

ANGLO-ESTONIAN
TRADE
RELATIONS

ANGLO-ESTONIAN TRADE RELATIONS

7650A

ESTONIA AND HER ECONOMIC LIFE.

Estonia is a Republic with an area of 24,000 square miles and a population numbering 1,120,000.

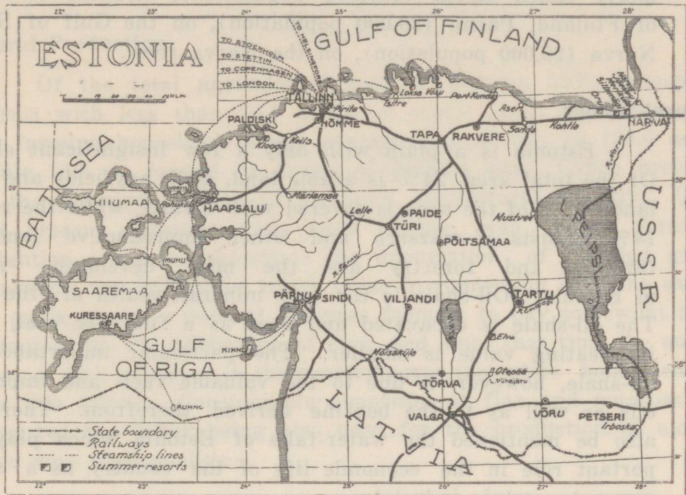
situated on important Trade Routes.

The Republic of Estonia is situated on the east coast of the Baltic sea and includes the islands in the vicinity. On the north Estonia is bounded by the Gulf of Finland leading to Leningrad, the former capital of the Russian Empire and the greatest port of the present U. S. S. R. The western boundary of Estonia is formed by the Baltic sea and the Gulf of Riga. A shipping route across the latter leads to Riga, the capital of the Republic of Latvia, which is Estonia's neighbour on the south while on the east Estonia is bounded by Lake Peipus, one part of which belongs to Estonia and the other to the U. S. S. R. Running north and south of this lake is the Eston-Russian frontier. Owing to their geographical position, the shipping routes from the west and the railway routes from the east are the most important in the Estonian

PUBLISHED BY
THE ESTONIAN CO-OPERATIVE WHOLESALE SOCIETY



Tallinna Eesti Kirjastus-Ühisuse trükikoda, Pikk t. 2. 1933.



ESTONIA AND HER ECONOMIC LIFE.

Estonia is a Republic with an area of 18,632 square miles and a population numbering 1,120,000.

Situated on Important Trade Routes.

The Republic of Estonia is situated on the east coast of the Baltic sea and includes the islands in the vicinity. On the north Estonia is bounded by the Gulf of Finland leading to Lenin-grad, the former capital of the Russian Empire and the greatest port of the present U. S. S. R. The western boundary of Estonia is formed by the Baltic sea and the Gulf of Riga. A shipping route across the latter leads to Riga, the capital of the Republic of Latvia, which is Estonia's neighbour on the south, while on the east Estonia is bounded by Lake Peipsi, one part of which belongs to Estonia and the other to the U. S. S. R. Running north and south of this lake is the Esto-Russian frontier. Owing to their geographical position, the shipping routes from the west and the railroads from the east are linked up in the Estonian ports.

Principal Ports.

The principal ports of Estonia are Tallinn, her capital, formerly called Reval (130,000 population), situated on the Gulf of Finland, Pärnu (20,000 population), on the Gulf of Riga, and Narva (25,000 population), on the Narva river.

Natural Riches.

Estonia is a plain with only a few insignificant elevations. Of the total area, 24% is arable land, 40% hayfields and pastureland; 22% of the area is covered with forests, while the remaining 14% consists of marshes and other unproductive land. Dairy farming and forestry are the most developed industries in Estonia. Oil-shale is the only mineral wealth of the country. The oil-shale is excavated and used as a fuel like coal, although its heating value is smaller. The particular importance of the oil-shale, however, is due to the valuable fuel- and impregnating oils as well as to the benzine derived therefrom. There should also be mentioned the water-falls of Estonia which play an important rôle in the economic life of the country as a source of power to certain industries.

Population and Culture.

Of the total population of Estonia 87% are Estonians, 8.2% are Russians, 1.7% — Germans, 0.7% — Swedes. The Estonian language, like the Finnish language, belongs to the Finno-Ugric group of languages. In addition to the Estonian language a great number of Estonians speak German and Russian, and the number of those speaking English is steadily growing, this language being a compulsory subject in the schools. Of the population of Estonia 2.2% are foreigners. Educational standard is high: 80% of the population being trained in Primary schools, 7.5% in Secondary schools, while 1.2% are academically trained at such institutes, such as the University of Tartu, founded in 1632, and the Technical Institute in Tallinn.

Estonia is a Country depending on Agriculture and Small Holdings.

Of the total population of Estonia 59% is engaged in agriculture, 15.7% in industry, 3.3% in transport and traffic, and 4.2% in commerce and banking. Estonia is primarily an agricultural country, the prevailing social class being farmers usually occupied with their families on their own small farms, worked

without the assistance of paid labour. The number of persons actually engaged in farming, represents 46.1% of the total population.

Agricultural Production.

Of the total agricultural area of Estonia 55% belongs to farms with less than 74.1 acres of arable land; 29% is owned by farming households of an average size of 74.1 to 123.6 acres, while 16% is formed by farms of greater size. Cattle breeding is the principal branch of Estonian agricultural activity. Until the present economic crisis stock raising was given foremost attention so as to necessitate the importation of foreign grain. However, the difficulties which arose in connection with the export of cattle products induced Estonian farmers to pay somewhat more attention to the cultivation of corn, and since that time the quantities of corn produced in the country cover the entire home demand for this article. Considerable quantities of flax and potatoes are exported the latter being also used for the production of alcohol of a very high quality.

Estonian Crops in tons.

	1933	1923
Rye	212,300	166,500
Wheat	62,800	20,000
Barley	77,500	89,300
Oats	113,100	115,400
Mixed corn	66,700	54,500
Potatoes	885,000	683,000
Flax	4,900	9,800

Animal products form the chief part of Estonian exports. In the first place there should be mentioned butter, bacon and eggs; raw skins come next.

Estonian Livestock (numbers in thousands)

	Horned Cattle		Pigs	Sheep	Poultry
	Total	Cows			
1932	692	436	303	514	1,190
1931	669	428	323	479	1,113
1930	627	416	290	467	1,060
1929	604	407	279	476	1,023

Forestry and Timber Exports.

Of the total area of Estonia, 2,124,000 acres are covered with forests. In about 42% of the forests the fir tree (*picea excelsia*) predominates, next comes the pine (*pinus silvestris*) with 21%, and the birch (19%). Of the forests 88% are owned by the State, while the remainder belongs to municipalities and to private persons. About 12,000 acres of the State coniferous forests and almost 8,650 acres of foliaceous forests are cut down annually. This gives in the aggregate about 46 million cubic feet of timber, of which 35 million cubic feet are exported. Estonian timber is exported chiefly in the form of boards, planks and box boards, pit props and sleepers.

Principal Industries.

The most important of the different industries of Estonia are the timber- and paper industries, in which the raw material obtained from the forests is worked up. Next in importance are textile industries, which were founded with the object of meeting the demand of the former Russian Empire. The textile industries are those which use most of the power supplied by the Estonian water-falls. The timber, the paper, and the textile industries export a great deal of their output. Among the articles produced by the timber industry, plywood takes the first place. The paper industry mainly produces pulp and cellulose, while the textile industries manufacture linen yarn, cloth, jute bags and fabrics, cotton yarn and cloth, and woollen goods.

Industrial Production

	Number of Enterprises	Number of Workers	Value of Production
Timber industry	60	3,190	£ 535,000
Paper industry	11	2,071	" 938,000
Textile industry	24	8,529	" 1,300,000
Mining	16	2,586	" 191,000
Minerals	16	1,139	" 219,000
Chemical industry	15	903	" 232,000
Foodstuffs and beverages . .	31	2,243	" 1,095,000
Leather industry	8	249	" 131,000
Metal industry	36	3,705	" 431,000
Polygraphic industry	21	1,202	" 185,009
Clothing and fancy articles .	16	858	" 155,000
Electric and gas stations . .	7	593	" 185,000

Special attention should be paid to the oil-shale industry which produces and exports impregnating and fuel-oils as well as benzine, all of a very high quality. The cement industry, the industries producing sheet glass, artificial horn, and matches, as well as the alcohol distilleries and the chocolate industry are well worth mentioning.

Measures and Currency.

In Estonia the metric system is employed.

The monetary unit circulating in Estonia is the krone, which is divided into 100 cents. The Estonian krone approximately corresponds to the Scandinavian krone. After England went off the gold standard, Estonia maintained it for some time, but eventually followed the example of the Scandinavian countries. At present the Eesti Pank keeps the value of the Estonian krone on the previous level of the £, i. e. £ 1 = Est. kr. 18.15.

Co-operative Movement.

Co-operative Movement was started some 30 years ago and there are actually more than 3,000 co-operative organisations in different economic lines.

The Estonian Co-operative Wholesale Society, the E. T. K., at Tallinn is the central organ of the Estonian co-operative organisations for sale, this Society being one of the greatest commercial enterprises of Estonia as well as one of the largest importers of commodities. The import of considerable quantities of artificial fertilisers and forage, of agricultural machinery, as well as of salt and sugar is effected by this society.

ANGLO-ESTONIAN TRADE.

Natural Grounds upon which Anglo-Estonian Trade Relations are based.

In Estonia 59% of the total population depends on agriculture and only 14% on industrial work, whereas in England 52% are engaged in industrial work and only 8% in agriculture. The Estonian production of agricultural and cattle products exceeds by far the demand of the country for these articles. In Estonia large areas are covered with forests, the quantities of timber obtained from these forests being much greater than Estonia is able to utilise. However, the Estonian soil does not contain any metals and very limited quantities of other raw materials required by the industries of the country are found therein. Estonia is

therefore compelled to cater for these materials abroad, as well as to import a considerable number of industrial articles. England is a prominent exporter of coal, metals and other industrial products to the world, but is compelled to import foodstuffs for her population as well as to buy foreign timber and agricultural raw materials. Thus either country produce such goods which the other country needs. Both countries should therefore be interested in the promotion of their commercial intercourse to their common benefit.

The important place which the principal articles of export from Estonia occupy among the goods imported into England is shown in the following table. The part falling to the share of these goods in Estonian export is compared with the corresponding part of English imports.

	Value of Estonian Exports			Value of British Imports		
	1930	1931	1932	1930	1931	1932
Total goods	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Thereof:						
Foodstuffs, beverages, tobacco	40.4	49.7	51.8	44.5	47.6	51.9
Textiles	23.6	13.2	14.6	16.4	16.8	13.7
Wooden & Paper articles	29.4	28.1	26.8	7.6	7.2	7.5
Other goods	6.6	9.0	7.8	31.5	29.4	26.9

It will be seen from the above that Estonian articles of export correspond to the articles which England imports, while, on the other hand, the chief articles exported from England are those which Estonia requires from abroad.

Correspondence of English exports to Estonian imports

	Value of British Exports			Value of Estonian Imports		
	1930	1931	1932	1930	1931	1932
Total goods	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Thereof:						
Metals, metal goods and machinery	30.0	27.1	23.5	22.6	25.2	23.5
Coal and coke	8.6	9.7	9.4	1.6	2.0	1.5
Textiles	27.8	29.1	31.2	22.0	20.4	25.3
Rubber and Chemicals	6.5	7.2	7.7	11.1	14.7	17.8
Foodstuffs, beverages, tobacco	8.4	9.0	8.9	25.0	18.2	13.5
Other goods	18.7	17.9	19.3	17.7	19.2	18.4

Anglo-Estonian Trading Turnover.

The Anglo-Estonian commercial turnover reached its apex in 1928, the value of it then amounting to £ 3,228,000 as estimated in Estonia and to £ 3,007,000 according to English calculations. Owing to the fall in prices the turnover thereafter lessened. The highest value for the Estonian articles exported to England was obtained in 1929, totalling at that time £ 2,461,000 according to the data available in Estonia, and to £ 2,497,000 as estimated in England. For the purchase of British articles the biggest sum was spent in 1928.

