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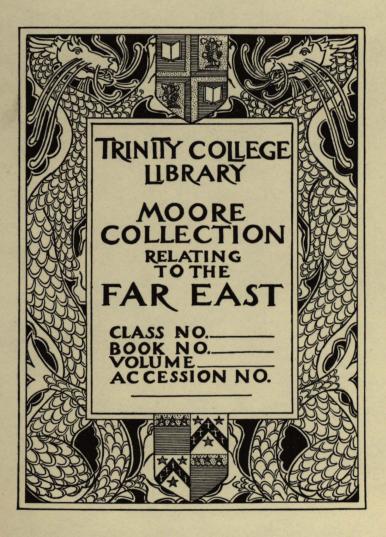
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DEPARTMENT OF OVERSEAS TRADE.

REPORT

ON THE

COMMERCIAL, INDUSTRIAL AND

ECONOMIC SITUATION

OF

CHINA

in June, 1924,

BY

MR. H. J. BRETT,

Acting Commercial Counsellor, Shanghai.



LONDON: PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased directly from H.M. STATIONERY OFFICE at the fellowing addresses.

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DEPARTMENT OF OVERSEAS TRADE.

COMMERCIAL REPRESENTATION ABROAD.

To foster British overseas trade, the Department has developed and controls the following Services of Commercial Intelligence Officers:—

1. IN THE EMPIRE.

The Trade Commissioner and Imperial Trade Correspondent Services.

At the present time there are 13 Trade Commissioners' offices. These are situated, four in Canada (Montreal, Toronto, Vancouver, Winnipeg); two in South Africa (Johannesburg, Cape Town); two in Australia (Melbourne, Sydney); two in India (Calcutta and Bombay—to cover also Ceylon); and one each in New Zealand (Wellington), British East Africa (Nairobi) and British West Indies (Trinidad).

The Trade Commissioners in the Dominions have the assistance of Imperial Trade Correspondents at a number of important centres.

In various parts of the Empire in which at present there are no commissioners, there are correspondents with whom the Department deals direct.

2. In Foreign Countries.

(a) The Commercial Diplomatic Service attached to the British Diplomatic Missions.

This service consists of between thirty and forty posts in all, and the officers of the service are stationed in all the more important foreign markets of the world. The members of the Commercial Diplomatic Service are styled "Commercial Counsellors" in the highest grade, and "Commercial Secretaries" in the three lower grades. They are members of the staff of the British Embassy or Legation in which they serve.

The Commercial Diplomatic Officer has general supervision over the commercial work of the consular officers in his area, and, with the cooperation of these two services, a complete network of Government commercial representatives is thrown over foreign countries.

The Department is represented in China by Mr. H. H. Fox, C.M.G., F.R.G.S., Commercial Counsellor, British Legation, Peking, and Mr. H. J. Brett, Acting Commercial Counsellor, Shanghai.

(b) The British Consular Service.

This service has been re-organised. Particular attention has been given to the commercial side of consular work.

Members of British firms are urged to call upon the Department's representative abroad when they visit an overseas country. It is also important that they should make a point of their representatives abroad keeping in close touch with the Department's officers.

A handbook giving fuller details of the overseas organization of the Department can be obtained on application at the Department of Overseas Trade, 35, Old Queen Street, S.W. 1.

NOTE.

It should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects the views of the Department.

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REPORT

ON THE

COMMERCIAL, INDUSTRIAL AND ECONOMIC SITUATION OF CHINA.

I.—INTRODUCTORY.

In a report of this nature, dealing in a few pages with a vast and intricate subject, no attempt can be made to give more than a very general and superficial account of the political and economic conditions existing in China to-day with special reference to their effect upon foreign trade. For those desiring more detailed information on any of the subjects touched on in this report many excellent books of reference are available, and amongst others the following publications may be mentioned:—

The reports published annually and quarterly by the Chinese Maritime Customs. (Selling agents in the United Kingdom: Messrs. P. S. King & Sons, 4, Great Smith Street, Westminster, S.W. 1.)

The China Year Book, published annually by the Tientsin Press, Ltd.,

Shanghai

New Atlas and Gazetteer of China, compiled by the Far Eastern Geographical Establishment, Shanghai.

Far Eastern Products Manual, 1921, published by "Finance & Com-

merce," Shanghai.

Finance and Commerce Year Book, published annually by "Finance & Commerce," Shanghai.

Rea's Far Eastern Manual, 1923, published by "Far Eastern Review,"

Shanghai

Couling's Encyclopædia Sinica, published by Messrs. Kelly & Walsh, Ltd., Shanghai.

The addresses of all the principal foreign and many Chinese business houses, manufacturers, public institutions, etc., may be obtained from the following annual publications:—

Chronicle and Directory of China, Japan, Straits, etc., published by The Hongkong Daily Press, Hongkong, and 131, Fleet Street, London, E.C. 4.

North China Desk Hong List, published by The North China Daily News, Shanghai.

Rosenstock's Directory of China and Manila.

Trade Marks and Patents.—The position with regard to the registration and protection of trade marks in China is still extremely unsatisfactory. In May of last year a Trade Mark law was promulgated and an office was established in Peking for the registration of all marks, foreign as well as Chinese, but the Foreign Powers have not yet recognised the new law as being binding on their nationals, and so far as foreign trade-mark owners are concerned registration is therefore entirely a matter for individual decision. The Diplomatic Body has at the same time warned the Chinese Government that any cases involving the infringement of trade marks, whether registered or not, in which

their nationals may be concerned must be dealt with strictly in accordance with the existing treaty stipulations concerning the settlement of disputes between Chinese and the nationals of Treaty Powers. Apart from the system of registration established under the new law it is still open to trade-mark owners to record their marks at the Customs Offices at Shanghai and Tientsin, provided the application is forwarded to those offices through the Consul, but such "provisional registration" carries with it no guarantee of protection.

No facilities have yet been provided for the registration of patents or designs, but, as in the case of trade marks, the former may be provisionally recorded with the Chinese Maritime Customs

at Shanghai or Tientsin.

II.—GENERAL SURVEY OF THE ECONOMIC SITUATION (JUNE, 1924).

Effect of Political Situation on Trade.—In a report dealing primarily with trade it would be out of place to attempt any detailed study of the political situation in China, and it is probably sufficient to say that no improvement whatever has been observable during the past twelve months, that conditions in most parts of the country have gone from bad to worse, and that the difficulties with which trade has had to contend have steadily increased. The province of Szechuen, one of the richest and most fertile sections of the country, with a population of more than 70,000,000, has been particularly unfortunate in this respect, civil war, brigandage and disorder having entirely dislocated communications and interrupted the normal channels of trade. In Canton and South China generally conditions have likewise been deplorable. Following a change of government in the spring of 1923 the whole of the province east of Sheklung at the mouth of the East River was cut off completely from Canton during the remainder of the year, and threats of invasion, complete control by the military authorities of internal taxation, and unchecked piracy and brigandage have kept this part of China in a state of chaos. To replace the revenues seized by the military the Canton Government has been driven to desperate expedients in order to raise funds, and the exactions imposed upon the unfortunate merchants of that city have been such as to render business almost impossible. In central and northern China the position has been somewhat better, in so far as there has been no actual outbreak of civil war, but the jealousy and mutual distrust existing between the rival military leaders, the constant strengthening of the forces under their control, and the widespread feeling that a clash of interests might at any moment provoke a conflict for supremacy, have tended to destroy public confidence, and to confine all industrial and commercial enterprise outside a few favoured localities within very narrow limits.

For the foreign merchant in China the most ominous result of the present chaotic administration and the absence of any central authority is the growing disregard shown by provincial and military officials all over the country for the treaty rights under which the whole system of foreign trade with China has been gradually built up. Evidence of this tendency, as shown by the open imposition of illegal taxation on merchandise, interference with foreign traders, and the evasion of responsibility for their protection is unfortunately only too abundant, but no useful purpose would be served by quoting such instances at length. It may, however, be mentioned that at a Conference of British Chambers of Commerce in China, held at Shanghai in February of this year, the following resolution on the subject was passed:—

"That the commercial treaties concluded between Great Britain and China were necessitated by interferences with the persons and cargoes of British firms, which for many years formed an insuperable barrier to trade; that security and expansion of trade, with the prosperity ensuing to Chinese and British alike, resulted from the honourable fulfilment of treaty obligations by both parties; that the Chinese Government guaranteed freedom from all taxation in treaty ports, a regular rate of taxation for goods transported to the interior, and immunity from interference for British traders, their goods and property; that evidence is before this Conference of recent disregard of the treaties under all the above heads, and that the Conference desires to invite the attention of His Majesty's Minister and of His Majesty's Government to the importance of securing reaffirmation and maintenance of old-established treaty rights and usages for the security of trade."

The decay of the administrative system is also responsible, in part at least, for the marked falling-off observable during recent years from the high standard of commercial honesty for which the Chinese merchant formerly enjoyed a well-merited reputation. It is hardly an exaggeration to say that no effective means of securing redress against a Chinese defaulter are now available to the foreign merchant in this country, and forward business tends in consequence to become more and more hazardous. A conspicuous example of this regrettable tendency occurred last year in Tientsin, when a sudden rise in the market value of raw cotton led to the wholesale repudiation of the contracts previously entered into by local brokers with foreign firms, and the latter found themselves faced with very heavy losses. Similar cases, on a smaller scale, are constantly occurring at other trading centres, and amongst a certain class of Chinese merchant the view appears to be steadily growing that a contract is only sacred when it happens to be profitable to himself.

Finance.—The general financial situation in China has continued to deteriorate during the past year, and the outlook at present is if anything more hopeless than twelve months ago. The Peking Government is bankrupt and has made no effort to meet its outstanding unsecured foreign obligations or such of its internal debts as have not been secured on the surplus of the customs revenues. The Central Government is nominally entitled to the revenues from the customs, the salt gabelle, the wine and tobacco taxes and the stamp tax; but the customs revenue, after providing for the service of foreign secured loans,

is hypothecated for the payment of interest and amortisation on internal loans, and the actual surplus available is insufficient to meet these charges. As regards the wine and tobacco taxes and the stamp tax only a small proportion of the revenues collected actually reaches the Central Government, the bulk being retained by the various provincial authorities; and apart from a few minor taxes levied in the metropolitan area the Government is, therefore, dependent upon such funds as can be released by the salt gabelle. Whilst the total revenue from salt was estimated at \$85,000,000 in 1922, about one-third of these funds was commandeered by various provincial leaders, and a considered proportion of the balance was hypothecated to various creditors, so that the amount released to the Government was only half the above total, and out of this heavy subsidies had to be paid to the military authorities. Information is not yet at hand as to the amount available for distribution in 1923, but it is believed to have been about the same as in the previous year, and as the revenue was hopelessly over-pledged little or nothing remained to meet the current expenses of the Government. A recent investigation of China's finances conducted by a commission under the direction of Dr. Yen, formerly Minister for Foreign Affairs, gives the amount actually available for administrative requirements as only \$7,000,000 per annum, whilst the sums required for administrative and military purposes amount to a total of \$128,000,000; in other words, the Central Government's expenditure amounts to more than seventeen times its income. and this, of course, without taking any account of China's heavy indebtedness to unsecured foreign and Chinese creditors. Under the circumstances it is remarkable that means can still be found to stave off a complete collapse, each successive settling day involving increased difficulties in raising-mainly by means of loans at heavy rates of interest—the sums absolutely necessary to satisfy a few of the Government's most pressing obligations, whilst the wages of minor officials, soldiers and employees fall further and further into arrears.

