accounts for 15 percent of total exports and is also accorded a substantial tariff preference in the United States.

The two other West Indian Republics, the Dominican Republic and Haiti, ship smaller proportions of their total exports to the United States than does Cuba. The principal export of the Dominican Republic is sugar, but Dominican sugar entering the United States is subject to a small quota and the full United States duty. Coffee is the leading export product of Haiti; Haitian coffee, however, is not used extensively in United States blends and is sold chiefly in European markets.

In 1938, exports from Mexico to the United States were valued at about 125 million dollars (67 percent of total exports), and imports into Mexico from the United States, at 63 million dollars (58 percent of total imports). United States trade with Mexico in that year was greater in value than that with any other Latin American country. Exports were chiefly minerals, such as silver, gold, lead, zinc, and copper, and agricultural products, such as coffee, bananas, chicle, and henequen. Proximity, trade routes, shipping facilities, and capital investments have played an important part in stimulating United States-Mexican trade.

All of the Central American countries except Costa Rica ship more than 60 percent of their total exports to the United States, and

buy from 45 to 60 percent of their imports from the United States. Although the trade of each of these six countries with the United States is much smaller than that of either Cuba or Mexico, the aggregate for the group is substantial. Their principal export products are coffee, bananas, cacao, gold, and cabinet woods, all of which enter the United States free of duty. Among these countries, Panama is most dependent on the United States market; in 1938 nearly 90 percent of all its exports went to the United States. Contrary to the experience of most Latin American countries, Panama's imports from the United States, as officially recorded, customarily exceed by substantial amounts its exports to the United States. Shipments from the United States to the Canal Zone and expenditures by tourists and by the United States Army and Navy and civilians quartered in the Canal Zone doubtless account for a substantial part of this import trade balance.

Among the Caribbean countries, the trade of Colombia and Venezuela with the United States ranks next to that of Mexico and Cuba in terms of value. In 1938 the imports of Colombia and Venezuela amounted to about 45 million and 55 million dollars, respectively, and the exports, to 43 million and 37 million dollars, respectively. More than 50 percent of the foreign trade of Colombia is carried on with the United States and more than 50 percent of Venezuela's imports come from the United States. Venezuela, however, does not send a large proportion of its exports to the United States because such exports consist principally of crude petroleum (90 percent) which is refined in the Netherlands West Indies and from there is shipped chiefly to European markets, although considerable quantities are also shipped to the United States. Colombian exports are largely of coffee (60 percent), petroleum (25 percent), and bananas (5 percent); the first and last of these products go largely to the United States. Substantial quantities of gold are also shipped from Colombia to this country.

Brazil.—In 1938, total exports from Brazil were valued at 296 million and total imports at 293 million dollars. The trade of Brazil with the United States is the largest of any country in South America and one of the three largest in Latin America.⁵ More than 34 percent (101 million dollars) of all Brazilian exports were shipped to the United States in 1938, and 24 percent (72 million dollars) of all Brazilian imports came from the United States in that year. The importance of the United States in Brazilian trade is due in large part to the great demand for coffee in the United States market. Indeed, coffee, which is the largest Brazilian export product, finds its principal market in the United States. Other tropical products exported to this country are cacao, babassu nuts, and brazil nuts. Cotton, the second largest Brazilian export crop, is sold almost entirely to countries other than the United States. This country, however, is an important market for Brazilian manganese and hides and skins.

The capital invested in Brazil by United States citizens has doubtless aided in stimulating United States-Brazilian trade, but such capital is much less important than that invested in the Caribbean countries. In 1936 United States investments in Brazil aggregated approximately 200 million dollars, or about 7 percent of all such

⁵ The two other Latin American countries of special importance in trade with the United States are Mexico and Cuba.

investments in Latin America. Proximity to Europe, and transportation and cultural ties with that continent, have operated to make the United States less important in the trade of Brazil than in that of the Caribbean countries. Nevertheless, the United States is the chief market for Brazilian exports and the principal supplier of Brazilian imports.

Imports into Brazil from the United States consist of a large variety of consumption and production goods. Because of the development of Brazilian industries, however, production goods form a larger part of total imports from the United States than they do of the imports of the Caribbean countries. Brazilian imports from the United States are composed of such products as canned foodstuffs, radios, electric refrigerators, automobiles, industrial and agricultural machinery, and finished and semifinished iron and steel products.

The west-coast South American countries.—In 1938 the west-coast South American countries—Bolivia, Chile, Ecuador, and Peru—purchased from the United States nearly 30 percent of all their imports, amounting to 197 million dollars, and sold to the United States about 20 percent of all their exports, which approximated 263 million dollars. Although the United States did not enjoy as large a proportion of the total trade of these countries as of the trade of the Caribbean countries, such trade nevertheless was influenced (though to a lesser degree) by the same factors that have affected the United States-Caribbean trade. The principal ports of the west-coast South American countries are farther from the United States than are those of the Caribbean countries, yet such ports are nearer to the United States than to European markets. The total distances, however, are greater than from the Caribbean countries, and the relative advantage is smaller. In addition, the amount of United States capital invested in these South American countries is less than that invested in the Caribbean area. As of 1936, United States investments in the four countries amounted to approximately 600 million dollars, or 21 percent of total United States investments in Latin America. Moreover, trade between these countries and the United States has not been aided by the close relationship between the respective currencies which exists in the case of the currencies of the Caribbean countries and that of the United States.

Imports into the four west-coast countries from the United States were valued at 58 million dollars in 1938 and their exports to the United States at 49 million dollars. Among these countries, Chile had the largest trade with the United States in terms of value; Peru ranked second, followed by Bolivia and Ecuador. With the exception of Chile, these countries are located chiefly or entirely in the Tropics, and their exports to the United States consist chiefly of minerals and tropical products. Imports from the United States consist of a wide range of consumption and production goods, including textiles, canned and prepared foodstuffs, automobiles, industrial and agricultural machinery, and finished and semifinished iron and steel products.

Nearly 28 percent (29 million dollars) of all imports into Chile were from the United States in 1938 and 15 percent (20 million dollars) of all exports from Chile were shipped to the United States in that year. Chilean exports consist chiefly (80 percent) of minerals, principally copper and nitrates. The low prices of nitrates and of copper combined to reduce the value of Chilean exports to the United

States in 1929-38. Prior to the war, the United States import-exercise tax on copper of 4 cents a pound prevented the consumption in the United States of any appreciable quantity of Chilean copper, but large quantities of unrefined copper were shipped to the United States to be refined in bond and reexported to European markets.

Peruvian exports to and imports from the United States in 1938 were each valued at about 20 million dollars. Imports from the United States constituted 34 percent of total imports, and exports to the United States accounted for 26 percent of the total. Prominent among Peruvian exports were petroleum (35 percent) and copper (15 percent); these went chiefly to countries other than the United States.⁶ The United States, however, was an important market for Peruvian long-staple cotton and for Peruvian sugar and wool.

Approximately one-third of the foreign trade of Ecuador (imports and exports) was carried on with the United States in 1938. Products shipped to this country included coffee, cacao, cyanide precipitate, gold and silver, and straw hats. Bolivia, although it purchased more than 25 percent of its imports from the United States, sold only about 5 percent of its exports to this country. Bolivian exports were largely (70 percent) tin, shipped almost entirely to the United Kingdom.

The east-coast, Temperate Zone South American countries.—Temperate Zone countries on the east coast of South America—Argentina, Paraguay, and Uruguay—exported in 1938 products valued at over 500 million dollars and imported products valued at nearly that amount. Of this trade, exports to the United States accounted for nearly 40 million dollars, or 8 percent of the total, and imports from the United States for about 80 million dollars, or 16 percent of the total.

The small share of the United States in the trade of these countries may be attributed to a number of factors. Situated in the South Temperate Zone, they are exporters of those foodstuffs which the United States produces in large volume.⁷ From the standpoint of location they are as close to Europe as to the United States. Moreover, United States investments in these countries are small in comparison with European investments and in comparison with United States investments in the other Latin American regions. As of 1936, United States capital invested in Argentina, Paraguay, and Uruguay amounted to 367 million dollars, or 13 percent of all such capital invested in Latin America. Another important factor affecting the trade of this area is the large recent immigration into these countries from Europe and their close cultural ties with that continent.

Of the three countries, Argentina has by far the largest trade with the United States; Uruguay ranks second, and Paraguay third. Indeed, Argentina in 1938 was the largest market for United States products in all Latin America (76 million dollars), but ranked fifth as an exporter to the United States (35 million dollars).⁸ In that year Argentina purchased about 18 percent of all its imports from the United States and sold the United States 9 percent of its total exports. Argentine exports consist chiefly (90 percent) of cereals and pastoral

⁶ Peruvian copper is refined in bond in the United States and reexported.

⁷ In years following short corn crops in the United States, notably 1937, this region has sold large quantities of corn to this country.

⁸ Because of the unusual exports of corn to the United States in 1937, total Argentine exports to this country in that year were valued at approximately 91 million dollars.

products; the chief export products are wheat and corn, flaxseed, meat and meat products, wool, hides and skins, and quebracho. Inasmuch as most of these products are also produced in the United States, some of them for export, Argentine commodities customarily find their principal markets in European countries, particularly the United Kingdom. The United States, however, is a substantial purchaser of flaxseed, canned meats, wool, hides and skins, and quebracho extract.

Approximately 12 percent of Uruguayan imports came from the United States in 1938 and 4 percent of Uruguayan exports were shipped to the United States. Animals and animal products accounted for about 80 percent of the exports of Uruguay. European countries were the principal export markets for these products. The United States was important only as a consumer of canned meats, wool, and hides and skins. The trade of the United States with Paraguay (imports and exports) was less than that with any other Latin American country (2 million dollars in 1938). In 1938, however, that trade accounted for 10 percent of Paraguay's imports and 12 percent of its exports.⁹ The principal Paraguayan export commodities were animals and animal products, cotton, quebracho, and lumber and logs. Of these, the United States, was a significant market only for hides and skins, wool, and quebracho.

Position of Latin America in United States trade.

In the last few years, trade valued at approximately 1 billion dollars annually has moved between Latin America and the United States. Although the trade of the United States with Europe and with Asia exceeds that with Latin America, nevertheless, in the aggregate United States trade with Latin America is substantial. About one-fifth of the value of the United States trade with the world is represented by commerce with Latin America.

Imports.—As a source of United States imports, Latin America holds an important position as a principal supplier of certain essential foodstuffs, minerals, and raw materials, which comprise practically all of United States imports from Latin America. Before the war, imports from Latin America constituted somewhat more than one-fifth of total United States imports, but for a number of major commodities the ratio was far greater. Practically all of the imports of coffee, bananas, flaxseed, sodium nitrate, quebracho extract, and cigar leaf tobacco, and a large part of the imports of cacao, cane sugar, sisal and henequen, raw wool, and copper, are regularly supplied by Latin America.

In the period 1929-40 the aggregate value of imports from Latin America fluctuated greatly but formed a fairly constant proportion of total United States imports. In 1929 general imports from Latin America amounted to about 1 billion dollars, or 23 percent of the total; in 1933 they were only 316 million dollars, but were still 22 percent of the total. A 4-year period of recovery followed, and in 1937 imports aggregated 672 million dollars, again 22 percent of the total. In 1938, when imports fell to 454 million dollars, the ratio to total imports rose to 23 percent. Imports increased to 518 million

⁹ Much of the trade of Paraguay is indirect, through Argentina. The share of the United States, therefore, as the original source of imports and the final destination of exports is considerably larger than the Paraguayan statistics would indicate. A somewhat similar, though less pronounced situation, prevails in the case of Uruguay.

in 1939, or 22 percent of total imports, and to 620 million in 1940, or nearly 24 percent (see table 8).

The continued low level of the world prices of certain major Latin American products accounted in part for the failure of aggregate United States imports from Latin America to regain, on a value basis, the level of predepression years. The imports of certain major commodities in recent years have in fact been appreciably larger in terms of volume than in 1929, but because of lower prices, the value of such imports has been considerably smaller. For example, the quantity of coffee imported from Latin America in 1938 was 35 percent greater than in 1929, whereas the value of imports was 54 percent smaller.

South America is the leading source of United States imports from the Latin American area; in 1938 it supplied 57 percent of all imports from Latin America. The West Indian Republics accounted for 25 percent of such imports,¹⁰ Mexico for 11 percent, and Central America for 7 percent. Between 1929 and 1938 South America and Mexico declined in importance as suppliers of United States imports, and the West Indies and Central America increased their participation in this market.

Exports.—United States exports to Latin America, averaging in 1937–39 more than one-half billion dollars and representing from 16 to 18 percent of total United States exports, have customarily been somewhat smaller in aggregate value than imports therefrom and have represented a smaller share of total United States trade. Exports to Latin America, however, are of particular importance to a number of leading manufacturing industries of the United States. Latin American purchases represent a large part of total United States exports of lard, wheat flour, auto tires, cotton cloth, tin plate and taggers' tin, oil-line pipe, electric household refrigerators, radio receiving sets, mining and oil-well machinery, typewriters, agricultural implements, harvesting machinery, automobiles, and many other products.

In the period 1929–40 the share of total United States exports going to Latin America was subject to greater fluctuations than the share of imports therefrom. In 1929 exports (including reexports) to Latin America amounted to 912 million dollars, or 17 percent of the total. They declined thereafter, and by 1932 amounted to only 195 million dollars and represented but 12 percent of total United States exports. During the next 5 years some recovery occurred, and in 1937 exports reached 578 million dollars, representing 17 percent of the total, the highest ratio for several years. In 1938 they declined to 495 million dollars, or 16 percent of the total, but in 1939 rose to 569 million dollars, or 18 percent of the total, and in 1940 to 727 million, also 18 percent of total exports (see table 8).

South America is the largest market for United States products in the Latin American area, in 1938 taking 60 percent of all United States exports to Latin America. In that year, the West Indian Republics accounted for 17 percent of such exports, Mexico for nearly 13 percent, and Central America for 10 percent. Mexico was somewhat less important as a market for United States exports in 1938 than in 1939; South America gained in importance and the positions of the West Indian Republics and Central America remained fairly constant.

¹⁰ The importance of the West Indies as suppliers of United States imports is explained by the large imports from Cuba, the products of which are accorded preferential tariff treatment by the United States.

TABLE 8.—*Position of Latin America in the foreign trade of the United States, 1929-40*

(Value in thousands of United States dollars)

Year	Imports (general)			Exports (including reexports)		
	From all countries	From Latin America	Percent from Latin America	To all countries	To Latin America	Percent to Latin America
1929	4,399,351	1,014,127	23.1	5,240,995	911,749	17.4
1930	3,060,906	677,722	22.1	3,843,181	628,174	16.4
1931	2,090,635	478,164	22.9	2,424,289	312,618	12.9
1932	1,322,774	323,190	24.4	1,611,016	195,113	12.1
1933	1,449,559	316,039	21.8	1,674,994	215,680	12.9
1934	1,655,055	370,935	22.4	2,132,800	307,274	14.4
1935	2,047,485	460,997	22.5	2,282,874	344,360	15.1
1936	2,422,592	501,610	20.7	2,455,978	395,045	16.1
1937	3,083,668	672,611	21.8	3,349,167	578,203	17.3
1938	1,960,428	453,517	23.1	3,094,440	494,821	16.0
1939	2,318,061	518,035	22.3	3,177,176	568,829	17.9
1940 ¹	2,625,379	620,070	23.6	4,021,146	726,770	18.1

¹ Preliminary.

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

Position of individual Latin American countries in United States trade.

Imports.—Imports from Latin America in recent years have amounted to more than one-fifth of total United States imports, and two countries have each been the source of 4 to 5 percent of the total. (See table 9.) In 1940 seven Latin American countries accounted for 19.9 percent of United States imports; Cuba contributed 4 percent of total United States imports, followed closely by Brazil with 4 percent, Argentina with 3.1 percent, Mexico with 2.9 percent, Chile with 2.5 percent, Colombia with 1.8 percent, and Venezuela with 1.6 percent. The combined imports from the remaining 13 Latin American countries represented 3.7 percent of total United States imports.

Between 1929 and 1940 certain shifts occurred in the position of the major individual Latin American countries in United States import trade. The shares of imports supplied in 1940 by all of the seven countries, except Cuba and Brazil, were somewhat larger than in 1929. Imports from most of the other Latin American countries have increased in relation to total United States imports. In general, it may be said that the principal causes for these shifts were marked fluctuations in the world prices of a few principal Latin American export products and in the United States demand for them.¹¹ For example, changes in the prices of and demand for sugar, coffee, and strategic minerals serve to explain the decline in the importance of Cuba and Brazil as sources of supply, and the rise in the importance of Mexico and Chile.

From only six Latin American countries has the United States imported as much (in terms of value) in any year during the period 1932-40 as in 1929. In several recent years the value of imports from Bolivia, Guatemala, Haiti, Paraguay, and El Salvador was greater than in 1929, and in 1937 imports from Argentina (because of the large shipments of corn) were larger than in 1929. However, the value of United States imports from most Latin American countries has recently been much smaller than in 1929 despite the rise in 1940; this is also true of imports from most other countries.

¹¹ A more detailed discussion of these shifts will be found in part II of this report, which describes United States trade with each of the Latin American Republics.

TABLE 9.—United States general imports from the 20 Latin American countries, in 1929, 1932, and 1936-40

[Value in thousands of United States dollars]

Country	1929		1932		1936		1937		1938		1939		1940 ¹	
	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
Total United States imports.....	4,399,361	100.0	1,322,774	100.0	2,422,592	100.0	3,083,668	100.0	1,960,428	100.0	2,318,081	100.0	2,625,379	100.0
Total United States imports from the 20 Latin American countries.....	1,014,127	23.1	323,190	24.4	501,610	20.7	672,611	21.8	453,517	23.1	518,035	22.3	620,070	23.6
South America.....	637,623	14.5	199,617	15.1	288,726	11.9	418,165	13.6	258,690	13.2	313,157	13.5	390,476	14.9
Argentina.....	117,581	2.7	15,779	1.2	65,882	2.7	138,940	4.5	40,709	2.1	61,914	2.7	83,301	3.1
Bolivia ²	379	(³)	6	(³)	567	(³)	1,363	(³)	865	(³)	2,184	(³)	5,668	(³)
Brazil.....	207,686	4.7	82,139	5.2	102,004	4.2	120,638	3.9	97,933	5.0	107,250	4.6	105,155	4.0
Chile.....	102,025	2.3	12,278	.9	25,804	1.1	46,608	1.5	28,268	1.4	40,562	1.7	64,941	2.5
Colombia.....	103,525	2.4	60,846	4.6	43,085	1.8	52,345	1.7	49,398	2.5	48,984	2.1	47,000	1.8
Ecuador.....	5,830	.1	2,386	.2	3,331	.1	4,012	.1	2,684	.1	3,513	.2	4,763	.2
Paraguay.....	529	(³)	100	(³)	540	(³)	1,095	(³)	1,336	.1	1,803	.1	1,884	.1
Peru.....	30,167	.7	3,685	.3	9,023	.4	16,525	.5	12,813	.2	13,959	.6	17,943	.7
Uruguay.....	18,677	.4	2,104	.2	12,232	.5	13,809	.5	4,752	.2	9,375	.4	17,629	.7
Venezuela.....	51,224	1.2	20,294	1.5	26,258	1.1	22,770	.7	20,032	1.0	23,613	1.0	41,590	1.6
Central America.....	41,435	.9	23,829	1.8	29,299	1.2	36,008	1.2	31,394	1.6	34,827	1.5	39,404	1.5
Costa Rica.....	5,203	.1	3,687	.3	3,347	.1	4,434	.1	4,102	.2	3,230	.1	3,921	.1
El Salvador.....	3,830	.1	1,143	.1	5,021	.2	8,563	.3	5,672	.3	6,879	.3	7,028	.3
Guatemala.....	8,470	.2	4,501	.3	8,364	.3	9,611	.3	9,529	.5	10,725	.5	11,002	.4
Honduras.....	12,833	.3	9,004	.7	6,078	.3	5,674	.2	5,692	.3	7,031	.3	9,521	.4
Nicaragua.....	5,748	.1	1,964	.2	1,895	.1	3,103	.1	2,478	.1	2,902	.1	2,907	.1
Panama.....	5,351	.1	3,530	.3	4,594	.2	4,623	.2	3,921	.2	4,060	.2	4,935	.2
Mexico.....	117,738	2.7	37,423	2.8	48,938	2.0	60,120	2.0	49,030	2.5	56,266	2.4	75,780	2.9
West Indies.....	217,331	4.9	62,321	4.7	134,647	5.6	158,318	5.1	114,403	5.8	113,785	4.9	114,412	4.3
Cuba.....	207,421	4.7	58,330	4.4	127,475	5.3	148,045	4.8	105,691	5.4	104,930	4.5	105,425	4.0
Dominican Republic.....	8,465	.2	3,380	.3	5,354	.2	7,377	.2	5,745	.3	5,824	.3	5,368	.2
Haiti.....	1,445	(³)	611	.1	1,818	.1	2,896	.1	2,967	.2	3,031	.1	3,619	.1

¹ Preliminary.

