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RUSSIA.

BATUM.

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The consular district of Batum includes Transcaucasia and Ciscaucasia, covering an area of 180,603 square miles with a population of over 12,000,000. It shares with India the first rank in the world's production of manganese and ranks next to the United States in the production of mineral oil. Its copper industry is in its infancy, yet its production in 1913 amounted to 10,005 tons. The country is rich in sulphur, asbestos, asphalt, coal, and lead, and is reported to have extensive deposits of mercury. Its average crop of cereals exceeds the combined crops of western and eastern Siberia. The vast forests of this district have as yet remained unexploited. The annual value of the fishing industry of the Caspian Sea and the Caucasian rivers is estimated at over \$20,000,000, not counting the 1,546 fisheries in the Kuban Cossack region, which produce annually an average of 299,713 pounds of red fish varieties, 5,055,400 pounds of white fish varieties, 31,054,600 pounds of herrings, and 252,770 pounds of caviar. The country also produces for export abroad and to the interior of Russia wool, silk, tobacco, hides and skins, licorice root, fruit, wine, tea, and many other raw products.

Principal Trade Centers of the Caucasus.

The district is almost entirely dependent for its manufactured goods on Central Russia and foreign countries. The principal trade centers and their population are as follows:

Tiflis.....	350,000	Kars.....	35,000
Baku (including oil-well territory).....	343,513	Maikop.....	52,000
Ekaterinodar.....	100,000	Nuha.....	38,000
Novorossisk.....	75,000	Petrovsk.....	18,000
Erivan.....	35,000	Poti.....	15,000
Elisavetpol.....	60,000	Shusha.....	42,016
Kutais.....	55,500	Stavropol.....	55,500
Alexandropol.....	51,000	Sukhum.....	20,000
Batum.....	30,000	Armavir.....	50,500
Derbent.....	35,000	Vladikavkaz.....	76,000
Grozny.....	30,000	Yeisk.....	50,000

General Conditions in 1914 and Effects of War.

The year 1914 opened favorably for the Caucasus. Good crops in 1913, combined with high prices, the increase of the mineral production of the country, large foreign investments, the establish-

ment of new industries, and the impulse given to trade by the building operations on the projected railroads, the commencement of work on the harbor improvements at Poti, Tuapse, Baku, and Petrovsk, together with the construction works being carried on by Tiflis, Baku, and other towns, gave every promise of unusual prosperity for this district.

With the outbreak of the European war trading was temporarily suspended. The southern portion of this district became the theater of military operations, Black Sea ports were closed, and the carriage of freight by rail was interrupted. A considerable percentage of the wealthier population left the coast towns and took up their residence in the larger cities of the interior, which thus became congested, and the congestion was increased by the presence of troops and the influx of thousands of refugees from Armenia, Anatolia, and Persia.

Trade in certain centers greatly developed and prices of all commodities, as well as rents, reached unprecedented figures. Yet notwithstanding the high cost of living little privation was to be noted in the larger centers, except among the refugees. People spent money freely, theaters and shops were crowded, and the general complaint was directed not so much against the high prices of goods as against the difficulty of obtaining them. Dealers who had considerable stocks on hand made fortunes and were willing to pay almost any price to obtain goods.

In the agricultural regions very different conditions prevailed. Scarcity of labor, high prices of machinery and tools, the difficulty of obtaining loans, increased freights and taxes, and delays on shipments of farm products to the various centers brought about unusual poverty and suffering among the rural population.

One important commercial effect of the war noted in 1914 was the breaking away from trade with German firms, which were numerous and well established throughout the district. The average local dealer was accustomed to buy German and a large proportion of other foreign goods from German commission houses or agents, who not only solicited orders, displayed samples, and arranged credits, but were also able to work out the price of the goods delivered at the merchant's warehouse. The only mental effort required of the local dealer in placing orders was to choose the goods preferred. Almost any goods could have been sold here toward the close of 1914 if they had been introduced on the market in as thorough and efficient a manner.

Imports and Exports Through Batum.

The amount of imports into the Caucasus during the first seven months of 1914 was greatly in excess of the imports for the corresponding period of 1913. During the last five months practically all exports and imports ceased. The actual tonnage of foreign imports through the port of Batum in 1914 (all between Jan. 1 and July 30) was about 7,000 tons in excess of the total imports in 1913. The principal increases were in machinery, groceries, sulphur, sulphate of copper, and copper, iron, tin, and steel wares. No official statistics being obtainable, the following figures were obtained from notes collected at the customhouse and from private sources. No reliable estimate could be obtained of imports by rail and canal.

