

BUREAU OF FOREIGN AND DOMESTIC COMMERCE
Financial and Economic Situation in China as of
Week Ending August 11, 1925.

This week has been the first week of Autumn on the Chinese Calendar. Excessive rains have temporarily dislocated traffic on Mukden-Antung and Mukden-Dairen lines of the South Manchuria Railways, and the Peking-Mukden, Peking-Hankow lines of the Chinese government railways. Considerable damage by rains and typhoons to local crops in South Manchuria, Shantung and several of the northern and coastal provinces is recorded. At this writing it is not believed that such damage will materially affect previous crop estimates for China as a whole, as increased acreage and fine weather conditions at all but coast points to date offset flood and typhoon damage. Speculative interests among Shanghai rice dealers capitalized dislocation of rice shipments by junk due to stormy weather, and price jumped ~~xixix~~ \$1.50 per picul from \$13.00 in two days. Succeeding fine weather will undoubtedly buy prices back to normal as this year's rice crop is close to normal. Exchange remains fairly constant at around \$1.975 silver for \$1.00 U. S. currency. No strikes or abnormal labor activities are reported.

Shanghai reports silk market lifeless with prices firm. Arrivals of wood oil to coast reported very small due to conditions in the interior. A high percentage of adulteration is reported in practically all that arrived, in some cases running as high as 52%. The market for steel and steel products continues extremely dull, with recent quotations indicating Belgium's ability to underquote both American and British sellers. Germany is quoting high and unable to give any definite delivery promises. Bean oil prices are firm with demand small at prevailing quotations. The China market is overwrought on American flour, but some future wheat contracts have been made.

The American Chamber of Commerce, Shanghai, announces that arrangements are now being made for the next meeting of the Associated Chambers to be held in October.

Anti-Japanese demonstrations in connection with the boycott have abated to a considerable extent. An increasing amount of publicity is being given to Chinese agitation in both Hankow and Tientsin for retrocession of the British concessions in both cities. The ninety-nine year lease under which their concessions are held expires within a ~~year~~ year, and cancellation, with no extension has been demanded by Chinese organizations. A rumor given considerable credence at present believes this agitation a movement initiated by Japanese interests to counteract anti-Japanese publicity incident to the boycott. Further developments are awaited with interest. Threatened military activities in Chekiang and Kiangsu Province, outside of Shanghai, seem to have been ~~averted~~ averted. The Foreign Powers' note to the Chinese Foreign Office on the Lincheng affair was delivered this week. No official reply has been made but it is felt that considerable Chinese opposition will develop against the idea of foreign supervised railway guards. The new Soviet envoy to China, M. Karahan, is expected shortly in Peking to negotiate trade agreements and questions arising from the Chinese administration of the Chinese Eastern Railway.