

The Economic Importance of the Ukraina

The Ukraina, whose political status and boundaries are still to be definitely fixed, corresponds roughly to the three districts in the southern part of Russia known as "Little Russia," the "Southwestern Territory," and "New Russia" (exclusive of the Territory of the Don Cossacks), divided into the following governments: Chernigov, Poltava, Kharkov, Kiev, Podolia, Volhynia, Kherson, Taurida, Yekaterinoslav, and Bessarabia. It occupies the southwestern corner of European Russia, and is bounded by Austria-Hungary and Poland on the west, the Black Sea and the Sea of Azov on the south, the Territory of the Don Cossacks on the east, and central Russia and Lithuania on the north. Its area of 216,400 square miles is somewhat less than 10 per cent. of the area of European Russia, including Finland, and its population, estimated at the beginning of 1914 at about 30,000,000, is slightly more than 20 per cent. of that of European Russia, including Finland. No recent figures are available regarding the classification of the population according to nationalities, but on the basis of the last census, which was taken in 1897, the Little Russians constituted about three-fourths, the remaining population consisting mainly of other Russians, Poles, Jews, Roumanians, Germans, and Tartars. The Roumanians formed about 50 per cent. of the population of Bessarabia, the Jews about 13 per cent. of the population in the governments of Kiev, Podolia, and Volhynia, while the Tartars predominated in the southern part of the Crimea, which belongs to the government of Taurida. Among the principal cities may be mentioned Odessa (estimated population, 620,000), Kiev (594,000), Kharkov (248,000), Yekaterinoslav (218,000), Kiskinev (125,000), and Nikolayev (103,000).

A considerable part of the Ukraina belongs to the "black-soil" region of Russia, which yields large quantities of grain, particularly wheat, for export. Agriculture is the chief occupation, wheat being the principal grain raised. In Bessarabia corn is an important crop, while large quantities of sugar beets are raised in the governments of Kiev and Podolia. Owing to the higher fertility of the soil, the presence of extensive industries utilizing agricultural products, like the beet-sugar industry and the development of the export trade in grain, the agricultural methods in the Ukraina are on the whole of a more progressive character than those prevailing in the northern part of Russia. While most of the land is split up into numerous peasant holdings, there are many large estates on which agriculture is carried on according to most intensive methods, especially in the sugar-beet region of the governments of Kiev, Podolia, and Volhynia, where many of the estates are owned and managed by Poles. In Little Russia enormous quantities of hay are raised, the area under grass being estimated at over 3,500,000 acres, and some of the hay being exported abroad. The Ukraina is responsible to a considerable extent for the large Russian exports of wheat, one of the principal export products of that country, and also contributes the larger share of the sugar-beet supply on which the extensive Russian sugar industry is based.

Within the boundaries of the Ukraina are found the principal available deposits of iron ore in Russia. The development of the iron-ore deposits of the Krivoi Rog district has been mainly responsible for the rapid growth of the Russian iron and steel industry, which now depends to an extent of about 70 per cent. on the iron ore in the southern part of the country. In 1913 the total output of iron ore in the two districts of Krivoi Rog and Kerch amounted to more than 7,000,000 tons, of which the latter contributed about 500,000 tons. The chief iron ore deposits of the Ukraina are found in the western part of the government of Yekaterinoslav and the eastern part of Kherson, in what is known as the Krivoi Rog district, situated at a distance of from 200 to 250 miles from the rich coal deposits of the Donetz Basin, where good coking coal and anthracite are mined in large quantities. As a result of this comparative proximity of the Donetz coal fields, the southern iron and steel industry has far out-distanced the older iron industry in the Ural region, where a lack of coal and abundance of forests make charcoal the only available fuel. In addition to the Krivoi Rog deposits, a good grade of iron ore is also mined in the Kerch district, in the Crimea, which, on account of the favorable location of the mines in regard to transportation by water, is exported to a considerable extent, while the Krivoi Rog ore is consumed almost entirely by the local furnaces. Mention should also be made of the deposits at Korsak-Moghila, near Berdiansk, in the government of Taurida, which are

situated more advantageously in relation to the coal supply.

