

Shanghai, China, June 1, 1937.

Submitted by: C. E. Christopherson, Trade Commissioner.

INDEXED
File No. 188A
69070

BU. FOR. & DOM. COM.
JUN 30 1937
FOREIGN MAIL

IRON AND STEEL NOTES

The following items regarding recent developments in the iron and steel market and industry in Manchuria are taken from the May 15 issue of "Manchuria", a semi-monthly publication of the Manchuria Daily News.

"Iron Plates: With the completion of its third plan for increasing its output of pig iron and steel, the Showa Steel Works has decided to establish a plant producing annually 60,000 tons of thick and medium iron plates for building purposes. The demand for such plates throughout Manchuria now amounts to 40,000 tons annually and is increasing. At present, Manchuria is largely dependent on Japan for its supply of iron materials, and building constructors in this country are suffering from a shortage of iron plates, due to the stoppage of their imports from Japan.

In view of the present situation in Manchuria, the Showa plant will be completed next year to meet the demand for plates not only in building circles but also in the railway workshops in Manchuria for making passenger and goods cars."

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"Steel Prices: The quotations for pig iron and steel to be placed on the market in Manchuria were officially announced at 70 yen and 195 yen, respectively, per ton by the Japan - Manchoukuo Trading Company which, in view of the present active demand for iron materials in this country, is negotiating with the Nippon Iron Works on the importation of the products into Manchuria from Japan together with taking measures for thoroughly controlling the consumption of iron materials in Manchuria.

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"As compared with the previous quotations fixed by the company, the pig iron price has recorded an advance by 18 yen and steel by 15 yen.

"The concern has also established an equalization fund of 850,000 yen to meet the loss of 10 yen per ton on the importation of 85,000 tons of steel materials from Japan which are to be sold to consumers in this country at the newly-fixed quotations."

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"Iron Prices: To assure a smooth supply of steel materials in Manchuria, the Japan - Manchoukuo Trading Company has already placed its materials on the market amounting to 6,000 tons.

"However, the present suspension of steel imports to Manchuria from Japan is causing a steady rise in price. To remedy the situation, a discussion will be held presently by the Manchoukuo Government, the Kwantung Army Headquarters and the Japan - Manchoukuo Trading Company. At the meeting will be decided local steel bar quotations and prices on ordinary sales of steel materials on Manchurian market."

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Tariff Revision: "Owing to the iron famine all over the world Manchoukuo is planning to exempt iron and steel materials from import duties as in Japan.

"Demand for steel materials in Manchoukuo is estimated at some 400,000 tons this year, of which only 200,000 tons is supplied in this country and the remaining 200,000 tons has to be imported chiefly from Japan. Negotiations for supplying the shortage are under way between Mr. Minami, managing director of the Japan - Manchoukuo Trading Company, and officials of the Nippon Iron Works in Japan.

"The Manchoukuo Government will speedily decree duty exemption for iron and steel imports, it is learned. The present rate is some 15 yuan per ton."

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New Blast Furnace: "The fourth blast furnace of the Showa Steel Works at Anshan started operation on May 7, following a ceremony held there at 10 a.m.

Construction work on the furnace was started in October, 1935, at a cost of five million yen, in accordance with the Showa's second plan for increasing its pig iron output, under the supervision of an expert from the Demag Company in Germany, and was completed on May 1 this year.

"The furnace, designed by the Demag Company, is capable of producing 600 tons of pig iron daily and 220,000 tons in one year. Thereby, the total pig iron production by the Showa Steel Works will rise to 670,000 tons annually.

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C. E. Christopherson

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Trade Commissioner.

Approved for transmission

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Julean Arnold,
Commercial Attache.

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Increased Iron and Steel Prices Makes Stealing Profitable.

The steadily increasing prices of iron and steel have resulted in a new illegitimate activity which, judging from press reports, is profitable even though risky. The following item is quoted from the China Press of May 28:

"Thieves who have been found in large numbers in Tientsin and Fukien cities stealing anything made of iron have invaded Shanghai, according to reports in local Chinese papers here yesterday.

"These thieves seemed to have first cast their attention on various godowns where iron chains and other articles have been frequently stolen. Recently numerous complaints about thefts of iron utensils or other household articles are said to have been received daily by the Nantao and Chapei Bureaus of Police. Even water taps have been found stolen.

"This has aroused the attention of General Tsai Ching-chun, Police Commissioner of the Municipality of Greater Shanghai, who has ordered the entire police force under his command to be on the lookout against such thefts."

A traveler who recently arrived in Shanghai from Hong Kong stated that Hong Kong is also suffering from iron thieves and that screws, hinges, door-knobs and any removable metals are being stolen from unoccupied houses in Hong Kong. Our informant stated that the thieves have become so active that in one case an underground telephone cable was torn up and sold for scrap.

C. E. Christopherson
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Trade Commissioner.

Approved for transmission

Julian Arnold
Julian Arnold,
Commercial Attache.

CEC:MB