² Imports originating in Bolivia are credited largely to other countries. (See table 7.)

³ Not over 0.05 of 1 percent.

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

TRADE WITH THE UNITED STATES

Imports of gold and silver.—Latin America has long been a source of substantial United States imports of gold and silver; such imports from Latin American countries were valued at 152 million dollars in 1929, 156 million in 1938, and 199 million in 1940.¹² The decline in the value of the imports of these precious metals in 1939 (133 million dollars) was caused chiefly by the decrease in the price of silver and in the quantity imported in that year; in 1940 the quantity increased substantially. The relative importance of imports of gold and silver in United States trade with Latin America has varied with fluctuations in the value of imports of merchandise and of the precious metals; in 1929, imports of gold and silver amounted to about 15 percent of the total value of imports of merchandise from Latin America, in 1938 to 34 percent, and in 1940 to 32 percent. Of the precious metals imported from Latin America, most is newly mined and as such represents to the exporting country a commodity shipment similar to exports of other minerals. In only a few cases (chiefly that of Argentina) are shipments of gold and silver made from reserves to settle international balances or to provide for the servicing of dollar obligations.

In 1940 six countries supplied 90 percent of all the gold and silver imported into the United States from Latin America.¹³ Mexico and Argentina supplied nearly 58 percent of the total; other leading suppliers were Colombia, Peru, Chile, and Brazil. From these countries, imports of the precious metals were large in comparison with imports of merchandise. For Mexico, imports of gold and silver were 55.7 million dollars in 1940 as compared with imports of merchandise valued at 75.8 million; for Peru imports of gold and silver amounted to 96 percent of the value of merchandise imports; for Argentina 71 percent; for Colombia nearly 50 percent; and for Chile about 20 percent. If imports of the precious metals are added to imports of merchandise, Argentina and Mexico were the leading sources of United States imports among the Latin American countries in 1940. Brazil and Cuba, which were the first and second suppliers of merchandise among the Latin American countries in 1940, drop to third and fourth place when imports of gold and silver are combined with imports of merchandise.

¹² Many of the Latin American countries record their exports of gold and silver together with their exports of merchandise; in United States import statistics, imports of precious metals are recorded separately.

¹³ The six countries were Argentina (59.2 million dollars), Mexico (55.7 million), Colombia (24.0 million), Peru (16.5 million), Chile (12.3 million), and Brazil (10.8 million).

TABLE 10.—United States general-merchandise imports and imports of gold and silver from the 20 Latin American countries, in 1929 and 1938–40

[Value in thousands of United States dollars]

Country	1929				1938				1939				1940 ¹			
	Mer- chandise	Gold and silver	Total	Percent of total imports from Latin America	Mer- chandise	Gold and silver	Total	Percent of total imports from Latin America	Mer- chandise	Gold and silver	Total	Percent of total imports from Latin America	Mer- chandise	Gold and silver	Total	Percent of total imports from Latin America
Total United States imports from the 20 Latin American countries.....	1,014,127	151,793	1,165,920	100.0	453,517	155,785	609,302	100.0	518,035	133,414	651,449	100.0	620,070	198,987	819,057	100.0
South America.....	637,623	99,213	736,836	63.2	258,690	69,793	328,483	53.9	313,157	59,424	372,581	57.2	390,474	131,737	522,211	63.8
Argentina ²	117,581	72,483	190,064	16.3	40,709	32,439	73,148	12.0	61,914	5,133	67,047	10.3	83,301	59,220	142,521	17.4
Bolivia.....	379	4,242	4,621	.4	865	648	1,513	.3	2,184	725	2,909	.4	5,069	721	6,389	.8
Brazil.....	207,686	.....	207,686	17.8	97,933	1,465	99,398	16.3	107,250	3	107,253	16.5	105,155	10,784	115,939	14.2
Chile.....	102,025	2,817	104,842	9.0	28,298	9,111	37,379	6.1	40,562	10,995	51,557	7.9	64,941	12,349	77,290	9.4
Colombia.....	103,525	5,294	108,819	9.3	49,398	10,559	59,957	9.8	48,984	23,246	72,230	11.1	47,600	24,004	71,604	8.7
Ecuador.....	5,830	1,422	7,252	.6	2,584	2,667	5,251	.9	3,513	3,096	6,609	1.0	4,763	3,199	7,962	1.0
Paraguay.....	529	.....	529	.1	1,336	.....	1,336	.2	1,803	.....	1,803	.3	1,884	.....	1,884	.2
Peru.....	30,167	12,321	42,488	3.7	12,813	11,418	24,231	4.0	13,959	11,785	25,744	4.0	17,943	16,508	34,451	4.2
Uruguay.....	18,677	251	18,928	1.6	4,752	.....	4,752	.8	9,375	.....	9,375	1.4	17,629	31	17,660	2.2
Venezuela.....	51,224	383	51,607	4.4	20,032	1,486	21,518	3.5	23,613	4,441	28,054	4.3	41,590	4,921	46,511	5.7
Central America.....	41,435	2,638	44,073	3.8	31,394	5,714	37,108	6.1	34,827	7,858	42,685	6.6	39,404	10,904	50,308	6.1
Costa Rica.....	5,203	105	5,308	.5	4,102	619	4,721	.8	3,230	557	3,787	.6	3,921	566	4,487	.5
El Salvador.....	3,830	.....	3,830	.3	5,672	460	6,132	1.0	6,879	659	7,538	1.2	7,028	1,853	8,881	1.1
Guatemala.....	8,470	210	8,680	.8	9,529	206	9,735	1.6	10,725	171	10,896	1.7	11,092	149	11,241	1.4
Honduras.....	12,833	1,653	14,486	1.2	5,692	2,590	8,238	1.3	7,031	2,818	9,849	1.5	9,521	2,812	12,333	1.5
Nicaragua.....	5,748	373	6,121	.5	2,478	1,591	4,069	.7	2,902	3,521	6,423	1.0	2,907	5,416	8,323	1.0
Panama (including the Canal Zone).....	5,351	297	5,648	.5	3,921	242	4,163	.7	4,060	132	4,192	.6	4,935	108	5,043	.6
Mexico.....	117,738	49,685	167,423	14.3	49,030	79,543	128,573	21.1	56,266	65,589	121,855	18.7	75,780	55,697	131,477	16.1
West Indies.....	217,331	257	217,588	18.7	114,403	735	115,138	18.9	113,785	544	114,329	17.5	114,412	649	115,061	14.0
Cuba.....	207,421	133	207,554	17.8	105,691	222	105,913	17.4	104,930	215	105,145	16.1	105,425	342	105,767	12.9
Dominican Republic.....	8,465	79	8,544	.8	5,745	607	6,252	1.0	5,821	260	6,090	.9	5,368	294	5,662	.7
Haiti.....	1,445	45	1,490	.1	2,967	6	2,973	.5	3,031	63	3,094	.5	3,619	13	3,632	.4

¹ Preliminary.

² Argentina produces little gold and silver; imports from that country constitute chiefly shipments of monetary reserves.

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

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TRADE WITH THE UNITED STATES

Exports.—The seven countries which have been listed as the principal Latin American sources of United States imports are customarily the leading Latin American markets for United States exports as well, although not in the same order (see table 11).¹⁴ In 1940 Brazil and Argentina, taking together approximately 5.4 percent of total United States exports, ranked first and second in Latin America as markets for United States products, but ranked second and third, respectively, as sources of imports. Mexico, taking 2.4 percent of total United States exports, was the third largest Latin American market but was fourth as a source of United States imports. Cuba was fourth as a market for exports, although it ranked first as a supplier. Other important markets for United States merchandise were Venezuela, Panama, Colombia, and Chile. Sales to these eight countries accounted for 15.6 percent of all United States exports in 1940, while the combined value of the United States exports to the remaining 12 Latin American countries amounted to 2.5 percent of the total.

Between 1929 and 1940 some shifts occurred in the relative positions of Latin American countries in the export trade of the United States. In 1940 exports to Argentina constituted significantly smaller proportions of all United States exports than in 1929, whereas exports to Venezuela, Colombia, and Brazil were substantially larger in relation to the total. Changes in the scope and operation of trade and exchange controls, currency depreciation, bilateral agreements of Latin American countries with third countries, substantial fluctuations in the national income of certain Latin American countries, and recently the war, were among the factors contributing to these shifts.¹⁵

¹⁴ In 1940 exports to Panama rose sharply, probably because of increased construction in the Canal Zone, and Panama was sixth among Latin American countries as a market for United States exports, outranking both Colombia and Chile.

¹⁵ More specific causes will be discussed in part II of this report, which describes United States trade with individual countries of Latin America.

TABLE 11.—Total United States exports to the 20 Latin American countries, in specified years, 1929 to 1940

[Value in thousands of United States dollars]

Country	1929		1932		1936		1937		1938		1939		1940 ¹	
	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	Value	Per- cent of total	Value	Per- cent of total
Total United States exports.....	5,240,995	100.0	1,611,010	100.0	2,455,978	100.0	3,349,167	100.0	3,094,440	100.0	3,177,176	100.0	4,021,146	100.0
Total United States exports to the 20 Latin American countries.....	911,749	17.4	195,113	12.1	395,045	16.1	578,203	17.3	494,821	16.0	508,829	17.9	726,770	18.1
South America.....	537,134	10.3	95,577	5.9	202,660	8.3	316,318	9.4	297,795	9.6	326,841	10.3	431,602	10.8
Argentina.....	210,288	4.0	31,133	1.9	59,010	2.3	94,183	2.8	80,793	2.8	70,945	2.2	100,874	2.7
Bolivia.....	5,985	.1	2,163	.1	3,564	.1	5,863	.2	5,395	.2	4,512	.1	7,703	.2
Brazil.....	108,787	2.1	28,600	1.8	49,019	2.0	68,631	2.1	81,957	2.0	80,346	2.5	110,587	2.7
Chile.....	55,776	1.1	3,568	.2	15,739	.6	23,907	.7	24,603	.8	26,791	.9	43,429	1.1
Colombia.....	48,983	.9	10,670	.7	27,729	1.1	39,200	1.2	40,862	1.3	51,277	1.6	51,690	1.3
Ecuador.....	6,069	.1	1,754	.1	3,326	.1	5,052	.2	3,311	.1	5,900	.2	6,412	.2
Paraguay.....	1,500	(²)	281	(²)	324	(²)	743	(²)	644	(²)	675	(²)	1,238	(²)
Peru.....	26,176	.5	3,962	.3	13,439	.6	19,001	.6	10,892	.6	10,246	.6	23,123	.6
Uruguay.....	28,245	.5	3,217	.2	8,531	.4	13,203	.4	5,069	.2	5,183	.2	11,275	.3
Venezuela.....	45,325	.9	10,229	.6	24,079	1.0	46,445	1.4	52,278	1.7	61,066	2.0	69,211	1.7
Central America.....	88,863	1.7	29,619	1.8	40,403	1.7	49,619	1.5	49,341	1.6	65,256	2.1	101,920	2.5
Costa Rica.....	8,313	.2	2,435	.2	3,027	.1	4,477	.3	5,448	.2	9,786	.3	11,537	.3
El Salvador.....	8,050	.2	2,289	.1	2,794	.1	3,628	.1	3,526	.1	4,172	.1	4,682	.1
Guatemala.....	11,525	.2	2,829	.2	4,553	.2	7,012	.2	6,861	.2	8,574	.3	9,117	.2
Honduras.....	12,811	.3	4,473	.3	4,900	.2	5,508	.2	6,292	.2	5,812	.2	7,291	.2
Nicaragua.....	7,031	.1	1,993	.1	2,412	.1	3,353	.1	2,807	.1	4,297	.1	6,115	.1
Panama.....	41,133	.8	15,609	1.0	22,717	.9	24,981	.7	24,407	.8	32,615	1.1	63,178	1.6
Mexico.....	133,863	2.6	32,527	2.0	76,041	3.1	109,460	3.3	62,016	2.0	83,178	2.6	96,940	2.4
West Indies.....	151,889	2.9	37,390	2.3	75,941	3.1	102,816	3.1	85,669	2.8	93,554	2.9	96,308	2.4
Cuba.....	128,900	2.5	28,755	1.8	67,421	2.7	92,263	2.8	76,331	2.5	81,646	2.6	84,692	2.1
Dominican Republic.....	14,190	.3	4,630	.3	4,578	.2	6,469	.2	5,696	.2	6,780	.2	6,998	.2
Haiti.....	8,790	.2	4,005	.3	3,942	.2	4,084	.1	3,642	.1	5,128	.1	4,618	.1

¹ Preliminary.

² Not over 0.05 of 1 percent.

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

Composition of United States trade with Latin America.

Trade by economic classes.—There is a marked contrast between the types of products the United States purchases from Latin America and the types it sells to Latin America. More than eight-tenths of the imports are crude materials and foodstuffs, whereas an even larger share of exports, nearly nine-tenths, consists of manufactured products (see table 12). Crude materials and crude foodstuffs (principally minerals, and coffee, cacao, and bananas) are the leading classes of imports, but represent only a small fraction of exports. Conversely, finished manufactures constitute only a small part of imports but account for about two-thirds of exports.

Latin America is an extraordinarily large source of imports of foodstuffs; in 1938 it supplied the United States with nearly three-fourths of all its imports of crude foodstuffs and one-third of its imports of manufactured foodstuffs (chiefly sugar). As a market for exports, however, Latin America is important particularly as a purchaser of finished manufactures (principally automobiles and machinery) and manufactured foodstuffs (including flour, lard, and canned foods); in 1938 it took more than one-fifth of total United States exports of these products.

About two-fifths of the United States imports from Latin America are subject to customs duties or import-excise taxes.¹⁶ Practically all of the imports of manufactured foodstuffs, however, are dutiable, being largely of sugar. In contrast, imports of crude foodstuffs are only in small part dutiable. Imports of crude materials are about evenly divided between the dutiable and the free; the principal dutiable items are nonferrous metals, flaxseed, petroleum, and hides and skins, and the leading duty-free items are sodium nitrate, carpet wool, and sisal and henequen.

TABLE 12.—United States imports¹ from and exports² to the 20 Latin American countries, by economic classes, 1940³

	Unit	Crude materials	Crude foodstuffs	Manufactured foodstuffs and beverages	Semi-manufactures	Finished manufactures	Total, all classes
Value of trade:							
Imports.....	Thousand dollars.	204,319	183,952	99,626	93,090	12,025	593,012
Exports.....	do.	19,217	7,909	49,576	141,074	500,739	718,515
Percentage distribution:							
Imports.....	Percent.....	34.5	31.0	16.8	15.7	2.0	100.0
Exports.....	do.	2.7	1.1	6.9	19.6	69.7	100.0
Ratio of trade with Latin America to total United States trade:							
Imports.....	do.	20.2	64.5	35.9	16.7	2.9	23.3
Exports.....	do.	4.2	10.7	29.7	15.5	21.5	18.3
Tariff status of imports:							
Free.....	do.	44.4	91.0	2.5	60.0	70.0	54.8
Dutiable.....	do.	55.6	9.0	97.5	40.0	30.0	45.2

¹ Imports for consumption.

² Exports of domestic merchandise.

³ Preliminary.

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

¹⁶ For a more extended discussion see the section on the tariff status of United States imports from Latin America, p. 48 ff.

Imports by commodity groups.—Imports from Latin America are chiefly vegetable foodstuffs and to a lesser extent, inedible vegetable products and minerals. Table 13 shows, for specified years 1929 to 1940, the imports into the United States from Latin America, classified according to the 11 commodity groups adopted by the United States Department of Commerce; also shown are percentage changes in the trade, by commodity groups, since 1929.

Vegetable food products (chiefly sugar, coffee, bananas, and cacao) are by far the largest of the 11 commodity groups, representing 45 percent of the total value of all imports from Latin America in 1940. Next in importance were metals and manufactures (chiefly crude metals), constituting 13.5 percent of the total in 1940; textile fibers and manufactures, 10 percent; inedible vegetable products, 9 percent; and nonmetallic minerals (chiefly petroleum), 9 percent.¹⁷

Between 1929 and 1932 the total value of imports from Latin America declined 69 percent, and although there was some recovery after 1933, the value in both 1937 and 1940 remained substantially below that in 1929. Imports in each group, except in the small group "machinery and vehicles," declined between 1929 and 1932. For 7 of the 11 groups the percentage decline was greater than for the total trade. Among the major groups, imports of metals showed the greatest decline, 87 percent, the result chiefly of the greatly decreased price of copper and the reduction in demand during the industrial depression. After 1933 imports increased somewhat in value and in only one group, machinery and vehicles, were they smaller in 1940 than in 1932.

Imports in 3 of the 11 commodity groups in 1940 were smaller than in 1929 by a larger percentage than were total imports from Latin America.² The most important of these, in terms of value, was vegetable food products, imports of which were 50 percent less than in 1929; imports of chemicals were 56 percent smaller and of inedible animals and animal products, 45 percent smaller. Imports in all of the commodity groups, except textile fibers, were smaller in 1940 than in 1929.

After 1932 the greatest relative increases in imports occurred in textile fibers, metals and manufactures, edible animal products (largely canned beef), chemicals and related products (chiefly nitrates), and inedible animal products. In large part, the trend of imports has been determined in individual instances by special factors. But drastic decreases in the prices of most basic commodities after 1929, with only partial recovery by 1940, contributed to the more-than-average declines in the values of imports in certain groups since 1929. Moreover, the acceleration of the national defense and Lend-Lease programs stimulated imports of many types of products in 1940.

¹⁷ Gold and silver are not included in United States statistics of merchandise trade but are included in the export statistics of some of the Latin American countries. If imports of gold and silver were included in United States imports of merchandise, the proportion of the metals group would be much higher than that shown in table 13.

TABLE 13.—United States imports ¹ from Latin America by commodity groups, in specified years, 1929 to 1940

[Value in thousands of United States dollars]

Commodity group	1929	1932	Percentage change between 1929 and 1932	1937	1938	1940 ²	Percentage change between 1929 and 1940	Percentage change between 1932 and 1940
Animals and animal products, edible (chiefly canned beef, and cattle).....	27,958	4,770	-82.9	16,482	14,754	18,049	-35.4	+278.4
Animals and animal products, inedible (chiefly hides and skins).....	61,162	10,670	-82.6	34,006	14,175	33,459	-45.3	+213.6
Vegetable food products and beverages (chiefly coffee, sugar, bananas, coconuts, molasses).....	535,388	218,177	-59.2	388,649	276,000	265,530	-50.4	+21.7
Vegetable products, inedible, except fibers and wood (chiefly flaxseed, tobacco, carnauba wax, castor beans, quebracho extract).....	87,201	18,923	-78.3	69,545	45,369	55,567	-36.3	+193.6
Textile fibers and manufactures (chiefly wool, sisal, and henequen).....	47,608	9,340	-80.4	40,743	17,415	58,845	+23.6	+529.4
Wood and paper (chiefly cabinet woods).....	2,834	736	-74.0	1,908	1,588	2,037	-28.1	+176.8
Nonmetallic minerals (chiefly petroleum).....	73,833	32,807	-55.6	24,312	20,397	54,002	-20.9	+64.6
Metals and manufactures, except machinery and vehicles (chiefly unrefined copper and manganese ore).....	127,359	16,850	-86.8	57,099	37,895	80,552	-36.8	+378.1
Machinery and vehicles.....	90	107	+11.5	199	108	68	-29.2	-36.4
Chemicals and related products (chiefly sodium nitrate).....	40,595	4,094	-87.7	17,950	14,596	17,956	-55.8	+259.6
Miscellaneous.....	10,043	5,807	-42.2	4,661	5,101	6,947	-30.8	+19.6
Total, all groups.....	1,014,127	323,190	-69.1	656,244	447,398	593,012	-41.5	+63.5

¹ General imports in 1929 and 1932; imports for consumption in 1937, 1938, and 1940.² Preliminary.

