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SOURCE Hsing-tao Jih-pao.

CHINESE LOCAL PRODUCTS' PRICE DROP,
 EXPORTS INCREASE ON HONG KONG MARKET

Recently, there has been an increase in the trade carried on by the Chinese Communists with Hong Kong, particularly in the shipments of local products out of China through Hong Kong for sale abroad. From a study of Hong Kong trade with China it is possible to see that conditions of the past month have been influenced by (1) the fact that China's export of local products is entering the most profitable season, (2) the desire of the Communists to accumulate foreign credit, and (3) the concern of Chinese government circles over the scarcity of goods.

Directly related to these factors are four points which bear looking into. First, the Chinese are gradually increasing their export of local native products. Second, the Chinese have already made great reductions in the prices of their exported local products. Third, although Hong Kong maintains strict control over trading, smuggling activities continue to develop and the purchases of items not banned have increased. Fourth, Communist authorities have expanded the scope of imports.

According to information from local traders, Chinese shipments of native local products have been quite numerous. From the last part of August to 8 September, at least 2,000 tons of tea oil and more than 500 tons of bean oil were exported. Prices of local products have also dropped, e.g., the price of shelled peanuts dropped to 1,750 Hong Kong dollars per ton, green peas dropped to 720 Hong Kong dollars per ton, broad beans dropped to 600 Hong Kong dollars per ton, linseed dropped to 950 Hong Kong dollars per ton, and bran to 235 Hong Kong dollars per ton (all for Tientsin). In the field of imports, besides Western medicines such as penicillin, sulfathiazole, and sulfadiazine, efforts are being made to buy electrical equipment (such as tungsten wire) and small metal tools. Payments are made with the A.P. method except in the case of strategic goods which are still smuggled, chiefly through Macao.

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