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WORLD WOOL PROSPECTS

Summary

Trading in raw wool in the domestic market showed a decided improvement in October after months of inactivity, and some improvement also occurred in foreign selling centers, according to reports received in the Bureau of Agricultural Economics. The improvement in the domestic market was attributed to substantial government contracts for wool products, some increase in sales to consumers and the proposal by dealers of a plan for the financing and marketing of stocks of the 1934 clip still held by growers. The resumption of trading in Ohio and similar fleece wools at Boston was at prices slightly lower than the recent nominal quotations in that market, but no change was reported in quotations for western wools. Increased continental demand in the latter part of the London sales which closed October 3 and at the following sales in Southern Hemisphere selling centers resulted in slightly higher foreign wool prices in October. Because of the wide spread between domestic and foreign wool prices, any general advance in domestic prices probably will await improvement in the wool manufacturing industry in this country.

After an adjustment for variation in the number of working days, the consumption of combing and clothing wool by identical mills in the United States for the 4 weeks ended August 25 showed a reduction of 2.4 percent compared with the preceding 4-week period, and a further decline in activity occurred in September as a result of the textile strike and the closing of mills because of a lack of orders. Consumption of combing and clothing wool by United States mills in the first 9 months of 1934 is estimated to have

been about 35 percent smaller than in 1933 and was probably smaller than in the same months of any year in the 15 years for which statistics are available.

Activity in the wool textile industry of the United Kingdom showed some improvement in September, but activity remains considerably below that of the corresponding period of last year.

The Bureau of the Census reports that at the end of September United States dealers, manufacturers, and topmakers held, on a grease equivalent basis, 395,700,000 pounds of domestic wool and 38,281,000 pounds of foreign wool, excluding carpet wool, or a total of 433,981,000 pounds of combing and clothing wool compared with 389,784,000 pounds held on June 30. On a clean equivalent basis stocks held on September 29 amounted to 186,229,000 pounds compared with 168,716,000 pounds on June 30. Similar figures for earlier years are not available for comparison, but stocks held at this time are considered to be relatively large. However, the increase in stocks held by dealers and manufacturers from June 30 to September 29 probably was accompanied by a decrease in stocks held in wool producing states.

Prospects still indicate that world wool production for the 1934-35 season will about equal that of 1933-34, which was somewhat below the record production of 1932-33. The estimated decreases in wool production in the United States and the Union of South Africa in 1934 are expected to be offset by increases in Australia and New Zealand. A recent commercial estimate states that the Argentine clip will be about the same as it was last year.

Owing to the relatively small disposals of wool in Southern Hemisphere countries during the first part of the new season supplies are larger than at the same time a year ago. The Southern Hemisphere wool selling season which is usually well under way by this time of year has been slow in starting owing to the dislocation of the market as a result of the German and Italian

restrictions on imports. Receipts of current clip wool into store have been smaller than a year ago and the percentage of disposals to receipts for the first 3 months of the season was unusually low so that stocks of wool on hand, especially in Australia and the Union of South Africa are large. Unsold stocks of old and new clip wool reported at selling centers in these two countries on September 30, 1934, totaled 299,000,000 pounds compared with 218,000,000 pounds on the same date last year. Stocks of wool in New Zealand are probably lower than at the same date of 1933, owing to the heavy reduction in carry-over wool.

The South American season closed on September 30 with shipments for the season much reduced as compared with 1932-33 when they were unusually large but somewhat above shipments for the 1931-32 season. Stocks in Argentina at the close of the season were unofficially reported to be about 44,000,000 pounds, a quantity about three times as large as on the same date of 1933, but only about two thirds of the quantity on hand at the same date of 1932.

Marketing Situation

United States

A gradual improvement became evident in the Boston market following the settlement of the textile strike late in September. Trading did not reach a large volume, however, until after the middle of October when the combined influence of large government contracts, some improvement in the goods market and the proposal of a plan for approved dealers to take over the remainder of the 1934 clip still in the hands of growers served to bring out a fairly normal week's business in wool for the first time since the early part of the year. Inquiry in the market late in September resulted in an increased demand for the poorer types of shorn wools suitable for woollen manufacture and for scoured wools, according to reports from R. L. Burrus of the Boston office of the Bureau of Agricultural Economics. The movement of greasy combing domestic wools showed no improvement until October.

