

ECONOMIC AND TRADE NOTES

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A marked increase in demand from America, which market has been practically dead during the present season, and a slight increase in the demand from Europe, has resulted in a considerable pick-up in activity in the local silk market. Local prices have stiffened and filatures which have been closed all season are reopening.

The silk season is deemed to open on June first of each year. Since that date only about one-third of the filatures in Chekiang and Kiangsu Provinces have been operating, and many of these on a restricted basis. On August 31st bonds of the Kiangsu and Chekiang Silk Loan Fund were floated, making it possible for the filatures in this territory to obtain funds and this fact, coupled with the increased demand from foreign markets, have enabled about 40% of the closed filatures to reopen, so that at the present time approximately 60% of the silk filatures in this territory are now operating.

The Autumn cocoon crop is reported to be high in quality and early estimates are that there is a sufficient quantity of new cocoons in Chekiang and Kiangsu Provinces to produce approximately 7,000 bales of

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silkworms. It is very possible that this estimate is low as the Chinese are invariably prone to under-estimate production in the hopes that such under-estimates will enhance prices. However, it is impossible to obtain accurate estimates at this time. Cocoon prices are high, ranging from \$80.00 to \$100.00 local currency per picul for fresh cocoons. It usually takes three piculs of fresh cocoons to produce one picul of dry cocoons. However, in spite of the comparatively high prices for fresh cocoons, at present prices for raw silk it is possible for the filatures to make a reasonable profit, as the cost of manufacturing is reduced due to the high quality of the Autumn cocoons.

The increase in demand from America has been very striking. From June 1st to August 16th exports of white steam filatures to America totalled only 150 bales, whereas exports from August 17th to September 13th have amounted to 2,055 bales, making a total of 2,205 bales of white steam filatures for the present season. Total exports of white steam filatures to Europe during the present season (June 1st to September 13th) amount to 3,530 bales. Total exports of white steam filatures to all countries during the present season have amounted to 5,323 bales which must be compared to 11,679 bales for the same period one year ago. As last year was not considered a good year it is readily understandable that the local silk industry this year has been in an exceedingly depressed state up until the latter part of August.

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