

## SPECIAL REPORT NO.

Shanghai

China

April 20, 1933.

(City)

(Country)

(Date)

MAY 15 1933

Subject:

CHINA SECTION FOR THE 1933 COMMERCE YEAR BOOK.

Submitted by:

Paul F. Kops

(Name)

Assistant Trade Commissioner.

(Title)

GOVERNMENT PRINTING OFFICE 11-9128

*Original report  
by air mail - Orig. and all  
copies recd 5/15 CHINA*

172651

The outlook for 1933 shows improvement over that of the year previous in a stronger political and financial situation nationally but far more threatening in Sino-Japanese relations. The restoration of diplomatic relations with Soviet Russia is expected to increase the importation of Russian goods. With poor prospects of any increased demand abroad for China's exports, the import situation is not promising. American trade which held first place in 1932 will experience increased difficulties during 1933 in competing with countries off the gold standard.

Favorable aspects of general conditions for 1932 were:

- (a) In spite of domestic disruptions much constructive progress has been accomplished in (1) roadbuilding, (2) dyke building and repairs made possible through the United States wheat loan, (3) aviation: 1932 marked the establishment of a modern flying school at Hangchow with 15 American Aviation advisers and a similar school is being established at Canton, (4) railways improved in operation with some new construction, (5) industries were fairly active receiving impetus from higher import duties and low silver exchange.

44-30-31-35-39-34  
24-21-40-32-33-28

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23

41-30-31-35-39-34  
24-21-40-32-33-28

UNITED STATES  
DEPARTMENT OF COMMERCE

OFFICE OF TRADE COMMISSIONER  
INTERIOR, NORTH CHINA

(b) Minister of Finance reported a balanced budget for the first time in 21 years.

(c) Customs revenues were Nanking Taels 200,000,000 compared with Nanking Taels 246,000,000 the previous year, equivalent to the previous year when losses of Nanking Taels 15,000,000 and Nanking Taels 35,000,000 due to alienation of Manchuria and the Sino-Japanese hostilities at Shanghai are considered.

(d) Crops were larger than usual especially in the Yangtze Valley.

(e) Meeting of the Kuomintang at Nanking in December indicated a stronger spirit of national unity although political dissension still exists in South China.

(f) Unfavorable aspects in general conditions for 1932 were:

(a) Sino-Japanese conflict in Shanghai resulting in the destruction of much valuable property and dislocation of business.

(b) Communist and bandit disturbances in interior provinces.

(c) Alienation of Manchuria and the threatened loss of Jehol Province.

(d) Appalling large number of armed men in disorganized military units.

(e) Low export prices for agricultural produce.

(f) Decreased exports.

(g) Continuance of irregular and uncoordinated internal taxes.

United States

DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

AREA AND POPULATION.

TRINIDAD  
CANTON  
SHANGHAI

Page 502.

(This section requires no change. This office has not received any more recent figures as to the census of China or the British colony of Hong Kong than those appearing in Volume II of the 1932 Commerce Year Book.)

Page 511.

Small

Native - native annual

Harvest 1

Small - native small

Agriculture large

Large - foreign heavy

Flood - inundation

Paragraph 1. (No change, except in the third from the last sentence in which the production of cotton for the season 1932-33 should be given as 1,000,751,600 pounds.) you according to preliminary reports. Citing

Paragraph 2. The total yield of crops in China in 1932 was fairly large compared with the usual harvest. Crops have moved to the large market centers at a more normal rate this year owing to existence of transportation facilities which were broken last year and also to less need for holding them in the interior. Harvests were much more abundant in the Yangtze Valley where they suffered from floods and extremes of weather in 1931 but were somewhat lighter in North China owing to winter and spring drought and in Manchuria which was affected by severe floods in the northern part resulting in reduced yields. Lower prices will offset part of the increase in production so that purchasing power of farmers as a whole will not be materially increased, but large sections of the farm population will enjoy a more varied and more plentiful supply of food. Approximate indications of the 1932 crop in China outside Manchuria compared with 1931 are as follows:

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	Rice	Wheat	Kaoliang	Soybean	Millet	Cotton	Tobacco	Pearl Wheat	Trout
Increase	30%	10%	5%	5%	30%			5-10%	5-10%
Decrease		10%	(No change)					10-15%	

stocks carried over from the old crop year to the new crop year were: of course, and also due probably to the production estimates of the various countries.