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

Inasmuch as United States imports from each of the Latin American countries consist largely of a few staple agricultural and mineral products, fluctuations in the quantity and value of such imports from most of the Latin American countries have appreciably affected the economies of those countries and the relative importance of certain commodity groups of imports. For example, the decline after 1929 in the value of United States imports from Latin America in the two commodity groups, animals and animal products, edible and inedible, was of great moment to Argentina, Mexico, Uruguay, and Brazil, the leading suppliers of such products. The contraction of trade values in vegetable food products, the largest group, affected principally Brazil, Cuba, Colombia, Mexico, and the six Central American countries; and the decline in the imports of inedible vegetable products affected adversely the economies of Argentina, Brazil, Mexico, and Uruguay. Argentina (wool) and Mexico (henequen), the source of four-fifths of the imports of textile fibers from Latin America, were also affected by the decline in the imports of these products, especially of wool. A number of countries were affected by changes in the value of imports of the wood and paper group (principally cabinet woods). The decline in the value of imports of nonmetallic minerals (chiefly petroleum) was of special importance to Venezuela and Mexico. Chile, Peru, Mexico, and Cuba were the principal countries affected by the decrease in the value of imports of metals, while Chile was practically the only country affected by the sharp decline in imports of chemicals (chiefly nitrates).

The proportions which imports from Latin America bear to total United States imports by commodity groups are shown, for specified years from 1929 to 1940, in table 14. Imports from Latin America in the principal commodity group, "vegetable food products," in 1940 were more than one-half the total United States imports in this group, indicating the great importance to the United States of Latin America as a source of foodstuffs. The ratio of imports in four other groups¹⁸ was higher than the ratio of all imports from Latin America to total United States imports.

Although total imports from Latin America in 1940 constituted about the same proportion of total United States imports as in 1929, imports from Latin America in several of the groups have shifted their relative position since 1929. As compared with 1929, Latin America in 1940 was a smaller relative source of imports of vegetable products (edible and inedible), and of metals, which groups constituted two-thirds of all imports from Latin American countries in that year. In seven commodity groups¹⁹ Latin America increased its share of total imports, but these are small compared with total United States imports from Latin America; in 1940 they constituted only about one-third of the total.

¹⁸ Nonmetallic minerals, chemicals, edible animals and animal products, and metals and manufactures.

¹⁹ Animals and animal products (edible and inedible), textile fibers, metals, machinery and vehicles, chemicals, and miscellaneous products.

TABLE 14.—United States imports for consumption¹ from Latin America, by commodity groups: Ratio of such imports to total imports from all countries, in specified years, 1929 to 1940

[Percent]

Commodity group	1929	1932	1937	1938	1940 ²
Animals and animal products, edible.....	19.4	10.6	14.4	18.0	24.8
Animals and animal products, inedible.....	15.6	13.3	15.6	12.3	19.6
Vegetable food products and beverages.....	65.4	60.3	52.6	56.5	54.2
Vegetable products, inedible, except fibers and wood.....	15.7	15.1	14.3	15.5	11.1
Textile fibers, and manufactures.....	4.7	3.8	8.5	6.2	14.5
Wood and paper.....	.8	.4	.7	.7	.8
Nonmetallic minerals.....	24.1	34.1	15.9	18.6	33.5
Metals and manufactures, except machinery and vehicles.....	32.2	22.7	20.3	23.9	23.7
Machinery and vehicles.....	.2	1.3	.8	.6	.6
Chemicals and related products.....	28.2	10.4	17.5	18.7	30.8
Miscellaneous.....	4.6	8.1	4.6	5.0	9.3
Total, all groups.....	23.1	24.4	21.8	22.9	23.3

¹ General imports in 1929 and 1932.

² Preliminary.

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

Exports by commodity groups.—In sharp contrast with United States imports from Latin America, which are chiefly foodstuffs and minerals, all but about 5 percent of United States exports to Latin America are manufactured and semimanufactured products. In the last few years more than one-half of the total exports have been represented by the combined exports in two groups, machinery and vehicles and metals and their manufactures. Table 15 shows, for specified years 1929 to 1940, United States exports of domestic merchandise to Latin America by commodity groups. Percentage changes in the trade, by commodity groups, since 1929, are also shown.

Between 1929 and 1932 the value of all exports to Latin America declined 79 percent. In general, the sharp decline in exports was spread rather evenly among the various commodity groups. Exports of chemicals and related products decreased the least (63 percent), while those of machinery and vehicles, by far the most important group, declined the most (87 percent).

Although exports in all groups recovered substantially after 1932, in no year thereafter did the total value equal that in 1929; total exports in 1937 were 37 percent, and in 1940, 20 percent less than in 1929. Exports in some commodity groups, however, were higher in 1940 than in 1929; this was true of two groups, metals and manufactures and chemicals and related products, which in 1940 were 59 and 49 percent greater than in 1929. In all groups, the recovery after 1932 was marked, the rate of increase ranging from 80.9 percent (metals and manufactures) to 49 percent (vegetable food products). The principal increases occurred in those products which directly or indirectly could be used industrially.

The divergent trends shown in United States exports by commodity groups may be attributed to a multitude of factors which have affected the effective demand for United States products in each of the 20 Latin American markets. Currency depreciation, customs duties, exchange controls, bilateral agreements with third countries, loss of purchasing power through decreased exports, and increasing industrialization have played important roles, as have price declines in the United States. Expanding industrialism in Latin America is partially

reflected in United States exports by the greater-than-average recovery of exports in the metals and chemicals groups after 1932. The greatest increases (both relative and absolute) occurred in machinery and vehicles and metals and manufactures, which also experienced the greatest decline between 1929 and 1932. The rise in the exports of these types of products is attributable not only to an increase in Latin American purchasing power, but also to the industrial development in many of the Latin American countries. The war has also been a factor affecting these exports; Latin American countries, unable to secure goods from Europe, increased their purchases from the United States and accelerated the pace of their industrialization.

TABLE 15.—United States exports of domestic merchandise to Latin America, by commodity groups, in specified years, 1929 to 1940

[Value in thousands of United States dollars]

Commodity group	1929	1932	Percentage change between 1929 and 1932	1937	1938	1940 ¹	Percentage change between 1929 and 1940	Percentage change between 1932 and 1940
Animals and animal products, edible.....	52,229	10,481	-79.9	13,453	14,698	19,752	-62.2	+88.5
Animals and animal products, inedible.....	20,259	3,909	-80.7	7,143	5,972	8,303	-59.0	+112.4
Vegetable food products and beverages.....	70,693	24,951	-64.7	34,971	34,726	37,247	-47.3	+49.3
Vegetable products, inedible, except fibers and wood.....	36,316	9,064	-75.0	20,093	16,473	24,383	-32.9	+169.0
Textile fibers and manufactures.....	84,892	27,986	-67.0	39,460	33,822	50,740	-40.2	+81.3
Wood and paper.....	47,677	9,587	-79.9	27,441	20,503	36,209	-24.1	+277.7
Nonmetallic minerals.....	101,564	23,613	-76.8	50,134	46,246	61,275	-39.7	+159.5
Metals and manufactures, except machinery and vehicles.....	99,618	17,462	-82.5	86,253	64,495	158,731	+59.3	+809.0
Machinery and vehicles.....	314,541	41,945	-86.7	236,293	201,152	233,750	-25.7	+457.3
Chemicals and related products.....	37,007	13,637	-63.2	30,547	28,772	55,238	+49.3	+305.1
Miscellaneous.....	37,675	10,208	-72.9	24,586	22,806	32,887	-12.7	+222.2
Total, all groups.....	902,471	192,843	-78.6	570,374	489,665	718,515	-20.4	+272.6

¹ Preliminary.

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

In 1940 the Latin American countries took approximately 18 percent of total United States exports, but purchased a substantially larger share of exports of animals and animal products, chemicals and related products, wood and paper, and vegetable food products (see table 16). For one commodity group, machinery and vehicles, the share of total exports going to Latin America in 1940 was significantly smaller than in 1929. The ratio of exports to Latin America to total exports for most of the other groups was greater in 1940 than in 1929. The decline in the ratio of exports of machinery and vehicles to Latin America in 1940 is probably due to increased exports to other markets under the Lend-Lease program. The increase in the ratio for all other groups is doubtless a reflection of the loss of other export markets by the United States and of increased purchases by Latin American countries as a result of the war.

TABLE 16.—United States exports of domestic merchandise to Latin America, by commodity groups: Ratio of such exports to total United States exports to all countries, in specified years, 1929 to 1940

[Percent]

Commodity group	1929	1932	1937	1938	1940 ¹
Animals and animal products, edible.....	21.4	15.1	21.6	21.2	27.7
Animals and animal products, inedible.....	17.2	10.8	13.3	14.0	20.0
Vegetable food products and beverages.....	13.9	14.5	15.9	9.6	22.1
Vegetable products, inedible, except fibers and wood.....	12.0	7.9	9.2	7.3	16.9
Textile fibers and manufactures.....	8.7	6.9	8.4	10.5	14.6
Wood and paper.....	22.6	16.7	20.0	21.8	22.6
Nonmetallic minerals.....	13.7	8.5	10.0	9.4	13.2
Metals and manufactures, except machinery and vehicles.....	18.6	20.6	17.2	17.8	19.3
Machinery and vehicles.....	26.2	18.9	26.0	23.7	17.8
Chemicals and related products.....	24.3	19.4	21.9	22.3	24.9
Miscellaneous.....	23.0	10.3	22.3	21.4	18.2
Total, all groups.....	17.5	12.2	17.3	10.0	18.3

¹ Preliminary.

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

Tariff status of United States imports from Latin America.

Dutiable and duty-free imports from Latin America and from all countries.—Although several of the major United States imports from Latin America are free of duty, very few being produced in this country, 40 to 45 percent of the total value of imports from Latin America consists of products subject to customs tariffs or import-excise taxes. During the 5 years 1936–40, a somewhat larger proportion of the import trade with Latin America has been dutiable than of that with the rest of the world (see table 17). The rise in the proportion of dutiable imports from Latin America in 1940 was due principally to the enlarged demand for dutiable metals arising out of the defense and Lend-Lease programs.

In contrast with the dutiable imports from Europe, those from Latin America are confined to a few products, by far the principal item being sugar, followed by copper and other nonferrous metals, flaxseed, petroleum, tobacco, hides and skins, and canned beef. Because of the war, imports of copper into the United States increased substantially in 1940. Such imports, if entered for consumption, are dutiable under special provisions of the Revenue Act of 1932; the act provides that imports entered for smelting, or refining and export, or which come from Cuba, are free of duty. Dutiable imports of petroleum in 1940 were also substantial; although they also are subject to the provisions of the Revenue Act of 1932, large quantities are imported for domestic consumption and not for refinement and export.

The principal duty-free imports from Latin America are coffee, bananas, cacao, sodium nitrate, cabinet woods, sisal and henequen, and carpet wool.

TABLE 17.—United States imports for consumption ¹ of free and dutiable merchandise from Latin America and from all countries, in specified years, 1929 to 1940

[Value in millions of United States dollars]

Year	Imports from Latin America				Total United States imports			
	Free	Duti-able ²	Percent free	Percent dutiable	Free	Duti-able ²	Percent free	Percent dutiable
1929.....	670	335	66.9	33.1	2,843	1,556	64.6	35.4
1932.....	230	93	71.3	28.7	879	444	66.5	33.5
1936.....	267	233	53.4	46.6	1,385	1,039	57.1	42.9
1937.....	339	318	51.6	48.4	1,765	1,245	58.6	41.4
1938.....	270	177	60.3	39.7	1,183	767	60.7	39.3
1939.....	301	194	60.8	39.2	1,397	879	61.4	38.6
1940 ³	325	268	54.8	45.2	1,649	892	64.9	35.1

¹ General imports in 1929 and 1932.

² Including products subject to import-excise taxes.

³ Preliminary.

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

Year-to-year changes in the ratios of free or dutiable trade are the result of many factors. Fluctuations in the relative importance of duty-free imports could be caused by the transfer of important commodities between the dutiable and the free lists; the increase of duties to such heights as to restrict materially the importation of the products subject to such duties; variations in industrial activity which would increase or reduce demand for either dutiable or duty-free products; fluctuations in the prices of dutiable and duty-free products; a temporary shortage in the United States which would impel increased importation of dutiable or duty-free products; and technological developments or war conditions which might stimulate the demand for either dutiable or duty-free products. All of these factors could operate to increase the imports of dutiable products or of duty-free products; moreover, one or more of the factors might be operating in one direction at the same time that other factors were operating in the opposite direction.

In recent years, the share of imports from Latin America entering the United States subject to duties has been significantly larger than in 1929 or 1932. This increase occurred in part because important commodities were made dutiable during the period 1929-38; the transfer of raw cattle hides from the free to the dutiable list in 1930, and the imposition in 1932 of import-excise taxes on copper and petroleum and its products are the leading cases of this kind.²⁰ The increased share of dutiable imports also reflects improved economic conditions in the United States and to a lesser extent the expansion in the trade in dutiable products resulting from tariff concessions in trade agreements concluded since 1933. Droughts in the United States in certain years have led to an increase in imports of dutiable agricultural products; most notable was the manifold but temporary increase in imports of corn from Argentina in 1937 because of the very small corn crop in the United States in 1936.

Equivalent ad valorem rates of duty.—Dutiable imports from Latin America are subject to appreciably higher average rates of duty than are such imports from the rest of the world (see table 18). The average rate of duty on sugar, although it is dominated by the

²⁰ Copper also became subject to an excise tax in 1932, but dutiable imports have been small, since most of the imported copper is for smelting or refining and export free of duty.

preferential rate on imports from Cuba, is substantially higher than that on many other dutiable imports. This heavily weights the average for all imports, since sugar represents almost one-half the value of total dutiable imports. Inasmuch as sugar imported from Peru, Guatemala, Nicaragua, the Dominican Republic, and Haiti is assessed at the full rate of duty,²¹ the average rate of duty on all dutiable imports from these countries is far higher than on such imports from other countries in Latin America.

TABLE 18.—United States imports of dutiable merchandise: Value of imports, calculated duties, and ad valorem rates of duty, in 1938 and 1940¹

(Value in millions of United States dollars)

Dutiable imports from—	1938			1940 ¹		
	Value	Calculated duty	Equivalent ad valorem	Value	Calculated duty	Equivalent ad valorem
Latin American countries, total.....	177	84	<i>Percent</i> 47.5	268	119	<i>Percent</i> 44.2
Sugar.....	80	43	54.4	70	41	58.4
All other dutiable imports.....	97	40	40.8	198	78	39.2
All other countries, total.....	590	217	36.8	624	199	32.0

¹ Preliminary.

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

Tariff status by commodity groups.—A large, and in some cases dominant, part of the imports from Latin America in all except 2 of the 11 commodity groups was dutiable in 1940 (see table 19). Imports of metals, the largest group of commodities which were mainly free of duty in 1938, consist chiefly of unrefined copper, coming from Chile, Peru, and Mexico; this product enters free of duty for refining and reexport, but in 1940 large quantities of dutiable copper were imported for consumption in the United States. Imports in the chemicals group are largely free of duty, consisting as they do principally of sodium nitrate, which is on the free list. "Miscellaneous" imports are a heterogeneous group, but, in the case of imports from Latin America, are dominated by United States products returned to this country.

The groups having the highest ratios of dutiable imports in 1940 were "nonmetallic minerals" (chiefly petroleum) and "edible animals and animal products," consisting in large part of canned beef, coming from Argentina, Uruguay, and Brazil, and cattle coming from Mexico; all of these commodities are dutiable. About one-third of the imports of "vegetable food products," the largest import group, are dutiable; the chief dutiable item is sugar, imports of which are greater in value than any other dutiable product imported from Latin America. The duty-free imports in this group consist chiefly of coffee, cacao, and bananas.

For a few commodity groups there were large changes between 1929 and 1940 in the proportion of imports subject to duty. Such shifts should be interpreted with caution. The substantially larger

²¹ The rate of duty on sugar (96%) imported from countries other than Cuba is 1.875 cents a pound; the rate of duty on such sugar from Cuba was 0.9 cent a pound in 1940.

proportion of imports of "inedible animals and animal products" that was dutiable in 1940 than in 1929 was the result in part of the transfer of certain hides and skins from the free to the dutiable list in the Tariff Act of 1930. The dutiable share of imports of textile fibers has fluctuated widely since 1929 and reflects principally the great variation in imports of dutiable wool. Imposition of the import-exercise tax on petroleum in 1932 explains the large increase in the dutiable imports of nonmetallic minerals. The marked decline that occurred between 1938 and 1940 in the ratio of dutiable imports in certain other groups resulted in part from the sharp decrease in imports of dutiable agricultural products, the domestic supplies of which were augmented by improved weather conditions following the drought.

TABLE 19.—United States imports for consumption ¹ of free and dutiable merchandise from Latin America, by commodity groups, in 1929, 1938, and 1940

[Value in thousands of United States dollars]

Commodity group	1929				1938				1940 ²			
	Free	Dutiable ³	Total	Ratio of dutiable to total	Free	Dutiable ³	Total	Ratio of dutiable to total	Free	Dutiable ³	Total	Ratio of dutiable to total
Animals and animal products, edible.....	5,750	22,208	27,958	<i>Percent</i> 79.4	2,119	12,634	14,754	<i>Percent</i> 85.6	2,710	15,333	18,049	<i>Percent</i> 85.0
Animals and animal products, inedible.....	56,537	4,625	61,162	7.6	10,010	4,165	14,175	29.4	16,758	16,701	33,459	49.9
Vegetable food products and beverages.....	346,716	188,671	535,388	35.2	174,828	101,172	276,000	36.7	167,112	96,418	263,530	37.1
Vegetable products, inedible except fibers and wood.....	10,106	77,094	87,201	88.4	11,892	33,477	45,369	73.8	23,730	31,837	55,567	57.3
Textile fibers and manufactures.....	24,029	23,570	47,608	49.5	13,116	4,209	17,415	24.7	25,150	33,689	58,845	57.2
Wood and paper.....	690	2,143	2,834	78.6	692	896	1,588	56.4	920	1,111	2,037	54.5
Nonmetallic minerals.....	73,293	590	73,883	.9	3,453	16,944	20,397	83.1	7,139	46,563	54,002	86.8
Metals and manufactures, except machinery and vehicles.....	112,021	15,339	127,360	12.0	34,834	3,061	37,895	8.1	57,475	23,077	80,552	28.6
Machinery and vehicles.....	51	45	96	46.8	43	65	108	60.2	31	37	68	54.9
Chemicals and related products.....	40,236	360	40,595	.9	14,150	446	14,596	3.1	17,356	600	17,956	3.3
Miscellaneous.....	9,306	737	10,043	7.3	4,788	314	5,101	6.2	6,378	569	6,947	8.2
Total, all groups.....	678,736	335,392	1,014,128	33.1	269,924	177,474	447,398	39.7	324,777	266,235	593,012	45.2

¹ General imports in 1929.

² Preliminary.

³ Including products subject to import-exercise taxes.

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

Tariff status of imports from individual countries.—Imports from many of the Latin American countries are almost entirely free of duty, but from a few they are largely dutiable (see table 20). In 1938, imports from Cuba, chiefly sugar and tobacco, were almost entirely dutiable (although at preferential rates) and those from Argentina, Paraguay, and Uruguay (chiefly canned meats, hides and skins, flaxseed, wool, and quebracho extract), and from Venezuela (chiefly petroleum) were largely dutiable. In general, a larger proportion of the imports from Latin American countries supplying commodities competitive with United States output is dutiable than from countries supplying commodities not produced in this country.

Substantial changes have occurred since 1929 in the ratios of dutiable imports to the total imports coming from Bolivia, Brazil, Chile, Venezuela, Mexico, and the Dominican Republic. The shift from the dutiable to duty-free status of most of the imports from Bolivia is due, first, to the contraction of United States imports of dutiable tungsten ore, and, secondly, to the recent increase in imports of antimony ore and refined tin, each of which is duty-free. Dutiable imports from Brazil have increased in relative importance apparently because of the increased United States demand for particular dutiable imports from Brazil, such as canned beef, certain hides and skins, and refined cottonseed oil. Dutiable imports from Chile rose because of the increased demand for copper. The outstanding increase in the dutiable portion of imports from Venezuela has been caused by the import-excite tax imposed on petroleum in 1932. The rise in dutiable imports from Mexico is the result of increased shipments of non-ferrous metals and petroleum. The increase in the volume of sugar imported from the Dominican Republic accounts for the rise in the ratio of dutiable imports from that country.

