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SURVEYS CHINESE FOREIGN TRADE REGULATIONS,  
 EFFECT OF US EMBARGO, CHANGES IN EXPORTS

This report is divided into four parts: I. Regulations on Specific Export Items, II. Foreign Trade Regulations, III. Scores US Embargo, and IV. Report on Exports.

Export of copper, brass and their manufactures, and of seed cake, bean cake, and tobacco leaf has been embargoed by the Peiping authorities.

According to new Peiping regulations, all import-export operators must secure permits from their local Foreign Trade Control Bureaus. In case of foreign firms, requests must be sponsored by local authorities and approved in Peiping before becoming effective. Regulations have also been issued covering small export-import firms with no fixed place of business.

Orders from Peiping place Foreign Trade Control Bureaus of the nine main ports of the country directly under control of the Ministry of Trade of the national government.

Two newspaper articles on the effect of the US embargo on goods to China declare it must fail because the US fails to understand the new spirit of self-reliance now prevalent in China and the amount of goods available to China as a result of her trade treaties with USSR and the other new people's democracies. An editorial suggests that the US embargo will boomerang.

The first shipments of Chinese peanuts have reached Czechoslovakia under the new Sino-Czech trade agreement.

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A study of tung oil exports from China over the 4-year period 1946-49 reveals that the US took 41 percent of the total exports for that period of 231,057 metric tons and USSR slightly over 3 percent. Hong Kong was second and Britain third. The Peiping government recently set tung oil export price at 26 US cents per catty.

The branch of the China Bristles Company in Yang-chou, Kiangsu has recently imported 1,000 piculs [1 picul equals 133.3 pounds] of bristles from Northwest China and farmed them out to joint public-private and private processors in the Yang-chou area to the great advantage of the processing industry, which has suffered in recent years from a shortage of bristles.

#### I. REGULATIONS ON SPECIFIC EXPORT ITEMS

PROHIBITS EXPORTS OF COPPER, BRASS, AND SEED CAKE EXPORTS -- Hong Kong, Ta Kung Pao, 14 Dec 50

Shanghai, 14 December (special wire) -- The Shanghai Foreign Trade Bureau, on orders from the Central government, has placed an embargo on the export of copper, brass, and all articles manufactured therefrom, except cloisonne and other items using only small amounts of these materials.

Canton, 13 December -- The South China Foreign Trade Bureau has clamped an export embargo on various sorts of seed cakes including tung-nut cake, castor-bean cake, sesame seed cake, and top grades of cotton waste.

EMBARGOES BEAN CAKE AND TOBACCO LEAF EXPORTS -- Shanghai, Hsin-wen Jih-pao, 5 Nov 50

The Central government, as of 5 November, has established a complete embargo on the export of domestic bean cake and tobacco leaf to conserve fertilizer supplies for agriculture and stocks of raw materials for domestic cigarette production.

#### II. FOREIGN TRADE REGULATIONS

ISSUES NEW PROVISIONAL REGULATIONS ON FOREIGN TRADE -- Hong Kong, Ta Kung Pao, 10 Dec 50

Peiping, 8 December (Hsin-hua) -- At the 62d session of the Government Administration Council on 8 December, new provisional regulations on foreign trade were passed, the substance of which is as follows:

1. These regulations are based on Article 37 of the Common Program.
2. They are to be carried out by the Ministry of Trade of the Central People's government and its subsidiary organs.
3. All firms of Chinese nationality desiring to carry on foreign trade shall secure permits from their local Foreign Trade Control Bureau.

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4. All foreign firms in China desiring to carry on foreign trade shall have their applications for permits sponsored by the Foreign Affairs Department of the local government where their business is located, but the permits issued shall not be effective until they have been approved by the Ministry of Trade of the Central People's government.

5. Imports shall fall into four classifications as follows: (1) permitted imports, (2) controlled-purchase or government-monopoly imports, (3) prohibited imports which require permits from the Committee of Finance and Economics of the Government Administration Council, and (4) special permit imports, for which special permits are issued by the Ministry of Trade.

6. Exports also fall into four classes: (1) permitted exports, (2) controlled-sales or government-monopoly exports, (3) prohibited exports, which require permits from the Committee of Finance and Economics of the Government Administration Council, and (4) special permit exports, for which special permits are issued by the Ministry of Trade.

7. Importers must obtain import or export permits from the local Foreign Trade Control Bureau before taking any other steps in the transaction.

8. Postal parcels, gifts, advertising matter not for sale, samples, and personal effects not exceeding the prescribed limits of value, when certified as correct by the customs officials, shall not require export-import permits.