July 1                    October 1                    November 1

Wheat - small	Cotton - native normal	Rice - native small
at the end of the year	foreign large	foreign heavy.
Flour - moderate	Tobacco - moderate	

Winter wheat sowings in China in the fall of 1932 were on a larger acreage than the previous year according to preliminary reports. Conditions and sowing time were generally favorable but the crop in parts of North China has failed to receive adequate winter moisture. Timely spring rains will therefore be important to success of the crop in those sections. The supply of soy beans and soy bean products in Manchuria available for export in the new year is believed to be about 30% below last year. The crop was heavily reduced by flood and excessive rains and the carryover from 1931 was small. In addition to reduced quantity, the quality was below that of the previous crop as the beans this year contain a high percentage of moisture. The tobacco crop was somewhat below that of 1931 not only in quantity but also in quality.

Imports, prints and publications.

The most notable feature in the new edition of *China Commodity Guide* for 1933 is the estimated value of the total of all imports and exports and of the items which increased during 1932. The total value of the imports of cotton,

MINING AND MANUFACTURINGCOUNCIL OF TRADE COMMISSIONERS  
DU RUE DE FRANCE  
NORTH CHINAMining.

The following notes are based on the reports of Chinese mining:

Paragraph 1. (No change.) silver deposits are increasing rapidly.

Paragraph 2. China is the world's largest producer and exporter of antimony and also figures prominently in the production and export of tin, tungsten and manganese ore. The Hunan Provincial Government at the close of the year announced the formation of a monopoly to control the production and sale, establish prices, etc., of antimony ore. Various sections of China have worthwhile deposits of minerals, but the development of these deposits are not yet possible due to the political situation.

Manufacturing.

China is gradually emerging from domestic handicraft industry which has been an important factor in both rural and urban life, into modern industrialism. The adjustment means the breaking down of the old economic balance and the development of a new structure. Among the modern industries which are assuming positions of importance in the economic life of the Chinese people are cotton spinning and weaving, flour milling, iron foundries, shipbuilding, railway shops, cement plants, cigarette factories, engineering plants, knitting mills, silk filatures and looms, rubber shoe factories, printing and publishing houses.

The cotton-textile industry is the most advanced of modern manufactures. China now has 126 modern spinning mills with a total of 4,495,000 spindles and 44,000 looms which consumed during 1932 2,391,000 bales (300 lbs.) of cotton.

UNITED STATES

# DEPARTMENT OF COMMERCE

Industries of China generally were active during 1952 in spite of the

-11- 2023 COMMISSIONS

CHINESE LABOR COMMISSION  
—  
INDUSTRIAL CHINA

Mtien. The "Buy native goods" slogan, the boycott of Japanese goods,

Increased import tariff and low silver exchange after encouraging Industrial expansion. Foreign branch factories are increasing but are confined.

almost entirely to Shanghai.

SUGGEST ONLY GO SHANGHAI.

TRANSPORTATION AND COMMUNICATIONS

(This office has received more recent statistics than those which appear in Volume II of the 1932 Commerce Year Book. At the present time

Trade Commissioner Richardt is preparing a report on railways but it is doubtful whether it will reach the Bureau in time to be used in connection with the publication of the 1933 Commerce Year Book. However, it is believed that comment should be inserted concerning the railway work which is progressing in China and accordingly we are quoting below a statement which appeared in the January 1933 China Monthly Trade Report:

"The construction of the Hangchow-Hsiangshan light weight standard gauge railway was completed in March. This line is 200 kilometers in length and was financed entirely with funds of the Province of Chekiang as a provincial railway. Extensions are being planned through credits on the British Boxer Indemnity funds. Construction continued on the lunghai Railway traversing Central China to Sian in Shensi Province. Work also continued on the construction of a new coast terminal for the lunghai Railway at Hsugoo, approximately 83 miles northeast of Haichow, where a new harbor is being constructed. There are also prospects of a line from Santunguhow to Haichow. Construction was started on a 23 mile section of the Canton-Hankow Railway preparatory to closing the 220 kilometer gap still existing in this line. For this work \$700,000 silver has been advanced from the British Boxer Indemnity funds with prospects of further installments as the work progresses. Work on the Hanking-Pukow car ferry, funds for which were also provided by the British Boxer Indemnity Refund, is nearing completion, with prospects of a through car service from Shanghai to Peiping by May or June 1933. One million Douglas fir railway sleepers were secured from America during 1932 for replacements and for new construction. At the close of the year eight British locomotives were purchased for the Tientsin-Pukow Railway. Plans are under way for further construction on the Canton-Hankow Railway and on a new railway station for Shanghai to replace that destroyed during the recent Sino-Japanese hostilities. Two light weight standard gauge lines are planned for Chekiang Province which will extend from Wuhsu to Chappa and from Kefei to Luhu, the estimated cost of which total two million silver dollars. Surveys have been completed and construction is expected to start early in the year."

