

DEPARTMENT OF COMMERCE
Bureau of Foreign and Domestic Commerce
WASHINGTON

INDEXED
FILE NO. 411

FINANCIAL AND ECONOMIC SITUATION IN CHINA AS OF WEEK ENDED JULY 5, 1924.

There is no change to report in inquiry for imported goods although a little better export inquiry in certain lines has been noted, even though it did not result in business owing to the high prices prevailing in the China market for almost every China product.

Tender for Wagons:-

The Shanghai Nanking Railway Administration is inviting tenders for the supply of twenty three all steel covered goods wagons each of 40 tons capacity. Copy of specifications and general conditions of contract may be obtained from Chief Storekeeper, Shanghai North Station.

Shanghai Municipality Buys Trailers:-

According to the Municipal Gazette, of July 3rd, the purchase of three "Highway" motor truck trailers for the Public Works Department, at an estimated cost of \$5,790, has been approved.

Silk:-

A feature of the week has been the advance in Tussah Filatures of which a few hundred bales have been booked for the American market. Market is very strong and holders are asking for their advances. There are several buyers in the market and dealers are confident.

Steam filatures for Lyons have again been in demand and an advance in prices is to be registered. The American market remains quiet and inactive with no inquiries.

COTTON AND YARN:-

With the firm American market the local market for Chinese cotton remained firm during the fore part of the week assisted by speculative activity. During the latter part of the week the drop in the American market plus curtailment of operations on the part of the local mills and favorable crop reports caused the local market for forward cotton to decline. It is reported that bear operators are disposing of their forward contracts.

Local supplies are now extremely small and spot prices are in consequence firm and speculators looking for good prices for spot in spite of the small purchases by the mills. The shortage of spot cotton is being alleviated by moderate arrivals of Indian staple.

Shanghai and Districts, 1st July:-

The farmers have had a couple of days in which to work, but the lands have been so wet that little progress has been made. With another week of clear and warm weather, rapid improvement should take place.

Chekiang Province, 30th June:-

The general condition in this province for the crop is good, the last rains being very beneficial to the crop.

Yangtze Valley, 27th June:-

During the past week the crop has made good progress, the weather having been quite favorable.

Shansi and Shensi Provinces, 25th June:-

The crop prospects in these two provinces at present are very flattering. Acreage increased from 30 to 40 per cent.

In general according to Chinese sources there is an increase of from 10 per cent to 20 per cent in the cotton acreage over last season, and with the hot dry weather experienced over the past week prospects are excellent.

The yarn market has been quiet throughout the week.

Piece Goods:-

The indent market during the week has shown no activity. Inquiry is very scattered and clearances extremely poor.

A general dullness prevailed at the auctions and speculators gave little support to prices with dealers reporting very few orders from the interior.

Lumber:-

There is no change to report in the lumber situation, stocks being estimated at from 85,000,000 to 90,000,000 feet and prices are still in the neighborhood of Tls. 47 to 50 per thousand feet ex yard Shanghai.

Hankow Market:-

The tea market is very slow as the teamens' idea of price is in most cases far above today's value of the tea offering and we expect the small supplies will last well into the autumn before they are disposed of.

There is a generally easier feeling and a few of the medium teas have sold at prices showing a distinct drop on the previous week, while the few common teas have been settled are much lower, though in view of the fact that there are very heavy supplies of this poor cargo, prices will have to drop considerably further before it can be disposed of.

JAPAN

FINANCIAL AND ECONOMIC SITUATION IN JAPAN AS OF WEEK ENDED JULY 12, 1924.

The so-called luxury bill has invoked considerable criticism but not to the extent of a negative vote. It is understood that with the final passage of this bill, steps will be taken to tax domestic industries producing articles of luxury, and that there will be, before long, a complete revision of the tariff, to be along more scientific lines than is the 'luxury' tariff now under consideration.

The silk market remains dull. The second crop of tea as reported from Shidzuoka, is about 20 per cent below last year's production.

FINANCIAL AND ECONOMIC SITUATION IN JAPAN AS OF WEEK ENDED JULY 19, 1924

The "Japan Times" states that a bill is in course of preparation by the Department of Agriculture and Commerce, for presentation before the next session of the Diet, looking to the stimulation of export trade by assisting industries producing goods for export, and by arranging to grant traders larger bank credits.

Due to unusual dullness in the shipping business, members of the Unchin Domei, or Shipowners' (freight) League, have voted to tie up a number of their vessels for a period now fixed as from July 20 to October 31.

UNITED STATES DEPARTMENT OF COMMERCE

China

FROM: Commercial Attaché August 16, 1924.
TO: Bureau, Washington, D. C.
SUBJECT: Monthly Cable Report.

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Mr. Julian Arnold,
Commercial Attaché,
DATE American Embassy,
Peking, China.
VIA: August 18, 1924.
August 19, 1924.

Dear Mr. Arnold: ORIGINAL OR ACTION COPY: 112 19

I am attaching herewith the confidential report made up from your weekly economic report of July 12. I consider this report of yours by far the most important and effective contribution that we have received from the Far East in a good many months. The information regarding terms of payment on machinery sales in North China should not only be extremely interesting to the American executives who get this report, but it is also information of the kind that is admirably adapted to these confidential circulars. It is against our policy, as you know, to publish criticisms of American trade methods abroad, but by adopting the medium of this confidential circular we are able to place in the hands of the fifty or more leading bankers and executives interested in Far Eastern trade the real "low down" on "what is wrong with China."

*Cross to
128.3
Peking*

Mr. Nelson has brought back with him a wealth of information on changing sales methods, and I am hoping that in your revised "Commercial Handbook" you will devote considerable space to a detailed discussion of the growing participation of Chinese firms in foreign trade and the effect on our trade methods. Meanwhile, the information which you and Mr. Evans are sending in from week to week is of inestimable value to our business men.

Very truly yours,

F. R. Eldridge,
Chief, Far Eastern Division.

Inclosure 2621

FRE/LGK

H.T.S.

Handwritten initials