No foreign loans of any magnitude were negotiated during the year, nor has the Chinese Government yet given any serious indications of desiring to seek the assistance of the Consortium Banks on terms acceptable to the latter. There has, however, been much discussion as to the possibility of devising a plan for the consolidation of China's foreign and domestic liabilities, and investigation as to the total amount of these debts and as to the possible additional sources of revenue to meet the service of a funding loan is still proceeding. In some quarters the suggestion has been made that the $2\frac{1}{2}$ per cent. customs surtax sanctioned under the Washington Treaty might be made available for this purpose, but, apart from the fact that no date has yet been fixed for the assembling of the special conference provided for under that treaty, opinions are somewhat divided both as to the propriety of using these funds except for the specific purpose

indicated in the treaty, and as to adequacy of the revenue accruing from the surtax to provide for the payment of interest and

amortisation on all China's outstanding debts.

The scheme to pave the way for the reform of China's currency by the establishment of a central mint at Shanghai has made no progress during the past year owing to lack of funds to complete the installation and to take delivery of the machinery. At the Chinese Bankers' Conference held recently in Peking the question was again discussed, and it is stated that the banks finally agreed to advance a further sum of \$3,000,000 in order to complete the project on receiving the Government's consent to the control of the mint being left in their hands. It is very questionable, however; whether under present conditions in China the establishment of this mint will have any appreciable effect in unifying China's currency unless some means can be found to control also the output of the other provincial mints, and unless the new institution is to be directed on such lines as to gain the confidence of the foreign banks.

III.—COMMUNICATIONS.

Railways.—In last year's report the railway situation in China at the end of 1922 was described as "deplorable"practically no new construction had taken place, all lines under purely Chinese control had seriously deteriorated owing to lack of proper management and neglect of essential repairs, traffic had been constantly interrupted by civil war and the constant commandeering of rolling-stock by military leaders, and railways which should under normal conditions have shown a handsome profit were being run at a loss and were unable to reduce their ever-increasing load of debt. Of the situation at present it may truthfully be said that it is the same—only more so. In the south the Chinese section of the Canton-Kowloon Railway has suffered from such constant interruption throughout the year that its earnings are no longer sufficient to cover its ordinary running expenses, and the British engineer-in-chief has recently reported that the line must either be handed over to the military entirely or close down. In the north one of China's main lines, the Peking-Mukden Railway, has been practically cut in half by Marshal Chang Tso Lin, and the intramural and extramural sections are now run as separate organizations. It is a striking illustration of the earning power of Chinese railways even under abnormal conditions that the southern section earned almost as much in 1923 as the whole line did the previous year. The two great trunk lines connecting Central China with the North, the Tientsin-Pukow Railway and Peking-Hankow Railway, have run without serious interruption throughout the year, but equipment and permanent-way have steadily deteriorated owing to lack of proper maintenance and their earning power has been seriously curtailed owing to shortage of rolling-stock. The Wuchang-Changsha section of the Canton-Hankow Railway is, according to last reports, in such a state of disrepair that it is dangerous to run trains at more than ten miles an hour; the Peking-Suiyuan line, referred to in last year's report as being on the verge of bankruptcy, is now endeavouring to raise a loan to pay off the \$30,000,000 for which its creditors are clamouring. In fact the only two lines that can show a net profit on the year's working are the Shanghai-Nanking Railway and the Lung Hai, both under foreign control.

The Ministry of Communications were able to meet all their obligations in regard to foreign railway loans in 1923, but public default, as in 1922, was on more than one occasion only averted by the desperate expedient of short-term loans from Chinese

banks at exorbitant rates of interest.

The same report states that the total amount of "Mortgage Bond liabilities in 1923" was roughly \$455,418,000, to meet which sums of \$27,733,000 and \$20,727,000 were required on account of principal and interest respectively. The total net revenue of the railways in 1923 being only some \$40,000,000, while the amount required for the loan service was $48\frac{1}{2}$ million, the deficit of $8\frac{1}{2}$ million was met by short-term loans from Chinese banks at rates of interest varying from 15 to 20 per cent.

According to statistics published recently, the total obligations of the Ministry of Communications in respect of the railways amount to \$669,939,000, which includes a sum of approximately \$70,000,000, due in cash, to foreign firms for railway materials.

The following notes on the working of the principal Chinese Government railways in 1923 are appended for purposes of reference:—

Peking-Mukden Line.—The extramural section has remained throughout the year in the hands of Chang Tso Lin and has been operated as a separate railway. Nothing definite is known as to this section's earnings, but they are believed to show a small surplus over operating expenses. Maintenance has been fair but traffic small. On the southern section the gross earnings for the year amounted to \$17.6 million as compared with \$18 million in 1922—a good showing, since in 1922 the earnings for the first five months were for the whole line. Passengers carried amounted to 5.8 million as against 5.2 in 1922. Traffic miles run 2.4 as against 2.5, i.e., nearly as much as when the whole line was available.

Tientsin-Pukow Line.—Earnings \$4 million better than in 1922 (\$17·3-13·3), but still drawn upon by Chihli military part to such an extent that the railway's debts cannot be paid and the loan service is barely met.

Canton-Kowloon Line (Chinese Section).—A very bad year. Traffic suspended for weeks at a time and interrupted daily by military requirements when running. Great deterioration in rolling-stock and permanentway.

Shanghai-Nanking Line.—Has had a successful year in spite of the shortage of rolling-stock. Earnings 8.5 million as against 7.5 in 1922.

Shanghai-Hangchow-Ningpo Line.—A successful year. Earnings \$4.3 million as against 3.6 in 1922. With balance brought forward from 1922 this line was able for the first time (without assistance of Peking-Mukden Railway) to meet not only interest but also amortisation charges: this, however, at a sacrifice of much-needed improvements.

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Peking-Hankow Line.—Earnings in 1923 reported to be \$30,000,000, but of this approximately one-half represents charges for Government transport, which are not paid in cash but placed to a so-called credit account. Of the sum of \$15,000,000 cash receipts the bulk, after payment of indispensable operating expenses, is paid over to Marshal Wu Pei Fu and the Military Governor at Paotingfu. The rolling-stock and permanent-way are steadily deteriorating and no progress has been made with the reconstruction of the Yellow River Bridge.

Peking-Suiyuan Line.—This line, which is now open to Pao Tow Chen on the Yellow River, should pay well had it not to meet the payment of interest on various short-term loans. Its total indebtedness for materials supplied, chiefly by American and Japanese firms, is stated to be \$31,000,000.

Ssu Ping Tai-Taonanfu Line.—The section from Chang Chia Tun to Taonanfu in Inner Mongolia (130 miles) was opened to traffic on November 1st, 1923.

Shantung Line (Kiao-Tsi Railway).—This line, which is now under Chinese control, is steadily deteriorating. No payments either of principal or interest have been made to the Japanese in accordance with the Shantung Agreement, and the revenues of the railway are now being applied to the payment of arrears of salary of a Chinese naval squadron which recently transferred its allegiance from Canton to Peking.

The Lung Hai Line.—Work on this important trunk line has been carried on steadily throughout the year; on the Western section construction as far as Shenchow on the Yellow River is complete. On the Eastern section, east of Suchow, railhead has now reached the Grand Canal, and it is hoped that the extension to the sea at a point in the neighbourhood of Haichow will be completed this year.

Chinese Eastern Railway.—Statistics recently published by the Accountant's Department of this railway give the gross receipts for 1923 as \$37,000,000. Running expenses are placed at \$26,000,000, and maintenance of railway guards and "contributions to Chinese Government institutions" at \$5,000,000, leaving a net profit of \$6,000,000, which the management state "is more than they expected."

Shipping.—Ocean.—While there has been a significant increase in the amount of tonnage entered and cleared from Shanghai during 1923 as compared with previous records, the volume of cargo handled justifies no expectations of the early resumption of normal trading conditions following the depression which, as an aftermath of the Grear War, has been a disquieting feature of international trade with China since the days of the short-lived boom immediately following the cessation of hostilities. This depression has, however, been chiefly apparent in the case of exports, for the importation of cargo from Europe and America during the period under review (May, 1923-April, 1924) has been fairly well maintained, a notable feature in this respect being the number of steamers that formerly used Shanghai as a terminal port, now extending to and giving direct delivery of their cargoes at outports such as Hankow, Taku Bar (for Tientsin) and Dairen. There is no doubt that these facilities are of considerable value to the importer, eliminating as they do the greater amount of handling which cargo would otherwise have to undergo with transhipment at Shanghai. The high-water season in the Yangtse River, extending from May to October, sees each year an increasing number of large ocean-going vessels proceeding to

Hankow, and considerable competition is experienced in securing the carriage of the important exports of seeds and ores which reach that centre from the western provinces of China. The Manchurian port of Dairen has exhibited marked activity in the export of soya beans, bean cake and bean oil, shipments of the latter having exceeded all previous records. This is brought about by the improved facilities now obtainable for shipping this commodity in vessels having specially constructed tanks for the

carriage of oil in bulk.

The uncertainty of European exchanges, coupled with extended and increasing disorder in the interior of China, has unfortunately restricted the free movement of produce, and the conclusion of definite business on a scale compatible with the potentialities of the country is still impossible. Shipowners have in consequence been hard put to it at times to find employment for the excess of tonnage available both to European and American ports, the lack of employment in other parts of the world being responsible for the advent of a larger number of vessels seeking freights from far eastern ports. In this connection it is significant to note the increasing number of vessels coming to China under the American flag, while German shipping, which for some years was hardly seen in these waters, is now becoming quite an important factor in the carrying trade to and from Europe.

During the past year the mail and passenger services between Europe, the Pacific Coast of America and the far east have been considerably improved, the principal shipping companies having added several new and faster vessels to their fleets in these waters.

Coast and River Trade.—Despite the drawbacks of uncertain markets in the south and continual congestion of distributing centres as a consequence of the internal chaos prevailing in China, the year under review has seen a better and more hopeful condition of affairs. Notwithstanding the disturbed political conditions prevailing there has been a steady, even flow of cargoes between the main ports of China, showing in a marked degree the wonderful resiliency of the Chinese people and the quiet way in which they can resume business between periods of internecine warfare. Competition in the coasting trade remains as keen as ever and with the low freights prevailing it is difficult for shipping companies to pay their way. A feature of the year has been the number of steamers bought by Chinese, and the consensus of opinion is that it will not be long before Chinese-owned steamers will show a great increase in numbers. The vessels they have so far obtained have been for use on the coast, and as the coasting trade in the far east does not call for large-sized vessels they are not interested in steamers over 3,000 tons.