50,000  
50,000

50,000  
50,000

Motor vehicles. There were 2,600 motor vehicles including Hong Kong, 27,545  
automobiles in 1950, 27,390 in 1951, 41,505 in 1952, and 41,602 in 1953  
(including of 27,473 passenger cars, 5,190 buses, and 8,132 trucks).  
In addition, there are 2,800 motor cycles in China.

Merchant Marine. 1951 figures are given below:

<u>ENTRANCES AND CLEARANCES OVERLAND OF VESSELS IN CHINESE AND FOREIGN PORTS IN 1951 BY PORTS</u>		
Number of Vessels.....	181,607	
Net registered capacity (1,000 net registered tons).....	1,000	
All Ports.....	160,005	
Shanghai.....	5,009 has been adhered in extending Gantou.....	8,967
Chinkiang.....	7,357 would make has greatly increased Tsinan.....	12,545
Hankow.....	7,448; 1951 direct traffic connections Haichow.....	6,774
Shanghai.....	57,973 between San Francisco and China Tsinan.....	5,439
Tientsin.....	2,075 During 1952 arrangements were made for	

<u>ENTRANCES AND CLEARANCES IN COASTWISE AND IN FOREIGN TRADE, AND OPERATIONS were opened in 1951.</u>	
<u>Entrances</u>	<u>Coastwise trade</u>
Number of Vessels	55,734
Net registered tons (thousand)	54,057
By country of flag:-	
China	13,774
United States	1,162
Great Britain	21,161
Germany	1,063
Japan	15,439
Norway	1,738
<u>Clearances</u>	
Number of Vessels	51,663
Net registered tons (thousand)	54,380

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DEPARTMENT OF COMMERCE

Page 513.

OFFICE OF TRADE COMMISSIONER  
110 RUE DE  
TRANSIEN NORD CHINA

Postal, telegraph, and telephone service. The Chinese telegraph and telephone system is operated by the Government. During 1932 along with the Customs offices and other governmental offices, the post offices in Manchuria were taken over by the Manchurian Government. As a consequence, figures comparable with those given for previous years are not available. The same applies with regard to telegraphs. Considerable progress has been achieved in recent years in the installation of international radio, although little progress has been achieved in extending existing telegraph lines, the use of commercial radio has greatly enhanced China's internal communications. During 1931 direct radio communications between San Francisco and Shanghai and between San Francisco and Mukden were inaugurated by an American company. During 1932 arrangements were made for the opening of direct communications between Shanghai and Moscow, and communications were opened in 1933.

600,000  
160,000 "

Estimated figures only.

Page 514.

GROSS TO TRADE COMMERCIAL  
100% OF THE TRADE  
INTERIOR MARKET ONLY

Postal, Telegraph and Telephone Statistics - 1931

at 56.0 from 1930 value added per day \$1,200,475,000

1931Postal Services

A much greater postal service was probably provided. Figures for November

Number of offices	12,523	100% included.
Pieces of Mail (thousands)	796,018	
Gross Receipts (" Ch. )	39,771	Approximately a third of
Equivalent (" US\$ )	8,925	

shows total exports and while it includes some of China's imports, no

Telegraph

The number of telegraph stations is still available. The number of messages sent

Length of Line (miles)	65,718	points above 200.
Length of wire	107,186	
Messages sent (thousands)	5,522	for the year.
Gross Receipts	not available	

The telephone system has been developed in Shanghai, which is the part of China

Telephone

Length of Wire (miles)	423,600	
Number of Instruments	155,000	estimated

This country has developed probably the best of the other lines. Much

more business has been generated and maintained due to the almost uniformly

\* Estimated figure only.

and direct of certain telephone companies. It is the case that

there are many other smaller companies scattered throughout the country

and not connected on leading conditions are given below. This is the

Residence reported of military personnel during the year due to the

Supplementary services. During January and February in Shanghai and Peking

confidential information was received. Little information was obtainable

Page 514.