TABLE 20.—United States imports for consumption¹ from the 20 Latin American countries: Ratio of dutiable to total imports, in specified years, 1929 to 1940

[Percent dutiable]

Country	1929	1932	1938	1940 ²
South America:				
Argentina.....	62.6	69.4	73.8	66.9
Bolivia ³	91.3	(⁴)	14.4	24.8
Brazil.....	2.2	2.5	10.2	13.6
Chile.....	2.8	9.6	5.4	22.7
Colombia.....	.4	5.9	.3	1.9
Ecuador.....	15.6	26.7	18.4	16.8
Paraguay.....	74.7	89.0	91.8	84.1
Peru.....	15.4	44.2	22.0	33.1
Uruguay.....	72.2	73.1	90.5	92.5
Venezuela.....	.1	20.6	74.9	78.5
Central America:				
Costa Rica.....	.4	(⁴)	.1	.1
El Salvador.....	5.3	2.1	.9	.9
Guatemala.....	.0	.2	.4	.6
Honduras.....	5.7	1.3	1.8	.9
Nicaragua.....	15.8	2.2	7.6	2.4
Panama.....	7.3	4.0	3.1	2.8
Mexico.....	27.0	31.8	23.9	49.5
West Indies:				
Cuba.....	95.4	91.2	92.2	89.6
Dominican Republic.....	24.9	41.4	41.4	32.5
Haiti.....	9.1	12.8	16.5	3.8
Total, all countries.....	33.1	28.7	39.7	45.2

¹ General imports in 1929 and 1932.

² Preliminary.

³ Imports originating in Bolivia are credited largely to other countries (see table 7).

⁴ Less than one-tenth of 1 percent.

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

Trade agreements between the United States and Latin American countries.—Under the Trade Agreements Act initiated in 1934 and, since then, twice extended for 3-year periods, the United States has entered into trade agreements with 24 foreign countries. Twelve of these are Latin American countries, namely, Argentina, Brazil, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua,²² and Venezuela. The first agreement negotiated was with Cuba, effective September 3, 1934, and the most recent was with Argentina, effective November 15, 1941.

With the exception of imports from Cuba,²³ Venezuela, and Argentina, most of the imports from Latin American countries with which agreements have been negotiated thus far consist of duty-free products, and, therefore, the concessions in many of the agreements have consisted mainly of binding certain items on the free list. The leading products so affected were coffee, bananas, and cacao beans. The principal imports affected by reductions in customs duties are sugar and certain types of tobacco (Cuba), crude petroleum and fuel oil (Venezuela), and flaxseed, wool, and canned beef (Argentina).

United States balance of trade and balance of payments with Latin America.

The United States customarily has had an import balance of trade with Latin America as a whole; only in 1938, 1939, and 1940 of the years 1929–40 have United States exports to Latin America exceeded in value the imports therefrom.²⁴ These import trade balances have fluctuated widely. In 1931 the excess of imports from Latin America over exports to that area amounted to 165.5 million dollars, or more than 50 percent of United States exports to that area; in 1930, to 49 million dollars, or about 8 percent of United States exports; and in 1937, to 94 million dollars, or about 16 percent of United States exports. Latin America as a whole is a debtor area, and it is essential that total exports from Latin America (including gold and silver) should exceed total imports into that area if the debt service on obligations due the United States and the returns on United States capital investments are to be paid. Not only must Latin America obtain funds to pay for United States products, to service its debt, and to provide for the remittance of earnings on direct investments of capital; it must also secure funds to pay for shipping and other services regularly purchased from United States citizens. (See table 21.)

Latin America is assisted in meeting its obligations to this country not only by the sale of goods to the United States and other countries but by the expenditures of United States citizens traveling in Latin American countries (estimated at 68.6 million dollars in 1938), by the disbursements of United States institutions in Latin America (3.3 million dollars), and by the shipment of gold and silver to the United States (149.9 million dollars). In recent years, however, the

²² Certain provisions of the agreement with Nicaragua, including the tariff concessions, were terminated March 10, 1938, at the request of the Nicaraguan Government.

²³ Concessions extended to imports from Cuba are, of course, preferential and do not affect imports from any other country.

²⁴ The export trade balance of the United States with Latin America in 1938 was 41.3 million dollars; in 1939 it was 50.9 million dollars, and in 1940, 105.7 million. These export balances, however, would become import balances if imports of gold and silver from Latin America were added to imports of merchandise therefrom.

amounts derived from these sources have been insufficient for all of the remittances due this country.²⁵

The rapid increase of United States exports of merchandise to Latin America in 1940 made such exports appreciably greater than imports of merchandise therefrom. Latin America, however, could not have continued indefinitely to take increased quantities of United States goods without adequate means of payment. The generally accepted means of payment for imports are gold, silver, credit, and goods and services. Latin American gold reserves are not adequate to finance any considerable quantity of United States exports, although the quantity of newly mined gold and silver may be increased. An expansion of exports might be financed through the extension of credits, but this is only a temporary expedient, since funds must eventually be obtained to liquidate the increased obligations. In 1941 a substantial part of the productive capacity of the United States was devoted to the manufacture of goods under the defense and Lend-Lease programs; moreover, a stricter control was exercised in the licensing of products for export. As a result, United States exports to Latin American countries declined, but, because of the unusual demand in the United States for essential raw materials, imports from those countries increased. In 1941, therefore, the United States had an import trade balance with all Latin American countries combined.²⁶

Statistics showing the balance of payments between the United States and Latin America for the years 1929-38 are given in table 21. These statistics must be interpreted with caution. Several of the items are estimates, and statistics for others are not available. The merchandise trade statistics are unadjusted and include merchandise for reexport (in both imports and exports), which customarily are excluded from bilateral statements.²⁷

The analysis of a bilateral balance of payments between the United States and Latin America involves considerations of triangular transactions with third areas, which are not involved when the statement refers to the transactions of one country with the rest of the world. For example, the net balance (the last item in the table) may not represent a "disequilibrium" in the balance of payments because this item represents, in addition to errors and omissions in the statement, a net balance which may be covered by transactions with other countries.

²⁵ The import or credit side of the Latin American balance of trade is probably overstated by the trade statistics. United States-owned companies in Latin America ship their products to this country and receive in exchange therefor dollar credits. These credits are utilized to pay the expenses of such companies in Latin America and elsewhere. The import trade figures, therefore, will overstate the amount of exchange made available to Latin American countries by the amount of the profits which such companies earn.

²⁶ According to the U. S. Department of Commerce, United States imports of merchandise from Latin American countries in 1941 exceeded exports of merchandise thereto by 108 million dollars.

²⁷ For balance of payments purposes the valuation of certain imports from Latin America is not altogether satisfactory. Some commodities, the output of corporations owned by United States citizens, are imported at arbitrary invoice values. Furthermore the amount of dollar exchange represented by such shipments may be greater or less than their value as reported in the official statistics.

TABLE 21.—Partial balance of payments between the United States and the 20 Latin American countries, 1929-38

[In millions of U. S. dollars]

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Trade and service items:										
Merchandise exports to Latin America ¹	911.8	628.4	312.8	194.6	215.6	307.0	344.1	394.8	578.4	494.8
Merchandise imports from Latin America ¹	1,014.0	677.8	478.3	323.1	316.0	370.9	461.0	501.6	672.5	453.5
Net merchandise exports to (+) or imports (-) from Latin America.....	-102.2	-49.4	-165.5	-128.5	-100.4	-63.9	-116.9	-106.8	-94.1	+41.3
Receipts from Latin America for shipping services ²	32.8	22.6	16.3	8.2	4.5	6.4	7.2	8.3	12.1	10.4
Expenditures of Latin American travelers in United States.....	19.7	24.4	16.8	10.6	9.2	10.4	12.3	14.3	15.2	14.1
Expenditures of United States travelers in Latin America.....	63.4	82.7	67.2	52.0	40.2	56.8	46.8	61.3	68.7	68.6
Disbursements of United States institutions in Latin America ³	9.0	8.0	7.2	5.0	3.9	3.4	2.8	2.9	3.2	3.3
Interest receipts from Latin America.....	87.6	95.6	80.5	46.8	37.3	32.8	35.9	35.5	36.8	14.6
Return on direct investments in Latin America.....		120.7	48.0	30.9	40.0	65.0	95.0	135.0	190.0	175.0
Net receipts from Latin America ^{3 & 4} for services.....		+172.5	+87.2	+38.6	+46.9	+54.4	+100.8	+128.0	+182.2	+143.2
Net receipts from (+) or payments to (-) Latin America on trade and service account.....		+123.1	-78.3	-80.9	-53.5	-9.5	-16.1	+22.1	+88.1	+181.5
Gold and silver:										
Net gold imports from Latin America ¹	-59.9	-165.1	-200.7	-51.3	-10.2	-57.8	-42.8	-70.6	-77.9	-101.6
Net silver imports from Latin America ¹	-49.9	-32.9	-20.7	-13.9	-20.1	-24.0	-64.7	-32.0	-31.1	-48.3
Net gold and silver imports from Latin America.....	-139.8	-198.0	-221.4	-65.2	-30.3	-81.8	-107.5	-102.6	-109.0	-149.9
Capital items:										
Bond-redemption and sinking-fund receipts from Latin America ⁴		+39.3	+63.0	+37.0	+19.2	+15.7	(+23.4)	(+32.4)	(+90.9)	(+38.4)
Total reported movement of capital in security transactions ⁵							+16.0	+15.0	+162.0	-3.0
Reported movement of capital in short-term banking funds ⁶							+55.0	+115.0	+47.0	-18.0
Reported net exports (+) or imports (-) of paper currency ⁷	-6.7	-7.0	-31.0	-14.4	+2.6	+1	-6.9	-5.5	+2.3	-2.7
Total reported capital movement ⁸		+32.3	+52.0	+22.6	+21.8	+15.8	+64.1	+124.5	+211.3	-23.7
Net balance (based on items listed above) ⁹	¹⁰ -181.0	-42.6	-247.7	-132.5	-62.0	-75.5	-59.5	+44.0	+190.4	+10.9

¹ United States statistics, unadjusted.

² Rough estimates.

³ Not available by countries.

⁴ Allowance made for repurchases of Latin American dollar bonds by foreigners.

⁵ The data apply to all the West Indies and to Bermuda as well as to the 20 countries specified.

⁶ Bond-redemption receipts adjusted for repurchases by foreigners in all years; sinking-fund receipts in 1938 only.

⁷ Data compiled by U. S. Treasury.

⁸ The data cover movements of United States paper currency between the United States and Cuba, the Dominican Republic, and Panama.

⁹ Exclusive of new investments in Latin America, 1929-34, and of new investments not represented by security issues, 1935-38.

¹⁰ Exclusive of return on United States direct investments in Latin America and of all capital transactions except currency movements.

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

EFFECTS OF THE WAR ON LATIN AMERICAN TRADE

The present war has had a marked effect upon the foreign trade of Latin America. In point of time, the consideration of the influence of the war on Latin American commerce may be divided into two periods: (1) That from September 1939 through December 1940 and (2) that beginning January 1941.

September 1939–December 1940.

In the period September 1939 through December 1940 the trade of Latin America with Europe, already adversely affected by trade and exchange controls, was further dislocated by the interference of belligerents with commerce, by the loss of markets for many products, and by the increased demand for certain strategic materials and foodstuffs. In this period continental Europe ceased to be an important market for Latin American products and an important source of Latin American imports. This situation affected certain Latin American countries and commodities more seriously than others. Part of this loss in export trade was offset by increased sales to the United States and the United Kingdom. But the United Kingdom for financial reasons confined its purchases, so far as possible, within the Empire.

The total trade of the 20 Latin American Republics, and the portions of that trade accounted for by the United States, the United Kingdom, Germany, Japan, Italy, and France, in specified years, 1929 to 1938, has already been shown in table 6. Analysis of this table indicates that in 1937 about 45 percent of the exports to countries other than those shown separately in table 6 (amounting to about 350 million dollars, or about 15 percent of total Latin American exports in that year) went to other European countries, of which the most important was Belgium. The Netherlands, Sweden, and other countries accounted for lesser amounts. An equal or somewhat greater value of exports was accounted for by the trade of the 20 Latin American countries with one another and with other countries in the Western Hemisphere. Of the latter trade, exports of crude petroleum, principally from Venezuela to the Netherlands West Indies, were valued at about 200 million dollars. Most of the petroleum moving in this trade is subsequently shipped in the form of refined products to other countries, the United States and the United Kingdom being the principal markets. The exports of these refined products are not covered by the tables here given, since these tables do not show the trade of the territories in South and Central America belonging to overseas countries. If this trade were included, the figures for Latin American products taken by the United States and European countries, especially the United Kingdom, would be larger than shown in the tables. Exports of Latin American products to Canada were valued at about 39 million dollars in 1937.

Approximately 14 percent of the total imports of Latin American countries in 1937 (amounting to about 225 million dollars) came from European countries other than those shown separately in table 6; about 12 percent (amounting to about 182 million dollars) consisted of trade of the Latin American Republics with one another.

Table 22 shows the exports and imports of the 20 Latin American Republics in 1937 approximately as they were distributed among the areas just referred to, as well as among the six countries covered separately in table 6. The figures are only approximate because of the deficiencies and inaccuracies of the statistics. Moreover, the relative position of the different countries and areas in the trade changes considerably from one year to another. The table may be regarded only as indicative of the approximate distribution of Latin American trade before the present war.

TABLE 22.—*Latin America: Approximate distribution of the trade of the 20 Latin American countries to various markets, in 1937*

[Value in millions of United States dollars]

Country	Exports		Imports	
	Value	Percent of total	Value	Percent of total
Total, all countries.....	2,323	100.0	1,616	100.0
UNITED STATES.....	719	31.0	551	34.1
Canada.....	39	1.7	18	1.1
Netherlands West Indies.....	200	8.6		
Other countries in the Western Hemisphere ¹	140	6.0	* 182	10.8
United Kingdom.....	408	17.6	213	13.2
Germany.....	203	8.7	250	15.4
France.....	94	4.0	48	3.0
Italy.....	70	3.0	38	2.3
Other countries in Europe.....	349	15.0	226	14.0
Japan.....	38	1.6	46	2.9
Other countries in Asia, Africa, and Oceania.....	16	.7	48	3.0
Not reported by country.....	* 47	2.0		

¹ Principally the Latin American countries themselves.

* Includes small imports from the Netherlands West Indies.

² Consists principally of exports of sodium nitrate and iodine from Chile, not reported separately, but for which the United States is much the largest customer. Egypt, Germany, and France are also important, and the Netherlands, the United Kingdom, and a number of other countries take significant quantities.

Source: Compiled by the United States Tariff Commission from official trade statistics of the 20 Latin American countries.

In 1937 approximately 48 percent of all exports from Latin America went to Europe (18 percent to the United Kingdom and 30 percent to continental Europe), and 48 percent of all Latin American imports came from Europe (about 13 percent from the United Kingdom and 35 percent from continental Europe). With the outbreak of war, Latin American trade with continental Europe practically ceased, eliminating roughly one-third of both exports and imports.

It might have been expected that those countries which customarily had the largest proportion of their trade with continental Europe would be the most adversely affected, but this has not been so in all cases, because different commodities have been differently affected. The United Kingdom, during the earlier period of the war, was a substantial purchaser of Argentine meats, and there was also a ready demand for Argentine wool and hides and skins. Prices of some Argentine products advanced after the outbreak of the war, but those of

others, notably wheat and corn, declined. Other commodities which at first were seriously affected were coffee, cacao, bananas, sugar, petroleum, copper, and nitrates.

Although the United States generally takes about one-half of all Latin American exports of coffee, that product had its second largest market in continental Europe. The European market was eliminated by the blockade and, as a result, coffee stocks accumulated and prices declined. A somewhat similar situation prevailed for cacao, large stocks of which were, and still are, available to the British in the Gold Coast and Nigeria. Bananas are not essential war materials, and exports, particularly to Europe and the United Kingdom, declined. The price of sugar was depressed because of the inability of the Netherlands Indies and (to a lesser extent) Cuba to dispose of their stocks in customary markets. The United Kingdom concentrated its purchases of petroleum within dependent countries in the Near East to the disadvantage of Venezuela, Mexico, Colombia, and Peru. The trade of Chile was depressed because of the decline in the European demand for its copper and nitrates. Other commodities were indirectly affected by the war. For example, henequen fiber from Mexico declined in price, even though 85 percent of the exports of that product ordinarily went to the United States; this was due to large imports into the United States of sisal from the Netherlands Indies which could not be shipped to some of the markets that were formerly important.

During this first period of the war, Latin American countries that were able to sell substantial quantities of their products to the United Kingdom were relieved, of course, of mounting stocks, but they were compelled to accept in payment either their own British-held bonds or blocked sterling exchange which could be used only in the purchase of British goods. Inasmuch as these goods were not available in adequate quantities and varieties, this arrangement did not prove to be fully satisfactory. Other Latin American countries, unable to export their products to Europe or the United Kingdom, were faced with increased stocks and depressed prices because of the disruption of trade channels. This distress, in some cases, was partially alleviated by increased purchases of the United States arising out of its defense program and the improvement in its industrial activity. Indeed, a few Latin American countries, even prior to 1941, began expanding the production of certain commodities, especially those considered by the United States Army and Navy to be strategic or critical in character.

In the first 16 months following the outbreak of war in Europe, the trade of the United States with Latin America increased markedly. Comparing 1940 with 1938, United States imports from Latin America increased about 37 percent, and exports, 45 percent. In the same period United States imports from all other countries of the world increased 33 percent, and exports, 27 percent. The rapid rise in United States exports to Latin America was due largely to the inability of that area to obtain goods from Europe. In 1940 United States exports to Latin America were valued at 727 million dollars, and imports from Latin America at 620 million. In consequence, the United States, which usually has an import balance of trade with Latin America, had an export balance in 1940 amounting to nearly 107 million dollars (see table 23).

TABLE 23.—United States trade with Latin American countries and with all others, 1937-40

[Value in thousands of United States dollars]

Group	1937	1938	1939	1940 ¹	Percent of change	
					1938-40	1937-40
General imports						
Latin American countries.....	672,612	453,517	518,036	620,070	+36.7	-7.8
All other countries.....	2,411,056	1,506,911	1,800,045	2,005,308	+33.1	-16.8
Exports (including reexports)						
Latin American countries.....	578,202	494,822	568,828	726,770	+44.8	+25.7
All other countries.....	2,770,905	2,599,618	2,608,348	3,294,376	+26.7	+18.9

¹ Preliminary.

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

Beginning January 1941.

In 1941 the trade problems of Latin America were radically altered. The greatly expanded defense and Lend-Lease programs of the United States and the entrance of this country into the war stimulated the demand for essential commodities. Imports into the United States were increased and exports were restricted. The problem of Latin American countries became one of increasing the production of required raw materials for export, chiefly to the United States, and of obtaining imports, mainly from the United States, of the products essential to the satisfaction of their war, defense, and civilian requirements.

This trend is reflected in the trade statistics. In the first 9 months of 1941, United States exports to Latin America amounted to 625 million dollars, and imports therefrom to 716 million. For the first time in 3 years, the United States had an import balance with Latin America amounting, in the first 9 months of 1941, to 91 million dollars. This trend in trade has been even more pronounced in 1942. As a result, the Latin American countries are building up credit balances in the United States, a part of which they cannot now use, except for debt service; such credits, however, will be available after the war ends.

Many Latin American commodities of which there was formerly a surplus are now (March 1942) in great demand. These include tin (from Bolivia), copper and nitrates (from Chile), petroleum (from Venezuela and Mexico), lead, zinc, manganese, chromite, and a long list of other strategic minerals. There are also numerous agricultural and forest products for which the demand is greatly enlarged; these include sugar, cacao, flaxseed, henequen, babassu nuts, and rubber. The Metals Reserve Company has contracts with several Latin American countries to purchase the entire output of a number of strategic metals not taken by private United States citizens. The entire Cuban output of sugar in 1942 has been purchased by this Government at a price much higher than prevailed before the war or even during its earlier period. The prices of cacao and henequen have increased appreciably; the duty on flaxseed has been reduced; and

efforts are being made to stimulate the production of rubber and the gathering of babassu nuts.