The principal articles of import and export through the port of Batum in 1912, 1913, and 1914 are shown in the following table:

Articles.	1912	1913	1914	Articles.	1912	1913	1914
IMPORTS.				EXPORTS.			
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>		<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
Cement.....	2,200	1,911	564	Albumen and entrails..	49	.....	102
Chemicals.....	1,068	.....	344	Carpets and rugs.....	788	734	1,050
Copper, iron, cast iron, zinc, and steel.....	1,499	1,307	953	Cotton seed.....	19,293	13,856	5,082
Copper, iron, tin, and steel wares.....	1,883	1,797	2,161	Grain and flour.....	25,391	28,047	14,867
Fire bricks, clay, and tiles.....	5,009	5,573	4,669	Licorice root.....	15,647	24,291	10,294
Fruit, wines, and spirits	1,596	1,667	227	Manganese ore.....	277,499	429,900	312,129
Groceries.....	114	119	528	Nuts and raisins.....	731	.....	1,659
Indigo.....	20	.....	23	Oil cake.....	11,193	12,445	6,547
Machinery.....	1,956	1,719	2,403	Petroleum products.....	545,725	624,022	300,022
Spelter and lead.....	319	491	198	Salt.....	1,114	1,601	.....
Stone and marble.....	275	.....	753	Seeds, grass and lucerne	1,357	983	2,300
Sulphate of copper.....	1,201	1,160	1,761	Silk, raw silk, and co- coons.....	1,076	1,238	325
Sulphur.....	1,649	812	1,715	Skins and hides.....	699	.....	.....
Tin plates.....	7,938	8,815	6,460	Tobacco.....	513	411	531
All other articles.....	2,244	6,575	15,792	Wood (boxwood, wal- nut, chestnut, and veneer).....	5,062	4,494	3,586
				Wool.....	4,264	4,492	3,921
Total imports.....	28,971	31,946	38,551	Soya beans.....	.....	.....	1,250
				All other articles.....	2,258	2,721	2,049
				Total exports.....	912,659	1,149,235	665,714

Commerce of Poti and Novorossisk.

The principal articles of import and export through the port of Poti in 1912, 1913, and 1914 are shown in the following table:

Articles.	1912	1913	1914	Articles.	1912	1913	1914
IMPORTS.				EXPORTS—contd.			
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>		<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
Cement.....	4,923	2,500	.....	Flour.....	85	75	11
All other articles.....	29	25	15	Manganese ore.....	634,200	649,780	415,016
Total imports.....	4,952	2,525	15	Wood:			
				Boxwood.....	400	888	98
EXPORTS.				Pine.....	8,000	8,300	2,860
Camomile flowers..	17	13	15	Walnut.....	1,840	2,226	499
Corn.....	21,419	17,520	5,507	All other articles... ..	408	165	75
				Total exports.....	666,369	678,972	424,072

The principal articles of export through Novorossisk during the years 1912 and 1913 and the first six months of 1914 are shown in the following table:

Articles.	1912	1913	Jan. 1- June 30, 1914	Articles.	1912	1913	Jan. 1- June 30, 1914
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>		<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
Cereals.....	703,742	940,557	841,944	Oil products.....	213,168	219,462	149,340
Coal.....	748	412	175	Rails.....	2,675	3,203	.....
Flour.....	135	.....	.....	Wool.....	1,140	185	21
Licorice root.....	1,483	3,166	9,157	All other articles... ..	167,596	38,501	14,710
Oak staves.....	10,140	17,472	9,157	Total.....	1,250,658	1,372,205	1,092,214
Oil cake.....	149,828	149,244	73,864				

Shipping—Russian Trade With Persia.

The number of vessels of all nationalities that entered into the foreign trade of the port of Batum during 1914 was 365, with a tonnage of 609,936, as compared with 534 vessels, of 1,015,634 tons, in 1913. In 1914, British vessels took first place in tonnage (131,977 tons), followed, in order, by German (90,235 tons), Russian (85,590 tons), and French (82,341 tons). At Novorossisk 323 vessels, of

631,299 tons, entered into the foreign trade of the port, as compared with 419 vessels, of 841,514 tons, in 1913. In 1914 British tonnage amounted to 309,490 and Greek to 103,084. At Poti 77 vessels, of 175,551 tons, entered into the foreign trade of the port, as compared with 159 vessels, of 331,260 tons, in 1913. Most of the shipping was British and Austrian.

Heretofore only a share of the total imports to the Caucasus passed through its Black Sea ports. A considerable portion of the imports were carried overland or through the Volga and Caspian waterways. Russian trade with Persia showed a considerable increase during the first half of 1914, but came to a sudden stop with the outbreak of the war with Turkey. This market, owing to the fact that the Russian tariff is applied on all goods in transit for Persia, was entirely closed to direct foreign imports, except for such goods as were sent by parcel post. A fair trade was carried on by Germany, by means of its parcel-post service, in such commodities as cheap jewelry, clothing, and men's and women's furnishings. The principal centers of the Caucasus for trade with Persia are Baku, Tiflis, and Astrakhan.

Railroad Development.

