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General Business Conditions:

There has been more or less activity in the Shanghai markets during the past week arising from conditions created by the Japanese disaster of a week ago. Food stuffs and building supplies have been sought after and bought, and on Monday 5,000 tons of space is to be filled on a ship for Yokohama with relief supplies purchased locally. The ^{local} silk market has taken a sudden turn due to the uncertainty thrown around the Japanese supply and many sales have been consummated.

Chinese dealers are reported to have been heavy purchasers of building materials of all sorts in an endeavor to corner the market with a view to profiting as much as possible from the anticipated emergency demand created by the disaster in Japan. Prices for steel plates and sheets are up ten to fifteen per cent, rice and flour prices have also gone up about five per cent.

It is generally agreed that stocks of iron and steel materials in Shanghai are very small and although new shipments are due to arrive shortly, yet the supplies are below the normal requirements of the local market.

It is expected that the present activity in all markets here will be only temporary as it is believed improbable that the Japanese will make more than their emergency purchases in the Shanghai market. When this buying is over, unsettled political conditions in China will ^{it is thought} again exert their deadening influence upon trade.

Silver stocks in Shanghai on September 6 were Mex\$67,060,000; bar silver arrivals from America were 3,121 bars; dollar arrivals amounted to

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\$610,000 and shipments \$250,000.

Freight:

The freight situation continued in the same condition as last week with the addition of the immediate demand for space for Japan to carry relief supplies.

Piece Goods:

As a reflection from the Japanese disaster, the prices of the finer counts of yarn have gone up appreciably. The full effect of the disaster on the piece goods market has not crystallized. Otherwise this market has ruled quiet and steady with merchants showing no inclination to go beyond their immediate requirements when purchasing.

Silk:

Immediately following the news of the Japanese disaster, at the beginning of the present week, the market in Shanghai for China Steam Filature began to show activity, awakening from an extended period of lethargy. In response to the news that a quantity of Japanese silk had been destroyed, the New York price rose at once and the Shanghai price followed quickly. For medium grade China Steam Filatures, the price at the beginning of the week was around Taels 1400 a bale and was quoted this morning at Taels 1800; a rise of approximately Taels 250 was recorded during the past two days. The best grade of this product is held now at Taels 1900.

Since Monday, orders have been placed in Shanghai from America for about 1400 bales and from Europe for 400 bales approximately. This is the first business of note for a good many weeks. At present, it is thought that stocks in Shanghai are very light.

A lot of Tsatless was sold to Europe during the week at Tael 850 per bale. There are few bales in stock and not much business is being done.

There is nothing doing at present in Tussahs; there is word from the North that there has been damage from the weather to the Tussah crop, but it is not fully authenticated. The new Tussah crop will begin to show up about thirty days from now.

The present silk market in Shanghai is very unsteady, due to the speculative factor of the actual amount of damage done to the Japanese silk supply; at any rate it is known that shipments from Japan will not be made at any time in the immediate future. A well informed silk merchant does not believe that the output is curtailed materially since the disturbance was centered around the Tokyo-Yokohama district and did not affect the silk producing areas. He believes that the actual stocks destroyed in Yokohama were not more than 20,000 bales, and thinks it unlikely that much further damage will be evidenced. On the other hand rumors are circulated in Shanghai that from quarter to a half of the Japanese silk stock has been either entirely destroyed or so damaged that it will be unacceptable to the American market.

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