The iron-ore deposits in the Donetz Basin are also utilized to some extent in combination with the richer Krivoi Rog ore. The iron and steel mills are located in proximity to the principal iron ore deposits, but there are also some in the Donetz Basin in the Don Territory, so that either iron ore or fuel has to be transported for a considerable distance. The first successful mill established by Hughes in 1872 was located in the Donetz Basin, but the industry has developed largely in the Krivoi Rog district, and the extensive works of the New Russian Co. are located at Yuzovka (named for Hughes), in the eastern part of the government of Yekaterinoslav, adjoining the Don Territory. In 1913 there were in operation in the whole southern territory of Russia 14 iron and steel mills, employing about 58,000 men, with an output of about 3,500,000 tons of pig iron, or two-thirds of the total production of Russia. The iron and steel industry of southern Russia depends to a predominating extent on foreign capital, mostly Belgian and French, and is decidedly a large-scale industry, with an output that had been running for some years prior to the outbreak of the war beyond the consuming capacity of the country. The chief products of the southern mills are semi-manufactures, rails, structural iron, sheets and plates, and wire, which are marketed largely through the central selling syndicate "Prodmet."

In addition to its iron-ore deposits, the Ukraina contains deposits of other valuable minerals, like manganese and graphite. The manganese deposits are found in the Yekaterinoslav district, where about 280,000 tons of manganese ore were mined in 1913, of which about 37 per cent. was exported. Graphite was obtained in the vicinity of Mariupol, in the southern part of the government of Yekaterinoslav, to an extent of 2,000 tons of ore.

The beet-sugar industry is another important Russian industry in which the Ukraina occupies the first place. In 1913-14, out of a total Russian production of about 1,600,000 tons of sugar the Ukraina contributed about 60 per cent. The sugar refineries are located mostly in the government of Kiev, Podolia, and Kharkov, and the city of Kiev is the centre of the Russian sugar trade, as well as of the trade in supplies for the sugar industry. The transactions on the Kiev sugar exchange during the year 1912-13 amounted to more than 90,000,000 rubles, or \$45,000,000 at the normal rate of exchange.

Among other industries of the Ukraina may be mentioned distilling, flour milling, tobacco manufacturing, and tanning.

COMMERCE AND TRANSPORTATION.

As a large producer of wheat, one of the most important export products of Russia, the Ukraina enjoys a large foreign trade, while its dominating position in the iron and steel and sugar industries makes it an important factor in the domestic trade. The wheat for export purposes is handled largely through southern ports, like Odessa and Nikolayev, or is sent by rail to the Baltic Provinces or to Konigsberg, in Prussia. It should be pointed out in connection with the Russian grain trade that the elevator facilities are very limited, and that, with the exception of those in Petrograd, Odessa, Nikolayev, and Riga, the elevators are generally of small capacity. It is also worth noting that the Russian elevators do not, as a rule, perform the functions in connection with grading of grain that are associated with the elevator system in the grain trade of the United States. The beet sugar and the iron and steel products originating in the Ukraina are intended almost entirely for domestic consumption, and cities like Kiev and Kharkov are important centres in the trade in the above products, as well as in supplies for the manufacturing and agricultural industries of the Ukraina. The foreign trade of Odessa in 1913 amounted to more than \$75,000,000, and that of Kherson and Nikolayev exceeded \$55,000,000, almost entirely made up of exports. Odessa is the most important port on the Black Sea and has five harbors and considerable equipment for handling cargoes.

The railway lines of the Ukraina had a length of about 8,200 miles in 1913, or about 23 per cent. of the total mileage of European Russia, exclusive of Finland. As the Ukraina occupies less than 10 per cent. of the area of European Russia, its railway mileage is comparatively high, a fact that may be attributed mainly to the favorable conditions for the development of the iron and steel industry and the demands of the export trade in wheat.

*A government is an administrative unit corresponding to the French department.