9. Export and import companies shall follow the prescribed foreign exchange certificate system of financing, but in cases of necessity the Ministry of Trade may declare certain goods subject to barter or the link system in which case the ministry shall promulgate the special orders.

10. Exporters engaged in foreign trade by mail-order methods shall secure a permit in the prescribed manner from their local Trade Control Bureau before proceeding to carry on such trade.

11. Violators of these or other pertinent regulations shall be corrected, warned, have their businesses closed, or be taken to court by the local foreign trade board authorities, according to the gravity of the offense.

12. Goods classified under Regulations 5 and 6 shall be listed by the Committee of Finance and Economics of the Government Administration Council; revisions shall likewise be made by the committee.

13. These regulations shall be effective from their passage and promulgation by the Government Administration Council; also, revisions. The Ministry of Trade shall issue detailed instructions for carrying them out.

#### REGISTRATION REGULATIONS FOR SOUTH CHINA FIRMS -- Shanghai, Ta Kung Pao, 8 Nov 50

Canton -- The South China Branch of the Committee of Finance and Economics of the Central and South China Military and Administrative Committee has issued provisional regulations concerning the registration of import-export firms as follows:

1. These regulations are promulgated to promote the interests of South China import-export companies and to provide for better organization and control.

2. The term "companies," as used in these regulations, has special reference to firms with limited capital and no fixed place of business that transport domestic products from the interior to ports for export, or who have connections in Hong Kong through which they purchase goods for import.

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3. All firms covered in Regulation 2 shall register with their local foreign trade control organization. Upon investigation and approval, they may receive a certificate of registration for import-export business. After receiving this certificate they may register with the local Bureau of Industry and Commerce and receive a business permit, after which they may carry on import-export business in the area covered by the permit.

4. Firms applying for registration should, before applying, secure from a governmental organization above the lowest level in their native place, a letter of introduction and a reliable shop guarantor located in the area under the control of the foreign trade control organization where they are applying for registration.

5. Firms covered by these regulations will not be permitted to handle goods requiring official inspection.

6. Firms covered by these regulations may not apply for import-export permits for lots of goods valued at more than 5 million yuan.

7. Except for goods forbidden to them to handle under Regulation 5, firms may handle goods required to be handled under the link system as long as they follow the established practice.

8. The procedure of application for import-export permits for firms covered under these regulations are the same as for established firms.

9. Firms covered by these regulations may not act only for themselves. Deviation from this principle in any form, if discovered, will result in cancellation of registration.

10. Revisions may be made in these regulations from time to time.

11. These regulations shall be in effect from day of publication.

MINISTRY OF TRADE STRENGTHENS FOREIGN TRADE CONTROL -- Hong Kong, Ta Kung Pao, 6 Dec 50

To strengthen leadership and control in foreign trade, the Ministry of Trade of the Central government has decided to place the Foreign Trade Control bureaus of the ports of Canton, Foochow, Shanghai, Hankow, Tientsin, Tsingtao, Dairen-Port Arthur, and Kun-ming directly under its own jurisdiction, but without prejudice to the political jurisdiction of the various regional administrative districts where the ports are located.

### III. CRITICISM OF US EMBARGO

SAYS US ECONOMIC BLOCKADE BOUND TO FAIL -- Hong Kong, Wen-hui Pao, 15 Dec 50

Peiping, 14 December (Hsin-hua) -- Under the title "Resist US Imperialist Economic Blockade Policy," the Peiping Jen-min Jih-pao of 12 December made the following comments:

That the KMT blockade of mainland ports was plainly instigated by the US is indicated by the fact that the US government threatened to withdraw the mariner's licenses of American ship captains attempting to run the blockade.

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During 1950, the US government gradually extended the range of items included in its embargo of so-called "war materials" until finally on 2 December 1950, a complete embargo was declared against China, Hong Kong, and Macao.

On 18 July, Great Britain under the urging of the US, embargoed petroleum shipments to China and, on 8 September, SCAP forbade the export of oil, metals, medicines, and industrial raw materials from Japan to China. The Philippines were required by the US to embargo "war material" shipments to China, on 24 July.

The US hopes by these measures to force China to comply with American wishes. So far, China has suffered very little while the policy of the US and her followers has injured their own interests.

Chinese reconstruction has been hindered to some extent by the blockade, but the spirit and resourcefulness of the Chinese people has steadily risen, and the determination to become self-sufficient in so far as possible has been greatly strengthened. The 1950 cotton crop has guaranteed national self-sufficiency in that important raw material.

Closer relations with the USSR and the other people's democracies have been hastened by the US policies.

China will overcome all difficulties placed in her path by US imperialism.