Anglo-Estonian Exchange of Commodities.

	Turnover	Estonian Exports to England	Estonian Imports from England
1928	£ 3,228,000	£ 2,436,000	£ 792,000
1929	" 3,139,000	" 2,461,000	" 778,000
1930	" 2,175,000	" 1,711,000	" 464,000
1931	" 1,792,000	" 1,518,000	" 274,000
1932	" 1,586,000	" 1,204,000	" 382,000

Balancing the Anglo-Estonian Exchange of Commodities.

Anglo-Estonian commerce has hitherto given an annual financial surplus in favour of Estonia. We shall later on enumerate the reasons why English exports into Estonia are much less than Estonian exports to England as well as the extent to which the utilisation of English goods in Estonia might be intensified. There is however a fact which should be pointed out at once, namely, that Estonia has considerable obligations arising out of the loans raised from England and the interest payable thereon. At the same time Estonia has to pay dividends on English capital invested in the Estonian banks and industrial enterprises as well as in certain commercial undertakings of Estonia. Moreover there has to be paid a charge for the transport of goods in English ships. The settlement of such obligations can be effected only out of the sums obtained from the export of Estonian goods. Therefore Estonia should be given the possibility of exporting more than she imports, to enable her to settle the abovesaid obligations.

According to the data available in Estonia, the earnings of British ships for transporting Estonian goods were as follows:

	1928	1929	1930	1932
£ . . .	82,503	77,939	72,513	59,093

When considering the Anglo-Estonian trade balance, it should be remarked that the value of Estonian imports from the countries of the British Empire is far greater than the value of Estonian exports to these countries. The following table furnishes the proof:

Exchange of Commodities between Estonia and the British Dominions.

	Estonian Exports	Estonian Imports	Balance to the disadvantage of Estonia
1923	£ 9,984	£ 85,259	£ 75,275
1929	" 32,417	" 298,969	" 266,552
1930	" 26,855	" 239,226	" 212,371
1931	" 24,841	" 141,078	" 116,237
1932	" 27,957	" 114,196	" 86,239

Both Countries should Pay more Attention to the Development of their Mutual Commerce.

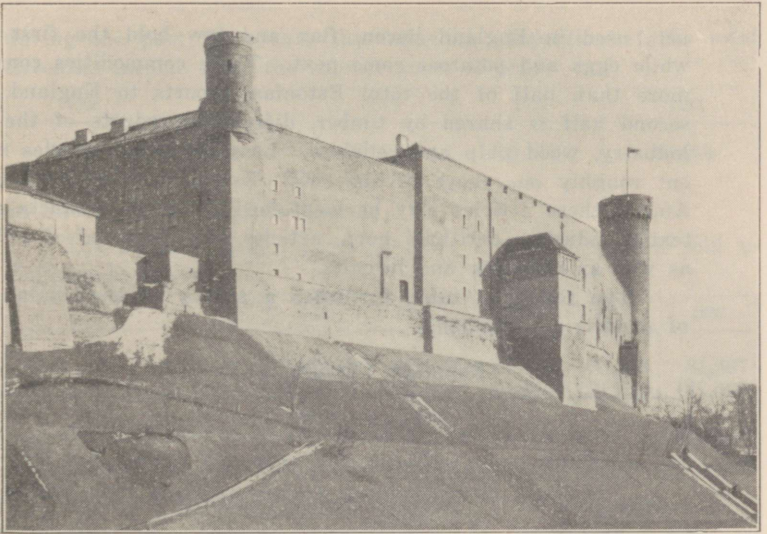
The value of Estonian exports to England in proportion to the total Estonian exports and the total British imports is shown in the following table:

	1928	1929	1930	1931	1932
Of total Est. exports . .	34.8 ⁰ / ₀	38.1 ⁰ / ₀	32.3 ⁰ / ₀	36.6 ⁰ / ₀	36.7 ⁰ / ₀
Of total Engl imports . .	0.20 ⁰ / ₀	0.20 ⁰ / ₀	0.16 ⁰ / ₀	0.18 ⁰ / ₀	0.17 ⁰ / ₀

At the same time the value of Estonian imports from England constituted the following percentage in comparison with the total Estonian imports and the total British exports:

	1928	1929	1930	1931	1932
Of total Est. imports . .	11.0 ⁰ / ₀	10.1 ⁰ / ₀	8.6 ⁰ / ₀	7.7 ⁰ / ₀	13.7 ⁰ / ₀
Of total Engl. exports . .	0.09 ⁰ / ₀	0.08 ⁰ / ₀	0.07 ⁰ / ₀	0.06 ⁰ / ₀	0.09 ⁰ / ₀

During the years preceding the departure from the gold standard, other foreign countries competed in the Estonian market with England with steadily growing success by offering their articles at lower prices and by paying a better price for the Estonian articles which they purchased. In consequence of the adaptation of English monetary values to the economic conditions of the time, and partly on account of the efforts made to regulate the import of commodities into England, price conditions on the English market last year changed so as to encourage the develop-



The ancient Castle at Tallinn, housing the Parliament.

ment of Anglo-Estonian commercial intercourse. Estonia has tried to turn this favourable position to account by increasing Estonian purchases from England, to which fact is due the sudden rise in the import of English goods into this country. Last year Estonian imports from England exceeded those of each of the four preceding years.

However, the increased importation of English goods into Estonia is meeting with difficulties owing to the somewhat insufficient interest of the English firms in the Estonian market. It frequently happens that other countries show more activity in offering their articles, and are willing to sell these articles on conditions more favourable than those offered by England. Further difficulties arise from absence of direct communication with the northern part of England.

ESTONIAN EXPORTS TO ENGLAND.

Estonian Sales to England.

The chief article which England imports from Estonia is butter. Butter represents one third of the total value of English purchases from Estonia. Among other Estonian agricultural prod-

ucts used in England bacon, flax and tow hold the first place, while eggs and potatoes come next. These commodities constitute more than half of the total Estonian exports to England. The second half is shared by timber, different products of the wood industry, wood pulp and cellulose. Less important articles represent roughly one tenth of the total Estonian sales to England. Among these articles may be mentioned different products of the textile industry, artificial horn, articles manufactured of celluloid, as well as chocolate and biscuits.

The following table furnishes a survey of the main items of exports to England.

Estonian Exports to England.

	1928	1929	1930	1931	1932
	£	£	£	£	£
Total goods . . .	2,436,300	2,460,600	1,710,800	1,518,200	1,204,000
Thereof:					
Butter	618,100	856,300	609,000	661,400	375,800
Bacon	153,700	119,200	80,900	131,800	177,500
Flax	244,700	332,800	142,300	55,700	60,200
Tow	14,700	21,200	3,700	2,600	4,300
Eggs	44,500	7,700	1,400	4,700	4,600
Potatoes	—	—	100	18,600	40,800
Wood & timber	867,000	573,600	365,900	204,600	129,300
Wooden articles	247,200	211,300	186,100	133,000	105,700
Matches	10,700	10,400	16,600	16,600	12,600
Pulpwood	49,100	155,700	183,500	255,700	222,000
Paper	40,100	29,700	37,400	14,100	6,200

Estonian Butter on the English Market.

During the past five years the following quantities of Estonian butter were exported to England:

	1928	1929	1930	1931	1932
Cwt.	77,557	110,233	96,338	125,384	83,153
£	618,052	856,290	608,932	661,401	375,763

These quantities represented the following percentages of the total Estonian butter exports:

1928	1929	1930	1931	1932
35.4 ⁰ / ₀	46.2 ⁰ / ₀	33.3 ⁰ / ₀	38.6 ⁰ / ₀	36.6 ⁰ / ₀

Butter export represents to Estonia a matter of the greatest importance as the amounts obtained from this export constituted

during the past five years the following proportion of the total Estonian income from the sale of goods abroad:

1928	1929	1930	1931	1932
26.0 ⁰ / ₀	30.2 ⁰ / ₀	32.7 ⁰ / ₀	36.1 ⁰ / ₀	36.4 ⁰ / ₀

Estonian Bacon on the English Market.

The bacon hitherto exported from Estonia has been sold to England as follows:

	1928	1929	1930	1931	1932
Cwt.	40,845	25,436	24,773	63,586	81,397
£	153,659	119,168	80,884	131,750	177,527

The importance of the bacon export to Estonian agriculture is shown in the following table representing the share of bacon in the total export of meat products from Estonia.

1928	1929	1930	1931	1932
38.3 ⁰ / ₀	51.9 ⁰ / ₀	55.0 ⁰ / ₀	79.9 ⁰ / ₀	86.7 ⁰ / ₀

Estonian Eggs in England.

Estonian egg exports to England amounted to:

	1928	1929	1930	1931	1932
Great hundreds . . .	69,000	12,000	3,000	12,000	12,000
£	44,700	7,700	1,400	4,700	4,600

The above quantities do not reach 1% of the total English import of eggs.

Deliveries of Estonian Potatoes to the English Market.

The Estonian potato export fluctuates from year to year, depending on the yield of this crop in Estonia as well as other countries.

The following data give an idea of the Estonian potato exports to England:

	1930	1931	1932
Cwt.	217	108,992	205,681
£	55	18,577	40,819

Flax and Tow.

The quantities and value of the Estonian flax and tow deliveries to England are given in the following table:

	1928	1929	1930	1931	1932
Flax tons	2,767	4,128	3,154	2,090	1,709
£	244,732	332,814	142,293	55,731	60,227
Tow tons	241	359	127	183	165
£	14,672	21,245	3,734	2,578	4,313

The Estonian flax and tow exports to England represent nearly half the total export of these commodities from Estonia.

	1928	1929	1930	1931	1932
Flax	49.2	70.4	65.5	51.2	51.9
Tow	39.1	56.9	45.5	40.0	58.9

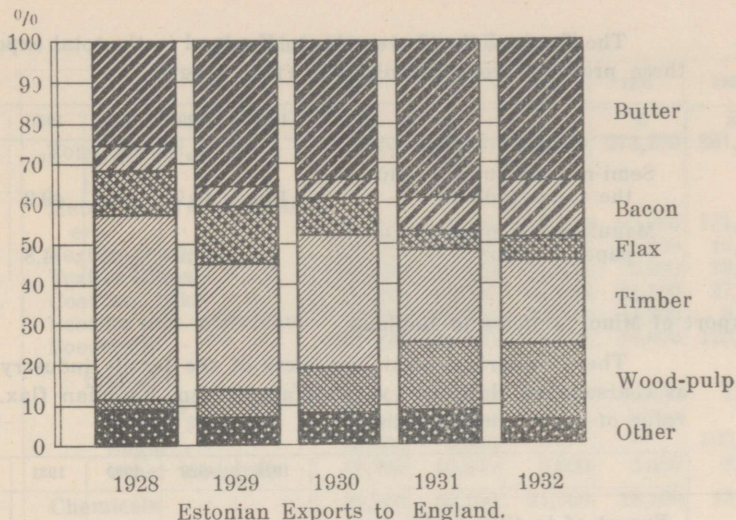
Of the total flax imports of England the share of Estonian flax amounted to:

1928	1929	1930	1931	1932
9.4%	11.1%	9.6%	7.1%	5.6%

Timber and Wood-Products.

Timber and timber products are mostly sold to England in the form of props, sleepers, boards and planks of spruce-fir and pine, and in that of box boards. The chief articles of export produced by the wood industry are plywood, plywood chair seats and matches. The export of these articles from Estonia to England was as follows:

	1928	1929	1930	1931	1932
Timber (tons)	217,157	174,706	147,976	89,363	51,900
£	866,961	573,550	365,865	204,580	129,311
Wood products (tons)	15,329	17,093	15,222	12,262	8,886
£	247,159	211,290	186,118	132,968	105,744
Matches (tons)	453	447	654	632	522
£	10,700	10,402	16,585	16,643	12,554



Estonian Exports to England.