But not all Latin American trade problems have been solved. The market for Argentine wheat and corn is still severely restricted. In fact, experiments are being conducted in Argentina to determine the usefulness of corn as fuel in locomotives, and the Argentine Government is purchasing grains at higher than market prices as an aid to producers. Coffee is finding a more profitable market in the United States because of higher prices under the Inter-American Coffee Agreement, but sales to other markets are narrowly limited, and substantial stocks of coffee are being either stored or destroyed. Exports of bananas have declined further and shipments are likely to be curtailed even more severely should the demand for shipping space become more acute. Total exports from Latin America, in terms of dollars, have increased during 1941 and 1942 because of rising prices and because of the export of increased quantities of certain commodities, but not all commodities have participated in this expansion. Exports of many products that are considered nonessential to the war effort are almost certain to be curtailed further because of the shortage in shipping.

Although exports from Latin America have increased since the beginning of 1941, imports have declined because of the inability of the United States and the United Kingdom adequately to satisfy Latin American demands, some of which are essential and urgent. Tin plate is required for the canning of Argentine, Uruguayan, and Brazilian meats. Automobiles and trucks are needed for essential uses in Latin America, as in the United States. Mining equipment is necessary to increase, or even to maintain, the production of strategic metals which are so urgently required in this country. Chemicals are essential to the purification of the water supplies of many of the Latin American cities. Steel is needed for the construction of bridges, and special equipment is required for the building of roads and the expansion of plant capacities. In a number of Latin American countries, additional rolling stock and other railroad equipment must be obtained if the roads are to transport the increased tonnage required by the war effort of the United States. The problem of Latin American countries is no longer that of obtaining exchange with which to purchase desired imports; instead, it is one of obtaining essential imports in adequate quantities.

Since the outbreak of the war, the trade of the Latin American countries with each other has increased appreciably. Except for these intraregional markets and sources of supply, the United Nations, principally the United States and the United Kingdom, are almost the only countries with which Latin American countries may trade. Their export trade, therefore, is peculiarly affected by the war and by the demands which it creates in the United States and the United Kingdom. The resources of Latin American countries have become of major importance in supplying many essential raw materials to the United States and the United Kingdom. These two nations, in turn, are seeking to provide the countries of Latin America with their essential import requirements. These efforts, however, are handicapped by the unprecedented demand of the United Nations for munitions, by their limited productive capacities, and by the shortage in shipping.

APPENDIXES

- A.—Trade of Latin American countries with the United States.
 - B.—Trade of the United States with Latin American countries.
 - C.—A summary of selected data relating to the trade statistics of the
20 Latin American countries.
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Appendix A.—TRADE OF LATIN AMERICAN COUNTRIES WITH THE UNITED STATES

TABLE I.—Latin America: Total exports ¹ from the 20 Latin American countries to the United States, in specified years, 1929 to 1938

[Value in thousands of United States dollars ¹]

Country	1929		1932		1936		1937		1938	
	Value	Percent of total Latin American exports	Value	Percent of total Latin American exports	Value	Percent of total Latin American exports	Value	Percent of total Latin American exports	Value	Percent of total Latin American exports
Total, 20 Latin American countries.....	988,048	33.9	332,514	31.9	605,990	33.2	719,579	30.9	543,989	30.2
South America.....	551,666	24.9	184,272	23.1	315,197	22.8	380,707	21.1	266,711	19.1
Argentina.....	89,002	9.8	11,278	3.4	58,803	12.2	90,990	12.8	35,263	8.5
Bolivia.....	6,993	13.9	372	3.6	2,851	7.8	3,313	7.3	1,595	4.6
Brazil.....	192,480	42.2	83,527	46.2	124,329	38.8	* 126,335	36.4	* 101,458	34.3
Chile.....	70,886	25.4	9,346	26.4	22,547	19.5	43,961	22.5	20,458	14.6
Colombia ⁴	87,290	74.1	48,565	75.9	42,489	54.3	48,681	50.6	42,601	52.7
Ecuador ⁵	7,785	45.2	3,720	45.3	* 6,389	40.0	* 4,953	33.2	* 4,731	37.5
Paraguay.....	5	(6)	39	.5	62	1.0	663	7.8	1,010	12.2
Peru ⁷	44,630	33.3	6,591	17.3	16,136	19.3	20,422	22.2	20,560	26.3
Uruguay ⁸	10,910	11.9	1,122	4.1	7,264	15.4	7,818	14.1	2,180	4.0
Venezuela ⁹	41,685	27.7	19,712	20.8	34,327	17.5	33,625	13.7	36,852	13.2
Central America.....	48,040	48.8	24,882	52.1	32,168	62.4	41,093	64.3	36,392	66.9
Costa Rica ⁹	10 4,818	30.6	10 3,190	42.8	3,081	44.3	5,188	45.1	4,628	45.6
El Salvador ⁹	3,902	21.5	954	17.3	5,801	57.4	* 9,413	60.7	* 6,755	61.8
Guatemala.....	11,400	45.7	3,971	37.2	8,955	59.3	10,334	64.2	11,346	69.4
Honduras ⁹ (fiscal years) ¹¹	18,273	74.4	11,881	67.6	7,519	81.6	8,563	88.8	6,362	80.5
Nicaragua ¹²	5,754	52.9	2,964	65.3	2,505	53.9	3,897	55.4	3,961	67.3
Panama ¹³	3,902	94.2	1,922	95.8	3,707	89.2	3,698	90.9	3,340	89.2
Mexico ¹⁴	172,846	60.7	63,385	65.3	130,778	60.8	* 139,239	56.2	* 124,944	67.4
West Indies.....	215,487	68.9	59,975	60.5	127,847	71.2	158,480	74.3	115,942	70.7
Cuba ¹⁴	208,754	76.6	57,482	71.2	121,899	78.7	150,148	80.7	108,363	76.0
Dominican Republic ¹⁶	5,427	22.9	1,908	17.1	4,602	30.4	5,832	32.2	4,607	32.1
Haiti ⁹ (fiscal years) ¹⁷	1,306	7.8	585	8.1	1,346	14.2	2,500	27.9	2,972	42.8

See footnotes on following page.

¹ Unless otherwise stated, the statistics represent special trade.

² Conversion rates are based on the United States dollar containing 23.22 grains of fine gold in 1929 and 1932, and 13.71 grains of fine gold in 1936, 1937, and 1938.

³ Preliminary.

⁴ General exports, excluding gold. Shipments of gold from Colombia to the United States were as follows: 1929, \$5,013,077; 1932, \$2,941,292; 1936, \$11,884,381; 1937, \$18,109,767; 1938, \$10,503,879.

⁵ General exports, including bullion and specie.

⁶ Less than one-tenth of 1 percent.

⁷ Includes nationalized products, bullion, and specie.

⁸ Includes merchandise in transit to Brazil, and bullion.

⁹ General exports, including bullion, specie, and parcel post.

¹⁰ Includes Panama.

¹¹ Fiscal years ended July 31, except in 1937-38, when the fiscal year was changed by law to end June 30; statistics for 1937-38, therefore, cover only 11 months.

¹² General exports, including specie and reexports.

¹³ Includes bullion and specie.

¹⁴ General exports, including bullion, specie, and reexports.

¹⁵ General exports.

¹⁶ General exports, including bullion. Does not include trade with noncontiguous territories of the United States (Puerto Rico, etc.).

¹⁷ Fiscal years ended Sept. 30.

Source: Compiled by the United States Tariff Commission from official statistics of the 20 Latin American countries.

TABLE II.—Latin America: Total imports¹ into the 20 Latin American countries from the United States, in specified years, 1929 to 1938

[Value in thousands of U. S. dollars²]

Country	1929		1932		1936		1937		1938	
	Value	Percent of total Latin American imports	Value	Percent of total Latin American imports	Value	Percent of total Latin American imports	Value	Percent of total Latin American imports	Value	Percent of total Latin American imports
Total, 20 Latin American countries	931,000	38.5	197,961	32.0	385,704	32.1	552,259	34.0	498,305	33.9
South America	586,839	31.4	101,547	22.2	204,023	22.9	300,637	25.2	312,808	27.0
Argentina	216,112	26.4	28,068	13.5	47,182	14.4	77,157	10.1	75,832	17.6
Bolivia ³	8,641	33.7	1,142	24.1	5,911	29.2	5,997	27.7	6,556	25.5
Brazil ⁴	125,552	30.1	32,532	30.1	54,663	22.2	⁵ 76,413	23.1	⁶ 71,576	24.2
Chile	63,348	32.2	6,014	23.1	18,123	25.4	25,698	29.1	28,620	27.7
Colombia ⁴	56,170	45.9	12,254	42.0	28,333	41.3	40,417	48.4	45,043	51.2
Ecuador ⁷	6,929	40.8	3,362	58.1	⁸ 3,224	28.8	⁹ 4,740	39.6	¹⁰ 3,828	34.0
Paraguay	2,407	18.7	481	12.8	371	5.7	663	7.6	860	9.6
Peru ²	31,767	41.8	4,669	28.8	15,911	31.9	21,016	35.5	20,005	34.3
Uruguay ¹	27,796	30.2	2,502	9.6	4,734	13.7	6,084	13.6	5,039	11.8
Venezuela ¹	48,057	55.0	10,523	45.4	25,571	47.4	45,452	52.8	54,930	56.4
Central America	64,412	59.6	22,357	59.9	29,950	48.0	37,101	48.5	37,030	52.4
Costa Rica ¹	¹⁰ 9,682	48.0	¹⁰ 2,874	52.7	3,663	43.6	5,048	42.5	6,195	49.1
El Salvador ¹	9,083	51.6	2,533	49.1	3,256	38.6	¹¹ 4,034	40.4	¹² 4,275	40.7
Guatemala ¹	13,540	55.4	2,980	49.5	4,877	42.4	7,588	45.3	7,402	44.7
Honduras ² (fiscal years) ¹¹	11,563	77.8	6,376	76.2	5,796	66.4	6,029	58.0	5,871	62.0
Nicaragua ¹	7,390	62.6	2,181	62.7	2,580	46.2	3,045	54.2	3,058	59.7
Panama ¹	13,154	68.2	5,413	61.2	9,778	51.5	11,357	52.0	10,130	57.6
Mexico ¹	127,200	69.1	36,765	63.8	76,189	59.1	¹³ 105,861	62.2	¹⁴ 63,027	57.7
West Indies	152,549	59.5	37,292	56.3	75,542	62.0	99,660	60.2	86,350	68.3
Cuba ⁴	127,051	58.8	27,653	54.2	66,494	64.4	88,847	68.6	75,152	70.9
Dominican Republic ¹²	13,457	59.2	4,596	59.0	4,765	48.0	6,115	52.3	6,072	53.5
Haiti ⁴ (fiscal years) ¹²	12,041	69.8	5,043	67.6	4,283	58.5	4,698	51.0	4,126	54.3

See footnotes on following page.

¹ Unless otherwise stated, the statistics represent special trade.

² Conversion rates are based on the U. S. dollar containing 23.22 grains of fine gold in 1929 and 1932, and 13.71 grains of fine gold in 1936, 1937, and 1938.

³ Includes bullion and specie.

⁴ General imports.

⁵ Preliminary.

⁶ General imports, including parcel post.

⁷ General imports, including bullion and specie.

⁸ Official values. Includes bullion.

⁹ General imports, including bullion, specie, and parcel post.

¹⁰ Includes Panama.

¹¹ Fiscal years ended July 31, except in 1937-38, when the fiscal year was changed by law to end June 30; statistics for 1937-38, therefore, cover only 11 months.

¹² General imports, including bullion.

¹³ Fiscal years ended Sept. 30.

Source: Compiled by the United States Tariff Commission from official statistics of the 20 Latin American countries.

APPENDIX B.—TRADE OF THE UNITED STATES WITH LATIN AMERICAN COUNTRIES

TABLE III.—United States general imports from the 20 Latin American countries, in specified years, 1929 to 1939

[Value in thousands of United States dollars]

Country	1929		1932		1936		1937		1938 ¹		1939 ¹	
	Value	Percent of total imports from Latin America	Value	Percent of total imports from Latin America	Value	Percent of total imports from Latin America	Value	Percent of total imports from Latin America	Value	Percent of total imports from Latin America	Value	Percent of total imports from Latin America
South America:												
Argentina.....	117,581	11.59	15,779	4.88	65,882	13.13	138,040	20.66	40,700	8.08	61,020	11.05
Bolivia.....	379	.04	6	(3)	567	.11	1,363	.20	865	.19	2,029	.39
Brazil.....	207,686	20.48	82,139	25.41	102,004	20.34	120,638	17.91	97,933	21.59	107,243	20.70
Chile.....	102,025	10.06	12,278	3.80	25,804	5.14	46,668	6.94	28,268	6.23	40,726	7.86
Colombia.....	103,525	10.21	60,846	18.83	43,085	8.59	52,345	7.78	49,398	10.89	48,983	9.45
Ecuador.....	5,830	.58	2,386	.74	3,331	.66	4,012	.60	2,584	.57	3,514	.69
Paraguay.....	529	.05	100	.03	540	.11	1,095	.16	1,336	.29	1,803	.35
Peru.....	30,167	2.97	3,685	1.14	9,023	1.80	16,525	2.46	12,813	2.83	13,948	2.69
Uruguay.....	18,077	1.84	2,104	.65	12,232	2.44	13,809	2.05	4,752	1.05	9,375	1.81
Venezuela.....	51,224	5.05	20,294	6.28	26,258	5.23	22,770	3.38	20,032	4.42	23,612	4.56
Central America:												
Costa Rica.....	5,203	.51	3,687	1.14	3,347	.67	4,434	.66	4,102	.90	3,230	.62
El Salvador.....	3,830	.38	1,143	.35	6,021	1.00	8,583	1.27	5,672	1.25	6,957	1.31
Guatemala.....	8,470	.84	4,501	1.39	8,364	1.67	9,611	1.43	9,529	2.10	10,725	2.07
Honduras.....	12,833	1.27	9,004	2.79	6,078	1.21	5,674	.84	5,692	1.26	7,031	1.36
Nicaragua.....	5,748	.57	1,964	.61	1,895	.38	3,103	.46	2,478	.55	2,902	.56
Panama (combined).....	5,351	.53	3,530	1.09	4,594	.92	4,623	.69	3,921	.87	4,060	.78
Mexico.....	117,738	11.61	37,423	11.58	48,938	9.76	60,120	8.94	49,030	10.81	56,319	10.87
West Indies:												
Cuba.....	207,421	20.45	58,330	18.05	127,475	25.41	148,045	22.01	105,691	23.30	104,930	20.25
Dominican Republic.....	8,465	.83	3,380	1.05	5,354	1.07	7,377	1.10	5,745	1.27	5,824	1.12
Haiti.....	1,445	.14	611	.19	1,818	.36	2,896	.43	2,967	.65	3,031	.59
Total United States imports from Latin America.....	1,014,127	100.00	323,190	100.00	501,610	100.00	672,611	100.00	453,517	100.00	518,162	100.00
Total United States imports from all countries.....	4,399,361	-----	1,322,774	-----	2,422,592	-----	3,083,668	-----	1,960,428	-----	2,318,258	-----
Ratio of imports from Latin America to total United States imports.....	23.05	-----	24.43	-----	20.71	-----	21.81	-----	23.13	-----	22.35	-----

¹ Preliminary.

² Less than 1/100 of 1 percent.

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

TABLE IV.—United States exports (including reexports) to the 20 Latin American countries, in specified years, 1929 to 1939

[Value in thousands of United States dollars]

Country	1929		1932		1936		1937		1938 ¹		1939 ¹	
	Value	Percent of total exports to Latin America	Value	Percent of total exports to Latin America	Value	Percent of total exports to Latin America	Value	Percent of total exports to Latin America	Value	Percent of total exports to Latin America	Value	Percent of total exports to Latin America
South America:												
Argentina.....	210,288	23.06	31,133	16.96	56,910	14.41	94,183	16.29	86,793	17.54	71,114	12.60
Bolivia.....	5,985	.66	2,163	1.11	3,564	.90	5,863	1.01	5,395	1.09	4,512	.79
Brazil.....	108,787	11.93	28,600	14.66	49,019	12.41	68,431	11.87	61,957	12.52	80,441	14.13
Chile.....	55,776	6.12	3,568	1.83	15,739	3.98	23,997	4.15	24,603	4.97	26,789	4.71
Colombia.....	48,983	5.37	10,670	5.47	27,729	7.02	39,200	6.78	40,862	8.26	51,295	9.01
Ecuador.....	6,069	.67	1,754	.90	3,326	.84	6,052	.87	3,311	.67	5,900	1.04
Paraguay.....	1,600	.16	261	.14	324	.08	743	.13	644	.13	675	.12
Peru.....	26,176	2.87	3,962	2.03	13,439	3.40	19,001	3.29	16,892	3.41	19,246	3.38
Uruguay.....	28,245	3.10	3,217	1.65	8,531	2.16	13,203	2.28	5,060	1.02	5,177	.91
Venezuela.....	45,325	4.97	10,229	5.24	24,079	6.09	46,445	8.03	52,278	10.57	61,952	10.89
Central America:												
Costa Rica.....	8,313	.91	2,435	1.25	3,027	.77	4,477	.77	5,448	1.10	9,786	1.72
El Salvador.....	8,050	.88	2,289	1.17	2,794	.71	3,628	.63	3,520	.71	4,172	.73
Guatemala.....	11,525	1.26	2,820	1.45	4,553	1.15	7,612	1.32	6,801	1.30	8,574	1.51
Honduras.....	12,811	1.41	4,473	2.29	4,900	1.24	5,568	.96	6,292	1.27	5,812	1.02
Nicaragua.....	7,031	.77	1,993	1.02	2,412	.61	3,353	.58	2,807	.57	4,297	.75
Panama (combined).....	41,133	4.51	15,609	8.00	22,717	5.76	24,981	4.32	24,407	4.93	32,616	5.73
Mexico.....	133,863	14.68	32,527	16.67	76,041	19.25	109,450	18.93	62,016	12.53	83,177	14.62
West Indies:												
Cuba.....	128,009	14.14	28,755	14.74	67,421	17.07	92,263	15.96	76,331	15.43	81,644	14.35
Dominican Republic.....	14,190	1.56	4,630	2.37	4,578	1.16	6,469	1.12	5,696	1.15	6,780	1.19
Haiti.....	8,790	.97	4,005	2.05	3,942	1.00	4,084	.71	3,642	.74	5,140	.90
Total United States exports to Latin America.....	911,749	100.00	195,113	100.00	395,045	100.00	578,203	100.00	494,821	100.00	569,098	100.00
Total United States exports to all countries.....	5,240,995		1,611,016		2,455,978		3,349,167		3,094,440		3,177,344	
Ratio of exports to Latin America to total United States exports.....	17.40		12.11		16.09		17.26		15.99		17.91	

¹ Preliminary.

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

TABLE V.—United States general imports from the 20 Latin American countries, in specified periods of 1938, 1939, and 1940¹

[Value in thousands of U. S. dollars]

Country	January–August		Percent of change	September–December		Percent of change	September–February		Percent of change
	1938	1939		1938	1939		1938-39	1939-40	
South America:									
Argentina.....	25,377	38,837	+53.0	15,332	23,083	+50.6	28,051	43,565	+55.3
Bolivia.....	493	1,083	+119.7	372	946	+154.3	1,119	1,673	+49.5
Brazil.....	62,236	64,893	+4.3	35,697	42,350	+18.6	51,783	58,289	+12.6
Chile.....	20,881	20,676	-1.0	7,387	20,050	+171.4	12,910	27,123	+110.1
Colombia.....	33,690	31,512	-6.5	15,708	17,471	+11.2	23,735	26,528	+11.8
Ecuador.....	1,269	2,018	+59.0	1,316	1,496	+13.8	1,873	2,174	+16.1
Paraguay.....	672	1,076	+60.1	664	727	+9.5	855	1,048	+22.6
Peru.....	6,796	7,810	+14.9	6,017	6,138	+2.0	7,820	9,145	+16.9
Uruguay.....	2,795	6,422	+94.0	1,957	3,953	+102.0	2,401	8,204	+231.8
Venezuela.....	13,503	15,042	+11.4	6,529	8,570	+31.3	9,121	12,976	+42.3
Central America:									
Costa Rica.....	3,058	2,291	-25.1	1,044	939	-10.1	1,639	1,422	-13.2
El Salvador.....	5,032	6,562	+30.4	640	395	-38.3	2,980	2,154	-27.7
Guatemala.....	6,334	7,751	+22.4	3,195	2,974	-6.9	5,547	5,316	-4.2
Honduras.....	3,750	4,765	+27.1	1,942	2,266	+16.7	2,816	3,402	+20.8
Nicaragua.....	1,986	2,508	+26.3	492	394	-19.9	1,062	908	-14.5
Panama (combined).....	2,692	2,643	-1.8	1,229	1,418	+15.4	1,717	2,119	+23.4
Mexico.....	35,599	37,216	+4.5	13,431	19,103	+42.2	24,360	31,793	+30.5
West Indies:									
Cuba.....	80,247	70,063	-12.7	25,444	34,867	+37.0	39,050	51,519	+31.9
Dominican Republic.....	4,011	3,786	-5.6	1,734	2,038	+17.5	2,518	3,015	+19.7
Haiti.....	2,092	2,084	-.4	875	947	+8.2	1,259	1,477	+17.3
Total United States imports from Latin America.....	312,513	328,038	+5.0	141,004	190,125	+34.8	222,706	293,909	+32.0
Total imports from "other" countries.....	954,767	1,111,148	+16.4	552,144	688,947	+24.8	806,759	1,026,836	+27.3
Total United States imports from all countries.....	1,267,280	1,439,186	+13.6	693,148	879,072	+26.8	1,029,465	1,320,745	+28.3

¹ All data are preliminary.