Notwithstanding the war, railroad development in this district during 1914 advanced considerably. The Kars-Sarykamish line was completed and opened to traffic toward the end of 1913; work on the Sarykamish-Karaurgan extension was almost completed in December, 1914, and the construction of the Kakheti Railroad was completed before the close of the year. The work started in 1914 on the Black Sea Railroad from Tuapse to Kvaloni, a distance of 215 miles, was temporarily suspended, but at the close of the war it is expected that work on this line will be rushed to completion. The construction of several other railroad lines in this district is being seriously considered, but no decision will be reached until the war is over. Refrigerator cars have lately been introduced in this district by the Vladikavkaz Railroad. American manufacturers of road-construction machinery might find it to their advantage to have their representatives visit this district.

Oil Prices and Production.

The oil industry in the Caucasus in 1914 was marked by higher prices and greater drilling activity than in 1913. Prices per pood (36.1128 pounds) ranged from 35½ to 51 kopecks (\$1.52 to \$2.19 per barrel of 42 gallons) for crude and from 35 to 41½ kopecks (\$1.62 to \$1.92 per barrel) for residuum at refineries. Illuminating oil at Caspian ports ranged from 45 kopecks to 1.03 rubles per pood (\$1.85 to \$4.24 per barrel).^a Both prices and production were greatly influenced by the strike at Baku and Grozny during June and July. The loss occasioned by the strike is estimated at 2,400,000 to 3,600,000 barrels. The strikers numbered 26,500 men. Their demands were 8 hours' work and increases of pay of 15 to 50 per cent. The strike ended without any material advantage to the strikers.

The total production in 1914 is estimated at 9,037,710 tons, as against 9,016,000 tons in 1913. The following figures give the total

^a Conversions have been made on the basis of the normal exchange rate (\$0.515) for the ruble and the following equivalents, furnished by the United States Geological Survey, for the United States barrel of 42 gallons: 8.33 poods of crude oil, 8 poods of illuminating oil, 9 poods of residuum.

production of the principal oil regions in the Caucasus for the last three years:

Oil fields.	1912	1913	1914	Oil fields.	1912	1913	1914
Balakhany, Sabounchi, Ramani, and Bibi-Eibat.....	<i>Tons.</i> 6,758,064	<i>Tons.</i> 6,274,193	<i>Tons.</i> 5,435,484	Hand-dug wells....	<i>Tons.</i> 225,806	<i>Tons.</i> 306,450	<i>Tons.</i> 209,677
Surakhany.....	548,387	677,420	862,993	Grozny.....	1,048,387	1,177,420	1,593,549
Tebeleken, Sviatoi Ostrof (Holy Island), and Binagadi.....	419,355	451,613	532,871	Maikop.....	145,161	96,774	.....
				Ferghana, Emba, and other fields..	33,840	32,130	403,226
				Total.....	9,179,000	9,016,000	9,037,710

Active Drilling—Scarcity of Iron Pipes.

Drilling operations were exceedingly active, particularly at Grozny, and the prices of drilling rose above the already high prices of 1913. In August one of the most prominent oil "combines" of Baku bought up the Baku factories for producing all sorts of drilling instruments and has, it is reported, combined with the Baku drilling masters, thus forming a syndicate to monopolize the Baku drilling business.

There was a great scarcity of iron pipes at both Baku and Grozny during the entire year. Very light stocks are generally kept at Baku, notwithstanding that Russian factories, even in normal times, take six to nine months to fill orders. Special difficulty is met in obtaining the so-called American pipes for shutting off water in the wells. Almost all the industries in Russia manipulating iron suffered during the year from a shortage of this metal, notwithstanding the abundance of iron produced. Most of the production of the Kriivoirog and other mines, it is reported, was exported to foreign countries.

At Baku 239 new wells were started in 1914 and 214 were completed, as compared with 325 started and 231 completed in 1913. The number of wells in exploitation was 2,670 in 1913 and 2,541 in 1914. The average number of feet drilled in 1913 and 1914 was 450,000 and 357,600, respectively, and the average depth of new wells finished was 1,232 feet and 1,080 feet, respectively.

Reclamation Work on Oil Fields—Development and Methods.

Work on filling up the Bibi-Eibat Bay to reclaim 594 acres for oil drilling was started in 1909, since which time little progress has been made. This section was inclosed in 1906, and it was calculated to complete the work before the end of 1913. Owing to great difficulties met by contractors and the lack of efficient machinery and methods only 27 acres had been filled by the end of that term. Several sand barges, tugs, and a large amount of machinery were brought to Baku early in 1914, which placed the contractors in a position to fill in about 18 acres per month. It is now estimated that the work can not be completed earlier than the close of 1916.