The river had a share in the greater volume of trade, and although there was keen competition a better level of rates was maintained. There continues to be a scramble for the trade of the Upper Yangtse, but the day of extraordinarily high freights is nearly over and those companies who wish to remain in this

OUTSIDE OF

trade will have to be satisfied with an ordinary return on their capital outlay. The risks attending navigation on this part of the Yangtse were well illustrated at the opening of the summer season by the total loss of two fine vessels and damage to several others. Labour troubles have been rife and costs of working cargo have been surely but steadily increasing, so that a return

to the low rates of pre-war years is an impossibility.

Evidence of the growth of steamer traffic on the Upper Yangtse may be found in the last report of the Marine Department of the Chinese Maritime Customs, which shows a total of 32 merchant vessels operating on this section of the river in the year 1923. Of these vessels 8 are British, 7 American, 3 Chinese, 3 Japanese, and 6 and 5 respectively are under the French and Italian flags. Entries and clearances last year amounted to 587, with a total tonnage of 245,376, a falling off of about 10 per cent. in comparison with the figures for the previous year, the result of the exceptionally disordered condition existing in the province of Szechuen.

Harbour and River Conservancy.—In last year's report reference was made to the engagement by the Chinese Government of a British consulting engineer, Mr. Frederick Palmer, to investigate and report on the conditions existing on the Upper and Lower Yangtse with a view to the possibility of devising some comprehensive scheme for the improvement of navigation on this great waterway. The result of Mr. Palmer's investigations was to convince him that the cost of even the simplest form of improvements would be entirely out of proportion to any benefit likely to accrue to trade from any serious effort to remove obstructions to navigation either in the upper or lower river. As regards the river between Shanghai and Hankow, low water in certain sections during the winter season frequently involves the lightering of cargo, but the total expense thereby entailed is estimated not to exceed Tls. 170,000, whilst the cost of deepening the channel permanently would be enormous. Between Ichang and Chungking something might be done to assist navigation by marking channels and courses, but the cost of removing obstructions would be colossal. The final conclusion arrived at by Mr. Palmer is that the Yangtse is to-day a most serviceable river and that the extra expense incurred in connection with traffic during the low-water season is quite insignificant in comparison with the cost of improvements on a large scale.

No definite progress can yet be reported with regard to the scheme for the improvement of the harbour of Shanghai, but negotiations are still proceeding and it is hoped that a settlement will not be much further delayed. In the meantime, with the steady increase in the numbers and tonnage of vessels calling at this port, the need for improved facilities is becoming more and

more insistent.

A project for extensive harbour works at Canton has recently been brought forward by the Board of Conservancy Works for that province. The scheme includes the construction of new quays on both the Canton and Honam sides of the river, and the erection of a three-span bridge, the two outer spans of about 200 ft. each and the central one being movable with a free opening of about 150 ft. The estimated cost of this scheme is over \$9,000,000, but it is claimed that 75 per cent. of this amount can be recovered by the sale of reclaimed land.

The Min River Conservancy Board, which controls the river connecting the city of Foochow with the sea, issued a call for tenders last year for a new suction dredger, and it is satisfactory to note that the contract was finally allotted to a well-known

British firm.

Roads.—The Chinese are at last beginning to realise the importance of improving the means of communication throughout the country, and whilst many of the road-building schemes to which reference is constantly being made in the foreign and Chinese press lead to no practical result, it is satisfactory to note that some progress was made in several provinces during the past year. An association formed with the avowed object of promoting the construction of good roads in China has done much propaganda work, and in a report issued in the autumn of last year it claims that largely through its advocacy extensive building programmes had been undertaken by local authorities in many districts and that more than fifty roads designed for motor traffic were then in course of construction. Road-building has up to the present been carried on with most vigour in North China, where the nature of the country places less obstacles in the way of such undertakings, but several roads are also under construction in Kiangsu, Chekiang, Fuhkien and other provinces. In the immediate neighbourhood of Shanghai, outside the Foreign Settlement area, about seventy miles of road have now been built by the Chinese authorities, and further extensions are contemplated.

Whilst this increased interest in road-building is a most hopeful sign and contains great possibilities for the future, it is regrettable that the Chinese have not yet realised the necessity of maintaining these roads, when constructed, in a satisfactory state of repair. Being mainly dirt roads, with no substantial foundation, these highways soon become almost impassable unless constant care is exercised in their maintenance, and in China this attention is, unfortunately, usually lacking both in respect of regulations limiting the use of the roads to suitable vehicles and as regards necessary upkeep. Still the movement is undoubtedly of great and growing importance and should be a useful factor both in encouraging trade and in promoting the reunification of the country. Incidentally, it also offers a means of giving useful employment to some of China's surplus soldiery, and in several provinces roads have been constructed entirely

in this way.

Aviation.—Beyond the fact that during the past year a considerable number of aeroplanes have been imported by various military leaders, there is little to report with regard to aeronautical

developments in China. Schemes for commercial airplane services between Peking, Nanking and Shanghai, between the latter port and Hankow and on other routes, are occasionally referred to in the local press, but none of these projects has yet materialised, and it is difficult to see how under existing conditions in this country such services could possibly prove remunerative. It may in fact be stated that such aeroplanes as are imported are intended solely for military use in the event of further outbreaks of civil war between the various provincial Reference may, however, be made to the bi-weekly air service established this spring by the Manchurian military authorities between Mukden and Newchuang. This service is not on a paying basis, but is understood to have been instituted mainly as a means of training the pilots attached to the Mukden Air Force. At the aerodromes in Peking, Mukden, Paotingfu, Nanking, Shanghai, etc., there are said to be some 200 machines in all, but of these many are known to be unserviceable.

Wireless.—International difficulties arising out of conflicting agreements entered into by the Chinese Government still delay the development of long-distance wireless communication between China and foreign countries and no progress was recorded during the past twelve months. As regards "broadcasting" also, which has made such strides within the past two years in Europe and America, the position remains as noted in last year's report no regulations have yet been issued by the Chinese Government and the importation of receiving sets is still prohibited. Shanghai the number of receiving sets, mainly manufactured locally from imported material, is slowly increasing, but (apart from objections raised by the Chinese authorities) the demand has not yet become sufficiently widespread to offer much inducement for the establishment of an expensive broadcasting system. Official obstruction will, however, doubtless grow weaker in course of time and there is every reason to expect that the demand for radio equipment in China will tend to increase very materially within the next few years.

Increasing attention is being attracted to the desirability of installing wireless equipment in the steamships plying on the China coast, where the prevalence of violent storms at certain periods of the year and the numerous cases of piracy in southern waters make it particularly necessary that these vessels should be in a position to exchange weather signals or to summon assistance in case of need. Hitherto the expense of employing European operators has acted as a deterrent to the installation of wireless on most of the smaller steamships, but arrangements are being made for the establishment of a training school at Hongkong, and it is hoped that, at least in the case of British vessels, the provision of wireless signalling apparatus will soon be universal.

IV.—INDUSTRY AND PRODUCTION.

Lack of security in the interior markets and uncertainty as to the political future continue to react unfavourably on China's industries, and no marked progress can be noted during the past twelve months. The investment of capital in such enterprises in the more remote trading centres is still attended with very serious risks, and such developments as have taken place have mainly been confined to the neighbourhood of the larger Treaty Ports. Notes on a few industries are given below.

Cotton Mills.—The year 1923 was the worst experienced for many years past by China's cotton-spinning industry, and at the time of writing this report it cannot be said that prospects for 1924 are more favourable. The mills under foreign management have suffered from the prevailing depression, only one of the three British-owned companies being in a position to declare a dividend, whilst most of the Chinese concerns are but little removed from bankruptcy. Many factors have contributed to unfortunate result, but first place must be given to the disordered situation in the country districts which has interfered seriously with the distribution of the products of the mills. In the opinion of merchants in close touch with this trade, if a sufficient degree of security existed in the interior markets to admit of the free movement of goods, the demand for yarn would suffice to keep all the local mills busy and to offer a market also for considerable quantities of Indian and Japanese yarns. At present, on the contrary, there is practically no business for imported yarn, and so little for the Chinese mills that many are closed down altogether and the remainder are curtailing production and are working at a loss.

Dear cotton has also contributed to the difficulties encountered by the local industry, the price of Chinese cotton having advanced from about Tls. 34 in September, 1923, to Tls. 46-48 before the end of April of this year. It is stated that this increase in the price of the raw cotton is equivalent to an addition of over Tls. 40 to the cost of producing a bale of yarn, whilst during the same period the actual market price of the latter has only advanced by about Tls. 25. Apart, moreover, from the increase in price the wholesale adulteration of cotton by added water, commonly practised by unscrupulous native dealers, has done much to add to the difficulties of the mill-owner, the percentage of moisture having risen as high as 18 per cent. and in some cases even 25 per cent., thereby ruining the cotton for spinning purposes. Reference must also be made to the increasing disposition of native cotton merchants to repudiate their contracts when the market goes against them, and it must unfortunately be admitted that under present conditions in China it is practically impossible to secure adequate redress for such irregular practices.

The above disadvantages have confronted all mills in China, both foreign and Chinese, however well managed; but in the case

of the native companies we have also to allow for the fact that many were established at a time when the cost of machinery, building, etc., was at its highest, and that they stand at a cost per spindle which makes it doubtful that they will ever pay their

The foregoing remarks apply more particularly to the mills in Shanghai and surrounding districts. According to reports received from Hankow the mills in that neighbourhood (all Chinese owned) are in a more prosperous condition, having the initial advantage of proximity to the best cotton-growing areas in China. In contrast to most of the native mills elsewhere, those at Wuchang are stated to have had a fairly prosperous year and extensions are in contemplation.

So far as one can judge from present indications, there is little prospect of any great development of China's cotton-spinning industry in the immediate future, but there is no reason to believe that the existing depression is more than a passing phase, and given some solution of China's political problems there can be no question that the country could absorb the output of a vastly

increased spindleage.

Shipbuilding.—The manager of a local shipbuilding company makes the following remarks regarding conditions last year :-

"As regards local conditions in the shipbuilding and engineering trade new work has, during the last twelve months, shown an improvement, especially in shallow-draft steamers and small vessels for Yangtse service

and coasting work.
"Owners have been waiting for several years for prices to return to pre-war figures, but it is being realised that such prices are not likely to eventuate and the result is a greater inclination to proceed with necessary

requirements without further delay.
"Repair work, on which all the Shanghai shipbuilders mainly rely, has been quite good during the past year, and the cheap cost and rapidity of having repairs effected in Shanghai have been brought into prominence since the Japanese earthquake.

"Shipbuilding materials, such as steel plates and angles, are being supplied from Belgium, Germany, Great Britain and America, mainly from the two former at present, owing to their comparative cheapness.