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

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APPENDIX B

TABLE VI.—United States exports (including reexports) to the 20 Latin American countries, in specified periods of 1938, 1939, and 1940¹

[Value in thousands of United States dollars]

Country	January–August		Percent of change	September–December		Percent of change	September–February		Percent of change
	1938	1939		1938	1939		1938-39	1939-40	
South America:									
Argentina.....	60,265	38,504	-36.1	26,528	32,610	+22.9	33,709	51,914	+54.0
Bolivia.....	3,653	2,596	-20.7	1,742	1,616	-7.2	2,377	2,736	+15.1
Brazil.....	39,834	44,743	+12.3	22,123	35,608	+61.4	32,210	55,030	+70.8
Chile.....	16,687	14,569	-12.7	7,916	12,220	+54.4	11,133	18,898	+69.7
Colombia.....	25,640	31,742	+23.8	15,222	19,553	+28.5	22,419	28,501	+27.1
Ecuador.....	2,240	3,228	+44.1	1,071	2,072	+149.5	1,697	4,027	+137.3
Paraguay.....	387	436	+12.7	257	239	-7.0	364	473	+20.9
Peru.....	11,771	10,711	-9.0	5,121	8,535	+66.7	7,726	12,342	+59.7
Uruguay.....	3,835	2,240	-41.6	1,225	2,937	+139.8	1,732	4,560	+163.8
Venezuela.....	36,859	37,476	+1.7	15,419	24,476	+58.7	23,152	37,201	+60.7
Central America:									
Costa Rica.....	3,257	5,561	+70.7	2,192	4,225	+92.7	3,396	6,020	+82.1
El Salvador.....	2,256	2,354	+4.3	1,270	1,818	+43.1	1,895	2,619	+40.4
Guatemala.....	4,385	5,057	+15.3	2,476	3,517	+42.0	3,718	5,190	+39.6
Honduras.....	4,070	3,592	-11.7	2,222	2,220	-	3,010	3,331	+10.7
Nicaragua.....	1,584	2,648	+67.2	1,223	1,649	+34.8	1,827	2,550	+39.6
Panama (combined).....	15,801	17,145	+8.5	8,606	15,469	+79.7	12,133	24,100	+98.7
Mexico.....	42,007	50,180	+19.5	20,009	32,987	+64.9	31,609	48,556	+54.1
West Indies:									
Cuba.....	51,249	46,527	-9.2	25,082	35,117	+40.0	37,933	49,868	+31.5
Dominican Republic.....	3,549	4,050	+14.1	2,147	2,730	+27.2	2,993	3,742	+25.0
Haiti.....	2,122	3,029	+42.7	1,520	2,111	+38.9	2,157	2,868	+33.0
Total U. S. exports to Latin America.....	331,451	326,698	-1.4	163,371	242,399	+48.4	236,970	364,544	+53.8
Exports to "other" countries.....	1,717,661	1,569,624	-8.6	871,957	1,038,623	+19.1	1,229,951	1,631,840	+32.7
Total U. S. exports to all countries.....	2,049,112	1,896,322	-7.5	1,035,328	1,281,022	+23.7	1,466,921	1,996,384	+36.1

¹ All data are preliminary.

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

TABLE VII.—United States imports for consumption ¹ of free and dutiable merchandise from the 20 Latin American countries, in specified years, 1929 to 1938

[Value in thousands of United States dollars]

Country	Classification of imports	1929	1932	1936	1937	1938 ¹
South America:						
Argentina.....	Free.....	44,006	4,821	15,073	23,344	10,922
	Dutiable.....	73,572	10,958	49,345	112,958	30,752
Bolivia.....	Free.....	33	6	243	509	294
	Dutiable.....	348	(²)	81	0	50
Brazil.....	Free.....	203,184	80,060	90,766	104,991	57,731
	Dutiable.....	4,502	2,079	12,098	14,520	10,017
Chile.....	Free.....	99,194	11,098	23,022	38,856	27,043
	Dutiable.....	2,831	1,170	2,218	4,780	1,548
Colombia.....	Free.....	103,111	57,228	42,881	51,637	49,247
	Dutiable.....	414	3,618	81	619	130
Ecuador.....	Free.....	4,920	1,749	2,839	3,263	2,097
	Dutiable.....	910	637	548	701	473
Paraguay.....	Free.....	131	11	32	68	105
	Dutiable.....	395	99	507	1,020	1,172
Peru.....	Free.....	25,531	2,057	0,909	11,706	9,607
	Dutiable.....	4,636	1,628	1,558	3,198	2,711
Uruguay.....	Free.....	5,200	564	873	1,290	511
	Dutiable.....	13,477	1,539	10,631	11,575	4,846
Venezuela.....	Free.....	51,152	16,111	8,220	6,906	5,038
	Dutiable.....	72	4,183	18,041	15,845	15,013
Central America:						
Costa Rica.....	Free.....	5,182	3,685	3,336	4,430	4,099
	Dutiable.....	21	2	11	4	2
El Salvador.....	Free.....	3,627	1,119	4,971	8,619	5,619
	Dutiable.....	203	24	54	45	53
Guatemala.....	Free.....	8,419	4,493	8,359	9,553	9,492
	Dutiable.....	51	8	18	53	30
Honduras.....	Free.....	12,096	8,889	5,955	5,487	5,575
	Dutiable.....	737	116	89	149	103
Nicaragua.....	Free.....	4,842	1,920	1,820	2,894	2,279
	Dutiable.....	906	44	76	209	188
Panama.....	Free.....	4,958	3,390	4,339	4,416	3,803
	Dutiable.....	393	140	256	290	121
Mexico.....	Free.....	85,962	25,522	32,693	40,150	32,339
	Dutiable.....	31,776	11,901	13,950	15,108	10,144

¹ General imports for 1929 and 1932.

² Preliminary.

³ Not over \$500.

APPENDIX B

TABLE VII.—United States imports for consumption¹ of free and dutiable merchandise from the 20 Latin American countries, in specified years, 1929 to 1938—Continued

[Value in thousands of United States dollars]

Country	Classification of imports	1929	1932	1936	1937	1938 ²
West Indies:						
Cuba.....	Free.....	9,510	5,108	8,562	13,503	8,236
	Dutiable.....	197,911	53,222	121,172	133,395	97,209
Dominican Republic.....	Free.....	6,359	1,983	2,952	4,312	3,415
	Dutiable.....	2,107	1,398	2,399	3,095	2,414
Haiti.....	Free.....	1,313	533	1,574	2,702	2,472
	Dutiable.....	132	78	272	187	489
Imports from Latin America.....	Total.....	1,014,128	323,190	500,561	656,243	447,398
	Free.....	678,736	230,347	267,219	338,523	269,024
	Dutiable.....	335,392	92,843	233,342	317,720	177,474
Ratio to total imports from Latin America.....	Free.....	66.9	71.3	53.4	51.6	60.3
	Dutiable.....	33.1	28.7	46.6	48.4	39.7

Source: Compiled from *Foreign Commerce and Navigation of the United States*.

TABLE VIII.—Dutiable imports: United States imports for consumption from the 20 Latin American countries, showing values, calculated duties, and ad valorem equivalents, in 1938 and 1939

Country	1938 ¹			1939 ¹		
	Value	Duty	Ad valorem equivalent	Value	Duty	Ad valorem equivalent
South America:			<i>Percent</i>			<i>Percent</i>
Argentina.....	\$30,738,404	\$14,168,144	46.1	\$40,745,373	\$18,609,652	45.7
Bolivia.....	49,443	6,349	12.8	113,953	55,356	48.6
Brazil.....	10,016,506	3,450,070	34.4	10,018,416	3,107,272	20.3
Chile.....	1,543,242	631,593	40.9	1,420,316	600,961	42.3
Colombia.....	130,445	22,949	17.6	976,975	263,812	27.0
Ecuador.....	472,701	81,221	17.2	505,112	61,064	12.1
Paraguay.....	1,171,577	386,341	33.0	1,566,639	502,781	32.1
Peru.....	2,711,220	3,003,811	110.8	3,811,633	3,082,300	80.9
Uruguay.....	4,845,857	2,608,391	58.0	7,711,885	5,603,756	72.7
Venezuela.....	15,012,632	4,386,561	29.2	17,804,403	5,267,232	29.6
Central America:						
Costa Rica.....	2,310	576	24.9	5,023	977	19.5
El Salvador.....	53,306	13,417	25.2	32,919	2,674	7.8
Guatemala.....	38,437	29,995	78.0	28,345	13,675	48.2
Honduras.....	102,696	30,626	29.8	76,363	12,782	16.7
Nicaragua.....	187,848	264,123	140.6	208,243	197,566	94.0
Panama (combined).....	121,385	38,196	31.5	85,264	14,729	17.3
Mexico.....	10,143,999	5,754,769	56.7	14,082,050	7,818,884	55.5
West Indies:						
Cuba.....	97,203,361	45,434,986	46.7	92,629,932	48,811,484	52.7
Dominican Republic.....	2,355,606	2,462,048	104.5	1,736,196	1,444,054	83.5
Haiti.....	470,404	650,728	138.3	28,500	29,565	103.7
Total dutiable imports from Latin America.....	177,371,378	83,624,804	47.1	194,181,749	95,500,475	49.2
Total dutiable imports from all countries.....	765,963,694	301,380,539	39.3	878,050,666	328,352,433	37.4

¹ Preliminary.

NOTE: The duties on imports into the Virgin Islands of the United States are assessed under the Virgin Islands tariff law; therefore, in this computation, imports into the Virgin Islands have not been included.

Source: Compiled from official statistics of the U. S. Treasury Department, Bureau of Customs.

TABLE IX.—United States imports for consumption from the 20 Latin American countries, by economic classes, agricultural and nonagricultural, free and dutiable, in 1938 ¹

[Value in thousands of United States dollars]

Country	Total		Crude materials		Crude foodstuffs		Manufactured foodstuffs and beverages		Semimanufactures		Finished manufactures	
	Agricultural	Nonagricultural	Agricultural	Nonagricultural	Agricultural	Nonagricultural	Agricultural	Nonagricultural	Agricultural	Nonagricultural	Agricultural	Nonagricultural
South America:												
Argentina:												
Free.....	7,886	3,036	7,191	2,167	1	(?)	640		51	049	4	220
Dutiable.....	28,494	2,258	23,719	14	478	(?)	4,283	4	14	2,193		48
Bolivia:												
Free.....	70	225	70	198						25		2
Dutiable.....	48	2	1	1	47					(?)		1
Brazil:												
Free.....	86,054	1,677	9,539	1,354	75,684		15		630	5	186	318
Dutiable.....	9,367	650	2,619	294	2,646		3,840	1	251	219	3	137
Chile:												
Free.....	517	26,526	276	4,519			214		27	21,042		66
Dutiable.....	789	759	182	7	469		135		2	749		3
Colombia:												
Free.....	48,378	869	109	620	48,269		(?)			7		242
Dutiable.....	32	99	29	21	2					22		56
Ecuador:												
Free.....	2,021	76	270	27	1,751					14		34
Dutiable.....	9	464		1	(?)		9			151		313
Paraguay:												
Free.....	80	25	9	1			7			18	65	6
Dutiable.....	437	735					436			731	1	4
Peru:												
Free.....	593	9,014	537	2,001	44		11	1	1	6,007		106
Dutiable.....	1,752	959	597	466	2		1,153	4		486		4
Uruguay:												
Free.....	460	51	419	24	2		46		1			27
Dutiable.....	4,826	20	1,981				2,845	1		18		1
Venezuela:												
Free.....	2,942	2,097	219	1,710	2,723					6		380
Dutiable.....	44	14,969	13	14,966	31			1		(?)		
Central America:												
Costa Rica:												
Free.....	3,540	559	10	5	3,529	460						94
Dutiable.....	1	1	(?)	(?)	1		(?)	(?)		(?)		1

El Salvador:													
Free.....	5,502	57	13	6	5,550								52
Dutiable.....	7	40	4	45	(¹)		4						1
Guatemala:													
Free.....	8,707	725	6	590	8,725			(¹)	(¹)		35		129
Dutiable.....	13	25	2	(¹)	1		10			10			6
Honduras:													
Free.....	5,215	360	14	154	5,201								206
Dutiable.....	95	7		5	90		5	(¹)		1			1
Nicaragua:													
Free.....	2,079	200	87	133	1,991	4	1			1			63
Dutiable.....	147	41	2	10	7		138			31		(¹)	
Panama:													
Free.....	3,350	453	2	39	3,348	28							387
Dutiable.....	95	27	(¹)	2	94		(¹)	11		6			8
Mexico:													
Free.....	10,372	12,969	8,164	4,077	11,107	637	5	(¹)	22	5,949	74		2,300
Dutiable.....	5,867	4,277	143	1,861	5,396	140	328	107	1	1,327			826
West Indies:													
Cuba:													
Free.....	2,816	5,420	490	4,441	2,030	31	211	33	76	18	(¹)		896
Dutiable.....	95,087	2,122	7,815	3	2,553	1	84,718	1,031	1	369			718
Dominican Republic:													
Free.....	2,075	440	53	38	2,733		107	(¹)	82	26			375
Dutiable.....	2,300	114	(¹)	(¹)	236		2,064	(¹)	(¹)	71	(¹)		42
Haiti:													
Free.....	2,381	91	560	40	1,810		(¹)	(¹)	5				51
Dutiable.....	480	9	18	(¹)	6		456	8		(¹)			1
Total Latin American countries.....	354,048	92,454	65,169	39,845	186,657	1,307	101,690	1,202	1,164	41,060	308		8,142
Free.....	205,058	64,870	28,044	22,149	174,498	1,160	1,257	34	895	35,567	304		5,960
Dutiable.....	149,890	27,584	37,125	17,696	12,059	147	100,433	1,168	269	6,393	4		2,182
Percent of United States imports from all countries accounted for by imports from Latin America.....	37.1	9.3	15.9	24.1	75.3	10.6	41.0	1.8	2.4	12.4	7.7		2.0
Free.....	32.4	11.8	9.0	16.6	81.0	20.8	1.9	5.3	2.3	15.6	11.3		3.3
Dutiable.....	46.6	6.2	37.9	55.0	35.6	2.2	55.8	1.8	3.2	5.8	.3		.9

¹ Preliminary.

² Not over \$500.

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

TABLE X.—United States exports (domestic merchandise) to the 20 Latin American countries, by economic classes, in 1938 ¹

[Value in thousands of U. S. dollars]

Country	Total	Crude materials	Crude food-stuffs	Manufactured food-stuffs and beverages	Semimanufactures	Finished manufactures
South America:						
Argentina.....	86,500	3,322	480	412	9,559	72,721
Bolivia.....	5,385	228	1	189	465	4,502
Brazil.....	61,708	956	1,117	519	7,499	51,617
Chile.....	24,488	895	2	549	6,223	16,819
Colombia.....	40,513	1,203	484	1,591	3,574	33,661
Ecuador.....	3,273	47	2	620	334	2,270
Paraguay.....	643	5	-----	5	27	606
Peru.....	16,587	53	71	620	2,486	13,357
Uruguay.....	5,004	181	55	54	1,020	3,694
Venezuela.....	52,069	75	306	5,410	3,395	42,877
Central America:						
Costa Rica.....	5,416	19	41	1,049	682	3,625
El Salvador.....	3,504	42	190	224	439	2,609
Guatemala.....	6,836	150	31	783	1,325	4,547
Honduras.....	6,252	50	196	495	1,468	4,043
Nicaragua.....	2,767	40	13	204	221	2,289
Panama.....	24,297	598	1,026	4,467	3,062	14,244
Mexico.....	59,526	1,056	4,387	2,118	10,617	41,348
West Indies:						
Cuba.....	75,678	3,655	2,257	18,052	10,249	41,465
Dominican Republic.....	5,619	31	98	839	423	4,228
Haiti.....	3,000	12	10	643	211	2,718
Total Latin American countries.....	489,665	12,618	10,779	38,849	64,170	363,240
Percent of total United States exports accounted for by exports to Latin America.....	16.0	2.1	4.3	21.1	12.7	23.9

¹ Preliminary.

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

APPENDIX C.—A SUMMARY OF SELECTED DATA RELATING TO THE TRADE STATISTICS OF THE 20 LATIN AMERICAN COUNTRIES

Purpose and scope of the supplement.

The purpose of this appendix is to bring together certain data relating to the trade statistics of the 20 Latin American countries. It is not intended to be exhaustive, but merely to indicate in concise and readily available form certain information which may be useful to those engaged in an analysis of the trade statistics of the several Latin American countries. The appendix is believed to portray accurately the basis of the trade statistics of the 20 Latin American countries as of July 1, 1940.

A general discussion of the data pertaining to the trade statistics of the 20 Latin American countries is presented in the subsequent section of this appendix. Following this discussion, there appears for each of the 20 Latin American countries a brief summary of the pertinent data. This includes (1) the export-valuation system; (2) the import-valuation system; (3) the composition of the export statistics; (4) the composition of the import statistics; (5) the system and units of weights and measures; (6) the monetary unit employed in recording trade statistics; (7) conversion factors for trade statistics, 1929-39, where applicable; (8) the date of the suspension of the gold standard; (9) the date of the introduction of exchange control, where applicable; and (10) the primary source or sources of the trade statistics.

Trade statistics of the Latin American countries.

General comments.—Because of the lack of uniformity in the methods employed in recording the trade statistics of the several Latin American countries, they should be accepted with reservations and interpreted with caution. Especially is this true when the statistics are combined to record Latin American trade as a whole, or the trade of a particular region of Latin America.

Certain types of data which would be useful in an analysis of the trade of certain of the Latin American countries are not available. Price and quantum indexes of exports, for instance, are obtainable only for Argentina, Chile, and Uruguay.¹ For certain countries, the exports of which consist largely of one or a very few staple products, reliance may be placed on quantity figures and average yearly prices or unit values of the leading exports. For countries in which exports are more diversified—for example, Mexico—such statistics are of course much less satisfactory as general indexes. Except for Argentina and Chile, price and quantum indexes of imports are not available.¹

The trade channels of certain countries, especially Paraguay and Uruguay, are such that it is not possible to determine accurately the countries of destination for exports and the countries of origin for imports. Exports from Paraguay, for instance, are in large part

¹ In the League of Nations *Review of World Trade*.

shipped to Argentina "in transit," and even those listed as direct exports to Argentina may subsequently be reexported from that country as Argentine products. Similarly, Paraguayan imports come largely from Argentina, and include many products reexported from that country. The Costa Rican trade statistics do not list imports of commodities by countries of origin.

Export and import valuation systems.—The export and import valuation systems of the several Latin American countries not only differ one from another, but in any one country they may be subject to frequent change. Some countries employ the c. i. f. basis for valuations, some the f. o. b. basis, and in still others valuations are established on the basis of "official" unit values.² Moreover, even in countries which employ the c. i. f. or f. o. b. basis there are distinct variations in the point at which the valuation is applied. In some cases, c. i. f. or f. o. b. valuations include export or import duties; in others, such duties are excluded. In some instances, valuation systems which are officially announced as c. i. f. are in practice f. o. b. A variation in the usual c. i. f. valuation system is the Guatemalan method of determining the value of imports. To the declared foreign valuations there is added 25 percent, an amount estimated to cover the charges for freight, insurance, and commissions and other charges.