The development of the Emba oil fields, north of the Caspian Sea, progressed favorably. Their production in 1914 was reported at 182,581 tons. At the close of the year 30 wells were in operation and 12 more near completion. During the year two 6-inch pipe lines were laid from Dossor to Rukusha, on the Caspian, and extended 10 miles into the sea to facilitate loading the steamers carrying oil from Rukusha to Astrakhan. The total length of the pipe line is 45 miles. New refineries were also completed at Rukusha.

The first refinery for lubricating oils at Grozny was completed during 1914. Grozny occupies second rank as oil producer, and it is estimated that it can easily produce at the rate of 2,419,355 tons for many years. The Grozny works are conducted on a more scientific and economical basis than the works at Baku. In the former all water is perfectly cut off by proper cementing in the wells. The oil is stored in iron tanks, which prevent the heavy loss by evaporation to which the Baku operators are subjected through the extensive use of earth reservoirs. The loss of Baku operators attributed to this cause alone is estimated at 322,581 tons annually, whereas the cost of iron tanks sufficient to store 100,000,000 poods (1,612,900 long tons) of crude oil would not, it is estimated, exceed \$4,000,000, or approximately the loss that is now felt in one and a half years.

New Oil Fields.

About 30 miles from Baku and 2 miles from the Caspian Sea, at the railroad station Puta, a large area has proved to be oil bearing. Trial drilling has been started, giving as a result a very powerful gas fountain. Oil has been struck in comparatively small depths, 700 to 1,000 feet. A future rich production is expected. In Baku the vast and rich Government oil-bearing area (8,000 acres) at Surakhany has not as yet been exploited.

The new Grozny oil fields cover a territory of 6,750 acres, an area almost identical in size with that included in Old Grozny. The geological formation of the former is reported to have no connection with the old oil fields and can not be considered as a continuation of them. Over 40 wells were in operation in this region during 1914. The oil-bearing strata, however, are not struck at less than 1,750 feet. Wells have to be sunk very deep, it is reported—3,500 to 3,800 feet. The soil formation, however, is favorable and no great difficulties have been encountered.

Oil Shipments from Batum.

The shipment of petroleum products through the port of Batum during the last three years were as follows:

Products.	To foreign countries.			To Russia.		
	1912	1913	1914	1912	1913	1914
	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>
Illuminating oil.....	86,574,413	95,491,505	61,752,764	7,833,505	12,637,120	16,037,949
Lubricating oil.....	47,722,188	47,869,557	26,061,860	664,323	1,016,077	241,890
Crude and crude residuum....	12,765,757	13,805,900	10,294,765	334,530	108,270	298,910
Other petroleum products.....	44,222	460,906	.....	.....	4,080	.....
Total.....	147,106,530	157,627,868	98,109,389	8,882,408	13,765,547	16,578,749

Oil Trade of Novorossisk and Baku.

The exports from Novorossisk to foreign countries of various oil products are shown in the following table for 1912, 1913, and 1914:

Products.	1912	1913	1914	Products.	1912	1913	1914
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>		<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
Illuminating oil....	41,611	67,000	52,123	Machine oil.....	.....	6,070	.....
Pitch.....	.....	422	.....	Ligroin.....	9,344	46,137	32,175
Spirits (gasoline, etc.).....	140,288	87,610	57,442	Crude oil.....	2,139	.....	.....
Residuum.....	19,786	12,223	7,600	Total.....	213,168	219,462	149,340

The following table shows the exports from Baku of the principal oil products in 1913 and 1914, together with the export routes and destinations:

Oil products and years.	To interior of Russia via Caspian.	By rail.	By road (local).	To Batum.	To Persia.	Total.
Lubricating oils:	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
1913.....	97,212	17,808	4,734	187,218	33	307,005
1914.....	95,950	11,584	5,387	62,731	62	175,714
Illuminating oils:						
1913.....	835,400	94,260	20,580	365,716	23,504	1,339,460
1914.....	822,327	59,839	21,281	163,562	31,256	1,038,265
Residuum:						
1913.....	3,014,035	120,444	13,887	75,531	2,662	3,226,559
1914.....	2,613,901	139,911	15,210	48,384	2,661	2,820,067
Spirits (gasoline, etc.):						
1913.....	587	53,029	1,001	14	73	54,704
1914.....	374	19,311	810	10	92	20,597
Total:						
1913.....	3,947,234	285,541	40,202	628,479	26,272	4,927,728
1914.....	3,532,552	230,645	42,688	274,687	34,071	4,114,643

Oil Stocks in Baku—Coal Industry.

