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CENTRAL INTELLIGENCE AGENCY

REPORT

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INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS

CD NO

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COUNTRY

Crine

DATE OF

SUBJECT

Economic Prade

INFORMATION

1950 - 1951

HOW

Daily newspapers

DATE DIST. 14 Apr 1951

WHERE'

NO. OF PAGES

PUBLISHED

RUBLISHED

Hong Kong, Taihoka, Shanghai, Taiyuan

DATE

PUBLISHED

17 Dec 1950 - 6 Mar 1951

SUPPLEMENT TO

LANGUAGE

Chinese

REPORT NO.

THIS IS UNEVALUATED INFORMATION

SOURCE

Newspapers as indicated.

USSR ORDERS MUCH NORTH CHINA COTTON AND WOOL; CHINA BELIEVED ABLE TO WEATHEP US TRADE BOYCOTT

The Soviet Union is reported to have placed orders in North Oning for the purchase of one million cattles of wool, 100,000 piculs of bristles (1 picul equals 133.33 pounds) and 5 million piculs of raw cetten. The wool is to be shipped to the USSR via the Manchurian railways.

Chinese export goods inspection has heightened confidence abroad in the quality of such exports. Great activity has been ranifested recently in Inner Mongolia - North China trade. All cotton cloth and yarn dealing in Tientsin has been ordered centralized in the cotton cloth exchange.

The people of Shansi have shown only a mild interest in supplementary winter agricultural activities. The farmers' cooperatives are charged with lack of energetic promotion of these activities. Of the goods purchased by the China Domestic Products Company in the Northeast during 1950, 41.9 percent were exported abroad and another 18.6 percer, sent to China Proper.

The South China Foreign Trade Control Bureau has provisionally granted permission for foreign trade by barter. During 1950, South China export trade has been freed from the exactions of the Hong Kong bankers.

Liquid fuels topped the list of China mainland imports during the early months of 1951. Singapore reports indicate that Communist China bought 31.081 tons of Malayan rubber in 1950.

The Central and South China Hide and Fur Company is actively buying all sorts of animal products in the area. The Canton General Merchandise Company has secured large quantities of Northeast

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and East China products to meet local demand. Tung oil shipments from the mainland to Hong Kong rose sharply from 10 to 17 December. Hong Kong trade was very slack in late February. Recent peace rumory have added to the slackness.

The Shanghai Ta Kung Pao of 31 December 1950 indicates that China has ways to ameliorate the effects of the US trade boycott of China.

USSR PLACES BIG ORDERS FOR WOCL, COTTON IN CHINA -- Taihoku, Hsin-sheng Pac, 6 Mar 51

Behind CCF lines (Chung-lien she) /China Union Press? -- A report to this paper from behind enemy /CCF/ lines indicates that the Soviet Union has placed orders with the China Hide and Fur Company and the China Cotton Cloth Company for the purchase in Tientsin and Peiping of one million catties of wool, 100,000 piculs of bristles, and 5 million piculs of raw cotton, the latter to come from the area north of the Yellow River.

The wool is to be shipped by rail to Manchuria for transshipment to the Soviet Union.

TIENTSIN EXPORT INSPECTION CONFERENCE CONVENES -- Hong Kong, Hsing-tao Jih-pao, 3 Mar 51

The recent conference of export goods inspectors held in ffientsin 16 - 20 February was told that confidence in the quality of Chinese exports in foreign markets had been considerably enhanced during the last year as a result of the export inspection service maintained at the port of Tientsin.

Out of 13,917 batches of goods inspected for shipment only 723 batches (5.17 percent) failed to meet the standards. An additional 1,838 batches were tested as a service to dealers and as a check in aiding them to improve their wares.

The following types and quantities of goods were inspected and passed for export in 1950:

Туре

Quantity

Agricultural products	2,266,542	quintal?
Animals, animal products	229,953	quintals
Pelts	8,472,163	
Eggs	74,592,000	
Casings	77,249	strings
Chemicals, vegetable cils,		
seed cake, pharmaceuticals,		
minerals, and salt	1,399,375	quintals

The above figures are about 2.7 times more than for the 9 months from April through December 1949 that the inspection service was functioning.

INNER MONGOLIA-NORTH CHINA TRADE FLOURISHING -- Taiyuan, Shansi Jih-pao, 17 Dec 50

Peiping, 14 December (Hain-hua) -- Following the late November conference of North China and Inner Mongolia government industrial department and bureau heads, great activity has been manifested by the government trading companies, cooperatives, and private traders in meeting the supply-and-demand problems of the urban and rural populations in these areas. Thousands of contracts have been signed for the purchase of crops and sale of large supplies of agricultural implements and consumers' goods.

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Throughout the area, vast numbers of men are feverishly repairing roads, and readying thousands of carts, wheelbarrows, and men and animals for motive power, including several thousand camels in Suiyuan and Chahar provinces. They are being mobilized to transport the best crops in 13 years and the consumers goods required by the farmers who now have a greatly increased purchasing power.

ORDERS CENTRALIZED COTTON CLOTH TRADE -- Shanghai, Hsin-wen Jih-pao, 19 Dec 50

The Bureau of Industry and Commerce of Tientsin City, pursuant to an order of the Tientsin government of 9 November concerning control of cotton cloth trade, has ordered its subsidiary organizations to see that all cotton cloth and cotton yarn deals are made only at the cotton cloth exchange. All traders must register with the exchange.