Except for matches, the export of the aforesaid articles to England forms, as a rule, about three quarters of the total Estonian exports of these commodities, as the following figures show:

	1928	1929	1930	1931	1932
Timber	73.5	72.7	75.7	55.2	78.8
Wood products	79.8	81.9	80.4	76.8	75.8
Matches	29.6	23.9	46.0	100 0	100 0

Products of the Estonian Paper Industry exported to England.

The Estonian paper industry produces chiefly pulp and cellulose, and also considerable quantities of wrapping, printing and newsprint paper. England receives nearly half of the total Estonian pulp and cellulose production, whereas the English imports of Estonian paper are somewhat limited. The export of the above mentioned articles to England was as follows:

	1928	1929	1930	1931	1932
Semi-manufactured products (cellulose and pulp) tons	5,236	15,820	20,185	34,598	31,601
£	49,090	155,702	183,537	255,740	222,039
Manufactured products tons	2,045	1,518	2,339	790	353
£	40,099	29,665	37,399	14,065	6,161

The share of the above sales to England in the total exports of these products from Estonia was (percentages):

	1928	1929	1930	1931	1932
	%	%	%	%	%
Semi-manufactured products of the paper industry	19.4	43.7	46.2	49.2	45.4
Manufactured products of the paper industry	7.1	5.9	8.9	4.8	4.8

Export of Minor Articles to England.

These comprise certain products of the textile industry, such as coarse linen cloth and yarn obtained from Estonian flax. The value of these amounted to:

	1928	1929	1930	1931	1932
Export of textiles to England . £	26,200	63,128	54,973	33,462	11,244

In addition to the commodities enumerated England has also purchased artificial horn produced from Estonian caseine. Artificial horn is exported either in an unworked state or in the form of fancy goods. Among the latter, combs must be mentioned first. Some more Estonian goods have been delivered to England, for instance, sheet glass. The value of any such exports, however, does not exceed a few thousand English pounds.

Besides, England is a customer of Estonia for chocolate and biscuits, although the quantities required are very inconsiderable. From an economic point of view, however, a certain importance is nevertheless to be attributed to these exports, as these goods are entirely or partly produced from Estonian material.

ESTONIAN IMPORTS FROM ENGLAND.

English Goods imported into Estonia.

Among the Estonian imports from England metal manufactures and machinery must be mentioned in the first place, while a certain importance must be attributed to English coal and coke. There are also imported into Estonia considerable quantities of English textiles, and chemicals. Recently English sugar has gained some importance in Estonian imports from England.

Estonian Imports from England.

	1928	1929	1930	1931	1932
	£	£	£	£	£
Total goods:	791,500	678,400	463,700	274,200	381,900
thereof:					
Metal goods & machinery	182,600	123,200	117,500	92,000	131,200
Textile goods	155,100	120,700	71,000	52,200	46,500
Textile fibres	39,300	24,300	15,500	5,200	19,400
Coal and coke	78,300	92,800	68,200	31,300	27,700
Benzine and petroleum	6,300	25,600	20,500	4,800	8,400
Foodstuffs	254,500	209,400	132,200	58,800	120,800
thereof:					
Herrings	141,300	140,900	87,600	45,500	7,890
Wheat flour	53,000	52,100	41,000	9,900	700
Sugar	40,900	5,500	—	—	109,600
Other foodstuffs	19,300	10,900	3,600	3,400	2,900
Chemicals	25,700	30,100	21,700	18,700	15,100

British Metal Goods and Machinery in Estonia.

In the import of metal manufactures and machinery into Estonia Germany is predominant, receiving almost half the total amount Estonia spends for the purchase of the aforesaid wares. England competes with Sweden for the second place. Particular attention should be paid not only to the sudden rise in Estonian imports from England during the past year but also to the simultaneous decline of the purchases effected by Estonia from other countries.

Estonian Imports of Metal Goods and Machinery by Countries.

	1928	1929	1930	1931	1932
	£	£	£	£	£
Total goods	1,451,500	1,438,600	1,229,500	874,400	665,800
Thereof:					
England	182,600	123,200	117,500	92,000	131,200
Germany	606,900	658,200	562,200	429,500	319,100
Belgium	68,600	88,100	62,800	50,100	40,700
Sweden	192,300	210,600	144,100	112,600	60,400
U. S. A.	154,500	115,400	112,500	49,800	23,700

Of the English metal manufactures, Estonia chiefly imports galvanised and tinned iron sheets, while sewing machines form the greater portion of the machine import. It should moreover be pointed out, that all aeroplanes required by Estonia are bought in England. The Estonian imports also include other English metal manufactures and machinery, these imports, however, being

insignificant when compared with those from Germany. In addition to English and German metal manufactures and machinery imported into Estonia, a certain number of agricultural machines from Sweden, as well as Swedish rolled and hammered iron and other Swedish metal manufactures are imported. Further the imports of Belgian rolled and hammered iron and motor cars from the U. S. A. must be mentioned.

Of any foreign commodities, metal manufactures and machinery are those which Estonia needs most. Therefore the English metal industries should be somewhat more interested in the Estonian market.

Import of Coal, Coke, Petroleum and Benzine into Estonia.

In Estonia there is neither coal nor naphtha. Instead of these fuels, Estonian oil-shale, and fuel oil and benzine derived from oil-shale by means of distillation are used.

The following table shows the considerable progress which has been achieved in the production of shale oils in refineries specially installed for this purpose. A considerable amount of English capital is invested in these refineries.

Output of Estonian Oil-shale and Crude Shale Oil (in tons).

	1928	1929	1930	1931	1932
Oil-shale excavated	445,995	517,646	497,955	499,396	492,595
Output of crude oil	11,866	11,102	10,006	16,053	36,595

Nevertheless, in addition to the oil-shale and by-products Estonia uses great quantities of coal and naphtha products. English coal imported into Estonia must stand keen competition of coal coming from Poland.

Estonian Imports of Coal in tons.

	1928	1929	1930	1931	1932
Total imports	90,732	101,847	92,323	92,438	47,958
Thereof					
England	74,400	85,259	72,139	34,982	30,200
Poland	8,393	12,377	18,647	57,355	17,759
U. S. S. R.	440	3,842	1,107	—	—
Germany	7,463	395	372	100	—

While English coal competes with Polish coal, English coke must compete with German coke.

Of the naphtha products imported into Estonia petroleum and benzine are of the greatest importance. Last year there was

a considerable increase in the imports of petroleum from England. The chief suppliers of these products to Estonia, however, are the U. S. R. and the U. S. A., while in the last few years Poland and Roumania have also appeared in the market.

English Textiles in Estonia.

Of the raw materials required for the textile industry, Estonia produces flax and wool. Flax is one of the chief Estonian articles of export, although Estonia has a number of flax mills where Estonian flax is worked up into yarn and cloth which are mainly used on the home market. The import of linen goods is of no importance.

In certain Estonian flax mills jute packing cloth and bags are manufactured, these articles being mainly sold abroad.

The total quantities of wool produced in Estonia are worked up and used in the country. The working of Estonian wool is done in several small mills. However, the home supplies of wool are insufficient to meet demands owing to which the bigger enterprises are compelled to buy the raw material from abroad. Until recently, foreign wool was mostly purchased from Germany, although it actually comes from England and the British Dominions.

Wool Imports into Estonia in tons.

	1928	1929	1930	1931	1932
Total imports	300	210	270	277	333
Thereof from					
England	106	63	53	37	87
British Dominions	9	27	45	58	122
Germany	113	42	105	110	16
South American States	10	24	5	12	135

Among the chief importers of woollen yarn into Estonia, Germany comes first, while England shares the second place with Poland and France.

Import of Woollen Yarn into Estonia in tons.

	1928	1929	1930	1931	1932
Total imports	212	167	194	201	308
Thereof from					
England	30	15	9	15	53
Germany	123	114	125	122	175
France	13	7	12	20	17
Poland	2	3	18	20	37

Some time ago Estonia imported some woollen fabrics in addition to those manufactured at home. For the Estonian imports of woollen fabrics, Germany and France compete for first place, whereas English fabrics contest the third place with Czechoslovakia. Since last year, however, Estonian imports of foreign cloth are quite insignificant.

Woollen Cloth Imports into Estonia in tons.

	1928	1929	1930	1931	1932
Total imports	277	235	177	141	12
Thereof from					
England	45	40	29	21	2
Germany	51	48	53	47	3
France	123	81	46	37	3
Poland	10	14	7	2	—
Czechoslovakia	32	36	31	23	2

The Estonian cloth factories as well as the principal Estonian cotton mills were founded at a time when there were no restrictions on trade between Estonia and the former Russian Empire. The raw materials required for the Estonian cotton industry are mainly imported from the U. S. A.

Cotton Imports into Estonia in tons.

	1928	1929	1930	1931	1932
Total imports	5,386	5,974	4,878	3,274	3,320
Thereof from					
England	8	3	7	1	32
British Dominions	47	19	1	—	—
Egypt	859	1,412	672	266	324
U. S. A.	4,363	4,149	3,777	2,281	2,782
South American States	9	365	144	56	86
U. S. S. R.	—	—	221	597	—

Although the Estonian cotton industry not only provides the home market, but also furnishes articles for export, Estonia nevertheless imports foreign cotton goods, these imports, of course, decreasing year by year. The chief suppliers of these articles to Estonia once more are England and Germany.

Cotton Yarn and Thread Imports into Estonia in tons.

	1928	1929	1930	1931	1932
Total imports	170	98	162	51	60
Thereof from					
England	48	31	19	23	35
Germany	22	19	118	11	11
France	47	12	—	1	—
Czechoslovakia	41	17	—	5	—

England holds the first place in the import of cotton yarn and thread into Estonia, while in the case of cotton fabrics the leading place is held by Germany.

Cotton Cloth Imports into Estonia in tons.

	1928	1929	1930	1931	1932
Total imports	441	316	268	85	38
Thereof from					
England	114	79	44	30	10
Germany	139	91	167	28	15
France	26	18	9	4	3
Czechoslovakia	72	58	16	15	6

England would surely succeed in increasing her supplies of woollen and cotton stuffs to Estonia, if English enterprises would show somewhat more eagerness to compete with goods from other countries, particularly from Germany.

Owing to the steadily growing progress Estonia has achieved in the production of pure and artificial silk, no considerable quantities of these articles are imported, while on the other hand the Estonian demand for foreign raw materials required for the production of the aforesaid articles is constantly increasing.

Raw silk as well as yarn and thread produced from raw silk are mainly purchased from Italy, and artificial silk yarn and thread from Germany. Silk cloth comes mostly from France and Switzerland, whereas the imports of half silk cloth mainly derive from Germany. England's share in these imports into Estonia is hardly worth mentioning.

However, England plays an important rôle in Estonian imports of waxed cloth and of articles produced therefrom, and is moreover a prominent supplier of linoleum to Estonia. More than half of the total linoleum used in Estonia is imported from England. English industries should be particularly interested in the

export of these goods to Estonia, as these articles are not produced in the country at all.

Estonian Imports of Waxed Cloth and Linoleum (in tons).

	1928	1929	1930	1931	1932
Waxed cloth	50.2	37.2	34.5	23.1	19.6
Linoleum	80.1	81.5	75.1	80.1	27.8

Estonian Foodstuff Imports from England.