UNITED STATES

DEPARTMENT OF COMMERCE

OFFICE OF TRADE  
110 RUE DE FRANCE  
NORTH CHINA

According to the Chinese Maritime Customs statistics net imports were valued at Gold Units 891,296,487 (US\$556,618,594.80) a decrease of 26.6% from 1930 while exports were only Hk.Tls.492,475,525 (US\$167,616,256) a decrease of 45.6%. However, these figures indicate a much greater decline than actually occurred. Figures for Manchurian trade are included only for the half-year January to June inclusive. Exports from Manchurian ports in 1930 and 1931 were roughly a third of China's total exports and while Manchuria's share of China's imports is not so great it is still sizeable. The Minister of Finance estimates the loss of customs revenue due to alienation of these ports after June, 1932, to be Hk.Tls.15,000,000 or about 8% of the total for the year. The Sino-Japanese hostilities at Shanghai, which is the port of entry for more than 50% of all China's imports, also adversely affected trade for several weeks. Otherwise it is believed China's trade for 1932 was about equivalent to that of 1931. Hong Kong and South China showed trade declines but definite progress was made along other lines. North China business has been unsettled and uncertain due to the almost continuous threat of further Japanese aggression.

Imports sugar and cigarette making machinery totalled Gold Units 254,000. Brief comments on leading commodities are given below.

Machinery: Imports of machinery suffered during the year due to the Sino-Japanese conflict during January and February in Shanghai and later conflict on the northern border. Total imports of machinery into China

UNITED STATES

during 1932 were valued at Gold Units 19,448,843 (\$11,387,538) as compared with Gold Units 44,222,724 (\$17,689,089.60) during 1931. Great Britain was the principal source of supply, with 38% of the total trade as compared with 17% for Japan, 15% for Germany and 16% for U.S.A. Textile machinery, of which Great Britain obtained approximately 55%, Japan 28% and U.S.A. 5% was the principal item equaling approximately 34% of the total; imports into China during 1932 were approximately \$5,512,392 as compared with \$4,874,928 during 1931. Demand for power machinery increased, imports into China valued at Gold Units 3,676,982 (\$1,470,792.80) during 1932 as against Gold Units 3,676,035 (\$2,270,414) during 1931. Approximately 36% of the power machinery was imported from Germany, 26% from Great Britain, 9% from Japan and 8% from the U.S.A. Imports of prime movers decreased slightly, imports into China being valued at Gold Units 3,792,362 (\$1,516,953) as compared with Gold Units 4,821,870 (\$1,928,746) during 1931. Approximately 36% of the prime movers were imported from Great Britain, 25% from Germany, 18% from France and 12% from the United States. Machine tool imports totalled Gold Units 922,917.50 (\$569,167) during 1932 as compared with Gold Units 1,295,495 (\$619,398) during 1931. Of this business Germany obtained 26%, Great Britain 20%, Japan 20% and the United States 17%. Imports of cigar and cigarette making machinery totalled Gold Units 507,390 (\$202,956) during 1932 as compared with Gold Units 700,560 (\$280,224) during 1931. Of the 1932 imports the United States received 44%, England 43% and Germany 13%. The trade in printing and bookbinding machinery and parts was approximately the same during 1932 as during the previous year, 1931.

UNITED STATES  
DEPARTMENT OF COMMERCE  
COMMISSION TO CHINA

Imports into China totalling Gold Units 680,180 (\$248,072) as compared with Gold Units 622,155 (\$248,854) during 1931. Imports of pumps and pumping machinery fell off heavily during 1932, the total for 1932 being Gold Units 407,887 (\$163,155) as compared with Gold Units 789,217 (\$315,687) during 1931. America's share in this trade equalled approximately 28% of the total, the remainder being shared to a large extent by England, Japan and Germany.

Other miscellaneous machinery for industries in China totalled Gold Units 7,574,422 (\$3,029,769) during 1932 as compared with Gold Units 14,703,180 (\$5,891,275) during 1931, the large bulk of this miscellaneous trade was shared fairly equally by Great Britain, Germany, the United States and Japan. Low silver exchange during the year had the effect of encouraging the expansion of native manufacture of machines and of machinery imports from the United States which were very curtailed imports.

Electrical Materials. Due to Sino-Japanese warfare in Shanghai and in North China and the world-wide economic conditions which resulted in a stranglehold in proportion - from 12 to 14 Gold Units per month and the falling off in building construction in Shanghai to less than 50% of the previous year and to small figures in other parts of China, imports of electrical materials, fittings and fixtures fell off more than 50% in 1932 as compared to 4,000,000 pieces (\$6,000,000) imported in 1931. Total imports of these materials during the year 1932 were valued at Gold Units 6,835,630 (\$2,733,452) as compared with Gold Units 16,925,361 (\$6,798,144.46) during 1931. In 1932 the United States supplied 27%; Japan 24%; Great Britain 17% and Germany 19%. Domestic manufacturers make up a large percentage of the cheaper fittings and fixtures. All insulated wire and cable requirements, total imports Gold Units 2,350,017 (\$944,006.80) are imported.

