

Foreign Trade Of Chefoo, 1925

The wheat crop in the Chefoo district was disappointing, being only about 60 percent of the average; the autumn crop, however, was satisfactory, especially in the case of indian corn and groundnuts. General conditions for the greater part of the year were highly unfavorable to trade, states Mr. K. C. L. d'Anjou, Commissioner of Customs. The feelings engendered by the trouble which took place in Shanghai in May were responsible in Chefoo, as in other parts of China, for a boycott of British banks and steamers which lasted the whole of the summer.

An association formed with the object of severing economic relations with British and Japanese merchants received a large measure of local support. By public demonstrations, and with the aid of propaganda by written and illustrated leaflets, enthusiasm for the boycott was maintained for a period of several months, though it is pleasant to record that these events were not reflected locally in any act of violence or discrimination against individual nationals of the countries affected.

This boycott had a most disas-

trous effect upon local trade, the prospects for which had looked particularly promising in the early part of the year. Owing to British ships being barred from carrying cargo, tonnage on the Shanghai-Chefoo-Tientsin run was at a premium, and the vessels under the Chinese flag were not nearly numerous enough to cope with the huge volume of cargo with which they alone were allowed to deal. Other forces, more sinister than those responsible for a temporary

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economic boycott, presently began. To make themselves felt as adverse factors against commercial rehabilitation. Civil war, the noxious weed which no form of government appears to be able to eradicate in this country, but which springs up with such a perennial and fatal regularity, again broke out in the autumn. Shantung was deeply involved in the struggle. To meet the heavy expenses of a prolonged campaign, every form of taxation by the provincial authorities was resorted to, such for instance, as the collection of taxes before their due date, of an extra land tax and special octroi, as well as miscellaneous imposts on cattle, vermicelli, and other local produce. The laborers to serve in the army and the requisitioning of mules and carts for conveying supplies for the troops disorganized the transportation of bulk cargo from and to the interior. While Shantung was being "bled white" and trade conditions going from bad to worse, complete tranquility was enjoyed in the port and its immediate vicinity until the 20th November, when fighting broke out between the local soldiery and the marines off two gun-boats which had recently arrived from Tsingtao. The local troops had the worst of the several days, native shops and banks were closed, and the streets were deserted.

ROADS

The disturbed state of the province naturally affected the business of the Chefoo-Wellsien motor road. By the end of the year eight cars had been requisitioned without compensation by the military authorities, who are reported to also owe the company a large sum for freight. A road, 60 ft in length between Chefoo and Aluping was completed during the year, the cost of construction being levied from the villages through which it passes.

HARBOR IMPROVEMENT

The breakwater having been completed in December 1920 and the mole in December 1921, it devolved on the Commission to develop these adjuncts of the harbor in the fullest possible measure. To secure roads of approach to the mole and land for the Commission's purposes was the first necessity. Great difficulties were experienced in bringing these questions to a successful issue. Negotiations with Chinese landowners, who had not been slow in realising that sooner or later the Commission would have to pay dearly for the omission in previous years to secure land and approaches to the mole, lasted until August. The Commission finally secured some 36 mou of land below high-water level to the westwards of and adjoining the base of the mole and a 60-foot-wide road leading to the main street, which, besides the existing road leading to the boat harbor, will meet all requirements. The majority of the commercial element at this port expressed itself in favor of the erection of storage godowns on the mole quay, light steel sheds of the removable type, and measuring 100 feet in length by 60 feet in width, were ordered. The Commission is furthermore committed, from resolutions passed at various meetings, to establish a system of transportation of goods to and from the mole godowns by means of trucks running on the existing rails; to construct roads of approach to the main street and to the boat harbor; to construct a seawall at the base of the mole on the northern boundary of its recently acquired property; to reclaim this property by filling it to the level of the mole surface and to construct thereon sheds for trucks, workshop, etc.; by culvert to the sea the creek which empties itself at the base of the mole; and, finally, when all these works have been completed, to open the mole to traffic. Other improvements to the harbor, now in course of completion or to be undertaken, are the dredging of the North Tai Ping Wan to a sufficient depth to allow cargo-boats to work at all stages of the tide, and the dredging of the approaches to the jetties and to the mole quay, the latter to a 25-foot depth to permit of the successful berthing of deep-draught ocean steamers at the quay. The tug purchased at the beginning of the year from the Haiho Conservancy is justifying its existence by assisting deep-draught steamers to their berths and by towing and salvage when needed for these purposes. A Priestman grab-dredger, self propelling, fitted with hopper doors, was also purchased during the year and is doing as well as can be expected considering the difficult nature of the soil in the harbor. The appointment this year of a berthing pilot not only of great material assistance in the berthing of ocean steamers, but also of great moral value for insurance purposes. Thanks, in a great measure, to all these harbor facilities, a direct

ocean-steamer traffic is developing favorably.

