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INFORMATION REPORT

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COUNTRY China

DATE DISTR. 11 JAN 52

SUBJECT Copper Shortage in Communist China

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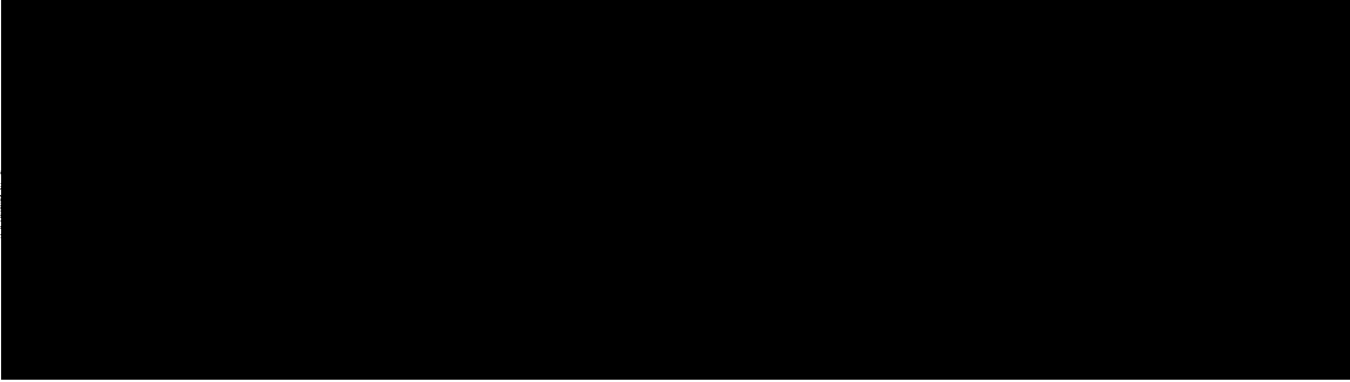
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SUPPLEMENT TO REPORT NO.

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1. A vigorous program of copper conservation is being urged on all the various administrative regions, provinces, hsien, and municipalities by the Committee of Finance and Economics of the Government Administrative Council.
2. The existing restrictions on the production, transportation, purchase and sale of copper, which allocate fixed amounts to factories manufacturing electrical equipment and prohibit general merchants from dealing in copper, have not been sufficient to prevent an increasing shortage of copper. Since it has been impossible to increase production rapidly, the major source of copper has been the purchase and collection of used copper and brass utensils, coins, and scrap. Also the demand for copper has increased as a result of expanding military requirements.
3. The following measures, including some already in effect and some about to be implemented, have been instituted by the Committee of Finance and Economics:
 - a. Increase of production in existing copper mines and rapid development of new copper mines.¹
 - b. Increase in imports of copper and articles manufactured from copper.²
 - c. Imposition of rigid restrictions on the purchase, transportation, and sale of used copper and brass utensils and scrap.
 - d. Increase in the price of copper and brass utensils to encourage the population to sell those which they now have.
 - e. Intensify the program of copper conservation. All industries, except national defense industries which will be allocated a supply of copper, must develop substitutes and decrease the consumption of copper.³

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1. Comment. Most of the copper mines now worked by the Chinese Communists are in Southeast China. The Tungch'uan (103-11, 26-26) Copper Mine in Yunnan has reached a production of over 1000 tons and is expected to produce 2,500 tons in 1952. This has been accomplished under the supervision of Soviet mining experts.

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CENTRAL INTELLIGENCE AGENCY

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The Chinese Communists are planning to open mines in Sinkiang and Sikang Provinces which are expected to produce large quantities of copper. However, copper from these mines will not be available until 1953.

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2 [REDACTED] Comment. The USSR and Eastern European countries can supply only small quantities of manufactured articles requiring copper, principally electrical equipment and munitions. They cannot export these items in large quantities. Therefore, copper imports will have to be obtained from Western countries.

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[REDACTED] Comment. The use of copper substitutes is already being studied by a number of industries. Substitutes have been developed for some items, such as bamboo for thermos bottle covers, cardboard for flashlights, plastic buttons for copper buttons on military uniforms, and porcelain for the bases of electric light bulbs.

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[REDACTED] Comment. With the exception of the military buttons, it is probable that the items listed above are seldom seen outside of the large cities.

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