The stocks of oil and oil products in Baku on January 1, 1914, and 1915, were as follows:

Oil products.	Jan. 1, 1914.	Jan. 1, 1915.	Oil products.	Jan. 1, 1914.	Jan. 1, 1915.
Crude oil.....	<i>Tons.</i> 279,650	<i>Tons.</i> 483,870	Spirits (gasoline, etc.).....	<i>Tons.</i> 17,047	<i>Tons.</i> 24,568
Residuum.....	409,014	675,594	Other.....	33,628	31,618
Illuminating oils.....	147,698	180,800	Total.....	921,420	1,429,847
Lubricating oils.....	34,383	33,397			

Though petroleum is the staple fuel in the Caucasus and a small amount of coal is produced locally, a considerable quantity is imported from the Donetz Basin and from the United Kingdom. Of the latter 165,870 tons were imported through the ports of Novorossisk and Batum during the first six months of 1914. The total production of coal in the Caucasus was 68,004 tons in 1912, 69,361 tons in 1913, and 66,511 tons in 1914.

The coal industry of the Caucasus is in its infancy, but is capable of considerable development. Traces of coal are found in many of the Governments of this district. Perhaps the most important known deposit is at Sosooze, in the Government of Kars. This deposit covers an area of more than 300 square miles, and the coal is reported to be of uniform quality and high grade. Serious prospecting work was started only in 1914. The concessionaire [whose name may be obtained from the Bureau of Foreign and Domestic Commerce or its branch offices; refer to file No. 65695] has also been granted a concession for the construction of 60 miles of railroad from Sosooze to Kars. The retail price of local coal at Tiflis averaged during the year \$9.58 per ton, and the price of Donetz coal at Tiflis in 1914 ran from \$22.35 to \$23.95 per ton. During December, however, prices rose by 50 per cent. The output of coal in the Donetz Basin increased during 1914 by 19 per cent, and of anthracite by 25 per cent. The consumption of coal by local railroads increased by 22 per cent. Of foreign coal 445,171 tons were imported into Russia

for the use of the railroads, duty free, during the first six months of 1914, against 112,903 tons for the corresponding period of the preceding year.

Cement, Manganese, and Copper Industries.

The cement industry in the Caucasus continued its rapid development in 1914. Several new factories were started in the neighborhood of Novorossisk, prices remaining high on account of the extensive building operations throughout the Empire. With the outbreak of the war the output of most of these factories was diminished and the new works and extensions were temporarily suspended.

The year 1914 opened unfavorably for the manganese industry in the Caucasus. The foreign demand for ore during the first five months of the year was much below the demand for the corresponding period of 1913, and the increased cost of production due to the strikes in July and August, 1913, made it difficult to compete with Indian prices. The demand, however, increased in May and continued increasing until early in August, when an embargo was placed on shipments of ore. The following figures show the exports of manganese ore from the Caucasus during the last five years and the growing tendency to ship from Batum rather than from Poti:

Ports.	1910	1911	1912	1913	1914
Batum.....	<i>Tons.</i> 36,215	<i>Tons.</i> 129,233	<i>Tons.</i> 308,373	<i>Tons.</i> 421,900	<i>Tons.</i> 312,129
Poti.....	364,500	442,450	634,200	649,780	415,016
Total.....	400,715	571,693	942,573	1,079,680	727,145

The value of shipments of manganese ore to the United States during the last five years was as follows: 1910, \$259,898; 1911, \$197,737; 1912, \$521,791; 1913, \$658,987; 1914, \$199,923.

The average prices of manganese ore per long ton (2,240 pounds) during 1914 were as follows: January to July—ordinary ore (48 per cent), \$2.24, washed metallic ore (52 to 53 per cent), \$2.87, peroxide (85 to 88 per cent), \$4.48; July to December 31—ordinary ore, \$1.46, washed metallic ore, \$1.60, peroxide, \$3.02. The stock on hand at Batum, Tebiatouri, and Poti at the close of 1914 is estimated at 1,600,000 tons.

The outlook for the development of the copper deposits in this district appeared very favorable during the first six months of 1914, though prices averaged lower than during the preceding year. The production of copper in Russia in 1914 is estimated at 32,273 tons, against 33,580 tons in 1913. The share of this total produced in the Caucasus in 1914 was 8,423 tons and in 1913, 10,005 tons. A complete line of mining, concentrating, and smelting machinery is employed throughout this district, which has in great part been imported from the United States.

Wool Exports, Production, and Prices.

Wool in normal times is the principal export from the Caucasus to the United States. In 1914, however, the value of its export to the United States dropped to \$708,825 from \$848,581 in 1913. Prices kept above normal. The following figures give the production and prices of unwashed wool in the central and south Caucasus for the last two years:

Origin of wool.	1913		1914	
	Tons.	Cents per pound.	Tons.	Cents per pound.
Georgian spring clip.....	1,371	a 11-12	1,210	a 11-13
Autumn clip of preceding year.....	1,935	11-15	1,613	13-16
Colored wool, spring.....	645	7- 9	454	9-10
Autumn clip.....	161	11-13	161	11-13
Total.....	4,112	.....	3,468	.....

a Prices of this wool, brook washed, were 13 to 17 cents per pound in 1913 and 14 to 19 cents in 1914.