Western wools were the first to feel the improved demand for combing wools in October and sales of such wool were in good volume by the third week of the month. Prices reported on most sales in the last month have been full market rates suggested by the wool advisory committee. Strictly combing territory wools grading 64s and finer sold at 75-77 cents a pound scoured basis, similar 58s, 60s at 72-74 cents and 56s at 65-67 cents while 48s, 50s were 60-62 cents a pound scoured basis. Twelve months staple spot Texas

wool sold at around 70 cents scoured basis. A recent development of considerable interest was a rise in prices for wool in Texas caused by increased demand early in October. Some estimates place this increase as high as 5 cents a pound scoured basis. Boston spot prices for Texas wools have been higher than prices on wools held in Texas and demand for such spot wool at Boston has been light.

The dullness which had prevailed for many weeks in Ohio and similar fleeces was definitely broken the third week of October when buyers took a wide assortment of grades. Selling prices on active trading were somewhat lower than the earlier, nominal quotations but prices showed a fair degree of firmness after a trading basis was established. Ohio and similar, strictly combing 64s, 70s, 80s sold at 27-28 cents a pound, grease basis, 56s at 29-30 cents a pound, and 46s at 26-27 cents, grease basis.

Spot sales of foreign wool at Boston in recent weeks consisted of a small quantity of good average Australian wool at 82-85 cents a pound, scoured basis, duty paid, which was about the import parity for similar wool at that time. A few odd lots of coarse grade foreign wools for clothing purposes were also sold.

Spot sales of tops improved early in October and after the middle of the month some contracts for near future requirements were placed by spinners. Sales have been chiefly on average 64s oil combed tops at 85-88 cents. Good staple 64s were taken at 88-91 cents. Deliveries increased as spot sales increased and specifications on old contracts were submitted more freely.

At a meeting on October 17 of wool dealers previously designated as approved selling agencies for wool held as collateral by the Farm Credit Administration, plans were considered for the organization of a corporation to advance funds on wool still held at country points. Wool financed by the corporation would be sold on the consignment basis under regulations of the wool and mohair advisory committee. It was felt that such an organization could remove from the market the disturbing factor of wools sold under necessity at country points at prices below the Boston spot market quotations. Plans were of a preliminary nature only and a committee was appointed to work out necessary details.

The Bureau of the Census in cooperation with the Code Authorities of the wool textile industry and the national wool trade reports that stocks of combing and clothing wool in the hands of dealers, manufacturers, topmakers, commission houses and pullers reporting as of September 30 amounted to 595,856,000 pounds in condition reported compared with 349,117,000 pounds reported on June 30. On a clean equivalent basis stocks on September 30 were 186,229,000 pounds compared with 168,716,000 pounds on June 30. In addition, dealers, topmakers and manufacturers held 30,165,000 1/ pounds of tops and 11,440,000 pounds of noils made from combing and clothing wool compared with 31,348,000 pounds of tops and 14,913,000 pounds of noils reported on June 30. Stocks held by dealers on September 30 were 59,000,000 pounds (in condition reported) larger than stocks held on June 30 while

1/ Includes 350,000 pounds of certificated tops held in public warehouses by persons dealing on New York Wool Top Exchange.

stocks held by manufacturers showed a decline of 12,260,000 pounds. Stocks of tops and noils held by topmakers and manufacturers were also smaller on September 30 than on June 30. Stocks of carpet wool reported on September 30 were 51,257,000 pounds compared with 52,437,000 pounds on June 30 and stocks of tops and noils made from carpet wool were 627,000 pounds on September 30 and 728,000 pounds on June 30. These figures are believed to include stocks held by all dealers, topmakers and manufacturers who usually hold significant stocks of wool, tops or noils. Wool still in the hands of growers, however, is not covered by the report. Similar figures for earlier years are not available for comparison, but stocks held at this time are considered to be relatively large as compared with domestic production or with domestic consumption requirements.