"As regards the future, one may take quite a cheerful view owing to the fact that labour conditions here are less troublesome than in most other centres, and the facilities and resources of local yards are constantly improving."

Other Industries.—The size of this report prevents any detailed analysis of industrial developments in China during the past year, but those desiring information as to the principal manufacturing establishments in this country will find much useful data on the subject in such publications as the China Year Book and Rea's Far Eastern Manual. Progress is being greatly hampered by insecurity and maladministration, but wherever conditions in this respect are more favourable new factories are constantly being established, and such cities as Shanghai, Hankow, Tientsin, Canton and Wusieh are rapidly becoming industrial centres of real importance.

Labour.—There was an absence of serious labour troubles in the Shanghai district during the past twelve months, the returns prepared by the Shanghai Municipal Council showing that the number of strikes decreased from seventy-one in 1922 to fifty-one in 1923. Of the fifty-one labour disputes last year, thirty occurred within the Foreign Settlement area, and the remainder in adjacent territory beyond municipal jurisdiction. The workers concerned in these strikes included painters, carpenters, mechanics, mill hands, blacksmiths and many other trades, but none of the disputes were of a serious nature and most were settled within a few days. In the opinion of the municipal authorities the decline in the number of labour disputes last year is mainly due to the fact that the activities of Bolshevik and other agitators have been less vigorous during the past twelve months. In other parts of China labour conditions last year appear to have been fairly normal, except in Canton, where the constant unrest and disorder have resulted in an enormous increase in the cost of living and, as a natural consequence, much discontent amongst the working classes.

The question of regulating and improving labour conditions in Chinese factories has been receiving increased attention recently, but there are very serious difficulties in the way of any comprehensive reforms owing to the absence of any effective central authority. Regulations have indeed been issued by the Peking Government with regard to sanitation in factories, hours of working, limitations on the employment of women and children, etc., but as no machinery has been created for the enforcement of these regulations they are at present practically a dead letter. In Shanghai a commission has been investigating the question of child labour in factories and it is hoped that as a result of their deliberations some effective steps will be taken in the near future to deal at least with this important aspect of the labour problem; but unless the Chinese authorities can be brought to do their share in bringing about a reform of the present system the efforts of foreign municipalities and foreign factory-owners can produce

no very far-reaching results.

For purposes of reference a statement compiled from returns furnished by a large number of foreign and Chinese employers showing the average wages paid in Shanghai to various classes of workers is appended to the report.

Mining.—The disturbed political conditions existing during the past twelve months have naturally prevented any very striking developments in the mining industry, there being little temptation either for foreign or Chinese investors to sink money in such enterprises until there is some reasonable prospect of security. It must also be recognised that, except in the case of companies working under agreements concluded many years ago, the conditions governing foreign participation in the exploitation of China's mineral resources do not offer much attraction to foreign investors.

Coal.—In spite of industrial depression and unsatisfactory transport conditions most of the more important mining concerns increased their output during the past year, the leading place being taken by the Fushun Colliery in Manchuria, which produced approximately 5,000,000 tons in 1923, and is expected to increase this figure by half a million tons in 1924. The Kailan Mining Administration also increased their production to about 4,500,000 tons in 1923, and will probably reach the same total this year; but for the usual seasonal fluctuations in the labour supply their output would have been considerably larger. Whilst no reliable information as to the output during 1923 of other coal mines in China is at present available, with few exceptions they are believed to have had a fairly prosperous year. An exception has, however, to be noted in the case of the Chung Hsing Coal Mining Co., situated at Tsaochwang, Shantung, in the centre of the district rendered notorious by the Lincheng bandit outrage last year, the situation in this district still being so bad as to interfere seriously with the company's labour supply. The market for coal in China is undoubtedly growing, and given a reasonable degree of security for industrial enterprises the demand is likely to increase for some years to come at least as quickly as the capacity of the mines to meet it. Convincing evidence both of the increase in the demand for coal and in the capacity of China's own mines to supply it may be found in the comparative statistics of deliveries of coal in Shanghai during the past twenty years. In 1904 the total deliveries amounted to 867,909 tons, of which only 62,270 were of Chinese origin, whilst in 1923 the total had grown to 2,083,219 tons, of which more than two-thirds came from mines in various parts of China, the only other source from which any considerable supplies are now drawn being Japan. Exports of coal from China to foreign countries amounted in 1923 to over 3,100,000 tons, valued at Tls. 20,545,000.

Iron.—According to estimates prepared by the Chinese Geological Survey China's iron ore reserves, apart from scattered and unimportant deposits, amount to only some 677,000,000 tons, a small total in comparison with the size of the country. No reliable statistics of production are obtainable, but the annual

output is said to be about 1,500,000 tons.

In a paper on the iron and steel industry in China, read recently by a well-known Chinese mining engineer before the American Iron and Steel Institute, the lecturer called attention to the great increase in mining costs during recent years, mentioning as an instance the fact that in 1913 the cost of mining a ton of ore from the Tayeh mine and transporting it to the port of shipment (about 28 kilometres) was approximately Mex. \$1.00, whilst by 1919 it had risen to \$2.80 and had remained at or above that figure up to the present. Exports of iron ore and pig iron from China last year show little change from the figures for 1922.

Apart from iron, the only minerals exported in any considerable quantities from China are antimony and tin. Shipments of

antimony regulus in 1923 amounted to 193,112 piculs, valued at Tls. 1,223,830, a falling off from the previous year, when 201,031 piculs, valued at Tls. 1,026,454, were exported. Tin shipments also showed a falling off from 151,670 to 133,225 piculs.

V.—TRADE.

Many factors have contributed to the trade depression in China which has persisted during the past three years and which still remains as acute as ever. Disorder in the interior, disorganisation of the usual channels of trade, illegal taxation of goods in transit and the general lack of security have all done their share in cutting off important markets from normal commercial intercourse, and in hampering all trade development outside those areas in which comparative security exists. Apart, however, from these difficulties arising from the unfortunate political situation existing in China, there are other factors which help to explain the fact that whilst the total volume of imports and exports shows small sign of falling off and even tends to expand, the merchant houses in this country are finding it more and more difficult to carry on business at a profit or even to cover expenses. First and foremost, in the opinion of many observers, must be placed the excessive competition which has sprung up during the past few years for the limited trade offering either in imports or exports, and this remark applies not only to the foreign merchant firm but also to the Chinese dealer. In confirmation of this statement, I quote the following extract from a letter from a merchant in Hankow, which refers more particularly to the local export market, but I believe that it is equally applicable to conditions in most ports in China and that a very similar position exists in the import trade :-

"There is excessive competition for the small trade offering. With the re-entry of the German firms, Hankow is unquestionably over-developed, and, with trade difficult and bad, everyone tries to get what business he can. The result is that prices are forced up in China and simultaneously forced down at home, and the margin of profits disappears. The fact that prices are in this manner unduly forced up in China not only means that the exporter pays too much for his cargo in the first instance, but also that if there is a temporary continuation of demand prices are forced up still further for no better reason than that produced by the false semblance of demand created by the large number of competitive enquiries in the market. Consequently the dealer, who in most cases sells before he buys, is faced with a loss on every transaction almost as soon as it is concluded."

In the import trade excessive competition is at least equally apparent in the case of some of the staple lines, more especially piece goods, and in the general anxiety to do business orders are too frequently accepted from dealers of very questionable standing, with disastrous consequences not only to the firm directly concerned but also to the market generally. If there were any reasonable prospect of more settled conditions in China the resultant development of industry and trade would undoubtedly

afford ample scope for all the foreign firms established in this country, but for the time being no solution suggests itself other than the gradual elimination of the weaker houses and the survival of the fittest.

Trade in 1923.—In view of the various handicaps to trade referred to in the preceding paragraphs it is not surprising to find that the reports furnished by His Majesty's Consuls and by other correspondents in all parts of China as to trade conditions during the past twelve months are, almost without exception, unfavourable. A few extracts from reports received from various trade centres are quoted below:—

Hankow.—After describing at some length the conditions existing in the export business at that centre a local merchant gives the following reasons for the trade depression in 1923:—

(a) The collapse of the Chinese selling organisation in Hankow.

(b) Excessive competition amongst foreign firms.

(c) Instability of conditions and wide fluctuations in prices at home.

(d) Difficulties attendant upon trade through disorders in the interior, and sums up that the combined effect of the above difficulties was to make 1923 a very unprofitable year except for a few fortunate speculators.

Canton.—"The year 1923 was one of the most difficult and unsatisfactory in the history of foreign trade at Canton from both the exporter's and importer's points of view. The ultimate cause of all the trouble is to be found in the state of civil strife between the factions of Sun Yat Sen and Ch'un Ch'iung Ming, which has now been going on for some two years."

The report goes on to state that in Canton itself exactions of every description have so harassed the merchants as to lead many of them to abandon business altogether and transfer their capital to Hongkong, and that the general insecurity, interruption of traffic on the railways, brigandage and all the other concomitants of civil war have contributed to dislocate the trade of this wealthy province.

Chungking.—"Trade in 1923 was undoubtedly bad, the risks and difficulties having been greater than ever before owing to political troubles, civil war and brigandage. Such business as is being done is far from what is understood as business in more peaceful Treaty Ports. It is nothing more than gambling on the honesty of dealers whom it is impossible to coerce if they break their bonds, and who often are genuinely unable to deliver produce at anything like due date or price."

Harbin.—"Trade in 1923 has been dull and unsatisfactory. The unsettled political situation at Harbin and the constant menace of a Bolshevik invasion of the Chinese eastern railway zone must react unfavourably on trade development, and other causes which check trade in this district are the robberies by 'Hunghutze' and the excessive illegal taxation levied by the local authorities."

Chefoo.—"The total of imports and exports for the year ending December 31st, 1923, showed a decrease of Tls. 892,000 as compared with 1922. There is an increase, however, confined to 'native' trade (i.e., imports from Chinese ports), imports from foreign countries showing a falling of Tls. 709,000 and exports abroad decreasing by Tls. 1,042,000. The decrease in exports is attributed to economic causes in European markets, and not to any special local difficulties."

I am indebted to local British firms for the following notes on the business done in some of China's principal imports and exports during the period under review.

IMPORTS.

Piece Goods.—The total value of the cotton piece goods imported into China last year amounted to Hk. Tls. 173,000,000, as compared with Hk. Tls. 218,000,000 in the previous year, and Hk. Tls. 208,000,000 in 1921. Whilst these figures show a considerable falling off in the volume of imports the local market has, on the whole, been in a healthier condition than for some years past, and as stocks in China had been reduced to a very moderate figure before the end of 1922 deliveries of new purchases were taken up as a rule without undue delay. Apart from the unfavourable conditions affecting trade generally, the piece goods market suffered no serious disturbance during the past twelve months, and although little profit was earned by the foreign importer he was, at least, successful in most cases in avoiding a loss. It must be recognised, however, that in this trade probably more than in any other excessive competition for the restricted business offering tends to make the position of the importing firms more and more difficult. Owing to the increasing number of importers profits have been reduced to such a point that the margin can hardly be regarded as offering sufficient compensation for the risks incurred, and this remark applies with special force to those firms which, lacking connections amongst the more substantial Chinese dealers, are driven to accept orders from smaller and less reputable concerns.