The freer conditions of export prevailing before the present economic crisis enabled Estonian farmers to specialise in cattle-breeding to such an extent, that Estonia was compelled to import corn, such as rye, wheat, barley and oats, and also wheat flour. Moreover, great quantities of herring were imported to supplement the Estonian fish supplies. All the herrings came from England and nearly half the imported wheat flour likewise was imported from England, the other half being obtained from Canada and the U. S. A. The steadily declining export, however, induced Estonian farmers to pay greater attention to the cultivation of corn, so that already in 1931 Estonia was able to stop the import of rye and barley. Last year no oats were imported, while in the present year Estonia will probably be in a position to stop the import of wheat. There is therefore naturally no necessity for importing wheat flour. At the same time the import of herrings has been stopped, as the demand for this article has greatly declined, owing to the increased consumption of meat, which is cheaper than herrings. On the other hand, the lessened export of Estonian fish products induced those engaged in this branch to pay attention to the home market, which has resulted in the establishment of an Estonian herring fleet. The quantity of herrings supplied by Estonian ships is sufficient to cover the decreased demand of the Estonian market. Thus Estonia does not need any other foodstuffs except what are called colonial goods, the most important of them being sugar. Formerly all sugar required in Estonia was purchased from Poland, but last year this article was obtained from England. The value of Estonian sugar imports from England amounted last year to £109,600. English sugar now holds the place which herrings and wheat flour formerly occupied in the Estonian market. Of the remaining colonial foodstuffs imported into Estonia, salt, tobacco, rice, tea, coffee, and cocoa are the most important. Salt comes chiefly from Germany, Poland, and Russia, and in rather insignificant quantities from England. Tobacco is

delivered by the south-eastern countries of Europe as well as by the U. S. A. British India supplies Estonia with rice. Tea is chiefly imported from the countries of the British Empire and to a certain extent from Dutch colonies. The coffee used in Estonia comes from the coffee plantations of Holland, Great Britain and South America, while the countries of the British Empire are the chief suppliers of cocoa.

Import of British Chemicals and other Products into Estonia.

Articles, other than metal manufactures and textiles, do not play any considerable role in Estonian imports from England, although some attention should be paid to the products of the English chemical industry, of which rubber goods, metal polish, and fats and oils are the most important. However, the quantities of these products imported into Estonia from England cannot compare with those delivered to Estonia by other countries.

German chemicals occupy the predominating place in Estonian imports of these goods.

England decidedly ought to be more interested in selling chemicals to Estonia, as the import of chemicals comes next to the imports of metal manufactures and textiles.

We have hitherto tried to furnish a survey of the principal commodities imported into Estonia, which might be of interest to English exporters. But we should like to point out, that there are other goods of high quality, which England, a greatly developed industrial country, might sell to Estonia, the economic basis of which is agriculture.

ECONOMIC POLICY IN CONNECTION WITH ANGLO-ESTONIAN ECONOMIC RELATIONS.

Promotion of Trade Relations between the Countries of the British Empire and its Effects upon Estonia.

Until 1932, i. e. while England was still a free trade country, the export of Estonian goods to England developed in accordance with actual economic possibilities, without Estonia having had to complain of any restrictions of an administrative nature adopted in England, and without being under the necessity of asking for preferential treatment of her commodities. Last spring, however, a general import duty was imposed in England, from which commodities originating from the countries of the British

Empire are exempt. Owing to this state of affairs the position of Estonian butter on the English market was adversely affected as compared with that of Australian and New Zealand butter, and, at the same time, the possibilities of selling Estonian eggs in England were impaired. In conformity with the agreements entered into in Ottawa, the duty on Estonian butter imported into England amounts to 15 sh. per cwt., whereas butter from Australia and New Zealand is admitted free of duty. On Estonian eggs, a duty of 1 sh., 1 sh. 6 p. or 1 sh. 9 p. per great hundred must be paid according to the weight of the eggs; this duty, however, is not levied on Australian and South African eggs. Estonia, of course, realises, that commodities from the countries of the British Empire are granted preference. On the other hand, however, Estonia suggests, that, provided there is a little more interest on the part of England, trade relations with her might be developed to alike extent, taking into account the natural preliminary conditions promoting the development of Anglo-Estonian commercial intercourse.

Control of the Import of Agricultural Products into England.

The restrictions on import, which have already taken or are to take effect in England in connection with the intended control of the import of agricultural products, are of still greater importance to Estonia, than the new custom policy of England. The restrictions upon the import of Estonian bacon were adopted at the end of last year. In addition to the restriction of the import of bacon, this year the limitation of the potato import has been attempted, and steps have been taken to limit the import of eggs and butter. We suggest that Estonian articles, which represent but an insignificant part of the total imports of England, should not be treated on the same footing as commodities from countries with a well developed export, particularly in view of the fact that they in no way affect price conditions in the English market, and also in view of the important rôle which the export of these small quantities plays in the economic life of Estonia.

Anglo-Scandinavian Treaties and Estonia.

During the present year England has entered into commercial treaties with Denmark, Norway, Sweden, and Finland, according to which the aforesaid countries have been guaranteed the right of exporting to England butter, eggs, bacon, timber, and

paper. Regarding these commodities, customs duties on them have either been cut or arrangements in the event of the imposition of restrictions on them, have been made. The contracting countries on their side have reduced customs duties on British commodities and contributed towards inducing their merchants to purchase British goods. In this way the Scandinavian countries more or less have maintained their previous quotas of export to England, while England has secured the admission of a much greater number of British products into these countries. Taking into consideration that the articles Estonia exports and imports are the same as those which the Scandinavian countries buy or sell, Estonia might also be included in the Anglo-Scandinavian trading system, the more so as the conditions necessitating the regulation of trade relations between England and the Scandinavian countries are present in Estonia in an even more striking form. The export of agricultural products plays a much greater rôle in the economic life of this country than in the life of the Scandinavian countries. Moreover, Estonia depends to a much greater extent on the import of the same kinds of articles as England sells to Scandinavia, because the respective Estonian industries are less developed than those. As already pointed out above, this applies primarily to the metal industry, and it thus appears, that the economic structure of Estonia is much better adapted than that of Scandinavia for the establishment of close relations with England.

Participation of British Firms in the Foreign Trade of Estonia.

Estonian businessmen have as yet not been too eager to develop Estonian foreign trade and for the most part have let foreigners as well as foreign enterprises look after the export of Estonian commodities as well as the import of foreign articles. Among these foreign enterprises those working with English capital have played, and, to a certain extent, still play an important rôle, particularly in the exchange of commodities between Estonia and England. To a certain number of firms exporting Estonian timber and to the biggest firms engaged in the export of Estonian flax, directions are given from England. These firms, having been engaged in these businesses for many years, have greatly contributed towards the promotion of Anglo-Estonian trade relations. However, British firms have made almost no efforts to develop the import of English goods into Estonia. A still greater importance should be attributed to English shipping lines to the Baltic as all goods sent to or from Estonia are transported in ships, most of which are British.

English Capital Invested in Estonia.

English capital and English initiative are the two most prominent factors assisting the development of Estonian industries and Estonian banking. Many of the oldest Estonian industrial enterprises have been founded and have continuously been operated with the aid of English capital, and, to a certain extent, with the collaboration of English experts. With assistance of English capital there have been built many Estonian export bacon factories and, besides considerable amounts of English capital are invested in the Estonian oil-shale industry. English capital also plays an important rôle in the banking business of Estonia. With the aid of the loan contracted partly in England and partly in U. S. A. under the auspices of the League of Nations, a Currency and Banking Reform was effected.

Development of Estonian Economic Conditions to Meet the Requirements of the English Market.

As is seen from the above, British firms and British capital play an important rôle in the foreign trade, as well as in the industrial and banking life of Estonia. However, it should not be overlooked, that, on the other hand, the economic conditions of Estonia are being developed so as to meet the requirements of the English market. This especially refers to the production of bacon. In view of the economic conditions of the country, Estonia is most fitted for cattle-breeding, and because England mainly imports cattle products, Estonian farmers have been breeding cattle to suit the requirements of the English market. Consequently, butter, eggs, and bacon predominate. It would be difficult for Estonia to find another outlet for her bacon beyond the English market, as the consumption of bacon in the other countries is very insignificant. Estonian flax and timber, are likewise adapted to the English market.

Estonian Attitude towards English Articles.

As a consequence of the close economic relations with England, Estonia has always been well disposed to English articles. English goods are regarded in Estonia as being the best of their kind, and the import of English commodities has always been favoured. Estonia's first commercial agreement was that entered into with England. In accordance with this agreement, as well as by virtue of the subsequent commercial treaty concluded on the 18th of January, 1926, English goods were placed under „the most favoured nation“ clause. If, after all this the import of English

goods into Estonia has, notwithstanding, been less than the Estonian import from some other countries, this is to be explained by the high prices quoted for English articles as well as by the fact that English firms are not sufficiently interested in offering their wares to Estonia. The import licenses and restrictions on the transfer of money abroad, put into force in Estonia since 1931 actually have become means for favouring the import of English goods. Estonian imports from England suddenly increased last year and actually exceeded the imports from other countries. English goods have thus enjoyed all the preference Estonia has been able to grant them on the principles hitherto provided for the regulation of international intercourse. Should any new methods be adopted for the regulation of international trade relations, Estonia will be given the possibility of making a further contribution to development of British sales.

ECONOMIC ORIENTATION OF ESTONIA IN CONNECTION WITH ANGLO-ESTONIAN TRADE.

Estonia Needs Trade with Industrially Developed Countries.

Different means are everywhere being employed to improve economic conditions by restricting the admission of foreign commodities, in order to secure better selling possibilities for home products. Estonia has also tried to overcome in such a way the difficulties arising from the general economic crisis. However, Estonia has never striven to be self-dependent as has been the case with some other countries. There are neither natural nor industrial conditions in Estonia to justify such a course, while the Estonian output of agricultural products and timber exceeds by far the quantities demanded in the country. However, Estonia has no ores, and the Estonian industries are not in a position to meet modern requirements. Therefore Estonia is compelled to sell the articles abundantly produced within the country, and on the other hand to purchase such commodities as are not produced at home. Estonia, being a country which exports agricultural products and timber and purchases foreign metal manufactures and industrial products, depends on economic relations with countries engaged in industrial activity.

England and Germany Predominate in the Foreign Trade of Estonia.

England and Germany have hitherto been the most important customers of Estonia and at the same time the chief suppliers

of the commodities required in Estonia. Almost half the Estonian butter exports are sent to Germany, and nearly one third to England. Estonian eggs have almost all been marketed in Germany, while the greater part of the meat products, particularly bacon, has been delivered to England. Estonian flax is being used less in Germany than in England. Last year rather considerable quantities of potatoes were exported to England. The quantities of Estonian timber and wood products taken up by the English market and by the countries of the British Empire exceed by far the timber exports to Germany. As regards Estonian wood pulp, the greater part has been sold to England, and the smaller part to France. England is evidently Estonia's most important customer, whereas Germany comes first as the supplier of industrial products. The greatest part of the metal manufactures and machinery is imported from Germany, while England delivers to Estonia very insignificant quantities of these wares. Metal manufactures are also imported from Belgium, agricultural machines from Sweden, and motor cars from the U. S. A. In the import of textiles into Estonia, Germany once more occupies the first place, while England holds the second. It is Germany which provides Estonia with almost any other industrial article needed.

Intensified Trading Operations with England Hoped for.

Owing to Germany's economic policy, tending towards economic independence, especially in agricultural produce, Estonia must pay still greater attention to the English market than before. The English market has hitherto taken up a great deal of Estonian production and considering the trifling proportion of these imports to the total British imports it is hoped that the British market could easily take them all up.

EXPERIENCES OF ESTONIAN MERCHANTS IN TRADING WITH BRITAIN.

For several years past Estonian traders have had ample opportunity of studying British commercial practice and of making numerous observations on the interchange of goods between the two countries. The experience gathered in this way, the essence of which is disclosed in the pages which follow, tends to justify the conclusion that the share of British production in Estonian



One of the Harbours of Tallinn.

imports can be sensibly increased if British firms, interested in trade with the Baltic, will take the trouble to comply with the specific demands of the local market.

British Goods Preferred.

All British products which have found a ready market in Estonia are held in good repute and considered of high quality. Such goods of British origin which are able to compete in price with the similar products of other countries are readily preferred for the mere fact of being British.

British Goods Should be Adapted to Local Requirements.

As everywhere in the world, British production is well-known in Estonia for its high qualities. It is regretted, therefore, that there is a number of articles, in the manufacture of which local market demands for preferred kinds and assortments, and long-established local customs are not being observed. Obviously, the introduction of British goods not adapted to local conditions is meeting with some difficulty. To get any single description of goods modified in accordance with the special demands of the Estonian market has until now proved almost impossible, as Brit-

ish industry tends to keep to fixed standards of production. Yet, other competing countries readily comply with their customers' wishes even on very small orders. Considering that the kinds of goods needed by the Estonian market, broadly speaking, correspond to those required in all Northern Europe, a closer conformity to local circumstances should be expected from British manufacturers; for the Scandinavian and Baltic markets, taken as a whole, should be considered worth dealing with on a larger scale.