Receipts of domestic wool at Boston continue greatly below normal. Receipts from January 1 to September 30 were only 156,000,000 pounds compared with 236,000,000 in the first 9 months of 1933 and 179,000,000 in the same months of 1932. Arrivals for this period averaged 211,000,000 in the 5 years 1929-1933. Imports of wool continue to decline. Imports for consumption from January to September were 18,082,000 pounds of combing and clothing wool and 71,568,000 pounds of carpet wool. Net imports from January to September 1933 were 31,373,000 pounds of combing and clothing wool and 94,694,000 pounds of carpet wool. Since stocks of domestic wool remaining from the 1934 clip will be sufficient to meet domestic requirements for some time little increase in imports is expected. Imports for the year 1934 will probably be smaller than in any recent year except 1932.

The Bureau of the Census reports that after an adjustment for the variation in number of working days the consumption of combing and clothing wool on a clean equivalent basis by 493 identical mills in the 4 weeks ended August 25 showed a reduction of 2.4 percent compared with the preceding 4-week period ended July 28. Total consumption by 509 mills reporting from July 29 to August 25 was 9,417,000 pounds in clean equivalent weight compared with a consumption of 8,846,000 pounds by 499 mills in the 4-week period July 1-28. Consumption in the first 8 months of this year was more than 30 percent smaller than in the same months of 1933. As a result of the strike of textile workers and the closing of some mills because of lack of orders consumption figures for September will show a further decline. Total consumption of combing and clothing wool for 1934 will probably be as small as or smaller than the consumption in 1932, the previous year of lowest consumption in the 15-year period for which statistics are available. While retail sales of wool garments are reported to be good, the New York Wool Top Exchange Service reported early in October that stocks held by garment manufacturers appeared sufficient for present needs.

Southern Hemisphere

The markets of the Southern Hemisphere in common with other principal wool markets, reported some irregularity in September, followed by an improvement in competition and prices at the close of the month and in October. Because of the refusal of many Australian growers to offer their wool at prices ruling in September, brokers were said to have difficulty in making up the offerings and the sales were shortened and cataglogs reduced in some centers. The improvement in competition and prices in October was expected

to result in better offerings at the later sales. German buyers were reported to be making some purchases in Australia in October and England, Japan, and France competed freely at most of the October sales. Sellers believe that if German buyers are permitted to operate to a fair extent, the movement of the clip will be greatly facilitated. The average price received for greasy wool at all selling centers in September was 14.5 cents a pound at current rates of exchange compared with 17.0 cents in August and 21 cents in September 1933.

The South African selling season made very slow progress in September. Some minor sales were held while other sales were cancelled because of unsatisfactory prices, although Cape prices were reported to be slightly above those obtained in Australia. Better offerings were available late in September and in October and a more general demand resulted in increases of 1-2 pence per clean pound. English buyers were said to be the chief operators. It is reported that the South African Government has decided to make provision of credit facilities for growers of wool and mohair in an effort to provide sufficient supplies at current world prices. Details of the plan are not yet available.

The wool market in Argentina was relatively quiet in September, the final month of the 1933-34 selling season, and prices were somewhat easier, according to the report of the Buenos Aires branch of the First National Bank of Boston. The only transactions of importance were with Germany, which, due to the exchange situation with that country, were reported to have been made under a form of barter arrangement. A report from England early in October stated that Roubaix wool brokers were shipping their holdings of South American wools to Buenos Aires and Montevideo and selling them to Germany at prices above current Roubaix levels.

The New Zealand selling season does not open until November 27.

