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(Republication of the material in this report is not permissible)

## Exchange Rates.

The average value of the Yuan dollar at Shanghai during August for T.T. on New York was \$0.345 U. S. Currency.

The average value of the Customs Gold Unit during August was \$0.6828365 U. S. Currency.

The average T.T. rate on New York for the Hong Kong dollar at the end of August was \$0.38-3/8 U. S. Currency.





GENERAL RESUME

No issue of the China Monthly Trade Report was made on August 1. This issue covers two months' trade and economic developments in China, July and August.

Commercial Attache Julean Arnold is on itinerary in the United States and may be reached through the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, during his sojourn in the country. It is anticipated that he will return to China in November or December.

These China Monthly Reviews are compiled for the express purpose of furnishing periodic resumes of current trade and economic conditions in China. The mailing list is limited to those who have expressed an interest in the material as presented and who have agreed to refrain from giving it publicity.

As noted in this report, special contributions are included as having been prepared by the following:

Andrew W. Edson,	American Vice Consul,	Mukden.
Lincoln C. Reynolds,	" " "	Tientsin.
Carl O. Hawthorne,	" " "	Tsingtao.
Reginald P. Mitchell,	" " "	Hankow.
Reginald Bragonier, Jr.	" " "	Canton.
L. H. Gourley,	American Consul,	Hong Kong.
Chas. A. Robertson, Clerk,		
	American Consulate General,	Shanghai.

*A. Bland Calder*

A. Bland Calder,  
Acting Commercial Attache.

Shanghai, September 15, 1934.  
Mailing date September 17, 1934.



Commercial Attaché Julian Arnold is on itinerary in the United States August.

Issue covers two months' trade and economic developments in China, July and August.

General: Smoother working relations between Chinese and Japanese make for more stabilized business outlook in North China. Further Communist trouble in Fukien adversely affects rising Government bond prices. Kuomintang Congress set for November 12. Economic issues and construction program to the fore.

Agriculture & Crops: Drought affected several lower Yangtze and Central China Provinces but carryovers of grain from last year and good winter wheat crop obviate serious food shortages. Provinces undertaking relief measures in districts worst affected. Rice crop reduced. Prospect for 15% greater cotton crop. Large tobacco outturn, possibly 140 million pounds, anticipated.

National Budget balanced at Yuan 777 millions. Revenues increased. Ministry Finance announces no new loan issues likely for present fiscal year.

Postal Revenues 1932-1933 fiscal year Yuan 33 millions, deficit 4 millions. Measures for reduction expenses and improvement service adopted at early September Conference. Postal rates high on mail from China to foreign countries.

Savings Bank Law promulgation expected soon, providing for 25% investments in Government Bonds and stricter Government control of functions for protection of depositors.

Regulations governing Liquidation of Debts, promulgated August 21, pending codification of bankruptcy law, give greater protection to creditors, hailed as boon to business.

Provincial Loans authorized, Yuan 20 millions in Chekiang for re-financing and drought relief. Yuan 20 millions in Kiangsu for new canal, Hwei River Conservancy, and for drought relief.

The Silver Nationalization program in U. S. had no serious reactions in China. Ministry Finance contemplates no silver embargo and no increase in export tax on silver.

Silver Stocks at Shanghai were much reduced following silver nationalization by export movements but are still about same as year ago and substantially above previous years holdings.

Railway Developments. Through traffic arranged between official steamship services and railways. Several railway projects being furthered or in prospect.

Aviation. Chungking-Kweiyang-Yunnan extension to services of China National Aviation Corporation (Sino-American), approved by Executive Yuan, will make possible in 3 hours travel normally requiring 24 days. American high speed planes en route China for use on Shanghai-Canton route. Large purchases of aviation equipment from Italy and U. S. Chinese aviation cadets to Italy for military training. Canton-Hainan Island service started.

Highway construction program being furthered by National Economic Council with 1934 appropriation of Yuan 6½ millions. 45,000 miles roads now open to traffic in China and Manchuria.

Telephone expansion proceeding, purchases made from England for furtherance 9-Province system linking up principal cities. Expenditures of Yuan 5 millions involved.

Foreign Trade of China for first 7 months of 1934 dropped 27.6% in imports and 12.7% in exports below same period of 1933. The United States leads in China trade taking 19% of exports and supplying nearly 28% of China's imports.