Wool produced in the north Caucasus finds its way to and is handled from Rostof-on-Don. No statistics covering that region are obtainable by this office.

Goat and Sheep Skins.

The year 1914 was not entirely unfavorable for trade in goat and sheepskins. The production was slightly above normal and prices remained high, most of the skins being sold on the local market, the balance at Nizhni. The home demand for leather of all kinds and for sheepskin coats having greatly increased since the outbreak of the war, the exports in 1914 were much smaller than those of the preceding year. The average annual production of this district is estimated at 100,000 goatskins and 600,000 sheepskins. This estimate includes the skins that find their way to the central markets and does not take into consideration the skins consumed in local home industries. To these figures must be added about 200,000 goatskins and 300,000 sheepskins from Persia. The average weight of Caucasus goatskins is 260 to 300 pounds per 100 pieces. The Persian skins are lighter, averaging not more than 253 pounds per 100 pieces. Prices of Russian goatskins ranged from \$0.46 to \$0.62 per piece, Persian from \$0.36 to \$0.41 per piece. The price of Russian sheepskins ranged from \$0.36 to \$0.62 per piece, the Persian skins selling at a slightly higher rate on account of the wool; weights ranged from 290 to 400 pounds per 100 pieces. The principal foreign buyers are the United States, Germany, and France, and the principal local market is Tiflis.

Beef and Sheep Casings.

An important and growing business in the Caucasus is the exportation of beef and sheep casings. The former, both dried and salted, are produced in large quantities in all the principal towns of the Caucasus. Part of the production is consumed locally and the remainder was formerly exported to Austria-Hungary and Germany. Toward the close of the year prices fell and the depression in this line was marked. The contrary can be said in regard to sheep's casings, there being an increased demand from the United States. Several shipments were made via Vladivostok, mostly by parcel post to that port. Owing to leakage the post office has lately refused to accept parcels containing salted casings. The consequence is that at the close of the year there was a large stock on hand, but prices remained firm in view of the demand in the United States. The total annual production of the Caucasus is estimated at over 600,000 pieces, to which must be added 2,000,000 pieces imported from Persia. Tiflis is the principal market for this product. The Caucasian salted

casings are rolled round a board in rings about 7 inches in diameter, each ring containing 69 to 75 feet, caliber $\frac{3}{8}$ to $1\frac{1}{10}$ inches. About 30 per cent of these rings are composed of one entire piece, 20 per cent are made up of two pieces, and 50 per cent of three or four pieces. The quality varies widely. It is estimated that 5 to 10 per cent of the total production is $\frac{3}{8}$ to $\frac{7}{10}$ of 1 inch in diameter, 25 to 30 per cent from $\frac{7}{10}$ to $\frac{1}{2}$ of an inch, the balance from $\frac{1}{2}$ to $1\frac{1}{10}$ inches.

The Persian are superior in quality to the Caucasian sheep casings, but the number of pieces to the regulation ring or parcel of 69 to 75 feet is greater. This is explained by the fact that the Persians slaughter principally full grown sheep, the casings sometimes being 115 feet long. These long casings are cut into one of regulation size, the short ends being used to make up the 3 or 4 piece rings. It is estimated that about 10 per cent are in one piece, 30 to 40 per cent in three pieces, and the remainder in 4 or more pieces. The average caliber of the casings is considerably larger than the Caucasian, many reaching $1\frac{1}{8}$ inches.

The prices of sheep casings in 1913 ran from \$0.08 to \$0.09 per ring, in 1914 from \$0.11 to \$0.12. Of the total production, Germany in 1914 took 40 per cent, Austria 30 per cent, and the United States 20 per cent. The United States, however, is believed to be the greatest purchaser, as a large proportion of the exports to Germany eventually found its way to the United States.

One firm in Tiflis makes it a speciality to handle untrimmed salted sheep casings, one ring containing 79 to 92 feet; the price per ring is slightly higher than that of the regulation size. A considerable stock of dried sheep casings was left over at the close of 1914. These casings are prepared from young lambs, and are packed in bundles containing 18 to 22 strings (13.8 inches), every 50 bundles weighing 0.88 to 0.99 pound. Prices in 1914 ran from \$41 to \$62 per 1,000 bundles. About 30,000 dried lamb casings are produced annually in the Caucasus, all of which are normally exported to Germany.

Principal Crops of the Caucasus.