At the time of writing this report the customs returns for 1923 for the whole of China have not yet been published, and no statistics affording material for a detailed study of last year's imports of piece goods are at present available. At Shanghai, however, which is by far the most important centre of the import trade and which may be taken as fairly representative of conditions all over China, the figures compiled by various merchant houses afford useful information as to the course of business and as to the extent to which various countries are participating in the trade. The following summary of deliveries of cotton piece goods of all kinds in Shanghai during the past three years is based on

the circulars issued by a local British firm:

el react bully our 180k Trains in 1808 ye illeral taxaning	1921,		1922.	on la	1923.	
All goods European Goods Japanese goods Local goods American goods	Pieces. 12,811,695 7,632,000 1,895,454 2,495,121 789,110	Per cent. — 60 15 19 6	Pieces. 13,319,238 8,118,278 1,612,797 3,001,290 508,692	Per cent.	Pieces. 13,439,816 7,486,831 1,581,684 4,291,741 79,560	Per cent. 56 11 32 1

The most noticeable feature in the above statistics is the rapid increase in the deliveries of goods of local manufacture, and although the cotton mill industry is at present in a very depressed condition there is every reason to anticipate that this

tendency will continue to make itself felt.

One point to be noted in connection with the Shanghai piece goods trade is the growing importance of the piece goods auctions in the local market. The following figures (taken from the June issue of the *British Chamber of Commerce Journal*) show the proportion that sales by auction bear to total sales of four leading plain staples, grey and white shirtings, black Italians and black Venetians:—

Percentage of Total Sales.

med that this has been due to a	1921.	1922.	1923.
Grey shirtings	36	35	43
White shirtings	29	33	35
Black Italians	64	61	
Black Venetians	31	35	63 38

In addition to these staples a fairly large business is done also in coloured Italians, white Irishes, white lawns and black twills. The prices secured at the auctions last year, which afford a reliable indication of the general market values ruling, show a distinct advance on those obtained in 1922. The following figures, furnished by one of the three firms by whom these auctions are conducted, give the average prices realised for certain staples:—

Gross Values for Auction Goods.

	IST HE COTTE	MINERAL PROPERTY
Tls. 7·59	Tls. 8·39	Tls. 0·80
11.31	11.56	0·47 0·25 1·63
	7·59 8·49	7·59 8·39 8·49 8·96 11·31 11·56

Conditions at present offer no ground for anticipating any great activity in the piece goods trade in the near future. Stocks all over the country are undoubtedly low, but until the general trade situation improves and a greater measure of security is assured in the interior districts purchases will probably be made solely with an eye to the immediate requirements of the market.

With a view to placing the piece goods trade in China on a sounder basis and avoiding, if possible, a repetition of the disastrous situation which arose in this market in 1920 when a very large number of native dealers repudiated their obligations, the British Chamber of Commerce at Shanghai has long been

engaged in efforts to standardise the terms on which the piece goods business is conducted at this port. After lengthy discussions with the Manchester and Bradford Chambers of Commerce and with the Chinese Piece Goods Guild at Shanghai two standard forms of contract have been prepared, one covering transactions between the exporter in the United Kingdom and the merchant in China and the other for use between the latter and the Chinese buyer. It is hoped that extensive use will be made of these standard contracts, but their success will depend largely upon the extent of the support that may be accorded to them by the principal banks in this country.

Woollen Goods.—Whilst the exports of British woollen and worsted goods to China in 1923 show a very marked increase it cannot, unfortunately, be claimed that this has been due to a sudden growth in the demand for woollen textiles or that the trade has been at all profitable to the foreign importer. Purchases have, in fact, far exceeded the needs of the market and Shanghai is at present heavily overstocked, especially in worsted Venetians, overcoatings and serges. Local market prices are at present at least 20 per cent. below replacing cost, and there have been several failures amongst the native firms interested in this business. One factor contributing to the excessive buying during the past twelve months has been the great increase in the number of manufacturers' and shippers' representatives seeking business in China. It is stated that at one time there were about fifty such representatives in Shanghai, and in their anxiety to secure orders much business of a very speculative character was undoubtedly accepted in some cases. Apart from the over-bought position of the market the competition of continental manufacturers has also been felt in certain lines, tending to lower the general level of prices. Exports of woollen piece goods from Great Britain to China (including Hong-Kong) in 1923 amounted to 14,482,000 square vards, as compared with less than 7,000,000 square vards in 1922, and the figures for worsteds increased from 4,247,000 yards to 5,126,000. These heavy exports have continued into the present year, shipments in January and February amounting to 3,455,000 square yards of woollens and 1,732,000 of worsteds, but as great difficulty will be found in absorbing the stocks now on the market prospects for new business are by no means promising at present.

Machinery and Engineering.—Conditions during the past twelve months have been extremely unfavourable, and merchants have had to devote their attention mainly to the settlement of old contracts and to attempting, with varying degrees of success, to collect long overdue accounts rather than to booking new orders. Very few new contracts of importance have been placed, and apart from deliveries of machinery ordered in previous years business has been confined as a rule to supplies of various kinds and extensions of existing plants. Notes with regard to some of the main lines of trade are given below:—

Railways.—Whilst the latest returns issued by the Ministry of Communications show that all the more important Chinese railways are earning handsome revenues, this income is in most cases being appropriated by the provincial authorities for military purposes, and no money is available for the purchase of additional rolling stock or for the adequate maintenance of the lines. Practically every foreign firm which has had dealings with the railways has heavy claims outstanding against the Chinese Government with little prospect of securing payment in the near future, and few are at all inclined to accept further orders on other than strictly cash terms. No important contracts for locomotives or rolling stock have, in consequence, been concluded during the past year, the railways being able to purchase only such supplies as were absolutely necessary for the purpose of maintaining their services. There can be no question that within the next few years heavy replacements of supplies of every description will be essential on all the railways in China, but unless some means can be found to check the rapacity of the military authorities, and to apply a reasonable proportion of the revenues to maintaining the efficiency of the lines, it is difficult to see how these purchases can possibly be financed. Such business as has been done has been mainly in general supplies, rails, sleepers, spare parts, etc., and has been confined within the narrowest possible limits. These purchases have usually been made by public tender, and it may be mentioned that in such cases the railway authorities usually insist upon a comparatively heavy cash deposit with each tender and a further deposit as security for the execution of the contract. This requirement has occasioned a good deal of unfavourable comment from merchants in this country, who contrast it with the failure of so many of the railways to meet their own engagements.

Electric Light Plants.—Business in machinery of this type has been much more active than in railway supplies, the electric light companies at Canton, Mukden, Soochow and several other cities having installed large extensions of their plant. A very large proportion of this business has gone to Germany, the prices quoted by German firms being frequently from 30 per cent. to 50 per cent. below English and American prices. One German firm, in co-operation with Chinese, is at present erecting a 6,000-kilowatt station near Wusieh, from which it is proposed to distribute power over a radius of 100 kilometres, within which area the company has secured exclusive privileges.

Cotton Mill Machinery.—In view of the depression in the cotton spinning industry it is not surprising to find that few orders for machinery were placed during the past twelve months, and in some cases much difficulty has been experienced in collecting money still due on plant delivered in previous years. Many mills are now closed down altogether and others are working short time, so the prospect of any early improvement in the demand for new equipment is not very promising.

Flour Mills.—During the latter half of 1923 the flour mill business was very active, and several orders were placed for new mills. In this branch of the machinery trade American manufacturers have up to the present secured the bulk of the business.

Miscellaneous.—Whilst industrial conditions in China have been generally unfavourable development is still proceeding, slowly but surely, and many new enterprises—cement works, tanneries, match-making plants, etc., involving fairly extensive purchases of machinery—were inaugurated last year.

Wheat and Flour.—The consumption of flour in China has shown a marked increase in recent years, probably owing to the steadily rising price of rice, the staple food of the people, and apart from the output of local mills imports from abroad, mainly from the United States and Canada, were very heavy during 1923, amounting to a total of 5,826,540 piculs, valued at Hk. Tls. 27,232,948, as compared with 3,600,967 piculs, valued at Tls. 16,740,497, in the previous year. In consequence of poor wheat crops in the Yangtse valley, moreover, the Shanghai mills imported some 2,200,000 piculs of wheat from the United States and Canada, the lack of internal communications making it more economical to pay freight on cargo across the Pacific than to bring down native wheat from the North-Western provinces of China.

Metals.—The metal market in China is at present in a very depressed condition, local prices being far below replacing cost. Apart from the unfavourable conditions affecting trade generally, local business in metals has suffered from reckless speculation on the part of Chinese dealers, resulting in heavy overstocking of the market. Merchants at one time anticipated a good demand from Japan for bars, galvanised sheets, and other materials for restoration work after the earthquake in September last year, and gave orders for amounts far in excess of local requirements. This expectation was not realised to any considerable extent, and there were in consequence many forced sales and a lowering of prices all round.

Motor Cars.—Motor traffic continues to make slow progress in this country, a rough estimate placing the number of passenger cars in use in China and Hongkong at about 9,000, with 1,200 motor trucks and omnibuses and a slightly smaller number of motor cycles. Shanghai is responsible for approximately half the above totals, and it must be admitted that the figures are insignificant in relation to the vast extent and population of the country. The absence of good roads is, of course, mainly responsible for the limited demand for motor vehicles, and it is to be expected that with the gradual extension of road-building projects China will in time become a promising market for British cars. It is reported from Tientsin that enquiries for passenger and freight cars have been very numerous in recent months in

connection with various road-building schemes all over the northern provinces, and fairly substantial orders are stated to have been placed, mainly with American firms. As mentioned in a previous section, the new roads recently built in China are almost all of too flimsy construction to be adapted to heavy traffic, and the most popular type of motor vehicle for use as a public conveyance on these highways is a light truck of one to one and a half tons, capable of accommodating about ten passengers. It may be added that low price is an absolute essential in the case of motor cars competing for this trade, the demand for more expensive vehicles being confined to some of the wealthier foreign and Chinese residents in Shanghai, Tientsin and a few other large cities where good roads have been laid out by the municipal authorities. Whilst the British share in the motor trade in China is still very small, it is satisfactory to observe that in Shanghai the past year has seen a marked increase in the popularity of British light cars of various makes, the moderate price at which these cars are now procurable and their low running costs being strong arguments in their favour. It may also be of interest to mention that the motor-bus company recently established in Shanghai has already ordered thirty 'buses from England, and the service will doubtless be extended in the near future if the enterprise proves successful.

The total value of the motor cars (including parts) imported into China last year amounted to Hk. Tls. 2,155,967. Of this total nearly two-thirds came from the United States, Great Britain coming second on the list with imports valued at

Tls. 255,717.