United Kingdom

Strong competition and rising prices marked the latter part of the London sales which closed October 3. The increased demand from continental buyers in the second week of the sales was believed to be due in part to a covering movement on the part of users. The development indicates the importance of London as a spot market under conditions of slow trading and low imports which have prevailed in the wool industry in recent months. The sales closed with all descriptions of wool selling at the highest point of the series. While prices in English currency for merinos and fine crossbreds were generally 5 to 10 percent lower than at the close of the July series, medium and low crossbreds were as much as 5 percent above July rates in some instances. Because of the increase in the exchange value of the dollar in terms of the English pound, changes in prices in terms of American currency were slightly different. At current rates of exchange the closing quotations on October 3 for average 70s were about 41.1 cents a pound, clean costs (top and noil in oil, add 3 percent to convert to scoured basis) compared with the opening quotations on September 21 of 41.6 cents. In July this wool averaged about 46.7 cents a pound clean costs and at the high point in January, 70.5 cents a pound. Quotations on average 56s at the close of the last series were 27.7 cents a pound compared with 32.3 cents in July and 51.5 cents in January while 46s carding wools were 17.5 cents at the October close, 16.3 cents in July, and 28.7 cents in January.

Prices for wool, tops and noils continued to decline in the Bradford market during most of September and reached the lowest point of the year. In the last week of September, however, following the improvement in the London and Australian markets values improved at Bradford and a fair amount of business was placed. Prices have continued firm, but new business declined somewhat after the first covering movement. Demand for merino and medium crossbred tops was reported to be good the early part of October. The output of tops and yarns was improved early in October but is still below normal. Orders for by-products were also reported to be on a larger scale. The Weekly Wool Chart (Bradford) index number for raw wool prices in September was 64 (English currency basis, July 1914 = 100) compared with 70 in August, 102 in January, and 79 in September 1933. The corresponding index for tops was 73 in September compared with 75 in August, 111 in January, and 93 in September 1933.

Activity in the wool textile industry of the United Kingdom showed considerable improvement in September in all departments except that of wool sorting. The Ministry of Labor reports that 17.5 percent of insured workers in the woollen and worsted industry were registered as unemployed on September 24 compared with 23.4 percent unemployed on August 20 and 10.1 percent in September 1933. While activity in the woollen and worsted industry of England declined steadily in the first 8 months of 1934 in contrast to the upward trend in 1933, consumption of wool by the industry from January to August of this year is estimated by the Weekly Wool Chart of Bradford to have been slightly larger than in the same months of 1933. Net imports of raw wool for the first 8 months of the year were 50,000,000 pounds smaller than in the first 8 months of 1933. It seems probable that stocks of wool held by English dealers and manufacturers in September of this year were smaller than those held in September 1933. Stocks of wool at public warehouses in London and other ports and at railway and canal depots in Yorkshire at the end of August, however, were reported by the Imperial Economic Committee to be 16,000,000 pounds larger than at the same date in 1933 but were 16,000,000 pounds smaller than on June 30 of this year.

The conditioning house at Bradford reports that only 37,976,000 pounds of tops were conditioned in the first 9 months of this year, compared with 45,320,000 in the same months of 1933 and 40,707,000 pounds in 1932. The decline probably reflects the decline in the export trade in tops in 1934 which is due in part to the restrictions on imports into Germany. Exports of tops from the United Kingdom in the first 8 months of this year were 2,213,000 pounds smaller than in the same months of 1933. Exports of yarns and tissues, on the other hand, show an increase over those of 1933.

Continental Europe

The regular monthly report from the Berlin office of the Bureau of Agricultural Economics concerning conditions in the wool markets of continental Europe had not been received at the time for release of this report. The following developments have recently been reported by commercial publications.

Stocks of wool tops in commission combing establishments on the Continent, taken in the aggregate, showed slightly more than the normal seasonal decrease in September in the case of merinos while the slight

decline in crossbred tops was about normal. Stocks of merino tops at the end of September were slightly lower than at the same date last year while stocks of crossbred tops showed a larger reduction, due chiefly to the large decline in Germany. It is of interest to note, however, that stocks of crossbred tops in Germany showed an increase of about 1,000,000 pounds during September. Stocks of merino tops declined during the month. Stocks of merino tops reported in combing establishments of France, Germany, Belgium and Italy at the end of September were 26,742,000 pounds compared with 30,278,000 at the end of August and 27,952,000 in September 1933. Stocks of crossbred tops were 34,550,000 pounds compared with 35,007,000 in August and 41,195,000 in September 1933.