According to the Central Committee of Statistics of the Ministry of the Interior, the area and production of the principal crops in the northern Caucasus and the Government of the Black Sea were as follows in 1913 and 1914:

Crops.	1913		1914	
	Acres.	Short tons.	Acres.	Short tons.
Rye:				
Winter	471,331	196,600	423,940	147,100
Summer	42,356	16,300	16,584	6,400
Wheat:				
Winter	6,815,625	3,197,000	7,039,359	2,155,400
Summer	3,443,418	1,530,300	3,568,617	1,101,100
Barley	4,328,206	2,021,500	4,486,958	1,603,800
Spelt	535	200	1,679	500
Buckwheat	19,337	6,100	19,775	6,700
Millet	1,023,440	218,000	967,507	397,900
Corn	839,515	371,300	847,444	544,200
Peas	5,459	2,500	4,962	2,100
Lentils and beans	5,996	2,400	8,639	2,800
Oats	1,105,815	484,700	1,100,821	485,000
Potatoes	196,032	506,000	205,889	539,900
Linsced	144,079	19,000	182,053	(a)
Hemp seed	21,679	4,100	16,377	(a)

a Not available.

Figures for the 1914 harvest in the other provinces of the Caucasus are not yet available. In 1913 the total production of the principal crops in the Caucasus was as follows: Winter rye, 233,100 tons; summer rye, 20,800 tons; winter wheat, 3,754,300 tons; summer wheat, 1,762,000 tons; barley, 2,568,200 tons; spelt, 7,400 tons; buckwheat, 7,100 tons; millet, 234,800 tons; corn, 591,700 tons; peas, 3,700 tons; lentils and beans, 4,700 tons; oats, 496,400 tons; potatoes, 592,200 tons; linseed, 22,500 tons; hemp seed, 4,300 tons.

Cotton Cultivation—Area and Production.

Though the cotton crop in 1913-14 was not as good as the crop of 1912-13, the area under cultivation was greater, and the future of cotton growing in this district, notwithstanding that the area under cultivation may be somewhat reduced during the current year on account of special conditions, is looked forward to with confidence. The poor crop of this year must be attributed mainly to the ravages of the bollworm and to unfavorable weather conditions.

The following statistics, obtained from the Agricultural Society of the Caucasus, give the total area under cultivation and the crops in the several cotton-growing Governments in Transcaucasia during the last five years:

Governments.	1909-10	1910-11	1911-12	1912-13	1913-14
Erivan:					
Acres.....	78,300	98,850	109,080	97,740	108,000
Pounds.....	18,777,200	21,666,000	24,191,370	21,712,943	19,860,500
Elisavetpol:					
Acres.....	38,340	71,820	143,910	125,955	143,100
Pounds.....	7,763,650	19,138,300	26,938,060	24,410,360	23,471,500
Baku:					
Acres.....	15,120	32,940	63,720	57,915	54,000
Pounds.....	2,654,085	6,572,020	11,157,990	10,453,845	9,027,500
Tiflis:					
Acres.....	1,404	4,320	13,500	14,499	15,120
Pounds.....	281,658	974,970	2,455,480	2,910,466	2,708,250
Kutais:					
Acres.....	2,295	5,130	7,290	7,506	5,400
Pounds.....	306,935	1,036,357	794,420	664,424	722,200
Total:					
Acres.....	135,459	213,060	337,500	303,615	325,620
Pounds.....	29,783,528	49,387,647	65,537,320	60,152,038	55,789,950

Silk Production and Prices.

According to official statistics, 400,000 families, or 2,000,000 persons, scattered over 3,000 villages, are engaged in the cultivation of silk cocoons. The annual production is estimated at 10,833,000 to 12,638,500 pounds, and is valued at \$2,300,000 to \$3,000,000. The following figures, compiled by the Sericulture Society of the Caucasus, give the production of raw silk and prices of cocoons in this district for the last six years:

Items.	1909	1910	1911	1912	1913	1914
Production.....pounds..	10,833,000	12,999,600	11,555,200	10,291,350	10,110,800	11,555,200
Prices per pound:						
Green cocoons.....	\$0.20-\$0.22	\$0.22-\$0.23	\$0.23-\$0.24	\$0.17-\$0.19	\$0.20-\$0.23	\$0.24-\$0.29
Dry cocoons.....	\$0.64-\$0.70	\$0.66-\$0.74	\$0.62-\$0.69	\$0.54-\$0.62	\$0.92-\$1.03	\$0.86-\$0.93

The outlook for 1915 is unfavorable. The majority of the production normally found its way to Marseille. Owing to the uncertainty

of being able to export their product, the peasants refused to buy their usual stock of eggs last March, and most of those on the market were destroyed.

Tobacco Industry.

