

Almost without exception no business whatever has been done at Canton the past week, first, on account of the merchants general strike which began Friday October 10th and second, because of the government's interference by armed forces and fire on Wednesday which has completely disrupted the Chinese mercantile community. In the conflagration started by the attacking forces of the government which was seeking to put to rout the merchants armed guard, more than 1,000 houses were burned down in the native bank street and adjoining streets. Two large porcelain dealers were burned out completely.

Chinese merchants are refusing to do any business whatever under the chaotic conditions arising from the above situation; in general lines of Chinese produce and in silk, there is nothing whatever offering although certain foreign firms have offers from abroad.

SILK:-

During the past week, silk, like all other commodities, did not move, owing to disrupted business conditions in Canton. Prices have remained practically unchanged for a fortnight prior to October 1st. The sixth crop will yield, it is estimated, 9,000 bales of good quality silk for overseas shipments.

General Chinese Products:-

The strike and attendant circumstances of last week has stopped for the time being any movement whatever of Chinese general products, from Canton.

CANTON - Week Ended October 25, 1924.

Business at Canton was very quiet during the past week, and this condition was reflected in the Hongkong markets which cater to Canton on both the import and export side. Chinese merchants having stocks stored at Shameen were quite anxious to turn them into ready cash, but being unwilling to contract for deferred shipments at all under present circumstances. Some silk is moving directly into Shameen now from nearby interior points, not passing through Canton city at all, in view of the uncertainty of political conditions there.

Flour:-

The flour market at Hongkong is much overstocked, and clearance to Canton and beyond has been absolutely cut off during October by taxation and civil disturbances in and around Canton. Some four or five thousand sacks have been imported into Canton from Hongkong since the trouble on October 15th at Canton, and have been distributed unmolested so far.

The Hongkong metal market is quiet with stocks piling up.

General Chinese Products:-

Considerably more business was conducted in general Chinese products last week than for several weeks previously, Chinese merchants selling from present stocks only, however, and refusing business at deferred dates. A fairly good inquiry was received from America for most lines during the several weeks of October.



SILK:-

The silk market at Canton is, for the time being, confined to spot stocks held by Chinese merchants, which they are unusually anxious to dispose of. This condition is due directly to the unusually severe political disturbances in and around Canton during the past two weeks and a lack of confidence in future developments. Receipts from the interior have been completely stopped.

Some cargo is moving on to Shameen directly from the nearby interior now, avoiding Canton city entirely in view of the lack of confidence on the part of Chinese merchants in the stability of political conditions there.

Import Textiles:-

The piece goods market has been sluggish the entire fall except for the promises of seasonable clearances short lived the first days of August and September, but late Hongkong reports state that the market has been adversely affected by the fighting and fire at Canton in Mid-October. No new commitments are being contracted for by Chinese merchants, and while the season demand will in some measure assert itself, it is not at all certain how this is going to be done at this writing.

An extra tax of 8 per cent levied by irresponsible soldiery at Canton early in October checked what trade was going on for a time, but this tax was lifted along with others on October 11. During this period a considerable quantity of newly arrived goods was reshipped to Hongkong since the merchants did not wish to carry on business under these conditions. This proved very fortunate for the merchants who were located in the area of the city looted by the soldiery in the fighting of October 15th, as this and the transference of the balance of stocks elsewhere in the city when the news of fighting was predicted, found them with practically no stocks on hand.

The seasonal demand for YARN has affected recent sales at Hongkong despite the condition existing in and around Canton, practically prohibitive to trade.

Flour:-

Recent disturbances affecting Canton, the distributing center for flour in the Delta region, have practically stopped the outflow from Hongkong where the stocks in godowns are accumulating very fast, and now approximate the average three months imports from abroad.

Metals:-

The metal market at Hongkong has been lifeless except for an advance in the price of plate at the end of August due to short stocks of that commodity existing there at the time.

Shanghai - Week Ended October 25, 1924.

The ending of hostilities between Kiangsu and Chekiang Provinces, and the rapid disbanding of the rival armies, coupled with the return of confidence among bankers that trade routes would be free for the passage of supplies and that the export season for China produce is opening, has lent a decidedly better tone to business sentiment during the week.



At the present writing the uncertainty of conditions in Peking, on which there is very little advice available, has caused a slight recession of this better tone, but it is believed that as soon as the free movement of cargo is possible business will rapidly return to its pre-war status.

Shanghai Silver Stocks total in the neighborhood of 102 million silver dollars, which is considered ample to take care of crop movement. What damage has been done by troops in the zone recently encompassed by the fighting is not known, but produce arriving in Shanghai is of excellent quality and so far has shown less adulteration than has been common in the past few years.

Stocks accumulated in Shanghai are the first concern of both banks and merchants, and every effort is being made to arrange for the liquidation of those stocks, before which there can be no resumption of indenting.

Piece Goods:-

Since the cessation of hostilities, the piece goods market has witnessed a steady increase in inquiry on the part of out of town dealers.

Cotton and Yarn:-

The cotton market during the week has been steady, with little price movement.

Mills have taken very little and speculation has been practically absent.

Japan continues to be the only taker for China cotton.

With the ending of hostilities the yarn market has looked a bit brighter.

Silk:- The silk market has been dull throughout the week.

Coal:- The supply of Chinese coal is being curtailed by the civil war which is in progress in the North, and on account of this a fair demand has appeared for Japan coal.

Lumber:- Although as in other lines of trade, there is a more optimistic feeling in the lumber market, there is little real change from conditions as outlined in our October Monthly Report.

Hankow Weekly Report. - October 25, 1924.

Exports:- Business last week was quiet, tael values of produce generally being too high to interest foreign buyers. Wood oil is in demand from Europe, but the American market is dull with buyers holding off. The local market for this article is easier. Tallow and China grass are steady, while cotton is easier. No business is transacted in sesamum seed and beans. During the week a few large shipments of wood oil, and a number of small shipments of antimony regulus, antimony oxide, egg albumen, pig intestines, bristles, China grass, and China carpets were made to the United States.

Imports:- The financial stringency continues; the market in all lines of import is static. There is no new demand for cotton piece goods and yarn, nor are there any clearances.