Prices Should Conform to Local Market Possibilities.

The greatest hindrance to increasing supplies from Britain has been the high prices of British products. While they are admittedly, often of better quality compared with similar lines in the market, several articles are so expensive that English firms frequently prefer to offer Continental goods at Continental prices rather than their high-priced native products which they consider have no chance of finding buyers here. The abovesaid refers, in particular, to iron goods. Detailed data relating to each more important article will be found on later pages.

Terms of sale and credit facilities are, as a rule, much the same as in the competing countries for a given category of goods. So far, agreement as to terms of sale has, in fact, always been reached.

Greater Activity Required in Advertising British Goods.

As regards advertising practice, the difference between Britain and her competitors is particularly striking. Other countries proceeded immediately after the War to the organisation of regular openings for their products. Germany has been most active in this respect. Thus, every more important branch of trade and every bigger firm appoints local agents to deal with the customs, attend to the regular advertising of the goods, and to obtain and supply any information. Besides, journeys are made by sales managers, or commercial travellers, of large firms 1 to 6 times a year, according to the line of business, but, in any case, before the commencement of the season. The routes are, as a rule, via Denmark, Norway, Sweden, Finland, Estonia, Latvia and Lithuania, or inversely. In many cases, the journeys are extended to Poland and the Danube States. If they do not always yield the expected results, the advantage of such a systematic organising of outlets is undeniable. It enables a permanent personal contact to be maintained and, besides, ensures a regular supply of correct

information about the situation of any country, which is of primary importance for the creation and maintenance of business connections.

In addition to the above-described practice, the leading firms in Central Europe regularly distribute market reports and price lists by post once or twice a month or, in many branches, weekly.

It is desirable that Britain in trading with North Europe should adopt the same usages with regard to advertising and the maintenance of connections as adhered to by other industrial countries. By doing so, most valuable results would be achieved towards opening new channels for British goods.

Transport Facilities between Estonia and Britain Need Improvement.

The existing facilities for the conveyance of goods between the two countries do not come up to requirements. Whereas German ports, Hamburg, Bremen, Stettin and the port of Danzig maintain a regular shipping service with Tallinn, of the British ports only London possesses a regular weekly connection with this city. This line apparently satisfies the needs of the Tallinn—London trade. But the creation of a similar shipping service with the North British industrial district — through Hull — is absolutely necessary, and, besides, a regular connection, at least once a month, is wanted with Liverpool.

At present there is much trouble with both imports from, and exports to, the North British ports. British buyers of Estonian goods have always expressed their dissatisfaction with the present procedure when Estonian produce destined for Hull, Newcastle-on-Tyne, Manchester and other towns of that region, has to be transhipped in London, which involves additional expense and, besides, deterioration of the goods. At present, for example, butter forwarded to Manchester is shipped over London and Hull. British importers nowadays even go to the expense of having the butter transported in lorries direct from London to Manchester to avoid transhipment via Hull.

Several attempts to organise a shipping line between Tallinn and Hull, have not so far succeeded. To ensure a normal development of Anglo-Estonian commercial intercourse, such a line must inevitably be called into being, and both countries will have to co-operate for a speedy solution of this problem.

The geographical position of continental harbours, as compared with London, does not present any particular advantage to Central European goods, as a delay of 1—2 days on their way

from London is of little importance. By contrast, Central European countries are at present in a privileged position as compared with North England and Liverpool where there is no regular shipping connection, owing to which the buyer runs the risk of not having the goods arrive at the right time.

With regard to freights, it is difficult to arrive at a uniform view, because of recent violent fluctuations in rates and possible reductions by special agreement owing to keen competition. On the whole, however, freights from Central European harbours to Tallinn are lower than those from British ports. A contributory cause to this may possibly be found in State assistance given to the mercantile marine in certain countries.

International Cartels Interfering with Anglo-Estonian Trade.

Trade between these two countries is, also, affected by Cartels controlling a great number of important industries all over the world. It has become evident in respect of several articles that, despite all efforts made at this end, it is not possible to establish connections with British industrial or commercial concerns, because, subject to the distribution of markets among the Cartels, some country other than Britain has been allotted to Estonia as the supplier of a given commodity owing to which British firms refuse to sell their goods to Estonia and would-be buyers are directed elsewhere.

Estonian Firms Appreciate British Connections.

British business connections are highly appreciated by Estonian firms, and British merchants are respected as reliable, honest and trustworthy businessmen. Great reliance being thus placed in British connections, friendly and confident relations have developed, particularly so in the export trade where a fair number of articles is being sold on a consignment basis. This pleasant relationship has continued for years to the full satisfaction of the Estonian sellers without any dispute having arisen, whereas in other countries with which similar transactions were tried dissatisfaction was felt very soon. It is for this reason that, except to Britain, sales from Estonia are preferably effected on a cash basis.

In the above cursory introductory remarks an attempt has been made to sum up the main obstacles that stand in the way of the further development of commercial ties between the two countries. In connection therewith, regret has been expressed at

the reserved attitude adopted by British producers and merchants in offering goods and a certain conservatism as regards inadequate adaption to local market needs; this has hitherto prevented British supplies to Estonia from attaining their full potential scope.

It is, however, reassuring to note that there are signs of a growing understanding in industrial and commercial quarters of the urgent necessity of careful attention and accomodation to consumers' wishes and ideas of price, and there is considerable ground for the belief that in the not distant future British industry will be able to reap its full share of this country's import trade to the mutual benefit and advantage of the producers and purchasers.

EXPERIENCES WITH REGARD TO INDIVIDUAL ARTICLES OF IMPORT.

Foodstuffs.

Grain. The country's requirements of rye, wheat, barley and oats have, for some years, been met by grain grown and milled at home. Wheaten flour is manufactured by three big mills at Tallinn and numerous smaller provincial ones. The total capacity of these mills exceeds domestic consumption, and in former years certain large mills used even to export wheaten flour.

Imports of grain and flour which become necessary in the event of a failure of crops or increased consumption might be effected from England.

In earlier years, Hamburg used to play the leading rôle as an intermediary distributing centre for the supply of grain also of non-German origin.

Rice. Almost only Indian rice — Burma and Moulmein — is being imported.

Until recently, German firms were the only suppliers. British firms are now also in the market, but as before shipments are made exclusively from Hamburg and Bremen.

Sugar. Of late, import licenses are being given almost only for supplies from Britain. Offering is brisk, and British brokers have their agents in Tallinn. Daily prices current are notified by wire. In times of unrestricted trade, Polish sugar, being 6—7½ d. per cwt. cheaper, predominated.

Tea. Imports are confined, mainly, to British Indian, Dutch Indian and Ceylon grades. Chiefly, loose tea is imported, which

is packed by local firms and sold under their trade-marks. This practice having proved more suitable, the local marks govern the market; this spoils the prospects for tea imported in packages. Local packers are supplied chiefly by British, Dutch and German firms, the latter being most active in offering their goods. Besides local agents, representatives of the big Hamburg firms visit the Baltic States 3—5 times a year. In addition, printed market reports are regularly sent. British firms also have agencies on the spot, but offering is less intensive and personal visits are incidental. Market reports are being distributed. In respect of quality, the British goods are preferred. Terms of payment are uniform, 3—4 months' credit being usually allowed.

Coffee. The following kinds are on the market, viz.: Dutch East Indian, British East African, Central and South American. The African grades need firmer introduction. German (Hamburg) and Dutch firms are the chief suppliers, advertising through agents, travellers, and price lists being lively.

Cocoa. Mostly British West African grades are consumed, the goods being imported, chiefly, from Hamburg, Holland and England. Buying from the latter country is handicapped by sellers demanding payment in cash, whereas other countries sell on credit. Given a more lively interest on the part of British firms, England's share in the trade can easily be increased.

Fruit, fresh and dried (oranges, mandarins, bananas, apricots, lemons, dried apples, pears, plums, sultanas, and jamblends).

These goods, including Californian fruit, are imported from Hamburg. Offering is lively throughout the year, particularly by way of price lists and market reports. Agencies are maintained, and travellers visit customers once or twice a year. No offers at all have been forthcoming from English firms, but occasional small purchases have been made from London on buyers' initiative.

Spices (pepper, bay-leaves, cloves, cardamom, nutmegs, cinnamon, ginger etc.) are similarly supplied from Hamburg, even in small lots of 5 bags. British offers are entirely lacking. Of late, an endeavour has been made to shift these purchases to the British market and, if interest is shown, it would be possible to have the bulk of this business allotted to England.

Mustard. Mustard is mostly imported in the form of powder and sold in locally-made small packages, imports of ready made mustard being very small. There is Russian and English mustard on the market. The former is cheaper and is preferred

for its sharper taste. An increase of imports of English mustard will depend on its firmer introduction on the local market.

Pickles and other preserves are in poor demand.

Tobacco. The raw material required by the local factories is supplied by Dutch, Danish, Belgian and German firms, offering being fairly keen. Travellers come 2—6 times during the year. Besides, written offers and samples are forwarded at regular intervals, many firms distributing periodical market reviews. English firms display little interest, there are no agencies nor are travellers sent. Upon inquiries made in London from Estonia regarding lower grades of tobacco, buyers have been referred to Continental firms. More intensive offering on the part of British firms would ensure to them a share in the finer qualities of 15 to 20% of the total imports of tobacco.

Salt. German rock salt is the chief item under this head, but for some little time Poland and Soviet Russia have been competing in the market. Prices of the cheapest British common salt being still higher than those of competing grades, demands for British salt are poor. Yet, the main obstacle is to be sought in transport conditions. Russian salt is forwarded in bulk daily by railway through Pskov and Narva direct to destination. Polish salt is shipped from Gdynia and Danzig twice a month. German salt is supplied weekly from Hamburg, and from Stettin according to requirements. British supplies are hampered by the irregular shipping connection with Liverpool — once a month on the average. Besides, while German and Polish salt is shipped in bulk, in quantities of 150—200 tons, the goods from Liverpool must be taken in bags which involves additional costs. The goods are, as a rule, delivered net cash.

Prices of salt in November, 1933, were (per ton, cif Tallinn):

British common salt . . .	sh. 45/—
German rock salt	” 28/8
Polish salt	” 28/4
Russian salt (highest) . . .	” 29/7

Vacuum-salts are purchased principally from England. Table-salt is packed locally in small packages and sold as „English table-salt“.

Saltpetre is imported from England and Germany. These imports can be entirely transferred to England.

Herrings. Only British herrings, caught near the shores of Scotland, are imported, shipments being made, partly, over

Riga. In recent times, purchases have declined as a result of the activities of Estonian herring-boats.

Whisky and gin. Imported from England. Demand very small.

Cattle Food.

Soy-beans. Supplied from England, Germany and Sweden. This year Swedish prices were lower, viz. (per ton, cif Tallinn):

Swedish	sh. 115/—
British	„ 140/—

Wheat-bran, sunflower-cakes, cottonseed-cakes, hempseed-cakes are imported from the U. S. S. R., prices being sensibly cheaper than in Western Europe.

Linseed-cakes. Requirements are covered by home supplies.

Textiles.

Wool. Estonia uses, chiefly, wool from England, British South Africa, Argentina and New-Zealand. The finer qualities are obtained from Germany, France and Czechoslovakia. In former years much German wool was bought. As at the London sales only big lots — too big for the local market — can be purchased, Estonian mills are compelled to buy from smaller firms at higher prices.

Woollen Yarn. The abovesaid applies also to woollen yarn. The Estonian market needs varied goods in small quantities which are more easily and at a lower cost obtained from Germany, British prices being on the average 1 Est. krone per kg. higher. Despite this, the local mills have in recent months endeavoured to draw their supplies, as far as possible, from British sources, certain factories buying from England up to 90% of the wool, and up to 60% of the yarn, they require.

Cotton imports in each of the last two years amounted to roundly 3,500 tons. In earlier years when exports were larger the annual requirements exceeded 5,000 tons. American cotton, chiefly, was imported, partly owing to terms of payment being more favourable. Egyptian cotton came to 10—15% of the total imports.