Petroleum Products. Imports of gasoline dropped from 171,000,000 to 146,000,000 American gallons; gasoline from 30,000,000 to 24,000,000; and lubricating oil from 10 to 8,000,000. Imports of Soviet kerosene rose from 3,000,000 to 20,000,000 American gallons.

Lumber. Imports of softwood lumber into China during 1932 decreased from 422,630,000 feet during 1931 to 304,969,000 feet due largely to decreased construction in Shanghai which accounts for close to one-half of China's imports. Imports of hardwood held up well, however, being 66,521,500 feet as compared to 69,546,000 feet in 1931.

Dyestuffs. Imports of aniline dyes show a decline from Gold Units 5,485,118 (US\$2,194,047.20) in 1932 to Gold Units 8,754,781 (US\$3,501,900.40) in 1931. Imports of artificial indigo declined from 246,527 piculs (32,018,600 pounds) in 1931 to 68,666 piculs (9,153,200 pounds) in 1932. However, it must be borne in mind that import figures on dyes are rarely indicative of the year's business. On August 1, 1932, a drastic tariff increase was made effective (artificial indigo of 20% strength - higher strengths in proportion - from 12 to 14 Gold Units per picul; aniline dyes from 25% to 35% ad valorem).

Wheat Flour. Imports totalled 6,636,658 piculs (4,513,600 barrels) in 1932 as compared to 4,889,275 piculs (3,325,100 barrels) in 1931. This increase is probably somewhat accounted for by the decrease in wheat imports from 22,773,424 piculs (50,595,300 barrels) in 1931 to 15,084,723 piculs (33,513,200 barrels) in 1932.

Leaf Tobacco and Cigarettes. Gross imports of American leaf tobacco into China during 1932 totalled approximately 85,000,000 lbs. compared with 165,600,000 lbs. in 1931. Re-exports in 1932 were considerably

CHINESE COTTON

larger than normal, amounting to nearly 400,000 lbs. This was due to the greater 1931 output very suitable old and tobacco held by importers. It was found difficult to sell to better advantage in the United States and most of these surplus stocks were therefore returned. Demand at a reasonably maintained attraction to Shanghai in the early part of the year. Total of American 1931 and older crop leaf and large supplies of 1932 China grade leaf prices in the Shanghai market were the lowest for years and it was found impossible to move even small quantities of tobacco of previous 1931 and older tobacco except at a heavy sacrifice. Toward the end of the year with the generally higher prices and indications of a limited supply there agains of old tobacco were gradually curtailed in view of a fact that would have been the case otherwise, leaving very little old tobacco on hand at the end of the year. The smaller importation of American leaf in 1932 (about half the volume of 1931) is therefore attributed to (1) overstocks in China old crop American leaf; (2) large inward movement of American 1931 crop leaf for stock in the fall of 1931; (3) substantial 1932 China crop; (4) lateness of arrival of 1932 American crop tobacco, very little of which was shipped before the end of the year, due in part to scarcity of the low grade tobaccos normally in demand in the China market and greater demand for those grades in other markets, even in the United States. Thus, while the importation of American leaf into China in 1932 was only half that of the previous year, the consumption is believed to have been nearly as great as in 1931. Production of fine cured leaf in China in 1932 was estimated at 40,000,000 lbs. or about 4,000,000 lbs. below 1931.

1932 was another fairly bad year but the low price of tobacco

Cigarette imports into China during 1932-33 were heavily, the  
1932 total amounting to only 681,400,000 pieces compared with 8,940,000,000  
in 1931. Great Britain and the United States continue as principal  
suppliers, but Great Britain's share dropped to one-fifth of the volume  
of 1931, while the imports from the United States 86,800,000 pieces, an  
slight advance over 1931 figures. Continued higher import tariff (the  
basis of collection of taxation on imported cigarettes having been  
changed) are mainly responsible, while the manufacture in China of sub-  
stitutes, at lower retail prices, for popular brands of imported  
cigarettes is also accountable. With the growth of the cigarette  
manufacturing industry in China the import trade in cigarettes must be  
regarded as permanently lowered and cannot be expected to do other than  
diminile to insignificant proportions. Production and distribution in  
China in 1932 held up to normal proportions, in fact represent somewhat  
of an advance over 1931 despite a set back to the trade during the  
Shanghai war of February and March. Statistical material is not yet  
available for making a close estimate of total production of cigarettes.  
1931 consumption of cigarettes in China was estimated at somewhere between  
70 and 75 billion pieces.