SILK IMPROVEMENT COMMISSION

The remission of duty on silk products was extended during the year under review to constitute exports as well as to exports abroad, the amount of duty being paid to the Commission as silk tax. It marks a great advantage to the Commission and increased its income by more than half of that of last year's, and permitted of the advance in the construction of four more experimental stations up country. It also enabled the Commission to purchase a large quantity of acorns for distribution to farmers and for planting on the Commission's properties at the experimental stations. A class for girl students, drawn mostly from the villages where the stations are situated, was opened in the spring. Six graduated girl students have been retained by the Commission for use in propaganda work in the village schools in the county and to get in touch with the reeler and weavers. Next year a class for boy students will be opened at the college. Further developments of this college will be the study of reeling, and improvements on the present system at the college filature, to be erected shortly.

SILK INDUSTRY

The year opened with a fair amount of stocks available, and, owing to a steady demand during the first few months, mainly from European markets, there was a general feeling of optimism regarding future prospects. The cable announcement from London early in May that a heavy duty was shortly to be imposed on all silks imported into Great Britain came as a bombshell and almost caused a panic in the local market. When it was learned later that the duty would amount to practically 33 1/2 percent and would come into operation on the 1st July, 1925, there was a mad rush to get as much silk as possible shipped in time to arrive in London before that date. The quantity of pongee silk shipped abroad during these few weeks, either against cabled orders or on consignment, was very large and had the effect of practically clearing out all stocks from the local market. Naturally, both makers and exporters were apprehensive of the effect of this new duty on the local pongee trade, and weaving in the country was considerably curtailed. Early in the autumn, however, there was every indication that a good trade, especially in Nanshan long lengths, could be expected, but it was then too late for makers to collect their weavers and turn out these goods in anything like the quantities required by foreign exporters. A hand-to-mouth business was thus created, with all the principal buyers operating against each other, with the result that the price of available supplies soared in a few weeks by as much as 12 and even 15 percent. As is usually the case when demand exceeds supply, the quality of silk, especially of the lower grades, suffered appreciably, although, on the whole, the better grades were about equal to the previous season's deliveries. The year closed with top prices ruling and a certain amount of new orders being placed for early shipment in 1926 at the advance. The total amount of business in pongees transacted during the year exceeded that of 1924 by about 10 percent, by far the greater part of the shipments going forward to England and the Continent. The American markets would not pay the prices asked for Chinese pongees, with the result that most of the pongee business with those markets went to Japan.

REVENUE

The total amount of duties collected was Hk. Tls. 379,166 (exclusive of surtax, Hk. Tls. 5,480), representing a decrease of Hk. Tls. 54,425 as compared with the collection for the previous year. Of the decrease recorded Hk. Tls. 52,551 was accounted for under foreign flags. Both import and export duties showed heavy declines.

3. SHIPPING.—(a) UNDER GENERAL REGULATIONS

Entries and clearances show a decrease of 34,294 tons. The British flag decreased by 371,000 tons, while increases were seen under the Japanese and German flags of 148,000 and 51,000 tons respectively. The increase in the direct traffic to Europe during the year was most encouraging, more and more

vessels being attracted to Chefoo by the trade in groundnuts, which is directly responsible for the increase under the German flag. Several direct shipments of this staple were also made during the year by Swedish and Italian vessels.

(b) Under Inland Waters Steam Navigation Rules.—No remarks.