Jute is imported from British India (2,500—3,000 tons yearly). As the cloth and sacks manufactured locally are almost entirely exported, the importation of raw jute closely depends on these exports.

Indian and Sisal hemp have for some time been furnished by British firms. Offers are made, chiefly, by letter, by means of daily price lists. Delivery: from British, German or Dutch stores 1—1½ months, and from India direct, 2—3 months from the date of order. Transshipment is usually made in Continental harbours.

Yugo-Slav hemp is imported principally from Germany. In the absence of agencies, offers are sent by letter, usually, twice a month. No offers have been received from British firms. A substantial portion of the goods is shipped via Riga, whose share was especially big in 1932 owing to the condition of the foreign exchange market.

Worsted goods. The finer qualities come from England. The lower grades are supplied from Germany, Czechoslovakia and Poland, offering from the latter countries being much more lively. Travellers visit the market at the commencement of the season — in spring and autumn and, besides, local agencies have mostly been established. Patterns and price lists are regularly sent. Only very few British firms are represented in Estonia, and travellers' visits are scarce, offers being mostly made by samples.

Other textile goods are imported from England, Germany, Czechoslovakia, Poland and Sweden. Provided there is greater activity on the part of British exporters, the share of British supplies can be substantially increased.

Stationery.

Pens come from Germany and England. The better qualities are supplied by England, prices being some 30—40% higher. Terms of payment are uniform.

Pencils, paper and other stationery. British firms are not in the market.

Metals and Metal Goods.

Iron-bars and girders. Supplied from Luxemburg, Germany and France in shipments of 200—400 tons. The measurements of iron made in Britain are different from those required in Estonia. There are agencies of British as well as Continental firms. Owing to the price policy of the Syndicates, Continental quotations are uniform. As British prices have been throughout higher than the Continental, it has not been possible as yet to buy any British goods of this kind. Such purchases as have been effected from British firms were contracted for Continental products. Being aware of the price difference, British firms frequently

make offers of Continental goods. For the sake of comparison, the following prices, to 20. X. 33, are quoted here (cif Tallinn):

Germany	£ 5. 2.11 per 1000 kg.
Britain	£ 7. 2.6 per 1016 kg

Steel. The higher qualities (e. g. steel for stone-drills and tools) are imported from England and have succeeded in conquering the local market. The middling steels have to stand German competition (springs, etc.), while the lower grades are unable to compete in price with the German goods which govern the market.

Galvanised sheet-iron is supplied, principally, from Britain, and, to a smaller extent, from Belgium and Sweden. Offering is intensive, contracts being made for quantities of 50—200 tons.

Black iron. The chief suppliers are German and Belgian firms, which have agencies on the spot. British products have proved more suitable in point of quality, but purchases are restricted owing to the price difference. Quotations for sheets of equal weight, at the close of October, were (cif Tallinn): German — £ 9.7.4 per 1000 kg., British — £ 10.17.6, terms of payment being equal.

Rolled iron is imported from Germany, France, Belgium and Sweden in lots of 200 tons on the average. Owing to the Cartels, Continental prices are more or less uniform. British goods are higher priced, as the following figures for October, 1933, suggest (cif Tallinn):

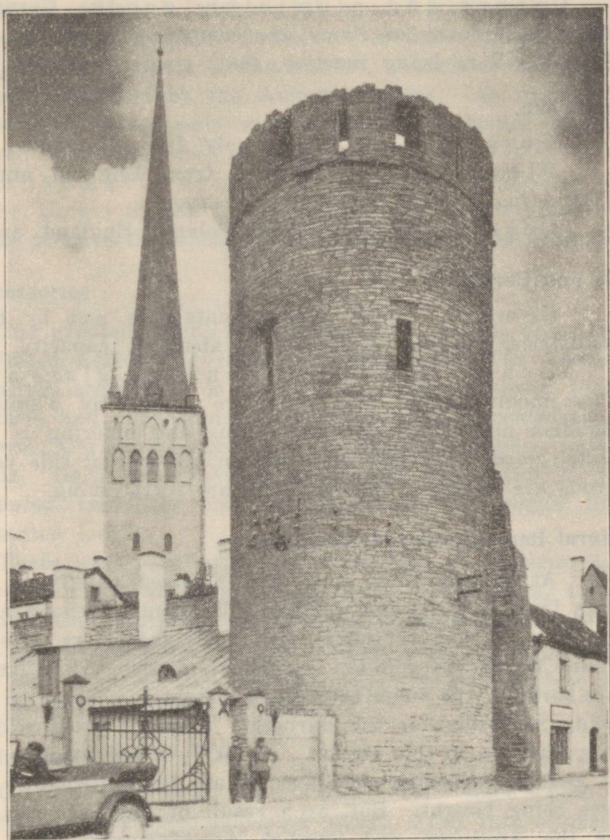
German	£ 7. 2. 4 per 1000 kg
British	£ 7. 10. 0 per 1016 kg

With some goodwill on both sides, it should be possible to have these British goods imported into Estonia.

Pewter and tinned iron. Britain is the chief supplier, the goods being of superior quality and prices competitive. Offering is alert, and price reports are circulated every week.

Lead. Supplies are divided between England and Germany, offering being brisk. Prices are communicated once a week. Britain's share in the trade could be enlarged by extending present business connections.

Files and grating-irons. Supplied chiefly by British and Swedish firms. British products meet with favour, and prices are competitive.



A view of the picturesque old Bastions and Churches of Tallinn.

Iron tubes and joints. Imports are entirely dependent on quotas distributed by international Cartels embracing also British manufacturers.

Tools and other iron goods (plane-irons, borers, saw bands, chisels, tongs, locks, handles etc.). Furnished by German and Swedish firms, whose local agents show considerable activity. Small orders are also accepted. Travellers' visits are frequent, from 6 to 10 times a year. In the absence of British offers, no information is available as to goods and prices.

Copper and aluminium goods. German, Swedish and Czechoslovakian firms are competing keenly in the market. British sellers being inactive, their goods are little known here.

Coal and Coke.

Forge coal is bought only from England.

Steam coal is imported from England and also from Poland in exchange for Estonian exports.

Coke is purchased from Poland, England and Germany.

Minerals and Ceramics.

Cement. Local requirements are met by the domestic industries, working at present at about $\frac{1}{2}$ capacity.

Enamel, china, earthenware, glass and lamps. The imports under this head are shared by Finnish, German, Swedish and Czechoslovakian firms and offering is very active. Dutch goods have also appeared on the market this year. British goods are unknown and no offers are forthcoming.

Agricultural Implements and Machines.

At present, these goods are imported chiefly on lively offerings from U. S. A. and Sweden. The bigger firms are represented on the spot and travellers visit their customers once or twice a year. Market information is regularly distributed. Advertising costs are borne by the manufacturers, a certain percentage of the proceeds being set aside for the purpose. There is practically no supply from Britain in this section. About 7—8 years ago, a fair amount of British thrashing machines, steam traction-engines and motors was being bought. But, as a result of improvements carried out by the American and Swedish manufacturers, their modernized lighter and cheaper articles succeeded in ousting the British products. The latter are at present not adapted to the Estonian market, prices are higher and terms of payment less favourable than those offered by Sweden. Offerings and commercial intelligence from England are scarce, information being supplied only on application.

Passenger Cars, Omnibuses, Motor-cycles and Bicycles.

American producers advertise efficiently. Local agents are appointed and travellers come over once or twice during the year. Besides, prices current are circulated at regular intervals. Some activity is also displayed by German and French manufacturers. British firms, although represented, are showing

a reserved attitude. British goods are of good quality and suited to market requirements. Prices are a little higher, but, on the whole, able to compete in the market. Terms of sale are similar to those stipulated by the American firms. As regards 'buses, frames and motors only are imported, the bodies being manufactured at a lower cost at home.

Pneumatic tyres. The principal supplying countries are the United States, England, Germany and France, but it is possible to have the whole of these imports effected from England.

Electric Accessories.

The greatest part of these articles is bought from Germany, the United States and Britain coming next. The leading place in electric accessories is held by Germany where prices are attractive and connections have existed for a considerable time. Moreover, German voltage rates correspond to those applied in Estonia. German and American market information is regularly distributed, travellers visit customers, and the bigger firms are represented locally.

There have been cases where, in reply to inquiries addressed to British firms about a certain type of machines, the answer was given that such machines were not being manufactured. Thereupon, the orders were given to German and Danish works. Yet, later on, it was proved, in fact, that the machines in question were being constructed in Britain.

Musical Instruments.

Gramophones have been for some time manufactured at home from imported parts. First rate apparatus are purchased, chiefly, from England.

Gramophone records. There are primarily English and German records on the market. The latter sell better partly because of the German language being more widely understood, but chiefly owing to more efficient offering.

Other mechanical musical instruments are very little required. The total of these imports could be allotted to England.

Mineral Oils.

Petroleum. The market is dependent for the supply of petroleum, upon the competition between the American and European concerns, on the one side, and the „Soiusneft“, a State-owned organization of the U. S. S. R., on the other side. For some years,

the supply of the Estonian market has been divided between these two groups in approximately equal parts. The British share is limited to roundly 25% of the whole, subject to agreements between the producers regarding the distribution of markets among themselves. Endeavours on the part of Estonia to increase the proportion of petroleum of British origin have failed owing to the agreements abovementioned.

Motor spirit. Domestic production now covers 80% of the total requirements. The remaining portion of foreign petrol is at present chiefly supplied by British firms.

Lubricating oils. Owing to keen competition, offerings are made on terms complying with buyers' wishes. The goods are delivered in tankcars or barrels. Britain's share, now roundly 30% of the total imports, could be raised up to 75%.

Chemicals and Drugs.

Caustic soda, soda-ash, white-lead. British goods stand out for their better quality. Up to 100% of the total imports could be bought from England, but owing to the syndication of industries British firms refuse to sell to Estonia, referring buyers to other countries.

Zinc-white. Local market unaccustomed to British packing methods. There are practically no direct offerings, but given sufficient interest on the part of British firms British goods have good prospects of conquering the market.

Rosin. There is American rosin which is delivered from Hamburg. The entire supply could be allocated to Britain if desired.

Iron-gray. British goods can compete in price and quality and are already capturing the market.

Metal-polish. Requirements are covered by local production. A trifling proportion is imported, chiefly, from Germany.

Other industrial chemicals representing in bulk a worth while article, are, until now, for the most part being imported from elsewhere owing to ignorance of British sources of supply and lack of interest on the part of British producers and distributors.

Artificial Fertilizers.

Superphosphate is for the most part supplied by Sweden, also by Denmark, Holland and Soviet Russia. Offering is active, all competing firms having agents in Estonia. British prices communicated upon inquiries have proved higher than others,

while Continental products are offered. Swedish superphosphate is delivered every week during the season in shipments of 2—500 tons. Given reasonable prices, a total of 10.000 tons could be imported annually from England, deliverable in equal moieties in March/April and July/August each year, in shipments of 500—700 tons each.

Nitrate of Soda is imported from Germany. Owing to the Potash Combine, the goods are delivered only from Hamburg, even if bought from British firms.

Nitrocalcite, potassium nitrate and nitrophoska. Supplied by J. G. Farbenindustrie, Germany. No offers at all have been received from England, and market conditions there are unknown.

Sulphhydrate of ammonia. I. G. Farbenindustrie is making sales of this article dependent on purchases of nitrocalcite which till now has been obtainable only from them. There have been no offers from Britain.

Potassium salt is supplied by the Potash Combine from Germany and France.

Caoutchouc, Gutta-percha and Rubber.

Local industry is using British and Dutch colonial products. Purchases are still effected from Hamburg owing to better shipping connections and lower freight, as compared with Liverpool, which makes the Tallinn cif price about 5% cheaper than if shipped from England.

Miscellaneous.

Belts. The main supplying countries are Germany, Belgium, Luxemburg and England. The latter's share in the total could easily be increased.

Sewing Machines. These are imported from Germany and England. The latter's sales could well be raised.