Raw cotton. In point of value raw cotton imports were second among  
China's principal imports in 1932 being worth Gold Units 101,839,004 as  
compared to Gold Units 152,260,002 in 1931 when raw cotton was first in  
value. Imports by 100 bales were 1931 - 1,240,416 bales, 1932 -  
905,647. United States cotton has predominated in China due to its  
low price during the past two years. China's imports of raw cotton in  
1931 were somewhat larger than usual due to the low price of American

staple and to China's short crop. The 1932 cotton crop was of better quality and the price of domestic growth somewhat more favorable. However, as China is each year producing more and more yarn of finer grade and as domestic growth is coarse and of short staple, the market for imported cotton will continue large and will probably grow as China expands her cotton manufacturing industry.

Iron and Steel. Imports of iron and steel into China during 1932 were valued at \$15,747,000 as against \$21,364,000 in 1931. On the basis of values, bars and tin plate were approximately equal, percent of the total being 14.78 and 16.56 respectively; galvanized sheets 8.5 per cent, rails 7 per cent and pipe and tubings registering only 6 per cent.

Cotton Piece Goods. Imports of cotton piece goods into China amounted to 10,404,000 pieces as compared with 12,126,000 pieces during 1931. These figures do not include imports of miscellaneous cotton piece goods valued at \$4,644,000 as compared with \$3,331,000 for 1931.

Leather. Sales of enamelled, japanned and patent leathers in the Chinese market fell off considerably, imports during 1932 were only 150,000 pounds as compared with 402,667 pounds during 1931. Sole leather also fell off despite the fact that considerable amounts of this leather were imported for the manufacture of leather belting. The imports during the year was only 8,402,000 pounds as compared with 4,063,000 pounds during 1931.

Imports. Imports of China's produce suffered severely in 1932 as indicated by the decline in value of 45.8%. Brief statements in regard to certain principal export commodities are given below.

Skins and Furs. The export figures for various types of China skins and furs during 1932 was tall. Total exports of various types of dressed furs in China were very low compared to former years. The absence of many regular fur buyers from China during the 1932 season indicates the position of the world fur markets. Many New York houses which formerly had three or four buyers in China during the buying season were not represented during the year. Total exports of furs from China for 1932 were valued at Rk.Tls.15,232,222 (70,955,175 lbs) and the declared exports to United States were Rk.Tls.11,272,602 (50,013,642 lbs) or 74% of China's total export.

Wool. Exporters of sheep's wool have experienced a disastrous year. Total exports were only 1/7 of what they were in 1931, 34,212 piculs (4,560,480 lbs) in 1932 as compared to 239,342 piculs (31,984,270 lbs) in 1931. Tientsin exporters are endeavoring to reduce shipping costs and 75% of the wool is shipped by rail. The cost of shipping is still far less than by sea. Wool oil prices were very low in 1932. Tientsin now has eight scouring plants, three of which may possibly be closed as soon as the new plants (1933) come into use. China's carpet industry also suffered a very poor year in 1932. Wool oil prices were very low at the close of the fiscal year.

Peanuts. Exports were again low, 820,222 piculs. Of all the products including cotton, silk and cotton as compared to 1,573,490 piculs the shell which were 820,222 piculs (109,535,600 lbs) in 1932 as compared to 1931. Quality requirements and high import duties in the United States probably had something adversely during the past two years held up better being 2,266,190 piculs (302,085,260 lbs) in 1932 as compared to 2,564,732 piculs (342,145,375 lbs) in 1931. The 1932 crop exports were only 76,377 piculs (11,300,000 lbs) as compared to 113,667 about equaled that of the previous year.