EDITORIAL SAYS US EMBARGO WILL BOOMERANG. -- Hong Kong, Ta Kung Pao, 6 Dec 50

The US embargo on the shipment from or via the US of over 2,000 items of so-called war materials to China directly, or to Hong Kong lest they go on to China, will do only harm to her own interests.

It has already aroused in China a boycott toward US goods. It is also unveiling the real imperialistic nature of US designs to those Hong Kong traders who have thrived in the past on US trade and now see their incomes greatly reduced. Therefore, in the future, they will seek to build their business on trading the goods of other countries.

The embargo, in so far as it is intended to embarrass China, indicates ignorance of the fact that the New China has in only one year's time taken long strides toward self-sufficiency at home, and has entered into important trade agreements with the various new democracies that obviate, to a large extent, China's dependence upon imperialist countries for the items in which she still lacks self-sufficiency.

#### IV. REPORTS ON EXPORTS

FIRST CHINESE PEANUT SHIPMENTS REACH CZECHOSLOVAKIA -- Hankow, Ch'ang-chiang Jih-pao, 3 Nov 50

Prague, 26 October (Hsin-hua) -- On 20 October, China's first shipment of peanuts was unloaded at a river port near Prague, Czechoslovakia. Numerous representatives of the Czech Ministry of Foreign Trade, Ministry of Industry, and Ministry of Transportation, together with representatives of the Chinese Embassy in Czechoslovakia, were present at the unloading.

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COMPARES TUNG OIL EXPORTS FOR 4 YEARS -- Shanghai, Ta Kung Pao, 4 Nov 50

Ninety percent of China's tung oil is produced in Central and South China and the Southwest. In normal times, 90 percent of the tung oil exports pass through the port of Shanghai. The peak year for tung oil export was 1937 with 102,969 metric tons, while the lowest in recent times was 1945 with only 112 metric tons exported.

Export quantities and countries of destination for 1946 through 1949 are shown below (in metric tons):

	<u>US</u>	<u>Hong Kong</u>	<u>Great Britain</u>	<u>USSR</u>	<u>Others</u>	<u>Total</u>
1946	16,280	10,216	1,753	402	3,004	35,264
1947	24,837	40,809	6,469	3,002	5,420	80,537
1948	39,324	26,700	3,515	2,543	4,012	76,094
1949	15,824	16,105	1,249	1,847	5,139	39,162

Ordinarily, tung oil is the second or third item of importance among China's exports but at times has ranked first.

ADJUSTS EXPORT PRICES -- Shanghai, Ta Kung Pao, 8 Nov 50

Canton, 7 November (special wire) The tung oil export price has been adjusted to 26 US cents per pound, including freight to New York.

BRISTLES COMPANY EXPANDS ACTIVITIES -- Yang-chou, Su-pei Jih-pao, 3 Nov 50

The branch of the China Bristles Company at Yang-chou, Kiangsu, to solve the difficulties of supply in private factories in Northern Kiangsu has had over 1,000 piculs  $\sqrt{1}$  picul equals 133.3 pounds/ of raw hog bristles shipped especially from Sian. Except for a small portion allotted to the Nan-t'ung factory for processing, the shipment has been farmed out to private factories at various places: T'ai-chou, 35,000 cattles; Yang-chou, 13,000 cattles; and Nan-t'ung, 25,000 cattles.

Bristles shipments continue to come in and deliveries should be complete at any time.

Of the firms granted allotments on this occasion, those in the T'ai-chou region were estimated to have five joint public-private processing plants. These are, in turn, organized by combinations of 35 home factories. In Chuang-chia-chiao, a processing cooperative has been organized. In addition, there are two independent factories. Together, they are estimated to have over 350 workers.

In Yang-chou and Nan-t'ung together, five joint public-private factories have been organized, together with several independent factories with a total of more than 300 workers.

To secure standardization of their product, the Bristles Company has set up a technical advisory board to do research and give advice to the member factories on technical problems.

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Hog bristles are the most important supplementary farm product of North Kiangsu. Among the 17 classes of bristles recognized in Shanghai, North Kiangsu's products are of the first class, and the number of bristle workers is the highest in East China, except for Shantung, there being approximately 1,700. Because of the war, processing of bristles has decreased more than one third, mainly because of lack of materials, resulting in recent years in the serious situation of a surplus of manpower and a shortage of raw materials. After receiving assistance from the Bristles Company, such as advance payment for products and subsidies, the prosperity of the bristle industry has begun to improve.

At present, the company has bought up a great quantity of raw materials, largely entrusting processing to private factories. It has overcome the difficulties of production in slack periods and solved over 80 percent of the immediate living problems of its unemployed workers, in addition to improving and raising the efficiency of processing. All these factors are of great significance to the work.

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