Tobacco growing ranks next to viniculture and cotton growing as one of the principal industries of the Caucasus. The annual yield of the vine is estimated at \$12,500,000, the cotton crop averages in value \$10,000,000, and tobacco, with its comparatively small acreage, brings in annually over \$6,500,000. The following statistics of the Agricultural Society give the approximate area under cultivation and the crop of 1912-13 in the following divisions:

Divisions.	Acres.	Pounds.	Divisions.	Acres.	Pounds.
Sukhum district.....	21,698	15,990,591	Elisavetpol Government.....	314	391,974
Black Sea Government.....	8,167	6,014,518	Baku Government.....	105	147,726
Tiflis Government.....	1,911	1,735,916	Erivan Government.....	440	180,225
Batum Province.....	1,760	1,925,819			
Kutais Government.....	688	406,093	Total.....	35,506	27,299,810
Zakatal district.....	423	506,948			

No official statistics of the tobacco crop of 1914 are as yet available. The area under cultivation increased from 35,506 acres in 1913 to 38,000 acres in 1914. The crop is estimated as slightly lower than in 1913, owing to unfavorable meteorological conditions. The poorest crops were in the Sukhum and Tuapse districts, which produce the finest qualities. The crop in these two districts averaged 401 pounds per acre, as compared with 735 pounds per acre in 1913.

The majority of the tobacco plantations are owned by small farmers, having no capital and owning one-half to 3 acres of land.

Trade With United States.

Though it is impossible to give an accurate estimate of the amount and value of American goods imported during 1914—owing to the lack of reliable statistics, the great territory included in this district, and its many commercial centers and ports of entry—it is safe to assume that the value of American manufactures imported during the first seven months of 1914 was greater than the total value of such goods imported in 1913. The greatest advance to be noted was in agricultural machinery (including binder twine), the total imports of which are valued at \$2,600,000, as against \$2,000,000 in 1913. There was a considerable increase in imports of mining, drilling, and excavating machinery, and automobiles. Little advance is reported in the sale of American motors.

American manufacturers of machinery must bear in mind that machinery, to suit local requirements, should be extra strong and not complicated. They should insist that agents sell machinery adapted to the work for which it is purchased. A case was recently drawn to the attention of this consulate in which a small steam shovel, used in the United States for light ditch work, was sold for digging out iron ore. The consequence was a broken shovel and the seriously damaged reputation of the manufacturer, who in this instance was not informed by his agent of the nature of the work that the machine would be required to perform. This incident is of special interest,

because the market for steam shovels in the Caucasus is bound to become of great importance, and manufacturers must assure themselves that agents understand the business sufficiently to see that their customers get the size and type of shovel suitable for the work required. This is particularly important because some Russian works are in a position to compete in this article.

Hardware, Leather, and Footwear—Other American Goods.

At the beginning of the year imports of American hardware increased considerably. These goods have been imported principally through European commission houses and in many instances have been entered as of European origin. The following articles of American hardware and cutlery are best known in this market: Saws, files, plumbing supplies and pipes, brass fittings, pipe joints, razors, ice-cream freezers, clips, etc. The hardware trade in the Caucasus offers to American manufacturers who are able to study local requirements and willing to meet local conditions the widest field for expansion. American leather and footwear were beginning to obtain a firm foothold in all the principal cities of the Caucasus; the sudden stoppage of imports toward the end of the year created a serious crisis in this trade, American shoes that retail in the United States at \$3.50 or \$4 being sold as high as \$12.50 per pair. Most of this trade was handled, however, through European agents. Complaints reached this consulate that shoes of certain well-known makes were not of uniform quality, and it is believed that many imitations flooded the market.

Among articles of American origin imported to this market in 1914 on a limited scale are musical instruments, chemicals, electric supplies, refrigerators, photographic appliances, toilet requisites, and groceries.

The value of American goods sold in the Caucasus in 1914 is estimated at \$4,000,000 to \$4,500,000, showing a balance for the year in favor of the United States of \$2,237,805 to \$2,737,805.

Declared Exports—Need of American Banks.

The declared exports to the United States invoiced at the Batum consulate during the last two years were as follows:

Articles.	1913	1914	Articles.	1913	1914
Almonds.....	\$22,913	\$64,796	Sunflower seeds.....		\$633
Antiquities.....		543	Tobacco.....	\$14,975	8,373
Cesings, sheep.....	1,785	524	Wine.....	159	
Glue stock.....	174		Wood:		
Licorice root.....	1,023,184	443,309	Box.....		1,112
Manganese ore.....	658,987	199,923	Veneers.....	1,892	14,097
Nuts.....		13,243	Walnut.....	246,189	115,754
Potash, carbonate of.....	52,628	12,312	Wool.....	848,581	798,825
Raisins.....	4,198		Total.....	3,119,750	1,762,195
Rugs.....	184,864	121,655			
Skins:					
Goat.....	6,584	16,799			
Sheep.....	52,636	50,297			

No invoices were declared for shipments to the island possessions of the United States.

A point that militates against American products is the lack of assistance rendered by American banks to American exporters. It

may be taken as an established principle that Russian merchants will not, under usual conditions, pay for manufactured goods before the goods are received. The usual credits received by local dealers range from 30 days to 12 months from date of delivery. On the other hand American manufacturers as a rule refuse to sell otherwise than cash with order or f. o. b. seaboard. The result of this conflict of customs is to throw American trade with Russia largely into the hands of European commission houses.

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