107,705,000 lbs in 1931 which was a very poor year. Total production of cotton was estimated at only 70,000 piculs (10,500,000 lbs) as compared to 100,000 piculs (10,000,000 lbs) in 1930. Not only was world market

UNITED STATES  
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OFFICE OF TRADE COMMISSIONER  
115 RUE DE GRANDE CHAMPS  
PARIS, FRANCE  
1932 exports of black tea were 147,148 piculs (20,724,828 lbs); green tea 274,950 piculs (36,650,835 lbs) as compared to 171,466 piculs (22,856,417 lbs) and 293,526 piculs (39,127,015 lbs) respectively in 1931. Exports of tea, not otherwise recorded were 1931 - 238,214 piculs (31,753,926 lbs.) 1932 - 251,790 piculs (30,897,607 lbs). In gold currency

Tungsten and Antimony. Tungsten exports declined from 114,357 piculs (7,621 short tons) in 1931 to 34,534 piculs (2,287 short tons) in 1932. Antimony exports increased from 173,663 piculs (11,575 short tons) in 1931 to 217,762 piculs (14,504 short tons) in 1932. At the close of 1932 the Hunan Provincial Government announced the formation of the "Antimony Trade Association of Hunan" designed to monopolize and control the production and export price of antimony from Hunan producer of between 65, and 75% of the world supply of antimony.

Wood Oil. Exports of wood oil declined in 1932 again, being 802,769 piculs (53,505 short tons) as compared to 864,864 piculs (57,643 short tons) in 1931. Wood oil prices were very low at the close of the year.

Egg Products. Exports were again lower, 824,551 piculs. Of all egg products including dried, moist and frozen as compared to 906,951 piculs in 1931. Quality requirements and high import duties in the United States have affected this industry adversely during the past two years.

Silk. The raw silk industry is in a very poor condition. 1932 exports were only 76,671 piculs (10,220,240 lbs) as compared to 153,047 (17,734,565 lbs) in 1931 which was a very poor year. Total production of raw silk was estimated at only 76,600 piculs (10,211,000) as compared to 153,000 piculs (17,729,900 lbs) in 1930. Not only are world market

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120 RUE DE L'ARMEE  
TIENTSIN, NORTH CHINA

prices for raw silk extremely low due to large stocks in Japan and depreciation of Japanese currency but Chinese cocoon crops have been poor in quality due to unscientific rearing methods.

### Trade with United States.

In 1932 China's trading trade with principal countries that the United States had the largest imports originating well when it is considered that American products priced in gold currency were dominant in Hong Kong in a short period and a number of countries had to sell in competition with goods from countries with depreciated currency. Imports from the United States were Gold Units 229,580,000 (US\$91,832,000) as compared to Gold Units 275,250 (US\$102,300,000) a decrease of 16%. However, United States was again the first country of importance in China's import trade, supplying 25.43% of China's imports as compared to 22.19% the previous year. Practically all categories of imports from America declined except raw cotton. All categories of China's exports to the United States declined drastically totalling in value Gold Units 50,729,000 (US\$20,291,600) as compared to Gold Units 102,215,000 (US\$40,886,000) in 1931 a decline of 50%. Further details will be found in this publication.

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Basis of trade statistics ~~published~~ <sup>available</sup> ~~for~~ <sup>and</sup> ~~any~~ <sup>the</sup> material change  
under this section, except that (1) it should be noted that the ~~statistics~~ <sup>information</sup>  
include Manchurian trade only for the first six months of 1932 and (2)  
a note regarding table showing trade with principal countries that the  
figures shown for Hong Kong do not entirely represent goods originating  
there inasmuch as Hong Kong is a free port and a trans-shipping center  
wherein goods from other countries lose their identity and are shown in  
China's returns as originating in Hong Kong.) Figures have not been  
developed as to per capita imports and exports for 1932 or any other  
statistics in this heading inasmuch as it was indicated in the Director's  
letter of February 7 in the request for statistics that you would devd op  
the figures from the regular government reports. In the pouch which was  
mailed from this office on April 17, a copy of the Chinese Maritime Customs  
Monthly Returns of Foreign Trade of China for the month of December 1932  
was submitted with a note attached indicating that it was to be an enclosure  
to this report. All the statistics necessary for the statistics on foreign  
trade will be found in this publication.

UNITED STATES  
CONDITIONS IN CHINE TRADING COUNCIL  
DEPARTMENT OF COMMERCE

Central China and Yangtze Valley

OFFICE OF TRADE COMMISSIONER  
AMERICAN TRADE WITH CHINA

Shanghai's trade during 1932 was subject to all the previous unfavorable factors such as low silver exchange, tightness of money and restriction of credits, reduced buying power in the Yangtze regions as a result of the devastating floods of 1931, and lack of normal demand for China's products abroad, but the most serious disruption of trade and probably the greatest single factor in the decline of Shanghai's trade during 1932, was the Sino-Japanese hostilities during the early part of the year. During that trouble a large portion of Chapei, or the north section of the city, was devastated. Property losses amounted to hundreds of millions of yuan dollars. Business came to a virtual standstill for two months and a suspension of settlements ordinarily consummated at China New Year had to be extended. It will be many years before Shanghai will have recovered from its tremendous losses as no indemnity funds or insurance reimbursements came to the rescue.