According to a report appearing in the bulletin issued by the Chinese Government Bureau of Economic Information, a Chinese company in Shanghai is preparing to place on the market an electrically-propelled vehicle of novel type which is intended to compete with the jinricsha traffic. These vehicles are to provide accommodation for one passenger in addition to the operator, and it is claimed that they can be sold at about £50 each.

Building Materials, etc.—The substitution at Shanghai and other large ports of modern office buildings and dwellings for old-fashioned structures and those of native type continues to make rapid progress, and brings with it an increasing demand for building materials of every kind, heating and plumbing fixtures, lifts, etc. In Shanghai, pending the return of better business conditions, there may probably be some slackening off in the immediate future in the erection of very large office buildings, of which so many have made their appearance in recent years, but the construction of private residences and the re-modelling of Chinese buildings seems likely to go on with little if any abatement. In Tientsin, Hankow and other cities, as well as in Hongkong, which has received a great influx of Chinese capital owing to the insecurity existing in South China, building has proceeded rapidly, creating an increased demand for materials

and fittings of every description. Similar developments in more remote trading centres cannot be expected on anything like the same scale until conditions grow more stable, but it may safely be said that China offers a promising market for British manufactures coming within the general description of building materials.

Dyes.—During the second half of 1923 shipments of synthetic indigo from Germany practically ceased owing to the restrictions imposed by the Army of Occupation on the Rhine, and imports from other countries increased to a corresponding extent. Towards the end of the year, however, shipments from Germany were resumed, and with her re-entry into the market prices have fallen rapidly to their former level. The indigo situation in China is one of considerable difficulty to all the manufacturers concerned owing to the fact that the world's capacity for output is greatly in excess of the demand, and we find therefore an overstocked market, a general low price level, and little if any profit for the manufacturer, the importer or the dealer. Imports of American indigo have increased very considerably during the past twelve months; Swiss shipments were normal, and French indigo has also reappeared in the China market. After an absence of two years shipments of British indigo again appear in the returns for 1923, but the quantity is small in comparison with those from Germany, the United States and Switzerland.

In aniline dyes the German hold on this market is still stronger than in the case of indigo, this trade being a good instance of the value still attaching in China to old-established "chops" or brands. Apart from a few products sold in drums or kegs the bulk of the aniline dye business in this country depends upon the consumer who buys in small packages ranging from 2-oz. bottles to one catty (1-1/3 lb.) tins, and in this trade the familiar German "chops" continue to hold the field. In such trade as is not dependent on chops," amounting possibly to one-fifth of the whole, British and American dyes are better represented. Owing, however, to the disturbed situation throughout many parts of China, the high price of cotton goods and other adverse conditions, the demand for dyes during the period under review has been

far from satisfactory.

EXPORTS.

Reports at Shanghai and other exporting centres as to conditions in the export market during the period under review have been so consistently unfavourable that one feels some surprise on finding from the customs returns for 1923 that the total value in that year exceeded the figures for the previous twelve months by almost a hundred million taels and that most of the principal staples showed substantial increases. The fact remains, however, that in spite of the growing volume of exports most of the firms engaged in the shipment of Chinese produce

(other than tea and silk) had an unprofitable year and that up to the time of writing this report conditions have remained generally unsatisfactory.

The following extract from a report on trade in Hankow, written by a British merchant at that port, shows some of the difficulties at present encountered by the export firm in China:—

"The outstanding feature of the Hankow export trade at present is the impossibility of trading on sound lines, by which I mean trading as merchants without taking excessive risks. On account of the keenness of competition it is rarely if ever possible to buy and sell simultaneously at a profit, and the result is that business has to be done entirely on an own account basis, the merchant buying and selling independently as he thinks fit. This would in itself be a very serious obstacle in a port where the trade is in any case so small in relation to world trade as it is in Hankow, but the obstacle becomes almost insuperable when, as in Hankow at present, the native dealers are either unable or unwilling to live up to a contract which turns out unfavourable to them. The foreign merchant, bearing in mind the great danger of selling short in a country where there are no statistics for him to base his calculations on, is therefore obliged in most cases to try to obtain possession of the cargo before he endeavours to sell. When it is borne in mind that, as experience has shown, cargo will only be delivered to him at his purchase price if the market has gone in favour of the seller, the difficulty of making a profit becomes very apparent."

The widespread disorders existing throughout large sections of the country, the interruption of communications and the increasing imposts on goods in transit, have all contributed to hinder the movement of cargo from the producing districts to the ports of shipment, and have also strengthened the inclination of the farmer to retain possession of his produce until he sees an opportunity of selling it on really advantageous terms. In areas infested by bandits or undisciplined troops property in the form of seeds, beans or similar cargo is a less dangerous possession than money and can always be realised or made use of sooner or later.

A few notes, based on information supplied by various British firms, on trade in a few of the lines comprising China's export trade are given below.

Tea—Black.—The season opened with a strong demand for all kinds. Keemuns were wanted as the previous year's supply was practically used up. Low grade teas from China were required to bring down the cost of Indian and Ceylon blends. The quality of the crop was rather below average, and the volume was increased by bringing down large quantities of very low grade. In the meantime India had gone in for coarser plucking, and had produced a crop about 40 million lbs. in excess of the previous year's, which excess practically has all gone to London. Although prices of Indian and Ceylon have not declined very much in London, importers have felt more independent of China tea. The consequence is that while Chinese teamen and foreign exporters did fairly well in the beginning of the season, the natives are left with rather large and unsaleable stocks, while

London buyers have also considerable stocks on hand in London which will lose heavily.

The supply of black tea compared with the previous season

is as follows:—

CONTROL SALVERS				Half Chests.	Half Chests.
First crop—				esent encoun	neulties at pr
Keemun				69,200	43,600
Ningchow		A CONTRACTOR		30,000	15,200
Wenchow	A STATE OF		3	11,200	4,100
Hankow tea	3.0	6 14	Cristian	280,000	100,000
Second crop—					A THE PARTY OF THE PARTY OF
Keemun	The Land			5,700	5,900
Ningchow		an dist		16,200	9,500
Wenchow				4,200	300
Hankow tea		1		135,000	74,000
	3 94000			AN WARRANT WAS	ALLEST STATE OF
				551,500	252,600

Green.—The 1923-1924 crop was of fair average quality, but want of care in the preparation was plainly shown, especially in the case of the medium grades. The trade with Europe and North Africa was on the whole fairly satisfactory, from the exporter's point of view, but it is doubtful whether the Chinese have made much money. The United States and Canadian markets consumed about the same quantity as the previous season, but results have not been altogether satisfactory either for the exporter or importer. The demand from India (for Central Asia) has been better and fair profits have been made. The total supply of green tea compared with the season 1922-23 was as follows:—

	1923-24.	1922-23.
	Half Chests.	Half Chests.
Pingsueys (for U.S. and Canada)	134,000	122,000
Country tea chops	38,000	28,000
Country tea lines	180,000	170,000
Country tea, Hysons	40,000	18,000
Pingsueys (converted into gun-		Selfon War
powders, Foong Mees, and		
Hysons)	15,000	20,000
bened with a strong deman	407,000	358,000

Silk.—As was almost inevitable, owing to the high basis of prices on which it commenced, the silk season 1923-24 proved to be one of considerable difficulty for producers and exporters alike, and, taking it by and at large, it was not a prosperous

period for either Chinese or foreigners.

To begin with, the crop harvested in May-June, 1923, turned out to be poor both in quantity and quality, and as the Chinese reelers had to pay high prices for inferior cocoons which gave but a low yield of silk, the cost of producing both native reels and steam filatures was very excessive. The unsatisfactory result of the crop is to be ascribed partly to the unfavourable weather conditions which prevailed during the various stages of the growth of the silkworm, but, as has been mentioned before in these reports,

also largely to the unscientific methods of sericulture still in vogue with the Chinese. Notwithstanding their high cost of production, the Chinese could not induce consuming centres abroad to take any interest in their silks at anything like equivalent values, so a gradual decline set in, and without doubt a longdelayed readjustment of silk values would have been witnessed in 1923 had not the Japanese earthquake intervened in September of that year. The destruction of stocks in Yokohama and the disorganisation caused to the silk industry of Japan by this catastrophe resulted in an unprecedented demand for China silks from both America and Europe, prices advancing by about 30 per cent. within a week, and the market in Shanghai being thrown into a state of the utmost excitement. This, however, was of very short duration, as, owing to the emergency measures instituted in Japan, exports of silk from that country were resumed at an early date, and with consumers abroad finding themselves in an over-bought position, a state of depression set in which, with but an occasional let-up, maintained until the end of the season in May, 1924, prices during this period showing a decline from the high-water mark of September, 1923, of something like 50 per cent. During the whole of the period from September, 1923, to May, 1924, the only business doing for America was of a speculative nature, and even this was not of any material consequence. Europe, however, the offtake from Shanghai was fairly good, although business was rendered extremely difficult by the enormous fluctuations of the franc. At the close of the season prices for raw silk all over the world were declining rapidly, this without doubt being due to the severe competition of artificial silk, cotton and other materials, which competition has increased enormously during the past year and renders it essential for real silk to be produced on a much lower basis than has been seen for some time past, if it is going to hold its own as a popular fabric with occidental nations.

Egg Products.—Shipments of egg products from China have remained at practically the same level during the past three years and there seems at present no prospect of very extensive developments in the trade in the immediate future. Last year business with America in albumen was active for some months and prices rose rapidly, but the demand subsequently died away and the market is now dull.

Bristles.—There was a strong demand for bristles for the London market, and in Shanghai and Tientsin exporters had a fairly successful year. It is reported, however, that in some cases the preparation of the bristles has afforded ground for complaint and that claims have been numerous.

Feathers.—After prices had risen to a record height the market fell away towards the end of the year, and fairly large stocks remained on the hands of shippers. In this, as in so many other lines of China produce, the short-sighted policy of the

native dealers in resorting to adulteration seems likely to cause serious damage to a promising trade.

Wood Oil.—This trade is of growing importance, the demand in the United States and other countries, where it is used extensively in the manufacture of varnishes and for other industrial purposes, showing a marked increase.

Cotton.—A rough estimate of the cotton crop in China in 1923 gives the total production as about 6,400,000 piculs, being about 20 per cent. under the average yield during the past five years. This shortage in the supply, coupled with a good demand from Japan in the period following the earthquake, drove prices up to a very high level and greatly increased the difficulties of the local mills. The sudden increase in the market price at Tientsin owing to strong Japanese buying proved too strong a temptation also for the honesty of the native brokers at that port, most of whom failed to deliver cargo already contracted for by local exporting firms, and the latter found themselves saddled with heavy liabilities in respect of their commitments to home buyers.

Skins, Hides and Furs.—Prices in China ruled high during the past twelve months, rendering business with home markets very difficult, but total shipments were somewhat in excess of those for 1922. Much of this cargo, however, was shipped on a consignment basis.

