

PLAIN  
Shanghai via N.R. *China*  
Undated  
Rec'd June 1, 1938  
10:30 a.m.

Secretary of State,  
Washington.

ATTACHE COMMERCE

"411, MONTHLY ECONOMIC (SECTION SEVEN).

Of fourteen Chinese owned cigarette factories situated eastern Shanghai district and but partially destroyed, eight have been sequestrated by Japanese who are reconditioning them preparatory to manufacturing operations. Two smaller ones now in operation. Eventual cigarette monopoly Shanghai occupied areas as well as other inland points possible. Smuggled cement, sugar, hardware, matches, silk apparel, other commodities gaining in scope. Retail sales local department stores about fifteen percent below normal as compared to about twenty percent previous month. Power consumption approximately fifty four percent of last April, paid water consumption ninety one percent normal. International Settlement trams continue at about March level of sixty five percent normal while French concession trams operating at better volume than prehostility due great influx people that area. Section follows. Smith."

LOCKHART

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