Trade generally in the Yangtze Valley showed a decline from 1931. There was a gradual improvement of the communist-bandit situation in several provinces of Central China in the latter half of the year due to effective government suppression activities which have reopened some of these areas to trade recovery. Road building projects in this section of China have progressed very well in spite of difficulties, and these enhanced transportation facilities will doubtless have a bearing upon the well being of the future trade of this section.

UNITED STATES

South China and Hong Kong, DEPARTMENT OF COMMERCE

OFFICE OF TRADE COMMISSIONER

175 BROADWAY

NEW YORK CITY

The year 1932, despite the serious trade decline and the far reaching effects of the Sino-Japanese imbroglio, was definitely a year of ~~ADVERSITY~~ <sup>RECOVERY</sup> for South China. The comparatively peaceful year of 1931 was followed by a period of intense reconstruction and trade activity until April 1932 when the tide of the depression set in to continue up to the end of the year. Uninterrupted peace in the southern provinces, however, has permitted much progress to be made in reconstruction work, industrial development, government economy and the establishment of law and order, important factors which tend to offset the more temporary ill effects of trade decline.

North China, including Manchuria.

The declining trade of Tientsin received a further downward impetus during 1932 due to the imminence of further Japanese encroachment upon Chinese territory.

Manchurian trade has been extremely low since the seizure of Mukden by the Japanese in September 1931 and the general disruption of all normal trade which followed as a result. In July 1932, the Manchurian Government took over all of the Chinese Customs houses, post offices, etc. in the Manchurian provinces, and as a result it is impossible to give actual figures of the trade of that section of the country.

equivalent to all other countries of the world, shall be received on the basis of the 1930. The gold in question referred to as the new standard silver dollar. This provision of the regulations provides for the payment, in dollars, of all debts, whether in gold or silver, at legal tender prices of gold, the exchange of old coins for new, a mining charge of 2.5% on silver miners and on silver bullion and on copperplate miners.

UNITED STATES  
DEPARTMENT OF COMMERCE  
CURRENCY AND EXCHANGEOFFICE OF TRADE COMMISSIONER  
110 RUE DE FRANCE  
INTERNATIONAL, NORTH CHINA

(As applying to the year 1932 this section requires no change.)

However, it should be noted that in April, 1933, the Chinese Government declared it illegal to conduct business in Shanghai Taels. This action resulted as a culmination of several months of efforts to abolish the Shanghai Tael, substituting therefor the new yuan dollar. While the abolition of the Shanghai Tael has not been entirely accomplished at the time of writing, it appears that efforts of the Government to establish a standard dollar other than a theoretical silver unit such as the Shanghai Tael was, will be successful. An exchange rate of .715 was established between the official yuan dollar and the Shanghai Tael in order to allow people to adjust contracts existing in Taels. A resume of the regulations concerning the new yuan dollar which is to be known as the "Yuan" are given below:

"Art. I. The standard silver unit shall be coined exclusively by the Central Mint. Art. II. It shall be known as the yuan. Its total weight shall be 26.6977 grams, composed of 88% silver and 12% copper, i.e. it shall contain 23.493448 grams of pure silver.  
Art. IV. One yuan shall be equivalent to 100 cents (fen).

Art. VIII. It shall be considered as the legal tender.

Art. XII. The Central Mint may produce "mint bars." Each bar shall have a fineness of 999 thousandths and a fine silver content equivalent to the fine silver content of 1,000 yuan, both of which shall be recorded on the face of the bar. (The yuan is sometime referred to as the new standard silver dollar.) Other paragraphs of the regulations provide for the pattern, the difference allowable between the actual and legal fixed rates of coins, the exchange of old coins for new, a minting charge of 2.25% on old silver pieces and on silver bullion and an appropriate assay or

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refining charges ~~per troy ounce~~ or less than 999 thousandths pure. The Legislative Yuan also adopted a resolution formally fixing the rate of exchange of the dollar as equivalent to 0.715 Shanghai Taels ~~per tael~~ <sup>approximately equal to 2000</sup> ~~approximately 1000~~ <sup>annex from current</sup> precedent to the abolition of the Shanghai Tael)."

Paul V. Kops  
Assistant Trade Commissioner

Approved for Transmission:

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PPK:dk:km