It is reported that Germany is buying fair quantities of wool in Hungary. At a recent auction in that country German buyers took the bulk of the offering of 1,800,000 pounds and it is expected that Germany will take over 3,000,000 pounds in all, which is the surplus not needed for home consumption in Hungary. The buying is done with Hungarian currency accumulated in Hungary by German exporters who find it best to make a transfer of the funds by means of a commodity. It is also reported that several modifications of the import license requirements have been made recently but details of the latest provisions are lacking. German buyers have recently bought South American wool at 4-6 cents a clean pound more than English buyers were willing to pay at that time. The purchases of South American wool are said to be made possible by a form of barter.

It is now announced that the proposals of the Italian Government with regard to the control of wool imports have been put into a decree issued by the Ministry of Finance following an agreement with the Italian Wool Association. The Bank of Italy has issued a notice to the effect that banks are forbidden to apply for foreign currencies to meet payments for imports of wool or wool products. Exceptions to the order may be made after application to the Bank of Italy, and it is understood that this means the introduction of a licensing system to control imports and it will give the Government power to decide from which source the wool should be obtained.

United States

As a result of below normal rainfall and excessive temperature throughout the summer months, the condition of ranges in the Western States deteriorated greatly and was the poorest in the 12 years for which records are available. This poor condition of ranges in the Western States where about 70 percent of the total number of sheep in the United States are located has affected sheep and lambs to such an extent that the condition on October 1 was only 70 percent of normal compared with 73 percent of normal last month, 83 percent a year ago, and the 10-year average of 89.9 percent.

Prospects for wintering sheep are reported as very unfavorable with serious feed and water shortage in much of the winter range areas.

The situation has caused the Agricultural Adjustment Administration and the Federal Emergency Relief Administration to cooperate in the purchase of sheep (restricted to ewes 1 year old and over) as a drought relief measure in states most seriously affected. According to present plans

about 5,000,000 ewes will be purchased, purchases to October 15 in 16 states totaled 2,709,000 head. These purchases will enable sheepmen to hold back a larger number of ewe lambs for flock replacement than would otherwise have been possible.

As a result of the expected substantial reduction in the number of stock sheep the wool clip of 1935 probably will be the smallest for several years. This year the production of shorn wool was estimated at 355,000,000 pounds compared with 365,000,000 pounds in 1933.

Australia

The German and the Italian restrictions on imports of wool have been partly responsible for the disorganization of the wool selling season in Australia. Latest advices are to the effect that there is little prospect of offering for sale the 1,350,000 bales officially allotted for disposal before Christmas. Receipts of wool of the new clip at selling centers for the first 3 months of the 1934-35 season, i.e. July to September 30, amounted to only 289,000,000 pounds compared with 321,000,000 pounds received into store a year earlier and 310,000,000 pounds during the same period for the 5 years, 1928 to 1932. Disposals of new clip wool have been small for this period amounting to only 50,000,000 pounds compared with 114,000,000 pounds for the same period last year and a 5-year average of 66,000,000 pounds. The percentage of disposals of new wool to receipts has been unusually low so that stocks on hand at the end of September were fairly high, being estimated at 239,000,000 pounds compared with 207,000,000 pounds in 1933 and a 5-year average of 245,000,000 pounds at that date. Stocks on September 30, 1932 reached 259,000,000 pounds and for the same date of 1928 they were 258,000,000.

In addition to the new clip wool disposed of during the period under discussion 37,000,000 pounds of carry-over wool from last season were sold leaving 26,000,000 pounds of 1933-34 wool still on hand compared with only 2,000,000 pounds a year ago and 16,000,000 pounds in 1932.

