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CHINA TEXTILE NOTES

The Bureau may be interested in the following items under this heading as gleaned from recent press reports:

Japanese Cotton Mills in China: According to a recent press report, Japanese cotton mills in China are experiencing a shortage of supplies of raw cotton and also difficulty in securing the cotton which is available in China. Furthermore, the situation is seriously complicated by the disrupted currency conditions. The sales of the Japanese finished products are handicapped by the opposition on the part of the Chinese populace to the purchase of Japanese goods. The purchasing power of the masses in China has been considerably reduced because of the war conditions, which fact further militates against the distribution of manufactured cotton goods. This condition has led to a larger demand for cotton yarn which can be used in hand looms.

In North China the cotton crop was heavily reduced by the unprecedentedly severe floods. Furthermore, heavy purchases of North China cotton by Japanese with unredeemable paper currency for shipments to Japan impede the use of the local cotton for mills in China. This fact has stimulated the imports of cotton from India and the United States. It has also meant an increased cost for raw materials to the mills and higher prices for the manufactured products when figured in local currency.

Thus, the cotton manufacturing industry in China, which is now mainly controlled by Japanese interests, faces a number of obstacles militating against operating mills at capacity levels.

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China Silk Filatures: While the demands for silk for export have increased very considerably and prices have shot up to very high levels, the Chinese silk filatures are not able to take advantage of the situation because of their inability to secure the needed cocoons. In the Japanese occupied areas these have been taken over by Japanese interests and utilized in the manufacture of raw silk under Japanese control. Thus, there has been a distinct tendency on the part of Chinese silk filatures in Shanghai to move their plants into the interior beyond Japanese control.

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Chinese Wool Industry: The Mamm Woolen Textile Company, (Japanese) which has virtually monopolistic rights in the purchasing of raw wool in Inner Mongolia and North China, is reported as operating at a handsome profit. The paid up capital is yen 3.4 million, with plans to increase it to yen 12 million. The principal shareholders are the South Manchuria Railway Company and its subsidiary the Oriental Development Company. The reports indicate that this woolen textile company is one of the few Japanese companies operating now in North China at a substantial profit.

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Rayon Factories in Soochow: News reports state that a Sino-Japanese rayon factory is in process of development at Soochow, to be operated under Japanese auspices. Imports of rayon into the Japanese occupied areas have been on the increase. The reports indicate that the factory is to be capitalized at yuan 30 million, 60% of which is to be subscribed by the Japanese.

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Shanghai Dyeing and Weaving Industry: Recent published reports indicate that there are at present in Shanghai 277 dyeing and weaving plants with a total capitalization of yuan 11 million. These factories employ approximately 28,200 workers on nearly 18,000 weaving machines. The present monthly production averages about 22,000 bales of cotton yarn and a little less than 1 million pieces of cotton cloth.

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