

UNITED STATES
DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE

INDEXED
FILE NO. 411

China

OFFICE OF COMMERCIAL ATTACHÉ
PEKING, CHINA

Shanghai, China,
December 14, 1920. INDEXED

BUR. FOR. COM.
JAN 14 1921
FOREIGN SERVICE

Director,
Bureau of Foreign and Domestic Commerce,
Washington.

Subject: Notes on "China's Progress in Industry".

Sir:

I am enclosing clippings from Millard's Review of December 11th on the above subject which gives some very interesting data for publication in Commerce Reports. A great deal of this material has already been sent to the Bureau but there is some of it which is quite new.

Very truly yours,

Julean Arnold

JULEAN ARNOLD
Commercial Attache

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China's Progress in Industry

Prepared by *The Chinese Engineer and Contractor*

The Ho Feng Cotton Mill, Ningpo.—Since its establishment in 1906 this mill has grown rapidly, the boycott movement assisting its progress materially. The business of the company has already doubled and the net profits for the year of 1919 are announced as \$1,250,000. The capital of the mill has been increased from \$600,000 to \$1,800,000. The number of working spindles has been brought from 125,000 to 275,000. A large expansion scheme is now under consideration.

The China Preserving Company.—Several Chinese from overseas have established a preserving factory in Shanghai for the manufacture of all kinds of sweets, jams and biscuits. The temporary sales office is at 1920 North Szechuen Road. The chief promoter is Mr. Tan, who is manager of a famous confectionery in Honolulu.

Electric Plant for Pootung.—The Electrical Company of Pootung has spent several months in the establishment of its plant at Chang Kai Peng. All the machines have been installed and the well digging will be completed within a short time. Pipes have been laid and the work on the water tower and tank is well under way. The well has reached a depth of more than 300 feet and will yield 7,000 gallons of clean water an hour. The plant is to be started soon supplying the entire of Pootung with light and power.

Chinese Machine Workers Organised.—A Chinese Mechanics Union was inaugurated last month in Shanghai. The first formal meeting was held at the Shanghai Public School, Dr. Sun Yat-sen was the principal speaker. He laid emphasis on the relation between machinery and capital and asked every worker to maintain a strong union against the influence of any

capitalist. All the mechanics present were the employees of large workshops in Shanghai.

The Chen Wha Paint Works.—Last month the Chen Wha Paint Company began an increased output for the market after the completion of an addition to their plant. This is the only paint works in Shanghai conducted by Chinese, having its beginning in 1918. The new plant is divided into many departments such as laboratories, lead making, paint making, material grading, oil refining, stone powder grinding, roasting and gypsum treating sections. All of the machines used are of Chinese construction and the raw materials are of native production. Lead and stone powder are the principal ingredients used. The lead comes from the Shiu Ko mine in Honan and the stone is imported from Huchow in Chekiang. Besides supplying the needs of their own establishment, the company also fills orders for fine stone powder from all of the Chinese tooth powder manufacturers. The principal paint brands are the Flying Tiger and Double Flags.

Ling Yu Motor Road.—To give famine sufferers food and clothing through their own labor, the Central government, according to recent reports, is going to build a highway from Yue Chen to Ling Chin in Shantung. The length of the road is 240 li and all able sufferers in the district will be given employment. When the road is finished and opened for traffic, motor trucks will be introduced.

Paper Manufacturing.—Mr. Feng, chairman of the Paper Guild of Shanghai, and other prominent paper merchants have started for America and Europe on a six months tour. They intend to start a big paper mill in China after a thorough investigation in Great Britain, France, Italy, the United States and other nations. According to the Maritime Customs, the annual import of foreign paper into China is valued at more than \$6,000,000. Taking this as a basis, a Chinese company has been organized among the merchants with a capital of more than \$1,000,000. While in America and Europe, Mr. Feng will order the machinery necessary for the manufacture of paper using straw as a base instead of wood pulp.

Waterworks and Road for Hsuchowfu.—The old city of Hsuchowfu of Kiangsu will soon have its own waterworks and 241 li of motor roads. Recently Mr. McGavin of the Shanghai Waterworks made a survey of the whole city for the establishment of the plant and the laying of the pipes. An agreement has been made and sufficient capital raised. Construction work will be started soon. The water tower is to be located at the South Gate and main pipes will be laid along the principal streets. The plant will probably be in operation by spring. Several prominent merchants of Soochien, North Kiangsu, have recently purchased several Ford trucks from Dodge and Seymour (China), Ltd., and will build a motor road for their operation between Suchien and Hsuchowfu, the entire distance being 240 li. This will be China's first motor highway built purely by merchants.

Locomotives and Cars for King-han.—According to an authoritative report, the Peking-Hankow Railway will soon buy twelve large locomotives, eight for passenger and four for freight service, and ninety freight cars. Thirty cars are to be of thirty ton capacity and the remainder of forty.

Chuchow-Hengyang Branch Railway.—It is reported that the Peking government has decided to raise



enough funds for the construction of a branch line of railway from Chuchow to Henyang in Hunan. The two places are only 48 miles apart and the cost of building is estimated at approximately \$13,900,000.

Coal Mine Opening Near Nanking.—Lu Chen Chi and several other Chinese have organized a mining company to open a large coal mine at Tse Shan, a hill only three miles distant from the Nanking railway station. It is said that a thorough investigation has been made and that the coal is of an excellent quality, easy to burn and leaving little ash. It is expected that the source will supply approximately five million tons.

Electric Bulb Factory.—Mr. Chen, a Chinese engineer, has announced his intention to establish a factory in Shanghai for the manufacturing of electric bulbs. Native materials will be used in so far as is possible. The machinery is to be made in the Nicholas Chu Iron Works, Nantao.

Carpet Mill in the North.—A modern carpet mill has been organized on a large scale at Paotuchen in North Shansi, according to recent reports. An expert has been employed to introduce new methods in order to enable the mill to meet foreign demands.

Soap Factory in Wuchang.—Several Chinese chemists have started a factory for the manufacture of toilet articles at Wuchang under the name of the Hu Chi Company. Tooth powder, soap and other common toilet preparations will be made. Chemicals will also be manufactured in small quantities.

Nail Factory Established.—Basing their plans on the fact that more than ten million dollars worth of foreign nails are being imported into China annually, a nail factory is soon to be placed in operation at the

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corner of Wuchow Road, Shanghai. The founders of the company are all Chinese. Approximately half of a capitalization of \$100,000 has been raised. The machinery is of American make and will arrive soon. The factory building is now under construction.

New Industries in China.—Within the last two years many new factories and industrial companies have come into existence in China. The Ministry of Agriculture and Commerce has recently compiled statistics to show the number of companies registered at Peking, as follows;

Kind of Industry	Number of Companies	Total Capital
Cotton mill	16	\$6,673,600
Mining	12	9,472,785
Electric	26	3,123,785
Transportation	18	6,866,000
Commercial	15	13,373,000
Agricultural	16	8,629,000
Manufacturing	53	21,721,300
Fisheries	3	1,055,000
Miscellaneous	8	2,463,000

From the above, can be seen the great step in advance in industry which has been made by China recently. Among the big industries launched within the last two years, three cotton mills, two cloth mills, four steamship companies, five mines, two paper mills, several match factories, and one lumber mill are now well established and doing a good business. In the location of these new companies, Chihli has the largest number, and Kiangsu comes next.—K. C.