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CHINESE FOREIGN AND DOMESTIC TRADE EXPANDS;
TRADE MINISTRY HOLDS CONFERENCE IN CANTON

Official figures show an 18.3-percent gain in Hong Kong foreign trade in September over August. Total imports from China for September were valued at 118,700,000 Hong Kong dollars, exports to China, 188,800,000 Hong Kong dollars. US exports to Hong Kong in September rose 2,069,469 Hong Kong dollars over August. Malayan crude rubber was Hong Kong's largest single import item.

US and Pakistani export restrictions on cotton have sent Hong Kong buyers to Egypt for supplies. Hong Kong gunny bag prices rise to 5 Hong Kong dollars each.

The volume of Shanghai exports for September rose 60 percent above that for August. Tsingtao foreign trade for August showed a gain of 34.5 percent over July. Principal export items were tung oil, peanuts peanut oil, and eggs.

Trade of the Northwest with rest of China showed encouraging growth during first half of year. Important items sold by the Northwest were 217,000 piculs of ginned and 11 million catties or raw cotton, 250,000 catties of bristles, 12,038,000 catties of materia medica 3,400,000 catties of wool, and 10 tons of sulfur.

The Ministry of Trade sponsored a Production and Marketing Conference recently in Canton. The conference revealed a great many weaknesses in the production and marketing system. The Ministry of Trade has posted new uniform grain prices to aid in overcoming "scissors crisis."

HONG KONG FOREIGN TRADE RISES IN SEPTEMBER -- Hong Kong, Wen-hui Pao, 25 Oct 50

According to official figures, Hong Kong foreign trade rose 18.3 percent in value in September over August for a total value of 762,280,385 Hong Kong dollars. Imports totaled 358,846,627 Hong Kong dollars and exports 403,433,558 Hong Kong dollars.

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The China mainland trade amounted to more than a third of the total for September, distributed as follows:

<u>Area</u>	<u>Imports (HK dollars)</u>	<u>Exports (HK dollars)</u>
North China	29,500,000	74,200,000
Central China	25,200,000	33,300,000
South China	54,700,000	66,400,000
Macao	9,300,000	14,900,000
Total	118,700,000	188,800,000

CHINA GREATEST SOURCE OF HONG KONG IMPORTS IN SEPTEMBER -- Hong Kong, Wen-hui Pao, 25 Oct 50

The US was second to China as the greatest source of Hong Kong imports for September, supplying 49,810,000 Hong Kong dollars worth of goods, a rise of 2,069,469 Hong Kong dollars over August. Crude rubber from Malaya was Hong Kong's largest single item of import and cotton cloth the largest export item.

HONG KONG COTTON BUYERS SEEK NEW MARKETS -- Hong Kong, Wen-hui Pao, 28 Oct 50

Since the US and Pakistan have placed restrictions on cotton exports, Hong Kong buyers have been seeking new sources of supply. One promising new source is Egypt. A shipment of 1,200 bales already purchased is scheduled to arrive here by mid-November.

GUNNY BAG PRICES ADVANCE SHARPLY -- Hong Kong, Wen-hui Pao, 26 Oct 50

The Indian government's increase in export duties on gunny bags has resulted in a price rise in Hong Kong to as much as 5 Hong Kong dollars each for some varieties.

SHANGHAI FOREIGN TRADE EXPANDS -- Hong Kong, Wen-hui Pao, 24 Oct 50

During September, the export goods that passed through the Shanghai export inspection station amounted to 60 percent more in value than for August. Among the articles passed were 35,836.9 quintals of tung oil and vegetable oils, 1,924.5 quintals of sheep, goat, and camel's wool, 196,100 sheepskins, and 908.5 quintals of bristles.

TSINGTAO TRADE RISES IN AUGUST -- Tsinan, Ta-chung Jih-pao, 20 Sep 50

Tsingtao foreign trade figures for August were the highest for any month since the liberation and show a gain of 34.5 percent over July. Exports showed a gain of 34 percent and imports 27.7 percent. The alleged reasons for this gain are: (1) Prices of the principal export items, eggs, peanuts, peanut oil, and tung oil have become stabilized and lowered. Exporters are able to realize a better profit, hence are more active. (2) The foreign demand for peanuts, peanut oil, and tung oil is active. (3) Revision of foreign exchange rates in favor of yuan has encouraged importers to become more active. (4) The government has extended aid to exporters by loans and reduction of rail freight rates on export goods.

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NORTHWEST TRADE WITH CHINA GROWING -- Sian, Ch'un-chung Jih-pao, 9 Aug 50

Trade between the Northwest and the rest of the country is showing an encouraging growth. Both government and private companies are participating in the exchange of goods.