Copra and palm kernels are imported chiefly from England. Subject to favourable prices, the entire supply of these commodities could be allocated to British distributors.

Boot-polish. Demands are satisfied by domestic products, a petty amount being bought abroad, chiefly from England.

Lac-dyes of all descriptions. The cheaper grades are manufactured by the home industry. The import of higher qualities could wholly be allotted to the British market.

Photographic apparatus. Imports till now have been effected chiefly from Germany on account of the cheaper pri-

ces — particularly of the optical parts — of German articles as compared with others of equal quality.

Photographic films, plates and other materials. First class descriptions of British make can successfully compete with similar foreign products, while current qualities of German and French origin are offered at cheaper prices. The import of German and French goods has been dependent on the respective quotas allotted to the producers by the international agreements to which they are parties. British firms outside the Cartels, if any, could be approached with a view to supplying the middling qualities also.

CHARACTERISTICS OF ARTICLES OF ESTONIAN EXPORT.

Estonian Butter.

The development of dairy farming in Estonia depends entirely on the manufacture of butter which has until now found a sufficiently wide market in Germany and England. As 85—90% of the total butter produced is exported, it is but natural that every possible means is used to ensure that only first class butter, fit to satisfy the requirements of the most fastidious consumer, is sent abroad.

Natural and climatic conditions account in no small measure for the high quality of Estonian butter, the grain, grass and other plants grown on the pastures and fields of the northern regions of the temperate zone being rich in vitamins and etheric oils — but skilful treatment of the raw materials and the utmost cleanness in the whole process of production are most essential.

To ensure this, the entire proceedings beginning with the collection of the milk at the rural dairies and ending with the shipping of the butter destined for export is subjected to rigid Government control consisting of the following operations: —

Government Control.

1. At the dairies the fresh milk is tested for smell, taste, aizarin content, sediment and ferment, and the milk-cans are examined for cleanness. These tests are compulsory on all dairies, and on their result depends the price paid for the milk. Milk of inferior quality is not accepted at all, while in case of minor

deficiencies the price must be reduced by not less than 4% in comparison to that paid for ordinary milk.

2. All dairies manufacturing butter for export are subject to sanitary inspection. They are fitted with up-to-date plant, having, almost without exception, been established, or having modernised their installations, within the last ten years.

Those dairies failing to comply with the requirements of the supervisory authorities are struck off the register of dairies manufacturing butter for export and lose the right to engage in these operations.

3. All butter manufactured by the dairies for export is tested for freshness, flavour, water and salt content, and bacteria.

4. Care is taken to ensure that the butter is shipped off immediately upon arrival from coldstorage, to prevent exposure in the open air and any possible contamination.

5. All ingredients, such as salt, water and dye-stuffs, as well as the parchment and other packing materials, used in the manufacture of butter, are similarly subject to chemical and bacteriological inspection.

Quality of Estonian Butter.

The butter destined for export must satisfy the following principal requirements: —

(1) Must be manufactured at a dairy registered at the Dairy Export Control Station;

(2) Must be made of good milk tested for taste, smell, alizarin content, sediment and fermentation;

(3) Must be presented to the State Export Control for inspection and marking of quality;

(4) Must be in such condition in respect of flavour, smell, colour, consistency and appearance as to satisfy the requirements of the butter experts at the Control Station;

(5) Must not contain: water over 16%, fat under 80%, any preservatives except common salt, aniline or other noxious dye-stuffs. To give the butter a uniform colour it is permitted to use „Anatto“ butter dye;

(6) Must be made of cream pasteurized at a temperature of at least 85° C.;

(7) Must in no way be mixed or adulterated with any other butter, or vegetable and animal fats;

(8) Must be packed in the manner prescribed by the Control Station, in casks provided with 8 hoops and made of beech-wood or such other wood which will in no way affect the flavour or quality

of the product. The packages must bear the trade-and quality marks of Estonian butter and within the package, or on its outer surface, must be affixed a label of thin white paper bearing the control mark;

(9) Must be of standard weight, viz., in casks: 112 lbs (50.8 kg) net, and in cases or half-casks — 56 lbs (25.4 kg) net.

Butter which does not comply with the above requirements or which has not passed through the control, is quite inadmissible for export.

Control Marks.

The quality of export butter is determined by a committee of experts who take into consideration the taste, smell, colour, consistency, appearance and packing of the product. The quality is designated on the 15-mark system.

Butter having received 12—15 points is considered as best quality and is marked by the Control Station with a red stamp in English reading „Estonian Government Butter Control Station „Finest“.

Butter receiving 10—11 points is considered as next best quality, the marking being a violet stamp reading „Estonian Government Butter Control Station „Fine“.

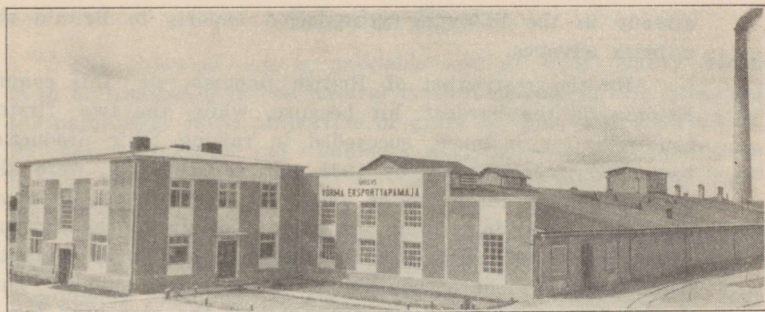
Besides the above-mentioned quality marks, the casks or cases with butter sold abroad on the basis of special agreements are provided with a red inscription, in English: „Estonian Government Butter Control Station. Contract Dairy“, which may, in certain cases, replace the said quality marks.

Butter which has received less than 10 points is not allowed to be exported.

Estonian butter is further examined with regard to its durability which is particularly important for the foreign consumer. For this purpose samples are taken for testing from all the butter manufactured by registered dairies. These tests are carried out during the whole year, the samples being taken from butter arriving at the coldstores.

The quality determined by these tests is noted on the day the sample is taken and after a stay of 14 days in a room with a uniform temperature of 10—12° C. Chemical and bacteriological tests are also carried out.

If at the end of the test period the quality of the butter is found to have fallen below the limit admissible for export butter, a further sample is taken from the respective dairy which is similarly tested. The butter of such dairies which show unsatisfact-



One of the Modern Country Slaughterhouses (Võhma).

ory results in respect of durability is not marked by the Control Station with the best quality mark for export butter even if it continues to receive 12 or more points on the general quality tests.

If follows from the above that foreign consumers of Estonian butter are protected in every respect.

Estonian Bacon.

The introduction of the quota system in Great Britain in November, 1932, has placed the Estonian pig-breeders and bacon industries in a difficult position and threatens to bring all previous efforts to naught.

The first essential for the manufacture of high-grade bacon being the improvement of breeds, brood-sows and boars were imported from England and Denmark, brood-studs were organized all over the country, supplying breeders with thoroughbred animals, and pig-breeding societies and advisers were called in to assist in the work.

At the same time, up-to-date export slaughter-houses organized on the lines of agricultural co-operative institutions were constructed. By 1928 five slaughter-houses were built, four of which were fitted for the manufacture of bacon. All these slaughter-houses were erected at the suggestion and with the financial support of British bacon importing firms. Their total capacity amounts to 300.000 pigs a year.

As in other new States, Poland, Lithuania and Finland, preparatory labours for the organization of pig-breeding and the manufacture of bacon were brought to a conclusion by 1930, and

already in the following year bacon exports to Britain showed a brisk advance.

By the restriction of British imports of this commodity Estonia is the hardest hit because, while the two firstnamed countries, for instance, succeeded in raising their production of bacon very considerably by 1931 and, consequently, were allotted correspondingly large quotas under the new scheme, Estonia was prevented from developing her exports owing to the agricultural calamities in 1928 and 1929 and therefore had to be content with a much smaller share than she is now fitted to supply. Thus, in the closing months of 1933, roughly half the pigs bred for bacon will have to be sold at low prices at home owing to lack of a market abroad.

The manufacture and sorting of Estonian bacon has been organised exactly according to Danish methods by Danish and English experts. The quality of the product, owing to careful selection of the breeds and suitably organized advice, entirely satisfies the requirements of British consumers. Experts consider Estonian bacon in point of quality equal to Danish bacon and considerably higher than its rivals in the other Baltic States. Despite this, the Estonian product is usually 6—8 sh. per cwt. cheaper than Danish bacon owing to its comparative youth and small volume.

Estonian bacon is distributed on the British market by two English firms on a consignment basis. The supply of the product is subject to seasonal variation, rising to its top in the latter months of the year and falling to its minimum between June and August.

Under the quota system now in operation, the proportion of bacon pigs, exportable to Britain, to the number of farming establishments is 1 : 3, while in Denmark it is 8 : 1. These figures clearly demonstrate the precarious plight of the Estonian farmer. Obviously, the export slaughter-houses are also in a difficult position, being compelled to work at $\frac{1}{3}$ — $\frac{1}{4}$ capacity.

On account of the abovesaid, it is of the utmost importance that Estonia should be allotted a bigger share in British bacon imports. Arguing from the amount of forage normally available, the preparatory work so far performed and the capital invested in buildings and stock, as well as from anything in the way of a profitable exploitation of the export slaughter-houses, the quantity of bacon admissible for exportation to the British market annually should be not less than 200,000 cwt.

Estonian Eggs.

The Estonian egg is palatable and of good quality which is to be attributed to the natural method of feeding the hens and the particularly large proportion of grain in their daily food ration. Artificial admixtures and stimulants, working to increase production at the expense of quality, are entirely unknown to the Estonian farmer.

The export of eggs is subject to the control of quality and weight by the Government. This control is exercised by special supervisors appointed by the Ministry of Agriculture. The eggs are divided into three qualities, viz.: A — „Fresh“, B — „Cold-stored“, and C — „Preserved“, the respective quality being marked on the boxes, each box containing 360 eggs and bearing the inscription: „Exported under Government Control“. Each single egg in the box is stamped, fresh eggs receiving an oval stamp „Estonia“, the other two qualities bearing circular stamps „Coldstored“ „Estonia“ and „Preserved“ „Estonia“.

Fresh eggs are further sub-divided into two qualities. Eggs, the yolk of which is transparent or dimly visible and situated in the middle of the egg are considered of the first quality; the space filled with air must not exceed 3 mm; the shell must be clear, intact and quite clean. Boxes containing eggs of this sort are provided with a red mark reading „Government Control. Extra Selected, Ministry of Agriculture“.

Eggs of the second quality may have an air space not exceeding 8 mm., other requirements being equal. Boxes with these eggs are marked with a black stamp reading: „Government Control. Specials. Ministry of Agriculture“.

Eggs exported to England are sorted by weight in such a manner that each box contains eggs of different weight, whereby the difference in weight of every 120 eggs is 1 or $\frac{1}{2}$ lb.

Owing to the central stores of eggs being densely spread over the whole country and to prompt connection with foreign countries, Estonian eggs reach the foreign consumer in a quite fresh condition.

Estonian Potatoes.

Potato growing is mainly centred in the northern regions of the country where, on suitable soils, the best yields are obtained as compared with other field crops. The cultivation of potatoes having been for a long time a favourite occupation of the Estonian farmers, the area under this crop is considerable, rising in certain

potato-growing districts up to 20% of the total cultivated area, with an average of 7%.

Kinds of Potatoes Grown.

Of the older sorts of potatoes, the most widely-spread kind is *Rich Emperor* which is also exported for human consumption to the neighbouring countries. In recent years, with a view to meeting the requirements of the West European market, some new better kinds have been extensively cultivated with the assistance of the Ministry of Agriculture. Of these, *Find. Majestic* has been recognised as the best and is now already finding a fairly extensive market abroad.

Government Export Control.

Under legislation originally passed in 1922 and supplemented in 1926 by the Law regarding the Control of the Export of Potatoes and regulations issued in 1931, the importation of potatoes from countries afflicted by potato-diseases and noxious insects is prohibited, as is also the exportation of potatoes of inferior quality, only officially approved standard sorts being admitted for export.