Camphor.—The demand for camphor was inactive during the year, and it would appear that the genuine article from China is to a great extent being supplanted by synthetic camphor.

With regard to other varieties of China produce bulking largely in the list of exports, of which sesamum seeds, beans and bean oil, ground nuts, wool and fibres are amongst the principal, no developments of any particular interest are to be recorded, but shipments were maintained at about the same moderate level as in the two previous years. The export of carpets, mainly from Tientsin, has attained considerable importance, the demand from America having been particularly strong during the past twelve months and a good business was done in these products. As in so many other lines of trade, however, the Chinese manufacturer seems to have no realisation of the necessity for maintaining the quality of his goods and complaints as to the poor quality of many of the carpets now produced have been very numerous. Finally, it may be mentioned that the sudden craze which has developed in Europe and America for the Chinese game "Mah Jong" has led to a considerable export of the sets of dominoes used in this pastime. From Shanghai alone the exports of Mah Jong sets in 1923 were valued at nearly two million taels, more than four-fifths of this total representing shipments to the United States, and there were also fairly large exports from Canton.

VI.—BRITISH TRADE WITH CHINA.

From the very discouraging account of existing trade conditions in China set forth in previous sections of this report, it will be apparent that British manufacturers would not be justified in forming any extravagant expectations of a rapidly developing market for their products in this country. Judging from present indications, the tendency appears indeed to be in the opposite direction, the customs figures for last year showing a small decline in the import trade in comparison with those for 1922, and the prospects for 1924 are even less promising. That China is a country of vast commercial possibilities is not open to question, but until the political situation shows some sign of improvement developments on any important scale can hardly be expected. For the time being all that the British manufacturer and merchant can reasonably hope to do is to secure their fair share of the limited business offering, and although the exports from Great Britain to China in 1923 show some falling off from the previous year's, there are good grounds for saying that British goods are still holding their own in this country in the face of ever-

increasing competition.

It is usual in concluding these reports to offer some suggestions to manufacturers in the United Kingdom who have not hitherto done business in China as to the best methods of gaining a footing in this country, and although the present trade situation can hardly be regarded as offering a favourable opportunity for the entrance of new competitors into an over-crowded and difficult market, a few remarks on the above subject may possibly be of interest. In the first place it may be stated with confidence that for the manufacturer who is not prepared to establish his own sales organisation in China the British firms carrying on business in Shanghai, Tientsin and other ports still offer the most generally satisfactory method of marketing British goods, and I would add that if the manufacturer is prepared to provide his agent with any necessary technical assistance, samples and advertising materials, his prospects of securing adequate returns will be very largely increased. Enquiries are frequently received by this office as to the possibility of getting into direct touch with the Chinese consumer, but whilst there can be no doubt that the practice of Chinese firms establishing relations with manufacturers in foreign countries is gradually increasing, this method of trading can seldom be recommended except on a strictly cash basis. Speaking generally, Chinese firms have not yet acquired sufficient knowledge of English commercial usages to enable them to conduct negotiations with a manufacturer in Great Britain, nor is it as a rule possible to obtain any reliable information as to their financial standing.

The above remarks apply to the manufacturer or exporter who, whilst anxious to find a market for his goods in China, is not disposed to undertake the expense and responsibility of an independent business establishment in this country. Signs are

not wanting, however, of an increasing tendency towards specialisation in trade, and some manufacturers have made arrangements for marketing their goods through their own selling organisations. That this method of trading is the most successful in the case of certain types of merchandise has been conclusively shown in the case of the kerosene oil, cigarette, alkali, soap and other trades which are being carried on profitably to-day in spite of the stagnation in most departments of commerce, and attempts to adapt similar methods to other lines will certainly be made in future years. Even where it has not been found practicable to follow the example of the cigarette and oil companies in establishing a network of up-country agencies the manufacturer who has his own business organisation in this country and who is in a position to fill orders from stock is at a considerable advantage, and several important British manufacturing interests are already carrying on business on these lines. It need hardly be said, however, that the methods found successful in one trade are not necessarily applicable to another, and that a preliminary study of conditions on the spot is extremely advisable in all cases.

APPENDIX I.

NET VALUE OF THE FOREIGN TRADE OF CHINA, 1918-1923.

to minufacturers in the United Kingdom who have not finhered done business in China as to the best methods of mining a forbing in this country, and minorph the present made athering hardly be regarded as othering a movement opportunity for the entrance of new competitors into an over-crowded and difficult

market, asken remarks on the above subject may musible be of interest. In the first place it may be stated with confidence that

tisine	Year.	Dny	Rate.	Imports.	Exports.	Total.
od di	negative	W.	and frequen	Hk. Taels.	Hk. Taels.	Hk. Taels.
1918			5/3-7/16	554,893,082	485,883,031	1,040,776,113
1919			6/4	646,997,681	630,809,411	1,277,807,092
1920	P TOTA	HI. 0	6/91	762,250,230	541,631,300	1,303,881,530
1921	I to be	official	3/11-7/16	906,122,439	601,255,537	1,507,377,976
1922	1200	71.	3/9	945,049,650	654,891,933	1,599,941,583
1923	112		3/5-3/4	923,402,887	752,917,416	1,676,320,303

APPENDIX II.

SHARES (IN MILLION TAELS) OF BRITISH EMPIRE AND FOREIGN COUNTRIES IN FOREIGN TRADE OF CHINA.

Country.	19	921.	19	22.	. NO.	19	23.
1581 18828	医神经炎	D. B.	非業事	D	1 92		5
72 12 8	Total	Domes- tic	Total	Domes-	To	tal	Domes
	The second			The same of the sa			
British Empire—	imports	Exports	imports	Exports	rmf)OI LS	Export
Hongkong	231 · 14	152.88	239 - 35	170.00	248	.08	175.80
	149.94	30.91	145.29	38.50	120	C 1000	43.21
British India	35.38	9.74	43.14	9.81		24	12.33
Singapore, Straits, etc.	8.03	19.46	8.17	15.31		21	17.93
Canada	11.81	1.15	8.40	1.27	10	33	2.00
Australasia	0.83	1.24	1.78	2.25	3	.36	1.49
South Africa (includ-		-		Land			
ing Mauritius)	0.04	0.12	-	0.12	0	03	0.19
200 BB B	2000	200				903	20 Mg
Total, British Empire	437 • 17	215.50	446 · 13	237 · 26	446	65	252.95
1 2 2 2 3	0.00	7 51					200
Japan (including						0	1.3.3
,	210.36	172 · 11	231.43	159.75	211	1000	198.52
Korea	11.96	15.10	9.69	21.24	11	95	30.28
Total, Japan and Korea	222.32	187 · 21	241.12	180.99	222	97	229.80
		422		8		-	900
Philippines	3.65	2.14	3.20	2.35		36	3.98
United States	175.79	89.54	169.00	97.58	154	45	126.80
T-1.1 TT 11 1 C1 1			-			-	
Total, United States	150 44	01 00	170 00	00 00	1.55	01	100 70
and Philippines	179.44	91.68	172.20	99.93	155	. 81	130.78
Norway	0.38	0.02	1.32	0.04	2.	03	0.04
C 1	2.40	0.88	2.53	0.56		21	0.29
Denmark	1.70	0.78	1.73	1.44		12	1.51
Germany	13.35	6.77	24.74	9.80		46	11.91
Netherlands	4.51	7.40	7.63	5.72		91	8.51
Belgium	10.64	1.44	11.15	2.35		88	2.75
France	9.64	23.95	4.55	40.75	7.	55	39.58
Italy	1.26	4.13	2.32	6.05	3	74	9.47
Austria-Hungary	0.03	0.03	0.07	-	0.	10	0.12
Russia (European)		0.21	0.03	_	0.	17	0.01
Russia (Asiatic)	8.76	22.66	14.24	39.24		04	34.08
Switzerland	1.54	0.01	2.30	0.07	-	55	0.01
Macao	18.17	5.75	11.50	4.69	6	24	3.97
Turkey, Persia, Egypt		255	5	7.5			38
etc.	1.17	17.28	1.00	9.30		84	11.11
French Indo-China	5.16	2.72	12.06	3.32	7 7 7	44	4.01
Other Countries	15.21	12.84	18.41	13.38	19	92	12.02
Crand Total All Cours	REE	1335	285	W 9'		5 /4 /	1-11-1
Grand Total, All Coun-	932.85	601-26	975.03	654 · 89	948	62	752.92
	334.83	001.20	919.03	034.89	340	00	132.92
Net Imports (i.e., excl. Re-exports)	906 · 12	1386	945.05	The section	923	40	FE I
	000 12	TO RECUES ON	040,00	The second second	040	10	THE RESERVE OF THE PARTY OF THE

APPENDIX III.

PRINCIPAL ARTICLES IMPORTED INTO CHINA DURING THE TWO YEARS 1922-1923.

NET IMPORTS.
(For other years see previous reports.)

一 は は は は は は は は は は は は は は は は は は は	1923.	Value Haikwan Tls. 173,520,111 8,507,926 19,042,413 7,575,798 5,814,152 1,589,168 3,446,538 3,361,615 4,647,328 4,358,598 1,533,692 98,198,591 3,250,954 41,755,883 10,854,348 12,860,605 53,816,201 26,006,546
CO CE	T THE	Quantity.
00 4 SHOULD BE		Value Haikwan Tls. 218,523,170 6,057,797 8,793,707 6,210,839 13,363,879 16,748,869 2,274,326 3,489,546 2,651,325 2,340,178 3,070,001 1,169,731 79,874,788 3,977,357 42,437,140 9,803,328 10,746,145 41,956,187
0/10/10/10	1922.	Quantity.
		Unit of Quantity.
	10 20 20 20 30 30 30 30 30 30 30 30 30 30 30 30 30	vire on and hosiery but not boots
	Article.	Cotton goods Woollan goods Woollen goods Wiscellaneous piece goods Copper ingots and slabs Copper ingots and slabs Copper ingots and slabs Copper ingots and steel (new), bars, nails, pipes, etc., excluding rails Fron and mild steel, old Fron, galvanized, sheets and wire Fron, galvanized, sheets and wire Fron, galvanized, sheets and wire Fron, galvanized, sheets and to a slabs Fron and mild steel Fron and mild steel Fron and mild steel Fron and wire Fron and wi
		Cotton goods Woollen goods Woollen goods Woollen goods Copper ingots and slabs Iron and mild steel (new), ba cluding rails Iron, galvanized, sheets and vin, in slabs Tin, in slabs Tin, in slabs Tin, in slabs Coment Cigarettes, cigars and tobacco clothing (incl. haberdashery an and shoes) Coal Cotton, raw Cotton, raw Dyes, colours, paints
	92	Cotton goods Wool and cot Woolen good Miscellaneous Copper ingots Iron and mild cluding rail Iron, galvanis Tim, in slabs Timed plates Bags of all kir Bags of all kir Bags of all kir Cement Cigarettes, cig Clothing (incl. and shoes) Coal Cotton, raw Dyes, colours