In countries employing the system of "official" valuations, there frequently is a wide variation between such valuations and the actual values of the commodities involved. In Venezuela, for example, exports of petroleum—the dominant Venezuelan export commodity—are assigned an official unit valuation, but such exports are actually worth only about 60 percent of the published valuations. In Uruguay, on the other hand, the official customs valuations in the period 1929 to date have ranged from 20 to 35 percent lower than the actual values.

The import-valuation systems herein summarized apply only to valuations established for the purpose of recording trade statistics. Except in a few countries, notably Argentina and Uruguay, import valuations have little relationship to the application of import tariffs, which in most instances consist principally of specific duties levied on units of weight or measure.

Composition of the trade statistics.—In general, the export trade statistics of the Latin American countries show "general" exports (that is, exports of domestic products and reexports). In many of the countries, however, reexports are so small that the figures given are in effect those of "domestic" exports (that is, net exports, excluding reexports). Reexports form a substantial part of the total exports from certain countries, notably Argentina. In the statistics for some of the countries, summary tables showing both "general" and "domestic" exports are available.

Most of the countries of Latin America include bullion and specie as merchandise in their export statistics; in such cases, the precious metals constitute a part of the totals of exports of merchandise. An outstanding exception is Colombia, which shows its large exports of gold in separate tables. From the standpoint of Colombia, however,

² The c. i. f. basis usually includes cost of the merchandise, and insurance and freight to a specified point (customarily the port of debarkation in the country of destination). The f. o. b. (free on board) basis usually includes the cost of the merchandise, and all charges incident to placing the goods on vessels at the port of embarkation in the country of origin. Official values are arbitrary valuations placed on goods in the importing or exporting country for the purpose of assessing import or export duties and of recording trade statistics.

exports of gold are similar in economic significance to those of merchandise. One country, Argentina, includes silver bullion as merchandise in the export statistics, but carries exports of gold in separate tables. For certain countries, no data are available concerning specie movements.

In the Latin American export statistics, there are distinct variations in the treatment accorded other items, such as parcel post, transit and transshipment trade, and ships' stores. In some cases one or more of these items are included in the totals of exports of merchandise; in other cases they are excluded.

The import-trade statistics of the Latin American countries for the most part show "general" imports (that is, imports for consumption), as well as those commodities which are to be reexported. A few countries show "imports for consumption" only. In the statistics for some of the countries, summary tables showing both "general imports" and "imports for consumption" are available.

As in the case of exports, the import-trade statistics of the Latin American countries for the most part include bullion and specie in the totals of imports of merchandise. A notable exception is Argentina, which shows specie and gold bullion in separate tables, but includes silver bullion as merchandise. There are wide variations in the treatment accorded in the import statistics to other items, such as parcel post, transit and transshipment trade, and ships' stores.

In the following summary of the composition of the trade statistics of the Latin American countries, no attempt has been made to cover a number of minor items, such as salvage and personal effects. These are generally unimportant, and vary considerably in composition and treatment from country to country.

Systems and units of weights and measures.—In the trade statistics of the Latin American countries, quantities are customarily recorded in the metric system. There are, however, certain exceptions. In Guatemala, for example, imports are recorded in the metric system, but exports are reported in Spanish quintals of 101.43 pounds.

Most Latin American import and export quantity statistics are given in terms of weight. Some of the countries report commodities in gross weight, and some in net weight; others record various commodities in gross, legal, or net weight. A few countries record both gross and net weight. Gross weight generally means the weight of merchandise including all exterior and interior containers and wrappings. Net weight usually indicates the weight of merchandise excluding all exterior and interior containers and wrappings. Legal weight customarily refers to the weight of merchandise including all interior containers, but excluding all exterior containers, and wood shavings, sawdust, straw, paper, or other materials employed in preparing packages for shipment.

In most countries which employ metric units for recording quantitative statistics, some commodities usually are reported in non-metric units, such as bunches, dozens, or gallons, or in individual units. Exports and imports of live animals are commonly recorded in numbers. No attempt has been made in this summary to list these and other minor variations. Some countries record exports of bananas only in bunches, the weight of the bunch ranging from as little as 30 pounds in some countries to as much as 66 pounds in

others. In a particular country the weight of the bunch may vary from year to year, depending on crop conditions.

The notations in this summary as to the systems of weights and measures employed in the Latin American countries refer only to exports from and imports into the several countries. For other purposes, such as the recording of production and trade within the countries, units other than those indicated in the summary are frequently employed.

Monetary units employed in recording trade statistics.—The monetary units noted in this summary are those employed in the compilation of trade statistics. In several of the Latin American countries, such units are not the same as those employed within the countries. Chile, for example, employs for purposes of the trade statistics a peso of 6 pence gold, and Bolivia a boliviano of 18 pence sterling.³ The trade statistics of Paraguay are recorded in Argentine gold pesos, while Honduras, which reports exports in its own monetary unit (the lempira), records imports in United States dollars. In some countries the monetary unit utilized for purposes of the trade statistics is equivalent, or bears a fixed relationship, to the United States dollar. The internal currency in these countries, however, may have a value which varies, in terms of the United States dollar, from that employed in the trade statistics.

Conversion factors for trade statistics.—The various currencies in use in the Latin American countries, and the different rates at which some of them have depreciated, make the trade statistics of many of the Latin American countries only approximate measures of their trade. Some of the currencies, notably those which are pegged to the United States dollar, are fairly stable; others fluctuate widely. The difficulty of converting statistics recorded in such currencies to the United States dollar is often complicated by the existence of multiple exchange rates, and by the allocation of exchange for particular countries or commodities at varying rates. In converting statistics expressed in the currency of Argentina, for example, it is often necessary to weight the conversion factors, inasmuch as exchange for some years has been obtainable partly on the basis of the official rate and partly on the basis of the free-market rate.

The exchange conversion rates given in this summary are those employed in the main body of this report. In several cases these exchange conversion rates, although proper for converting import and export statistics, are not even approximately suitable for measuring the dollar equivalent of prices in the countries concerned. The official rate of the Chilean peso, for example, is about \$0.05, and the export draft rate \$0.04, but trade statistics are recorded in pesos of 6 pence gold. This gold peso, which is equivalent to \$0.2061, should, of course, be used only for the purpose of converting trade statistics.

Classifications.—Commodity classifications employed in the export and import schedules of the trade statistics of several of the Latin American countries are changed frequently, making comparison of data for some commodities over a period of years extremely difficult. The import classifications of Bolivia, Brazil, Uruguay, Venezuela, and Mexico, for example, underwent such far-reaching changes in

³ The Chilean peso of 6 pence gold is equivalent to \$0.2061, but the official rate of the Chilean peso (average for July 1940) was \$0.0516. The boliviano of 18 pence sterling is equivalent to \$0.3650, but the controlled rate of the boliviano (average for July 1940) was \$0.0247.

the decade 1929-38 that it is extremely difficult to reduce the statistics for the earlier years to comparability with those for the later years.

There is, furthermore, little uniformity in the commodity classifications employed by the various countries. Such group classifications as "raw materials," "primary materials," "foodstuffs," "agricultural products," "animal products," "manufactured products," "semimanufactured products," "machinery," and "vehicles" do not always include the same products in the several countries. Moreover, in the statistics of some countries, the same commodity may appear under several distinct classifications.

Exports of the same commodity from the various Latin American countries, frequently are of different types or grades. The quantities, values, and unit values of exports of one country, therefore, should be interpreted with caution, especially when they are compared with those of exports from other countries.

Primary sources of trade statistics.—The enumeration of primary sources of the trade statistics of the 20 Latin American countries given in the following summary is not intended to be exhaustive. For the most part, it includes only the annual publications that give foreign trade statistics for a complete year. Many of the 20 Latin American countries also publish monthly cumulative bulletins of trade statistics. These chiefly give summary information; usually it is not until the publication of the annual reports that detailed statistics are available. For Panama, however, the only official source available is the noncumulative monthly bulletin. Venezuelan trade statistics are published by semesters, and are not cumulative.

In general, the official Latin American sources indicated in the summary are those utilized in the preparation of the report. In most cases the sources are in Spanish. In a few they are either originally in English or exist in English translation.

For most of the Latin American countries a single continuing official source exists; in some countries the title of the annual publication may vary slightly from time to time. In general there is a delay of a year or more before detailed statistics of trade of the several Latin American countries are available, although summary material frequently is available much earlier. There is no uniformity, however, in the time at which complete statistics become available; for certain countries, no annuals have been published for some years. In these cases, the monthly bulletins are available. Statistics may also be available in publications of the United States Department of Commerce or of the Pan American Union.

Most of the sources noted in this summary are available in the Library of Congress and in the libraries of the United States Department of Commerce, the Pan American Union, and the United States Tariff Commission.

ARGENTINA

Export-valuation system:

Export values employed by Argentina are of two types—"real" values and "basic" values.

"Real" values constitute the normal basis of the trade returns, and show the current commercial value of the trade.

"Basic" values, employed as a quantitative expression of trade, are obtained by applying to the quantities exported in each year the prices prevailing in 1910.

ARGENTINA—Continued

Import-valuation system:

Import values employed by Argentina are of three types—"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 the tariff valuation of groups of commodities at regular intervals to approximate market values.

"Nominal" values are an expression of imports in terms of 1906 tariff values, and serve as a quantitative expression of the trade from year to year.

Composition of export statistics:

Exports of domestic and nationalized products. Specie and gold bullion are shown in separate tables. Silver bullion is included as merchandise. Parcel post and ships' stores are included.

Composition of import statistics:

General imports. Specie and gold bullion are shown in separate tables. Silver bullion is included as merchandise. Parcel post is included. Ships' stores are excluded, unless and until landed for home consumption.

System and units of weights and measures:

Metric system. Exports are shown principally in net kilograms or net metric tons (arrived at by deducting fixed percentages for tare). Some export commodities are recorded in other metric units or in non-metric units. Imports are shown chiefly in gross, legal, or net kilograms, or in metric tons, but for some commodities other metric or nonmetric units are employed. Summary tables show metric tons.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in Argentine gold pesos through 1932. Beginning with 1933 they are recorded in Argentine paper pesos. The gold peso is equivalent to 2.2727 paper pesos.

Conversion factors for trade statistics:

1 Argentine gold peso=			
1929.....	\$0. 9513	1931.....	\$0. 6674
1930.....	. 8350	1932.....	. 5844

1 Argentine paper peso=

		<i>Exports</i>	
1929.....	\$0. 4186	1935.....	\$0. 2864
1930.....	. 3674	1936.....	. 2918
1931.....	. 2936	1937.....	. 3086
1932.....	. 2571	1938.....	. 2973
1933.....	. 3203	1939.....	. 2500
1934.....	. 2907		

Imports

1929.....	\$0. 4186	1935.....	\$0. 2890
1930.....	. 3674	1936.....	. 2933
1931.....	. 2936	1937.....	. 3080
1932.....	. 2571	1938.....	. 2941
1933.....	. 3203	1939.....	. 2500
1934.....	. 2950		

Suspension of gold standard:

December 16, 1929.

ARGENTINA—Continued

Introduction of exchange control:

October 13, 1931.

Primary source of trade statistics:

Anuario del Comercio Exterior de la República Argentina. (Dirección General de Estadística de la Nación.)

BOLIVIA

Export-valuation system:

Export values employed by Bolivia are declared values f. o. b. frontier, including export duties.

Import-valuation system:

Import values employed by Bolivia are declared values c. i. f. frontier, excluding import duties.

Composition of export statistics:

Exports of domestic and nationalized products. Gold and silver are included. Transit trade is excluded.

Composition of import statistics:

Imports for consumption. Gold and silver are included. Transit trade is excluded.

System and units of weights and measures:

Metric system. Exports are shown in gross kilograms (minerals in both gross and "fine" kilograms). Imports are shown in gross kilograms.

Monetary unit employed in recording trade statistics:

Trade statistics at present are recorded in bolivianos of 18 pence sterling. For the decade 1929–38 the value of the boliviano employed in reporting trade statistics was as follows: 1929, boliviano of 18 pence sterling; 1930–31, boliviano of 17–49/64 pence sterling; 1932, boliviano of 14–29/32 pence sterling; 1933, boliviano of 12–19/61 pence sterling; 1934, boliviano of 11–57/64 pence sterling; 1935, boliviano of 11–27/32 pence sterling; 1936–38, boliviano of 18 pence sterling. There are a few summary tables in the annual showing trade data in both bolivianos and pounds sterling.

Conversion factors for trade statistics:

1 boliviano of specified number of pence sterling (see above) =			
1929	..... \$0. 3588	1935	..... \$0. 2349
1930	..... . 3542	1936	..... . 3650
1931	..... . 3248	1937	..... . 3650
1932	..... . 2122	1938	..... . 3650
1933	..... . 1985	1939	..... . 3650
1934	..... . 2389		

Suspension of gold standard:

September 23, 1931.

Introduction of exchange control:

October 3, 1931.

Primary source of trade statistics:

Comercio Exterior de Bolivia, annual. (Ministerio de Hacienda, Dirección General de Estadística.)

BRAZIL

Export-valuation system:

Export values employed by Brazil are f. o. b. port of embarkation, including packing, interior freight, and export duties, as declared by merchants.

Import-valuation system:

Import values employed by Brazil are c. i. f. port of entry, excluding duties, as declared by merchants.

Composition of export statistics:

Domestic exports. Bullion, coin, and foreign bank notes are included.

Composition of import statistics:

General imports, including merchandise already cleared for consumption, as well as that which is in warehouses for that purpose or to be reexported. Bullion, coin, and foreign bank notes are included. Transit trade is also included.

System and units of weights and measures:

Metric system. Exports and imports are shown chiefly in net kilograms or net metric tons. For certain commodities, other metric or non-metric units are employed. Exports of bananas are recorded in bunches.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in paper milreis and in pounds sterling "gold." A few summary tables show values in paper milreis, pounds sterling, and pounds sterling "gold."

Conversion factors for trade statistics:

1 milreis =

		<i>Exports</i>	
1929.....	\$0. 1181	1935.....	\$0. 0656
1930.....	. 1071	1936.....	. 06537
1931.....	. 0703	1937.....	. 06826
1932.....	. 0712	1938.....	. 0580
1933.....	. 0787	1939.....	. 0544
1934.....	. 0829		
		<i>Imports</i>	
1929.....	\$0. 1181	1935.....	\$0. 0583
1930.....	. 1071	1936.....	. 0578
1931.....	. 0703	1937.....	. 0622
1932.....	. 0712	1938.....	. 0569
1933.....	. 0787	1939.....	. 0524
1934.....	. 0830		

Suspension of gold standard:

November 22, 1930.

Introduction of exchange control:

August 12, 1931.

Primary source of trade statistics:

Commercio Exterior do Brasil, annual; *Commercio Exterior do Brasil*, monthly, cumulative, January to December. (Directoria de Estatistica Economica e Financeira do Thesouro Nacional, Ministerio da Fazenda.) The annual is in Portuguese, English, and French. The monthly is in Portuguese, and is indexed in Portuguese, English, and French.

CHILE

Export-valuation system:

Export values employed by Chile are f. o. b. frontier, excluding export duties.

Import-valuation system:

Import values employed by Chile are c. i. f.

Composition of export statistics:

Exports of domestic and nationalized products. Specie and precious metals are included. Transit and transshipment trade is excluded. Ships' stores are included (except foreign produce shipped ex-warehouse).

Composition of import statistics:

Imports for consumption. Specie and precious metals are included. Ships' stores are excluded unless and until landed for home consumption.

System and units of weights and measures:

Metric system. Exports are shown chiefly in gross kilograms, except minerals, which are recorded chiefly in gross metric quintals (100 kilograms). Imports are shown chiefly in gross or net kilograms, but a number of other metric units are employed. Imports of minerals are chiefly recorded in gross or net quintals.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in Chilean pesos of 6 pence gold, which in United States currency were equivalent to \$0.1217 until the United States abandoned the gold standard. Upon the devaluation of the United States dollar (February 1, 1934), the United States dollar equivalent was raised to \$0.2061.

Conversion factors for trade statistics:

1 Chilean peso of 6 pence gold=					
1929	-----	\$0. 1217	1935	-----	\$0. 2601
1930	-----	. 1217	1936	-----	. 2061
1931	-----	. 1217	1937	-----	. 2061
1932	-----	. 1217	1938	-----	. 2061
1933	-----	. 1510	1939	-----	. 2061
1934	-----	. 2061			

Suspension of gold standard:

July 30, 1931.

Introduction of exchange control:

July 30, 1931.

Primary source of trade statistics:

Anuario Estadístico de la República de Chile; 1929, vol. VIII; 1930-32, vol. VII. Estadística Anual de Comercio Exterior, 1933. Anuario Estadístico de Chile, 1934-37, vol. VII. Comercio Exterior, 1938. (Dirección General de Estadística.)

COLOMBIA

Export-valuation system:

Export values employed by Colombia are f. o. b., excluding export duties.

Import-valuation system:

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, Colombian port.

COLOMBIA—Continued

Composition of export statistics:

General exports. Gold is excluded. Parcel post is included. Because of the small reexport trade, the figures correspond closely to domestic exports.

Composition of import statistics:

General imports. Parcel post is included.

System and units of weights and measures:

Metric system. Exports and imports are shown in both gross and net kilograms. They are also shown in other metric or nonmetric units, except in the tables covering economic groups, countries, and customs districts; in these tables they are shown in gross kilograms.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in Colombian pesos.

Conversion factors for trade statistics:

1 Colombian peso=

1929.....	\$0. 9676	1935.....	\$0. 5609
1930.....	. 9662	1936.....	. 5717
1931.....	. 9662	1937.....	. 5656
1932.....	. 9530	1938.....	. 5593
1933.....	. 8032	1939.....	. 5707
1934.....	. 6152		

Suspension of gold standard:

September 24, 1931.

Introduction of exchange control:

September 24, 1931.

Primary source of trade statistics:

Anuario de Comercio Exterior. (Contraloría General de la República, Dirección Nacional de Estadística.)

COSTA RICA

Export-valuation system:

Export values employed by Costa Rica are f. o. b., as declared by merchants, except in the case of certain staple exports (e. g., bananas and coffee) for which official valuations, revised annually, are used.

Import-valuation system:

Import values employed by Costa Rica are c. i. f. Costa Rican port or frontier, excluding import duties, as per consular invoices.

Composition of export statistics:

General exports. Bullion, specie, and parcel post are included. Transit and transshipment trade is excluded.

Composition of import statistics:

General imports. Bullion, specie, and parcel post are included. Transit and transshipment trade is excluded.

System and units of weights and measures:

Metric system. Exports are shown chiefly in gross kilograms. Exports of coffee are recorded in both gross kilograms and sacks of 60 kilograms. Exports of bananas are recorded in both gross kilograms and bunches. Imports are reported chiefly in gross or net kilograms, but some commodities are also shown in other units.

COSTA RICA—Continued

Monetary unit employed in recording trade statistics:

Trade statistics were recorded in Costa Rican colones through 1935. Beginning in 1936, trade statistics are recorded in the "American dollar."

Conversion factors for trade statistics:

1 Costa Rican colón=			
1929-----	\$0. 2500	1935-----	\$0. 1684
1930-----	. 2500	1936-----	. 1783
1931-----	. 2500	1937-----	. 1783
1932-----	. 2273	1938-----	. 1783
1933-----	. 2198	1939-----	. 1783
1934-----	. 2353		

Suspension of gold standard:

September 18, 1914.

Introduction of exchange control:

January 16, 1932.

Primary source of trade statistics:

Informe de la Dirección General de Estadística.

CUBA

Export-valuation system:

Export values employed by Cuba are f. o. b. Cuban port, as declared by merchants and verified by the customs.

Import-valuation system:

Import values employed by Cuba are f. o. b. port of embarkation in country of origin, as declared by merchants and verified by the customs.

Composition of export statistics:

General exports. Gold and silver bullion are included; specie is excluded. Transit and transshipment trade is excluded.

Composition of import statistics:

General imports. Gold and silver bullion are included; specie is excluded. Transit and transshipment trade is excluded.