4. FOREIGN GOODS.—(a) IMPORTS, DIRECT AND COASTWISE

The total value of trade under this heading—Hk. Tls. 3,932,077—represents a decrease of 32 percent as compared with 1924, and is little more than half the total for 1922. Practically every item under cotton goods shows a large shrinkage, due chiefly to the increasing popularity of native manufactured goods. Metals generally declined but to a considerably smaller extent. The decrease in cigarettes from 17,000 to 5,000 mille is chiefly due to the increase in price to the consumer owing to the imposition by the local Tobacco Bureau of a tax increase of 33 percent in the importation of this article. No American kerosene oil was imported at Chefoo in 1925, as supplies for Shantung are now imported at Tsingtao. Sumatra oil decreased by 45 percent. The importation of toilet soap decreased by over Hk. Tls. 6,000. The decline in this commodity from year to year is to a certain extent due to the successful competition of a Chefoo factory. These remarks also apply to needles.

(b) RE-EXPORTS.

A shrinkage to the extent of Hk. Tls. 826,000, or 31 percent, has to be recorded under this heading. This is chiefly due to the fact that cargo sent from Shanghai to Chemulpo via Chefoo, formerly classed under re-exports at this port, appears as transshipments for the year under review.

5. CHINESE GOODS.—(a) EXPORTS, ABROAD AND COASTWISE (INCLUDING RE-EXPORTS).

The value of this trade for the year, 17 1/2 million taels, shows an increase of 1 1/2 million taels over the figures for 1924. Beaneake declined by 36,000 piculs as compared with the previous year, the total for which in turn represented a decrease of 39,000 piculs as compared with 1923. This is due to the fact that the demand for this article as a fertiliser has decreased to a great extent in South China. Groundnuts furnish one of the few bright spots in the trade of Chefoo for 1925. The following figures show the steady expansion in the export of this staple: 1923, 159,000 piculs; 1924, 232,000 piculs; and 1925, 322,000 piculs. The shipments have all been made to foreign countries direct, and the increase in the number of large vessels on the regular European run which are attracted to Chefoo by the trade in this was a slight decrease, due to insufficiency of tonnage during the summer.

(b) IMPORTS

The net value of Chinese imports was nearly 12 million taels, representing an increase of over 1 1/2 million taels as compared with the figures for 1924. Grey shirtings have jumped from 160 to 3,280 pieces, and there is a slight increase in cotton yarn. Beans, peas, and all cereals, and especially flour, show large increases. The increase in flour is due to the large influx of troops from the North, the number of extra soldiers quartered in various parts of the province being estimated at 100,000. Paper collectively increased by 50 percent, and softwood timber advanced from 117,000 to 388,000 square feet, owing to considerable activity in the local building trade.

6. INLAND TRANSIT.—NO.

REMARKS

7. TREASURY

The money market was generally quiet throughout the year. The Shanghai-Chefoo tael rate kept below parity, but did not reach the low level recorded in 1924. Dollars imported show an increase of over 3 millions. The Yuan Shikai dollar, which is the only kind imported, has not only obtained the place in popular estimation formerly held by the Mexican variety, but is rapidly displacing sycee as a medium of exchange in the interior of the province.

8. PASSENGER TRAFFIC

This year's passenger traffic

shows a slight decrease, amounting to 8 percent.

9. OPIUM

No remarks.

LUNGKOW

The political turmoil and the May 30 incident in Shanghai have had practically no effect on local trade. The grain crops in the close neighborhood of the port were poor, but those in the hinterland yielded about seven-tenths, the wheat crop, however, being a 10 to 30 percent.—of the population, failure. Fruit was very abundant. A noteworthy increase—amounting which now numbers 8,162, has taken place during the year. The revenue collection is the highest on record since the opening of the port, and the net value of the trade amounted to Hk. Tls. 7,512,349, as compared with Hk. Tls. 6,409,616 for the year 1924. Increases in

shipping have been recorded to the extent of (a) 30,000 tons under General Regulations and (b) 27,000 tons under Inland Waters Steam Navigation Rules, the Japanese flag alone accounting for the advances. Of imports, piece goods have been rather on the decline, whereas beans, for the manufacture of vermicelli, and flour, ever growing in importance as a food-stuff, show considerable increases. Shipments of vermicelli, the chief staple export, exceeded those of 1924 by 7,900 piculs, and fresh fruit was exported in great quantities. The buildings erected last year in the new Settlement to the north of the town are standing empty. For a few months the local hotels were transferred there, but all moved back into the town at the close of the year. The prospect for further development of the Settlement seems very gloomy.