Exports from Australia during the 3 months ended September 30 amounted to 72,000,000 pounds. Last year during the same period the record quantity of 147,000,000 pounds were exported during this period. The 5-year average for this period 1928 to 1932 was 97,000,000 pounds.

Of the 19,000,000 pounds of wool shipped from Australia in July and August, 12,000,000 pounds or 63 percent were taken by the United Kingdom and about 3,000,000 pounds by Japan. Last year during the same period about 59,000,000 pounds were exported, the United Kingdom taking 17,000,000 pounds, Japan 11,000,000 pounds, and Germany 9,000,000 pounds.

The new clip in New South Wales is described as of good length and condition and in nice soft handling order. Heavy rain in some centers interrupted shearing and combined with cold spells caused a number of deaths of shorn sheep and lambs.

Conditions for the autumn and winter (March-June) lambing season were generally unfavorable, owing principally to the lack of green feed which gave lambs in most parts a serious check and in some instances resulted

in losses. It is unofficially estimated that the number of lambs was smaller in 1934 than in 1933. By January 1, 1935, therefore, sheep numbers will probably show a decrease as compared with immediately preceding years. The number of lambs marked in New South Wales during the 1932-33 season, the latest estimate available, was 14,200,000 compared with 14,330,000 in 1931-32. The number of lambs marked in all Australia for the 3 years 1928 to 1930 averaged 26,000,000, but in 1931 the number increased to 29,000,000. There was an increase in that year in New South Wales alone of over 3,000,000 lambs.

During the period September 1, 1933 to August 30, 1934 the number of sheep and lambs killed for export in Australia totaled 6,734,000 head compared with 5,971,000 in 1932-33 and 5,076,000 in 1931-32. There was an increase in sheep slaughter of 7 percent to 2,050,000 and an increase in lamb slaughter of 15 percent to 4,684,000. The number of lambs slaughtered last season constituted a record. It is reported that prospects point to a much reduced lamb slaughter in the season 1934-35, estimates of the decrease ranging from as low as 5 percent to as high as 20 percent.

New Zealand

Apparent supplies of wool for the 1934-35 season, i. e., carry-over plus estimated production, is provisionally estimated at about 6 percent below that of last season when it was 379,000,000 pounds compared with the record supplies of 406,000,000 pounds in 1932-33. Although production this season is estimated to be about 2 percent or 7,000,000 pounds greater than last season, carry-over has been reduced about 29,000,000 pounds.

Wool production during the season ended June 30, 1934 is now officially estimated at 300,500,000 pounds, an increase of 4 percent above 1932-33. The increase in production was reported to be due principally to a heavier fleece per sheep shorn, to record lambing and a later killing season. The number of sheep shorn during the 1933-34 season was 25,018,000 and the number of lambs 3,500,237 compared with 25,069,409 sheep and 2,630,000 lambs shorn in 1932-33. Thus about 870,000 more lambs were shorn in 1933-34 than in the preceding season and 52,000 less sheep.

The number of sheep in New Zealand on April 30, 1934 was officially returned at 28,551,000, an increase of 3 percent above 1933. It is estimated by Pyne, Gould, and Guinness Ltd. of New Zealand that the actual increase in flocks is only about 550,000 head instead of 795,000 head as estimated on April 30, as the killing season began later and more were killed after April 30 than was the case a year ago. Last year the same company estimated the actual decrease in numbers at only 300,000 head, owing to the earlier killing season instead of 900,000 head as officially estimated, i. e. fewer were killed after April 30 than had been the case in the preceding year. During the period from April 30 to July 31 this year 286,000 more lambs have been slaughtered for export than was the case a year ago and 116,000 more sheep, making an increase during that period of 402,000 head.

As shearing takes place in the last few months of the calendar year the increase in the number at shearing time, therefore, may be estimated at about 2 percent. On this basis the coming wool clip would be in the neighborhood of 307,000,000 pounds.