System and units of weights and measures:

Metric system. Exports (except sugar and sugar products) are shown chiefly in net kilograms; for some commodities other metric or non-metric units are employed. Exports of sugar and other derivatives of sugarcane are recorded in the libra (equivalent to 1.014 United States pounds) or the gallon. Imports are shown principally in gross or net kilograms; for some commodities other metric or nonmetric units are employed.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in Cuban pesos. In the trade statistics the peso is equivalent to the United States dollar.

Suspension of gold standard:

November 21, 1933.

Introduction of exchange control:

June 15, 1939.

Primary source of trade statistics:

Comercio Exterior, República de Cuba. (Secretaría de Hacienda, Dirección General de Estadística.)

DOMINICAN REPUBLIC

Export-valuation system:

Export values employed by the Dominican Republic are f. o. b. Dominican port or frontier, including export duties.

Import-valuation system:

Import values employed by the Dominican Republic are declared invoice values, f. o. b.

Composition of export statistics:

General exports. Bullion is included; currency is excluded. Transit and transshipment trade, where included, is so designated.

Composition of import statistics:

General imports. Bullion is included; currency is excluded. Transit and transshipment trade, where included, is so designated.

System and units of weights and measures:

Metric system. Exports are shown chiefly in net kilograms. Exports of bananas are recorded in kilograms and in bunches. Imports are shown chiefly in legal or net kilograms, but a number of other units (both metric and nonmetric) are employed.

Monetary unit employed in recording trade statistics:

Until 1938 the monetary unit was the United States dollar. A monetary law (published in 1937) authorized the issuance of silver coins based on a peso equal in value to the United States dollar; the circulation of the new coins began in 1938. United States paper currency circulates at par with the new coins. Trade statistics are reported in United States dollars.

Suspension of gold standard:

See under "monetary unit" above.

Introduction of exchange control:

No exchange control.

Primary source of trade statistics:

Report of the Dominican Customs Receivership.

ECUADOR

Export-valuation system:

Export values employed by Ecuador are stated to be local market values, including duties and charges up to the frontier; in practice they are computed on a c. i. f. basis, port of embarkation.

Import-valuation system:

Import values employed by Ecuador are stated to be the c. i. f. values at the frontier; in practice, imports are calculated on the f. o. b. costs, disregarding freight and insurance.

Composition of export statistics:

General exports. Bullion and specie are included. Parcel post is excluded. Transit and transshipment trade is excluded. Ships' stores are included.

Composition of import statistics:

General imports. Bullion and specie are included. Parcel post is included. Transit and transshipment trade is excluded. Ships' stores are excluded, unless and until landed.

ECUADOR—Continued

System and units of weights and measures:

Metric system. Exports are shown chiefly in gross kilograms. Exports of crude petroleum are recorded in metric tons, those of bananas in bunches, and those of animals, toquilla hats, and fresh fruits in numbers. Imports are shown chiefly in gross, legal, or net kilograms. For some import commodities other metric and nonmetric units are employed.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in sucres.

Conversion factors for trade statistics:

1 sucre =

1929.....	\$0. 2000	1935.....	\$0. 1000
1930.....	. 2000	1936.....	. 0952
1931.....	. 2000	1937.....	. 0910
1932.....	. 1667	1938.....	. 0746
1933.....	. 1667	1939.....	. 0689
1934.....	. 1250		

Suspension of gold standard:

February 8, 1932.

Introduction of exchange control:

Introduced May 2, 1932; suspended October 7, 1935; reintroduced July 31, 1936; suspended July 31, 1937; reintroduced June 4, 1940.

Primary source of trade statistics:

Boletín General de Estadística (1929 statistics). *Boletín de Hacienda*, November 1933 (1932 statistics). *Estadística y Censos de la República del Ecuador*, vol. 1, No. 2, April 1939 (1936 and 1937 statistics). Banco Central del Ecuador, *Boletín Mensual*, February 1939 (1938 statistics).

EL SALVADOR

Export-valuation system:

Export values employed by El Salvador are declared values f. o. b. Salvadoran port, including export duties.

Import-valuation system:

Import values employed by El Salvador are c. i. f. Salvadoran port, including consular fees, freight, insurance, and other invoice charges, but excluding Salvadoran duties and taxes.

Composition of export statistics:

General exports. Bullion and specie are included. Parcel post is excluded. Transit and transshipment trade is excluded.

Composition of import statistics:

General imports. Bullion, specie, and parcel post are included. Transit and transshipment trade is excluded.

System and units of weights and measures:

Metric system. Exports are shown chiefly in gross kilograms. Exports of coffee are recorded in kilograms, metric quintals of 46 kilograms, and sacks of 69.92 kilograms. Imports are shown chiefly in gross kilograms (a few in legal or net kilograms), but for some commodities other units are employed.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in Salvadoran colones.

EL SALVADOR—Continued

Conversion factors for trade statistics:

1 Salvadoran colón=					
1929	-----	\$0. 4926	1935	-----	\$0. 4000
1930	-----	. 4903	1936	-----	. 4000
1931	-----	. 4887	1937	-----	. 4000
1932	-----	. 3950	1938	-----	. 4000
1933	-----	. 3401	1939	-----	. 4000
1934	-----	. 3900			

Suspension of gold standard:

October 7, 1931.

Introduction of exchange control:

No exchange control.

Primary source of trade statistics:

Anuario Estadístico. (Dirección General de Estadística.)

GUATEMALA

Export-valuation system:

Export values employed by Guatemala prior to 1940 were f. o. b. Guatemalan port or frontier, excluding duties. Beginning in 1940, export duties are included.

Import-valuation system:

The values shown for imports into Guatemala by sea are f. a. s. port of shipment, plus 25 percent to cover freight, insurance, commissions, and other charges up to the Guatemalan port, and excluding the consular fees.

Composition of export statistics:

Domestic exports. Gold and silver bullion and specie are included. Parcel post is included. Transit trade is excluded.

Composition of import statistics:

General imports. Bullion, specie, and parcel post are included. Transit and transshipment trade is excluded.

System and units of weights and measures:

Metric system. Exports are recorded in gross or net Spanish quintals (equivalent to 101.43 U. S. pounds) and libras (equivalent to 1.0143 U. S. pounds). Imports are shown chiefly in gross, legal, or net kilograms; for some commodities other metric units are employed.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in quetzales. The quetzal is equivalent to the United States dollar.

Suspension of gold standard:

March 6, 1933.

Introduction of exchange control:

No exchange control.

Primary source of trade statistics:

Memoria de los Labores del Ejecutivo en el Ramo de Hacienda y Crédito Público.

HAITI

Export-valuation system:

Export values employed by Haiti are f. o. b. Haitian port or frontier, including export duties.

Import-valuation system:

Import values employed by Haiti are c. i. f., port of importation.

Composition of export statistics:

General exports. Bullion is included; specie is excluded. Parcel post is included. Transit and transshipment trade is excluded.

Composition of import statistics:

General imports. Bullion is included; specie is excluded. Parcel post is included. Transit and transshipment trade is excluded.

System and units of weights and measures:

Metric system. Exports are shown chiefly in net kilograms; for some commodities other metric units are employed. Exports of bananas are recorded in bunches. Imports are shown chiefly in gross, legal, or net kilograms, but other metric units are employed for some commodities.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in gourdes. The gourde is pegged to the United States dollar at the fixed rate of 5 gourdes to the dollar.

Suspension of gold standard:

See under "Monetary unit" above.

Introduction of exchange control:

No exchange control.

Primary source of trade statistics:

Annual Report of the Fiscal Representative, Haiti.

HONDURAS

Export-valuation system:

Export values employed by Honduras are f. o. b. Honduran port or frontier, excluding export duties.

Import-valuation system:

Import values employed by Honduras are f. o. b. place of consignment, excluding consular fees as declared by merchants.

Composition of export statistics:

General exports. Bullion and specie are included. Parcel post is excluded. Transit and transshipment trade is published separately.

Composition of import statistics:

General imports. Bullion and specie are included. Parcel post is included. Transit and transshipment trade is published separately.

System and units of weights and measures:

Metric system. Up to and including the 1935-36 annual, exports were recorded chiefly in the libra (equivalent to 1.0143 United States pounds); for some commodities other units were employed. Beginning with the 1936-37 annual, exports have been reported chiefly in gross kilograms, but a number of other units (both metric and nonmetric) are employed. Exports of bananas are recorded in bunches. Since 1928, imports have been shown chiefly in gross kilograms.

HONDURAS—Continued

Monetary unit employed in recording trade statistics:

Export statistics are recorded in lempiras. The lempira is pegged to the United States dollar at the fixed rate of two lempiras to the dollar. Import statistics are recorded in United States dollars.

Suspension of gold standard:

March 27, 1934.

Introduction of exchange control:

May 27, 1934.

Primary source of trade statistics:

Memoria del Subsecretario de Estado Encargado del Despacho de Hacienda y Crédito Público.

MEXICO

Export-valuation system:

Export values employed by Mexico are invoice values f. o. b., except in the case of petroleum and metals. Petroleum and its derivatives are valued on the basis of the average monthly prices quoted in New York, minus the export tax, transportation cost, and other expenses. The value of metals in the exports is the arithmetical average of the daily quotations for each month in the New York market, converted to national currency at the monthly average dollar quotations.

Import-valuation system:

Import values employed by Mexico are invoice values, c. i. f. Mexican port.

Composition of export statistics:

General exports. Bullion and specie are included. Parcel post is excluded. Transit trade is excluded.

Composition of import statistics:

General imports. Bullion, specie, and parcel post are included. Transit trade is excluded.

System and units of weights and measures:

Metric system. Exports and imports are shown in gross, legal, or net kilograms, and in a variety of other units. Most export commodities are recorded in gross kilograms, but bananas are reported in bunches. The legal kilogram predominates in the import statistics.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in Mexican pesos.

Conversion factors for trade statistics:

1 Mexican peso=					
1929-----	\$0. 4818	1933-----	\$0. 2810	1937-----	\$0. 2775
1930-----	. 4713	1934-----	. 2774	1938-----	. 2212
1931-----	. 3549	1935-----	. 2778	1939-----	. 1930
1932-----	. 3185	1936-----	. 2776		

Suspension of gold standard:

July 25, 1931.

Introduction of exchange control:

No exchange control.

Primary source of trade statistics:

Estadística del Comercio Exterior, annual (not published since 1933); *Revista de Estadística*, monthly; the annual statistics usually appear in some issue during the summer months.

NICARAGUA

Export-valuation system:

Export values employed by Nicaragua are f. o. b. Nicaraguan port or frontier, excluding duties and taxes, as declared by merchants.

Import-valuation system:

Import values employed by Nicaragua are f. o. b. port of embarkation in country of origin.

Composition of export statistics:

General exports. Bullion and specie are included. Parcel post is excluded. Transit and transshipment trade is excluded. Certain border trade is not included.

Composition of import statistics:

General imports. Bullion and specie are included. Parcel post is included. Transit and transshipment trade is excluded.

System and units of weights and measures:

Metric system. Exports are shown in gross kilograms. Exports of coffee are shown both in kilograms and in Spanish quintals of 100 libras (101.43 U. S. pounds or 46.09 kilograms). Exports of wood are shown in superficial feet. Exports of bananas are recorded in bunches. Imports are shown chiefly in gross or net kilograms; for a few commodities various other units are employed.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in gold córdobas. The gold córdoba is equivalent to the United States dollar.

Suspension of gold standard:

November 13, 1931.

Introduction of exchange control:

November 13, 1931.

Primary source of trade statistics:

Report of the Collector-General of Customs and High Commission (until 1933); Memoria del Recaudador-General de Aduanas y Alta Comisión (1933 and after).

PANAMA

Export-valuation system:

Export values employed by Panama (as declared by merchants and verified by the customs) are f. o. b. Panamanian port or frontier, including export duties, except for bananas. Values for banana exports are official valuations per unit of quantity, revised semiannually.

Import-valuation system:

Import values employed by Panama are as declared by merchants and verified by the customs, f. o. b. place and date of consignment, as per consular invoice, including consular fees.

Composition of export statistics:

Domestic exports, except for panama hats from Ecuador, and that portion of bananas shipped from the port of Bocas del Toro which actually originates in Costa Rica. Bullion and specie are included. Parcel post is excluded. Transit and transshipment trade is excluded. Ships' stores are excluded.

PANAMA—Continued

Composition of import statistics:

General imports. Bullion, specie, and parcel post are included. Transit and transshipment trade is excluded. Ships' stores are excluded, unless and until landed for home consumption.

System and units of weights and measures:

Metric system. Exports are shown in a variety of units (many non-metric). Bananas, the principal export commodity, are shown in bunches. Most import commodities are shown in gross or net kilograms; a few are recorded in legal kilograms.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in balboas. The balboa is equivalent to the United States dollar.

Suspension of gold standard:

See under "Monetary unit" above.

Introduction of exchange control:

No exchange control.

Primary source of trade statistics:

Boletín de Estadística. (Secretaría de Trabajo, Comercio e Industria, Sección de Estadística.)

PARAGUAY

Export-valuation system:

Export values employed by Paraguay are calculated "real" values.

Import-valuation system:

Import values employed by Paraguay are calculated "real" values.

Composition of export statistics:

Domestic exports. Gold and silver bullion and specie are excluded. Parcel post is excluded. Transit and transshipment trade is excluded.

Composition of import statistics:

Imports for consumption. Gold and silver bullion and specie are excluded. Parcel post is included. Transit and transshipment trade is excluded.

System and units of weights and measures:

Metric system. Exports are almost entirely shown in gross or net kilograms; a few commodities are recorded in other metric units. Exports of bananas are reported in bunches. Imports are shown chiefly in gross, legal, or net kilograms.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in Argentine gold pesos. The Paraguayan gold peso is equivalent to the Argentine gold peso.

Conversion factor for trade statistics:

1 Argentine gold peso =			
1929	..... \$0. 9513	1935	..... \$0. 6568
1930	..... . 8350	1936	..... . 6649
1931	..... . 6674	1937	..... . 7036
1932	..... . 5844	1938	..... . 6866
1933	..... . 7280	1939	..... . 6156
1934	..... . 6704		

PARAGUAY—Continued

Suspension of gold standard:

See under "Monetary unit" above.

Introduction of exchange control:

June 28, 1932.

Primary source of trade statistics:

Memoria de la Dirección General de Estadística.

PERU

Export-valuation system:

Export values employed by Peru are f. o. b. frontier, excluding export duties.

Import-valuation system:

Import values employed by Peru are c. i. f. frontier.

Composition of export statistics:

Domestic exports. Bullion and specie are included. Parcel post is excluded. Transit and transshipment trade is excluded. Ships' stores, including bunker coal, are included.

Composition of import statistics:

Imports for consumption. Bullion and specie are included. Parcel post is included. Transit and transshipment trade is excluded. Ships' stores, including bunker coal, are excluded unless and until landed for home consumption.

System and units of weights and measures:

Metric system. Exports are principally shown in gross kilograms, but a number of other metric units are employed. Exports of metals and certain other minerals are recorded in net kilograms. Imports are shown chiefly in gross or legal kilograms, but for some commodities other metric or nonmetric units are employed.

Monetary unit employed in recording trade statistics:

Until 1929, trade statistics were recorded in Peruvian pounds, equivalent to the pound sterling, and consisting of 10 soles. Beginning in 1930, trade statistics were recorded in soles.

Conversion factors for trade statistics:

1 sol=			
1929.....	\$0. 4000	1935.....	\$0. 2389
1930.....	. 3660	1936.....	. 2490
1931.....	. 2800	1937.....	. 2520
1932.....	. 2130	1938.....	. 2242
1933.....	. 1890	1939.....	. 1877
1934.....	. 2300		

Suspension of gold standard:

May 18, 1932.

Introduction of exchange control:

No exchange control. A form of exchange stabilization is employed from time to time.

Primary source of trade statistics:

Anuario del Comercio Exterior del Perú. (Departamento de Estadística General de Aduanas.)

CHECKED

URUGUAY

Export-valuation system:

Export values employed by Uruguay are commercial valuations, i. e., "real" or market values.

Import-valuation system:

Import values employed by Uruguay are compiled on the basis of officially appraised valuations. In the period 1929 to date, the official customs valuations have ranged from 20 to 35 percent lower than the actual values.

Composition of export statistics:

Domestic exports. Bullion is included. Specie and parcel post are excluded. Transit and transshipment trade (with certain exceptions) is excluded. Ships' stores shipped from the port of Montevideo are included. No data are published concerning specie movements.

Composition of import statistics:

Imports for consumption. Bullion is included. Specie and parcel post are excluded. Transit and transshipment trade (with certain exceptions) is excluded. Ships' stores, except bunker coal, are excluded, unless and until landed for home consumption. No data are published concerning specie movements.

System and units of weights and measures:

Metric system. Exports are reported chiefly in legal kilograms or metric tons. Imports are recorded chiefly in gross, legal, or net kilograms or metric tons, although some import commodities are reported in other metric or nonmetric units.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in Uruguayan pesos.

Conversion factors for trade statistics:

1 Uruguayan peso=

1929.....	\$0. 9863	1935.....	\$0. 4510
1930.....	. 8587	1936.....	. 5237
1931.....	. 5536	1937.....	. 5595
1932.....	. 4706	1938.....	. 5697
1933.....	. 4863	1939.....	. 4995
1934.....	. 4643		

Suspension of gold standard:

August 8, 1914.

Introduction of exchange control:

September 7, 1931.

Primary source of trade statistics:

Anuario Estadístico de la República Oriental del Uruguay, vol. II. (Dirección General de Estadística.)

VENEZUELA

Export-valuation system:

Export values employed by Venezuela 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.

Import-valuation system:

Import values employed by Venezuela are f. o. b., as per consular invoices.

VENEZUELA—Continued

Composition of export statistics:

General exports. Bullion and specie are included. Parcel post is excluded. Transit and transshipment trade is excluded. Because of the small reexports, the figures closely correspond to domestic exports.

Composition of import statistics:

General imports. Bullion, specie, and parcel post are included. Transit and transshipment trade is excluded. Air commerce is excluded.

System and units of weights and measures:

Metric system. Exports of petroleum and derivatives are shown in gross metric tons; other exports are recorded in gross kilograms. Imports are shown in gross kilograms.

Monetary unit employed in recording trade statistics:

Trade statistics are recorded in bolivares.

Conversion factors for trade statistics:

1 bolívar =			
1929.....	\$0. 1930	1935.....	\$0. 2551
1930.....	. 1890	1936.....	. 2551
1931.....	. 1704	1937.....	. 2824
1932.....	. 1509	1938.....	. 3135
1933.....	. 1862	1939.....	. 3135
1934.....	. 2994		

Suspension of gold standard:

No date assignable.

Introduction of exchange control:

December 12, 1936.

Primary source of trade statistics:

Estadística Mercantil y Marítima. (Ministerio de Hacienda.) Issued each year for first and second semesters. Not cumulative; no annual is issued (except in 1937).

**ADDENDUM.—CONVERSION FACTORS: UNITED STATES
WEIGHTS AND MEASURES AND THE
METRIC SYSTEM ¹**

Units of length

1 inch = 0.0254 meter.	1 meter = 39.37 inches.
1 foot = .3048 meter.	1 meter = 3.2808 feet.
1 yard = .9144 meter.	1 meter = 1.0936 yards.
1 inch = 2.5400 centimeters.	1 centimeter = .3937 inch.
1 inch = 25.4001 millimeters.	1 millimeter = .0394 inch.

Units of area

1 square foot = 0.0929 square meter.	1 square meter = 10.7639 square feet.
1 square yard = .8361 square meter.	1 square meter = 1.1960 square yards.

Units of volume

1 cubic foot = 0.0283 cubic meter.	1 cubic meter = 35.3145 cubic feet.
1 cubic yard = .7646 cubic meter.	1 cubic meter = 1.3079 cubic yards.

Units of capacity, liquid measure

1 quart = 0.9463 liters.	1 liter = 1.0567 quarts.
1 gallon = 3.7853 liters.	1 liter = .2642 gallon.

Units of weight

1 pound ² = 0.4536 kilogm.	1 kilogram = 2.2046 pounds.	
1 hundredweight ³ = 45.3592 kilogms.	1 metric quintal = 220.4622 pounds.	
1 short ton = 907.1849 kilogms.	1 metric ton = 2,204.6223 pounds.	
1 long ton = 1,016.0470 kilogms.		

¹ Source: U. S. Bureau of Standards.

² Avoirdupois.

³ 100 pounds.