Potatoes for human consumption, destined for export, are divided into two standard qualities, viz., "Extra" and "Prima", having a diameter of at least 50 mm and 40 mm, respectively. Both qualities are further divided into sub-qualities according to the kinds and shape of the product.

Seed-potatoes are classed according to purity of kind into three groups.

Properties of Estonian Potatoes.

Our climate and soil being favourable for the growth of this particular crop, Estonian potatoes are palatable and rich in starch, and can be kept fresh until late in the summer following the season in which they are harvested, without losing their nutritive value and other natural properties.

Besides its advantages for purposes of consumption, the Estonian potato, being entirely free from disease, is of particular value as a seed-potato. Its healthy condition is clearly demonstrated by such old kinds as *Rock*, *Emperor* etc. which have been cultivated here on a large scale for some 50—60 years without any selection or renewal of the seed.

Estonian Flax.

The only kind of flax cultivated in Estonia is the blue-flowered fibrous plant known by the scientific name of *Linum usitatissimum vulgare* L. The flax-straw gathered is mostly dressed by the growers themselves. The treatment consists, among other manipulations, mainly in retting the fibre in stagnant water, followed by a natural bleaching process by exposing it to sunshine and rain. The product eventually obtained is known as „motchenetz“ flax (Russ. = retted flax) which in its nature and technical properties very closely resembles the Latvian and Russian „motchenetz“ flax. It need only be mentioned that the best motchenetz flax district of pre-war Russia — Petseri (Petchory) now belongs to Estonia.

Export Control.

In order to raise and maintain the competitive ability of Estonian flax on the foreign markets, the Ministry of Agriculture, through special flax inspectors, exercises control over the export as well as the local purchases of flax, to ensure that (1) all flax exported from Estonia is uniformly sorted and packed in accordance with the official regulations and standard sorts; (2) all local licensed buyers, when purchasing flax from the farmers, are provided with samples of the standard sorts to be shown to the sellers for comparison, and (3) no adulterated flax is sold.

Standard Sorts

The flax destined for export is sorted by trained sorters in the employment of the exporting firms, in accordance with the official standard sorts. The latter are prepared by the standard flax committees. These committees are composed of representatives of the Ministry of Agriculture, the Chamber of Agriculture and the Chamber of Commerce and Industry.

The standard adopted in Estonia differs from those of Latvia and Russia, but British and Continental spinners as well as regular buyers of Estonian flax — we may name Messrs. Malcolm & Co., Ltd., London — are satisfied with, and accustomed to, the present method of sorting.

Subject to the methods of preliminary treatment (retting and bleaching) as well as the origin of the fibre, Estonian flax is classed into three main groups, viz.:

(1) Petseri, characterised by a uniform greyish colour, without green spots, and strong, fine, ribbon-like, soft and oily fibre. Produced mainly in the Petseri district;

(2) V ô r u, differing from the above only in that it has a softer, finer not ribbon-like fibre, obtained by slightly longer bleaching after steeping. Grown principally in the V ô r u district and in a few narrow strips adjoining the Tartu and Valga districts. In a small part of the V ô r u flax region a somewhat different species is grown which is slightly cream-coloured, less oleous and has a broader fibre than the rest of the V ô r u flaxes;

(3) E e s t i h o f f s, formerly described as „Eesti Livonia“, is greenspotted as a result of uneven bleaching, and of varying fineness and oiliness. Raised throughout Estonia, except in the two abovenamed districts.

For export purposes each group is subdivided according to the approved standards and the technical properties of the harl (percentage of long threads obtained in combing, resistance, oil content, cleanness, tow content and general uniformity) into the following six qualities: —

Marks	% of Long Fibre	Remarks
G	60—65	
R	50—55	
HD	40—45	
D	30—35	
OD	20—25	Often spun uncombed
LOD	10—15	Mostly „ „

To conform with the practice adhered to by the old consumers of Estonian flax in England, the export regulations admit of a further subdivision of the Eesti hoffs group into the following three sub-groups:

Tartu flax, purchased mainly in the Tartu district
 Viljandi flax, „ „ „ „ Viljandi „
 Pärnu flax, „ „ „ „ Pärnu „

The differences in between the above sub-groups are very slight, depending entirely on regional climatic conditions. Mechanical cleaning, done by the exporting firms to reduce tow content, is indicated by two asterisks enclosing the general quality mark, viz.: xGx, xRx and so forth.

The predominating qualities are HD and R in the first two main groups and D in the Eesti hoffs group and sub-groups.

Sort G is obtainable only when weather conditions have been exceptionally favourable for the growth of flax. In common years,

the available quantity, being inadequate for individual export, is mixed with sort R.

Besides flax, Estonia also exports tow which is classed, according to length of fibre, resistance, cleanness and oil content, into three groups.

Inspection of the sorting and packing of flax destined for export is carried out by experts of the Ministry of Agriculture with the goods packed in bales before delivery to the Customs.

Estonian Timber.

About 9,000 hectares of timber is felled annually, of which 70% conifers — pines and firs — and 30% foliage-trees, chiefly birches and aspen. Fir-pine-wood is principally used for sawn timber, the thinner dimensions being worked into props and pulpwood. The greater part of the timber is exported.

Pulpwood is worked locally into sulphite chemical pulp and wet mechanical pulp, constituting one of the principal articles of export. Estonian cellulose and pulp can successfully compete in quality with foreign products. In 1933 bleached sulphite chemical pulp has also been manufactured for export by a local works.

In recent years several factories specializing in boards for boxes were set up which are equipped with up-to-date plant.

The goods going abroad are for the most part shipped from the Tallinn, Pärnu and Narva harbours.

Plywood and articles made therefrom are produced by the Company for Mechanical Woodworking A. M. Luther, Ltd., at Tallinn.

Present production, which is sold under the trade-marks „Luterma“ and „Venesta“, embraces the following items: —

- (1) Packing boxes, generally made of 4—6 mm plywood, mostly for tea, rubber, tobacco, fruit and meat preserves;
- (2) Veneer for furniture and building purposes, in 7 qualities, of a thickness from 3 mm upward and dimensions up to 84×60";
- (3) Chair seats and backs of different size and descriptions, poked or plain, punched or relief;
- (4) Hand-boxes and bags of bent plywood sheets;
- (5) Bobbins, and
- (6) Furniture.

A latest feature of the works is the manufacture of plywood, of a thickness of 0.5—2.5 mm, for aeroplanes, made from 3—5 almost paper-thin flawless sheets of a size up to 60×48" pasted together with waterproof glue. It might be of interest to mention that the aeroplanes used in General Balbo's flight were equipped with plywood sheets manufactured by Messrs. A. M. Luther, Ltd., at Tallinn.

Birch-wood is principally used for the manufacture of plywood.

Estonian Timber

Timber is one of the principal products of the Estonian forests. The greater part of the timber is exported in the form of sawn timber, the timber dimensions being 100 mm wide and 100 mm high. The greater part of the timber is exported in the form of sawn timber, the timber dimensions being 100 mm wide and 100 mm high.

Pulpwood is worked locally and substantial quantities are exported. The principal article of export is mechanical pulp, consisting of the principal articles of export. Estonian cellulose and pulp can generally compete in quality with foreign products. In 1928 bleached sulphite chemical pulp has also been manufactured for export by a local factory. In recent years technical factories specializing in boards for boxes were set up which are equipped with up-to-date plant.

The goods mentioned are for the most part shipped from the ports of Tallinn, Pärnu and Narva. The principal companies for the export of Estonian timber and wood products are the Estonian Timber Company for Mechanical Woodworking A. M. Luther, Ltd. at Tallinn.

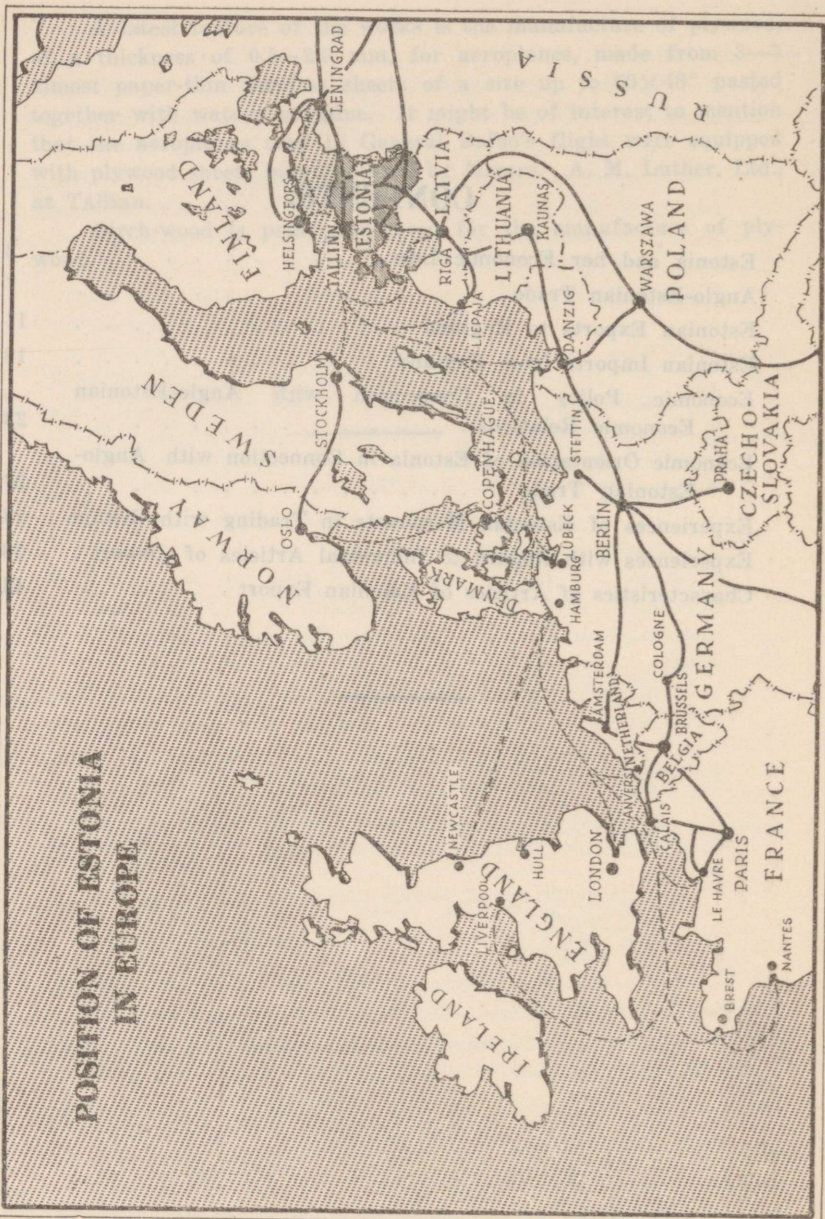
Principal products which are sold under the trade names "Lutium" and "Vene" are the following items:

- (1) Packing boxes generally made of 4—6 mm plywood;
- (2) Hand boxes and parts of birch plywood sheets;
- (3) Plywood sheets and parts of birch plywood sheets;
- (4) Hand boxes and parts of birch plywood sheets;
- (5) Plywood sheets and parts of birch plywood sheets;
- (6) Plywood sheets and parts of birch plywood sheets;
- (7) Plywood sheets and parts of birch plywood sheets;
- (8) Plywood sheets and parts of birch plywood sheets;
- (9) Plywood sheets and parts of birch plywood sheets;
- (10) Plywood sheets and parts of birch plywood sheets;

CONTENTS.

Estonia and her Economic Life	3
Anglo-Estonian Trade	7
Estonian Exports to England	11
Estonian Imports from England	16
Economic Policy in Connection with Anglo-Estonian Economic Relations	23
Economic Orientation of Estonia in Connection with Anglo- Estonian Trade	27
Experiences of Estonian Merchants in Trading with Britain	28
Experiences with Regard to Individual Articles of Import .	33
Characteristics of Articles of Estonian Export	44

**POSITION OF ESTONIA
IN EUROPE**



Est A - 5057

TÜ RAAMATUKOGU



1 0300 00844099 4