The bulk of the lambing in New Zealand occurs during the months September, October and November. The winter of 1934 (June-August) was much more favorable to sheep than the preceding one with abundant feed available. In July there occurred an unusually heavy snow storm which caused some loss of sheep but on the whole sheep wintered well and the number of breeding ewes for this season's lambing is probably not greatly different from that of a year earlier. On January 1, 1933 breeding ewes were reported at 17,210,000, an increase of 1 percent above 1932. The largest number reported was 17,609,000 in 1931. In 1933 breeding ewes constituted 61.9 percent of total sheep and lambs compared with 59 percent in 1932 and 1933.

Exports of wool for the first 3 months of the new season beginning July 1 are estimated at 15,000,000 pounds compared with 26,000,000 pounds in 1933-34 and 18,000,000 pounds for the preceding 5-year average.

Union of South Africa

Although apparent supplies of wool for disposal during the 1934-35 season, i.e., carry-over plus estimated production, are only about 2 percent less than in 1933-34, receipts at ports during the first 3 months of the season show a falling off of 57 percent.

There has been very little movement of the new clip in South Africa. The selling season is usually well under way by the end of September, but this season only a few minor sales had taken place by that time. Only 10,000,000 pounds of wool had been received at ports by the end of the first quarter of the 1934-35 season, i.e., September 30, compared with 23,000,000 pounds a year ago and 28,000,000 pounds in 1932. Exports during the same 3-month period of the 1934-35 season amounted to only 7,000,000 pounds compared with 16,000,000 pounds during the same period of 1933-34 and 29,000,000 pounds in 1932-33 for the corresponding period. The average for this period of the five seasons 1928-29 to 1932-33 was 12,000,000 pounds. Stocks of unsold wool at ports on September 30 had reached approximately 34,000,000 pounds and were almost four times as large as at the same time last year, but about the same as on the same date of 1931. The average quantity on hand on this date of the 5 years 1928 to 1932 was 16,000,000 pounds. The average price of the wool exported during September 1934 was 17 cents per pound compared with 22 cents in August, 25 cents in July and 19 cents in September 1933. In September 1931 and 1932, however, the average price was only 10 cents.

It is rumored that the Cape Government is negotiating the sale of a substantial quantity of wool to Germany, but definite information has not yet been made public.

Uruguay

Wool exports from Uruguay for the season are reported at 95,000,000 pounds compared with 115,000,000 pounds in 1932-33 and only 94,000,000 pounds in 1931-32. Average exports for the five seasons 1927-28 to 1931-32 were 132,000,000 pounds. The 1933-34 figures, however, do not include the quantity said to have been smuggled into Brazil early in the season and later sent through Uruguay as Brazilian wool in transit in order to

avoid Uruguayian export duties and the necessity of handing over the foreign exchange obtained through the sale of the wool to the Uruguayan Exchange Control Commission. The quantity in question was estimated at about 14,000,000 pounds in April. If this quantity is added to actual exports it appears that production in 1933-34 slightly exceeded the estimate of 105,000,000 pounds and reached at least 109,000,000 pounds or that the carry-over from the preceding year was heavier than reported. Production for last season, i.e. 1932-33, was estimated at 110,000,000 pounds.

In spite of the action taken in May by the Board of Directors of the Bank of the Republic, by which wool exporters were allowed the privilege of selling a certain proportion of the exchange received in payment of wool to the Bank at the compensated rate of exchange beginning in June, only about 3,000,000 pounds were exported during the last 4 months of the season compared with 13,000,000 pounds during the same period of the preceding year. The falling-off in exports during those months of this year were probably partly attributable to earlier smuggling operations and partly to the German and Italian import restrictions although it appears that Germany, especially, bought heavily in the first part of the season as her purchases for the season are as large as in 1931-32.

The quantities of wool sent to the principal importing countries in the 1933-34 season were as follows in millions of pounds with percentages of preceding season given in parentheses: United Kingdom, 28 (119); Germany 25 (86); Italy 10 (48); France 7 (41); United States 5 (164); Japan and Russia took more than last year but the total quantities were small.