9,105,170 27,232,948 2,424,935 301,716 1,474,349 12,316,486 13,750,354	1,169,680 1,727,539 1,520,795 3,089,031 3,761,363 19,460,891 1,978,033 1,487,080	6,967,904 3,208,583 7,684,433 58,201,716 16,626,519 2,874,401 2,323,354 5,329,920 52,332,747 9,795,076 2,155,967 4,048,096 5,399,861
5,826,540	 916,098 1,852,251 353,318	2,241,126 214,835,669 ———————————————————————————————————
10,910,182 16,740,497 2,216,612 695,732 2,395,490 30,480,376	4,406,201 9,261,991 1,942,644 6,780,953 3,610,270 16,902,872 2,273,947 1,452,653	7,161,025 4,083,022 6,768,752 63,442,776 13,689,258 2,563,429 2,265,395 4,301,764 61,440,323 11,955,609 2,297,155 2,977,263 4,804,951
3,600,967	1,048,878 	209,192,102
Piculs	Pieces Piculs Boxes	Am. Galls.
Electric materials, incl. telegraph and telephone Flour Furniture and materials for making Machinery:— (a) Agricultural (b) Propelling (c) Textile industries (d) Other kinds (incl. knitting, sewing machines and machine tools)	(a) Locomotives and tenders (b) Carriages and wagons (incl. tramcars) (c) Sleepers (d) General Building materials (incldg. bricks and tiles) Fishery products Glass, window Glass and glass ware	Leather and manufactures (excldg. footwear and machine belting) Matches and match-making materials Medicines Oil, kerosene Paper, incl. cardboard Soap and material for making Stationery Stores, household (incl. butter, cheese and cocoa) Sugar Timber Motor cars Wax, paraffin Wines, beer and spirits, etc.

APPENDIX IV.

PRINCIPAL ARTICLES OF CHINESE PRODUCTS EXPORTED FROM CHINA DURING THE TWO YEARS 1921-1923.

Motol cars Article.	our south over pre-	el and store	1922.	- 19	1923.
Section	Picula	1,835,909	61,440,858	8'434'364	25,335,143
(2000) but assets the line better obests and cook		1912	4,301,764		0,329,920
Charles and the contract of th	Unit of		Value		Value
Soan and material for making	Quantity.	Quantity.	Haikwan Tls.	Quantity.	Haikwan Tls.
Cotton goods	Pieces	425,639	1,722,849	841,820	4,449,515
in parocease	Piculs	103,424	5,702,814	164,606	9,073,901
Antimony Regulus		201,031	1,026,454	48,406	291,554
Tin, in slabs	"	151,670	8,302,164	133,225	7,875,430
Ores, iron and others		12,652,927	4,125,562	13,880,028	4,145,426
Iron, pig	"	3,362,531	6,502,266	3,358,301	6,792,880
Bean cake		21,590,591	49,008,955	24,785,869	56,866,201
Beans, yellow and others	Boxes -	14,807,162	44,906,304	18,269,266	52,416,226
Bristles	Picola .	67,841	6,303,783	74,422	7,757,992
Cereals, millet, rice, wheat, etc	"	4,632,454	13,522,259	4,558,752	15,291,203
Coal	Tons.	2,377,443	14,900,263	3,108,682	20,545,286
Cotton, raw	Piculs	842,010	22,861,434	974,574	32,605,771
Flour, wheat	"	593,255	3,654,810	131,553	782,788
Eggs, albumen and yolk	"	432,314	12,993,541	377,535	12,367,458
Eggs, fresh and preserved	Thousands	1,181,980	12,956,271	1,101,049	11,490,642
Eggs, frozen	Piculs	276,097	4,005,427	375,365	5,763,894
Fibre, ramie, jute, hemp and coir	"	383,539	4,913,968	340,793	4,736,820
Ground nuts	""	1,336,496	6,792,759	2,246,525	12,046,110
Lace	1	1	5,640,845	1	4,111,803
Meats, poultry, fresh, frozen and preserved	Piculs	250,711	2,630,453	332,897	3,361,260
Oils, vegetable and essential	"	2,669,596	28,796,188	3,514,923	42,841,725
Paper	"	285,532	3,977,649	319,309	4,833,348
Seeds (incl. sesamum)	E.C.	3,578,994	15,659,312	3,682,727	18,715,591
Seed cake		1,082,137	2,088,550	1,318,240	2,978,856

138,915,695 11,560,479 16,829,298 7,719,310	9,812,126 5,737,675 176,141	10,207,640 5,444,123 1,732,558 22,905,341	21,300,782 5,786,881 12,879,928 4,080,537
138,423 128,118 14,533 13,962	311,476	9,142,186(a) 83,911 143,700 801,417	278,911 424,213 —
137,217,499 8,310,326 14,904,418 8,726,866	7,495,009 6,028,624 116,007	6,602,807 5,281,240 977,893 16,966,075	13,062,549 5,653,184 15,634,634 4,161,114
143,478 93,300 13,270 17,676	250,798 9,419,930	9,429,421(a) 79,557 89,809 576,073	253,843 583,427 —
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Company To Company	Pieces	Piculs "	Piculs Value
At military	dressed	Piculs	
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De Call De Call I vis De Call I vis Call I vis Call I vis De Call I vis	and mule	1 62 60 10 10 10 10 10 10 10 10 10 10 10 10 10	祖

(a) Excludes "tails of all kinds," which are returned by value only.

APPENDIX V.

AVERAGE WAGES PAID IN SHANGHAI TO ARTIZANS AND LABOURERS OF VARIOUS CLASSES.

Compiled from returns furnished by a large number of foreign and Chinese employers.

Blacksmiths Boilermakers	\$ Average hours. 0.83 per day 0.85 per day 10
Bricklayers	0 10
Chauffeurs	00 50
Coolies	0 00
Conneremithe	2.93 per week 9
Electricians	39.00 per month 10
Engine-room attendants	29.00 per month 10
Firemen	30.00 per month 9
Fittors	0.73 per day 10
Foremen	1.10 per day 9
Toothor work	38.00 per month 9
	0.80 per day 9
Mafoos (Grooms)	12.00 per month 9
Painters	0.70 per day 81
Plasterers	0.70 per day $8\frac{1}{2}$
Plumbers	0.85 per day 9
Riggers	22.00 per month 9
Sailors	30.00 per month
Semi-skilled labourers	0.45 per day 9
Sheet-metal workers	0.70 per day 9
Stonemasons	0 50
Upholsterers	0.00
Wood workers	0.50
	0.70 per day 9

REPORTS by H.M. Trade Commissioners, Commercial Diplomatic and Consular Officers on commercial and financial conditions in the following countries, issued, or in course of preparation, by the Department of Overseas Trade.

(All prices are net and those in parentheses include postage.)

A.—During the year 1923.

Angola .		1s. 6d. (1s. 7d.)	Japan 2s. 0d. (2s. 2d.)
A		1s. 6d. (1s. 7d.)	Mexico 9d. (10d.)
Australia .		2s. 6d. (2s. 7d.)	Netherlands 2s. 0d. (2s. 1d.)
Austria .		2s. 0d. (2s. 1d.)	Netherlands East Indies
T) 1 -1		2s. 6d (2s. 8d.)	3s. 0d. (3s. 1d.)
D.1		6d. (7d.)	New Zealand 2s. 0d. (2s. 2d.)
0 1		2s. 6d. (2s. 8d.)	Norway 2s. 6d. (2s. 8d.)
(11.11.		2s. 0d. (2s. 1d.)	Panama and Costa Rica
China		1s. 6d. (1s. 7d.)	1s. 0d. (1s. 1d.)
Cuba (for 1922		9d. (10d.)	Paraguay 9d. (10d.)
Cuba (for 1923		1s. 0d. (1s. 1\d.)	Persia 9d. (91d.)
Czecho-Slovak		1s. 6d. (1s. 7d.)	Peru (for 1922) 9d. (10d.)
D		1s. 6d. (1s. 7d.)	Peru (for 1923) 9d. (10d.)
T		1s. 6d. (1s. 7d.)	Poland 1s. 6d. (1s. 7d.)
Paulan		9d. (10d.)	Roumania 2s. 0d. (2s. 1d.)
D		1s. 6d. (1s. 7d.)	Serb-Croat-Slovene Kingdom
77-12		1s. 0d. (1s. 1d.)	1s. 6d. (1s. 7d.)
T2 1 1		2s. 0d. (2s. 1d.)	Siam 1s. 6d. (1s. 7d.)
T.		3s. 6d. (3s. 8d.)	South Africa 1s. 6d. (1s. 7d.)
0		4s. 0d. (4s. 2d.)	Spain 2s. 0d. (2s. 1d.)
0		1s. 6d. (1s. 7d.)	Sweden 2s. 0d. (2s. 1d.)
Honduras, Ni			Switzerland 2s. 6d. (2s. 8d.)
El Salva			Syria 9d. (9\d.)
Guatemal		2s. 0d. (2s. 1d.)	United States of America
**		1s. 6d. (1s. 7d.)	5s. 6d. (5s. 9\d.)
T 1 01:		9d. (10d.)	Uruguay 1s. 0d. (1s. 01d.)
Thales		2s. 0d. (2s. 2d.)	Venezuela 1s. 0d. (1s. 1d.)
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B. - During the year 1924.

Algeria, Tunisia and	1	Japan	(In preparation.)
Tripolitania	. 2s. 6d. (2s. 8d.)	Lithuania	1s. 0d. (1s. $0\frac{1}{2}d$.)
Argentina	. 2s. 0d. (2s. 1d.)	Mexico	1s. 0d. (1s. 1d.)
Austria	1- 07 /1- 77		2s. 0d. (2s. 1d.)
Belgium	0- 01 10- 111		2s. 0d. (2s. 1d.)
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British West Indies	The state of the s		(In preparation.)
Bulgaria		Norway	2s. 0d. (2s. 1d.)
China	. (See cover.)	Poland	1s. 6d. (1s. 7d.)
Colombia	. 1s. 0d. (1s. 1d.)	Portugal	1s. 6d. (1s. 7d.)
Czecho-Slovakia	. 1s. 6d. (1s. 7d.)	Roumania	2s. 0d. (2s. 1d.)
Denmark	. 2s. 0d. (2s. 1d.)	Serb-Croat-Slovene	
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Egypt		Spain	2s. 0d. (2s. 1d.)
Finland		Sweden	1s. 6d. (1s. 7d.)
France	. 6s. 0d. (6s. 3d.)	Switzerland	2s. 6d. (2s. 7d.)
Germany	5s. 0d. (5s. 2d.)	Turkey	1s. 6d. (1s 7d.)
Hungary	1s. 6d. (1s. 7d.)	United States of An	nerica
India	. (In preparation.)		3s. 6d. (3s. 8d.)
74-1-	2s. 6d. (2s. 7d.)	Uruguay	1s. 0d. (1s. 01d.)
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