Export figures from Northwest to the rest of China for the first and second quarters are as follows:

First Quarter

Machine-ginned cotton	13,000 tons
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Second Quarter

Machine-ginned cotton (to East and Southeast China)	22,000 piculs
Raw cotton	11,000,000 catties
Bristles (by China Bristle Company)	150,000 catties
Bristles (by private companies)	100,000 catties
Materia medica	
Northwest Local Products Company	38,000 catties
Private companies	12,000,000 catties
Hides and Wool (by China Hide and Fur Company)	
Wool	3,400,000 catties
Fine wool and camels' hair	9,000 cattie
Hides	31,000 catties
Intestines	70,000 bundles
Flour (coarse)	300,000 bags
Chemicals and oil (China Transportation Company)	
Sulfur	10 tons
Peanut oil	26 tons

Imports to Northwest from rest of China are as follows:

Second Quarter

Cloth (China Cotton Yarn and Cloth Company)	1,00,000 bolts
General merchandise (China General Merchandise Company)	
600 items, valued at 41 billion yuan	
Tea (Northwest China Tea Company)	
Leaf tea	270,000 catties
Brick tea	400,000 catties

The China Trust Company in Sian has imported products of factories in the various other sections of China to a total value of 40 billion yuan. Among these imports are:

Sugar	100,000 catties
Cloth	45,000 bolts
Paints and dyestuffs	1,100 boxes
Cement	12,000 kilograms

The May wool price was 90,000 yuan per 100 catties. The daily wool trade at Hsi-ning, Tsinghai, amounted to 50 million yuan.

GENERAL MERCHANDISE CONFERENCE HELD IN CANTON -- Hong Kong, Wen-hui Pao, 29 Oct 50

The Ministry of Trade recently convened a General Merchandise Production and Supply Conference in Canton, the first of a series of six conferences planned by the ministry for various lines of trade. The main questions

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considered at this first conference were: (1) production and marketing, (2) relationships of industry and commerce, (3) relationships of public and private enterprises, and (4) management policies and methods.

The present dullness in the market for general merchandise results from costs being too high due to faulty accounting methods, careless handling of raw material inventories, poor personnel policies, obsolete equipment, and dependence on expensive foreign raw materials. Another factor is the failure of producers to study the needs of the rural market. In contrast one company that is producing a cloth that the country people like is unable to meet the demand for it.

Because of the above weaknesses, and although plants are only working at 50 percent of capacity, they cannot sell all of their product.

In the matter of industry's relationships with commercial firms, the latter have shown a mercenary spirit, endeavoring to take advantage of the medium-size and small producers, charging high prices for raw materials and paying low prices for finished products. Also they have often delayed payment for the goods they bought, thus tying up the producer's capital. They have not been satisfied with a reasonable profit and have sought by various means to keep the producers on a low margin.

The relationships between public and private enterprise depend on mutual helpfulness, but to date this cooperation has not developed as it should.

Some of the difficulties are that the China Cotton Yarn and Cloth Company has not been able to keep factories supplied with yarn and factory owners complain that state companies do not sufficiently appreciate their problems. Industrial concerns expect the state trade agencies to preserve a better balance between supply and demand to prevent monopolization of raw materials by commercial firms.

Producers requested government trade agencies to adjust local prices to match prices charged by private operators, see that there is a reasonable difference between wholesale and retail prices, permit more responsiveness to price fluctuations, and effect better adjustment of yarn prices to market prices. Since state trade organizations are established to stabilize prices, the idea of greater responsiveness to price fluctuations in the market is contrary to their basic purpose. Hence, this desire of the producers is out of line.

In the matter of management policies and methods, most firms are still old fashioned. They remember that formerly 80 percent of their market for locally produced cloth was foreign, so they do not try to please the Chinese country market. They do not realize that their South Seas foreign market is being preempted by Japanese products.

A large proportion of the 443 general merchandise companies of Canton are without proper scientific accounting, personnel, and management practices.

CANTON JEWELERS CHANGE OCCUPATION -- Hong Kong, Wen-hui Pao, 24 Oct 50

Canton, 23 October -- The 260-odd jewelry firms that formerly operated in Canton all closed down after the new municipal government announced its policy toward their business on 5 December 1949. Since business conditions have improved in Canton, nearly 100 of these firms have turned to other types of enterprise.

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MINISTRY OF TRADE POSTS NEW GRAIN PRICES -- Hong Kong, Wen-hui Pao, 24 Oct 50

Peiping, 23 October (Hsin-hua) -- The Ministry of trade has posted new uniform prices for grain to bring prices into line with consumer goods prices and obviate local variations in grain prices as well as unwarranted differences in the price of fine and coarse grains.

This adjustment was made necessary by the general drop in grain prices since the harvest of a generally bumper crop.

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