

Submitted by: A. Viola Smith, Trade Commission  
Subject: Supplementing Special Report S-61 dated January 18, 1938 entitled

"WORLD MARKETS FOR AMERICAN FARM EQUIPMENT -- CHINA"

\* \* \* \* \*

22554

JUL 3 1938  
FOREIGN MAIL

Central Farm Bureau: Chinese press despatches reported on June 3, 1938 that to centralize the Chinese Government's efforts of improving rural conditions, the Agricultural Products Adjustment Commission, the Bureau of Transportation of Foodstuffs and the Directing Offices of Co-operative Societies in Hunan, Hupeh, Anhwei and Kiangsi Provinces had been amalgamated with the Central Farm Bureau after its removal from Nanking to Chungking last December.

The Central Farm Bureau of the Ministry of Economics now aims to strengthen the financial structure in rural districts by organizing credit co-operative societies and building of granaries.

At present, credit co-operative societies have been organized in 31 districts and by the end of 1938, it is expected that such societies will be organized within 90 districts.

Co-operating with the provincial governments, the Central Farm Bureau is building granaries in a number of provinces in the interior. Agreements have been concluded with the Szechuan and Kweichow Provincial Governments to build large granaries. Other agreements made with the Hunan, Szechuan and Kwangsi Provincial Governments call for organizing small granaries to accept agricultural products from the farmers as mortgages. In Szechuan small granaries of this kind have already been organized in sixteen districts.

Measures are being taken also to improve the irrigation system in Szechuan, Kweichow and Kwangsi Provinces, while similar measures are to be carried out in Honan and Hunan Provinces in the latter part of this year.

In Hunan, Hupeh, Kwangtung, Kwangsi, and Shensi Provinces, the Central

5  
35  
23  
18  
30



Farm Bureau with the co-operation of the respective provincial governments is advancing credits to the farmers. Negotiations are underway between the Bureau and the Shensi Provincial Government to advance credits to the farmers in Shensi to develop their cotton fields.

To adjust the supply and demand of agricultural products in the country, the Bureau is purchasing cotton in Shensi, Kiangsu and Chekiang Provinces as well as rice in Hunan and Kiangsi Provinces. Rice from Hunan and Kiangsi are being transported to Kwangtung, where large quantities of rice are imported from abroad every year to meet local demands.

Other measures taken by the Bureau include the insurance of farm **estate**, encouragement of savings by the farmers, and handling of remittance of funds for the farmers.

Irrigation Projects: It is officially announced that an appropriation of yuan 2,500,000 has been made by the Bureau for the development of irrigation systems in Szechuan Province. Special regulations have been promulgated to govern the distribution of the fund for the improvement of irrigation systems in the province.

Seeds for Farmers: According to financial circles the request of the Szechuan Provincial Government to help the farmers to buy necessary seeds has been accepted by the Bank of China and the Farmer's Bank.

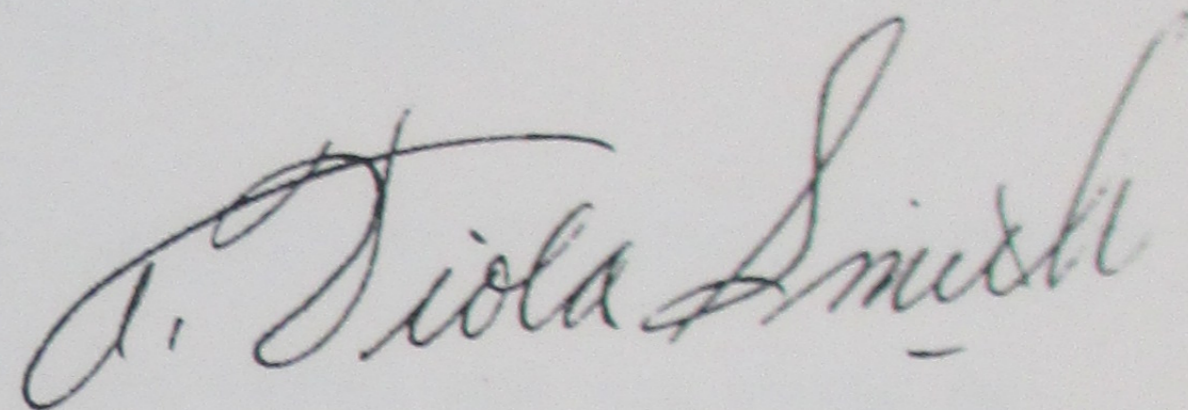
Investigations are being carried out in 46 districts of the province to ascertain the kind and amount of seeds which the farmers need in the next few months. As soon as the findings of these investigations are known, the two Government banks will buy the necessary seeds and distribute them to the farmers. Payment for the seeds will be made to the banks after the farmers have successfully disposed of their harvests.



North China Experimental Station: News despatches from Peiping dated June 1, state that the Japanese authorities are planning to build a North China Agricultural Experimental Station in the near future, for which the Japanese Government is reported to have made an initial appropriation of Yen 5 million

\* \* \* \* \*

Revised Import Duty: A revised import tariff was put into operation at Shanghai on June 1, 1938, by the Japanese sponsored "Reformed Government of Nanking". This tariff places Agricultural Machinery upon the FREE LIST -- formerly 5% ad valorem.



A. Viola Smith,  
Trade Commissioner,  
Temporarily in Charge.

AVS:JB