WORLD'S COAL TRADE.

The United Kingdom and the United States are the greatest coal exporters of the world. It is not known what is consumed in Britain, but according to the latest reports, 100,000,000 tons were exported last year.

The United States last year exported 32,000,000 tons, of which Canada received 17,000,000 valued at \$58,000,000.

As a result of the proposal made by U. S. Fuel Controller Garfield to stop coal exportations from the United States, the National City Bank of New York made a very interesting survey of the trade, but these figures can do no more than give an approximation, as 1913 is the latest year for which accurate information can be obtained.

This survey points out that exports of coal from Great Britain in 1913 were 93 million tons, against 40 millions from Germany and 29 millions from the United States, these figures including in all cases the "bunker coal" supplied to vessels engaged in foreign trade; in 1916 Great Britain 52 million tons, United States 31 million tons.

Great Britain, Germany and the United States have supplied for many years the bulk of the coal entering international trade. The total amount of coal passing out of the coal producing countries of the world in 1913 was about 200 million tons, of which about 40 millions was "bunker coal," supplied to vessels engaged in international trade for their use on the oceans, while a considerable percentage of that recorded as "exports" went to the world's coaling stations where it is supplied to steamers. The coal burned by steam vessels on the oceans averaged in normal times about \$250,000,000 a year in value out of a total of nearly \$700,000,000 worth passing out of the coal producing countries of the world.

The principal coal exports of the world in 1913, including that used for bunker purposes, were Great Britain, 93 million tons; Germany, 40 millions; United States, 9 millions; Austria-Hungary, 9 millions; Belgium and Canada, about 5½ millions each; Netherlands, slightly less than 5 millions; Japan, nearly 4 millions; British South Africa, 2½ millions, and Australia, 2 millions.

The fact that a comparatively small number of countries outside of Europe and the United States have any considerable coal for exportation has compelled shipping interests to establish many coaling stations in all parts of the world, but especially in the Orient and the tropics off the coast of South America and southern Africa. The most important of the coaling stations, aside from those of Europe, are at Algiers, Port Said, Aden, Colombo, Ceylon, Singapore, Hong Kong, Moji and Yokohama, Japan; Sydney and Melbourne, Australia, and Wellington, New Zealand. The United States Government has established since the opening of the Panama Canal, one of the most important coaling stations of the world, with large supplies of coal in stock and the most modern facilities for transferring coal to vessels.

Much of this 200 million tons of coal exported by the coal producing countries of the world goes to adjacent territories and a smaller quantity than might be supposed overseas. In the case of Great Britain, for instance, which, as already indicated, exported in 1913 over 90 million tons of coal, including that for bunker purposes, about 13 millions went to France, 10 millions to Italy, 3 millions to Germany. In fact, about two-thirds of the coal exported goes to adjacent countries. Of the 32 million tons of coal passing out of the United States in the fiscal year 1917, over 17 millions went to Canada, while another 8 millions passed into the bunkers of vessels engaged in foreign trade. This 17 millions exported to Canada is the largest in the history of our trade with that country, and is valued at \$58,000,000, about one-fourth of the quantity being anthracite. Italy ranks second in the list of countries to which we export, the total to Italy in 1916 being nearly 3 million tons. Cuba ranks third, the exports to that island being about 1½ million tons in 1917; Panama about one-half million tons, most of which, however, is for the coaling station at that point; Argentina and Brazil about three-fourths of a million tons each, and Uruguay 100 thousand tons. The quantity of coal exported from the United States in 1917 was larger in both quantity and value than in any earlier year in the trade, the total quantity being about 32 million tons, including bunker coal, and the total value \$113,000,000.

In 1913, the year preceding the war, the quantity of coal exported from the United States, including that for bunker purposes, was 28 million tons, valued at \$89,000,000. To South America the total exports of coal in 1917 were nearly 2 million tons, against less than a half-million in 1913. The value of coal and coke sent out of the United States since the beginning of 1900 exceeds \$100,000,000.