The purpose of the order is said to be to keep the cotton cloth supply and prices on an even keel.

CALLS TRADE ACTIVITIES IN SHANSI SLOW -- Taiyuan, Shansi Jih-pao, 19 Dec 50

The third report of the Department of Industry of the Shansi provincial government indicates that to date consumer cooperatives have done only one third of the estimated quota of business with the farmers during the period under consideration.

The report attributes this lag to a general lack of interest of the people in supplementary agricultural activities, lack of organization by cooperatives, and failure to spread the idea to more than a few communities.

DOMESTIC PRODUCTS COMPANY INCREASES BUSINESS IN NORTHEAST -- Hong Kong, Hsingtao Jih-pao, 4 Mar 51

Mukden (Correspondence) - During 1950 the China Domestic Products Company handled 17 percent of the supplementary industries production of the Northeast, a gain of 140 percent over the 1949 figure.

The goods purchased in 1950 were distributed as follows:

	Percent
Exports To state-operated industries To China proper General distribution in Northeast	41.9 29.5 18.6 10.0

INSTITUTES EXPORT-IMPORT BARTER IN SOUTH CHINA -- Shanghai, Ta Kung Pao, 24 Dec 50

Canton, 23 Pecember (Special wire) -- The Foreign Trade Control Bureau for South China has provisionally granted permission to South China exportimport companies to carry on barter trade. Each firm engaged in such trade will have to furnish a three-shop joint guarantee.

Import permits may be requested for all goods recognized by the Trade Bureau as essential to domestic needs.

Barter goods imported or exported for the link system fall into two classes, namely: special link goods and essential raw material imports for the manufacture of industrial export goods.

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SOUTH CHINA FOREIGN TRADE RISES IN 1950 -- Shanghai, Hsin-wen Jih-pao, 19 Dec 50

Canton, 18 December (special wire) — The efforts of the government on behalf of South China export trade during 1950 have borne fruit, particularly in changing it from a passive to an active enterprise. It has been delivered from the exactions of Hong Kong bankers. Joint operations by exporters have been established and export prices stabilized and controlled.

Percentage gains in the number of foreign exchange certificates issued during the latter part of the y ar over January 1950 are as follows: July, 497 percent: August, 495; September, 480; October, 524 and November, 483.

LARGE QUANTITIES OF LIQUID FUELS ENTER MAINLAND -- Hong Kong, Hsing-tao Jih-pao, 3 Mar 51

At present the heaviest item of import to the mainland in the South China area is liquid fuels. Since Hong Kong now has an export embargo on these items they are being secured from Macao and transported direct to Canton.

COMMUNIST CHINA BUYS MUCH MALAYAN RUBBER --- Hong Kong, Kung-shang Jih-Pao, 10 Feb 51

AP reports from Singapore indicate that during 1950 Communist China bought 31,081 tons of Malayan rubber as compared with 6,990 tons in 1949. Recently CCP agents have placed orders with Singapore merchants for over 30 million straits dollars' worth of rubber.

HIDE AND FUR COMPANY LUYS BIG STOCKS --- Hong Kong, Hsing-tao Jih-pao, 4 Mar 51

Hankow, 10 February ... The Central and South China Hide and Fur Company has entered the market to buy all sorts of hides and pelts, casings and feathers. The bulk of goatskins come from Honan and Hupeh. The annual production, which is marketed through Hankow, runs from 3 million to 4 million skins. Cowhides and pelts are produced chiefly in Honan, Hunan, Hupeh and Kiangsi, and in lesser quantities in Hopeh, Shantung, and Kwangtung. The total annual output from these areas runs to 50,000 shih tan /I shih tan equals 110 pounds/.

NORTHERN GOODS FLOOD CANTON --- Hong Kong, Hsing-tao Jih-pao, 2 Mar 51

Canton, 1 March ... The Canton General Merchandise Company has secured large shipments of industrial raw materials, communications machine supplies, and consumer goods to meet the local demand. From the Northeast comes sulfur black dyes, from Tientsin glass and steel, bottles, woolen cloth, bedspresds, socks, etc. From Shanghai some first class bicycles.

TUNG OIL SHIPMENTS TO HONG KONG INCREASE --- Hong Kong, Wen-hui Pao, 17 Dec 50

Tung oil shipments from Shanghai, Canton, and Macao to Hong Kong during the week of 10-17 December amounted to 420 tons bulk and 8,875 drums. Other items received included: 2,506 bags of peanuts from Tientsin and Tsingtao, 305 drums of peanut oil from Tientsin, Tsingtao, and Yen-t'ai, and 81 bundles of casings from Tientsin and Shanghai.

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PEACE RUMORS CAUSE TRADE CRISIS IN HONG KONG -- Hong Kong, Hsing-tao Jih-pao, 3 Mar 51

Spokesmen for big business in Hong Kong are quoted as saying that the current peace rumors have resulted in a new slackness in trade, which, on top of the embargo difficulties already experienced, is brewing a real crisis for business in this city.

DISCUSSES CHINA'S FOREIGN TRADE PROSPECT FOR 1951 -- Shanghai, Ta Kung Pao, 31 Dec 50

Although China is faced by an American trade boycott during 1951, the results may not be too catastrophic, for the following reasons:

- 1. Roundabout trade can still be carried on in American goods through other countries in her orbit.
 - 2. China will be self-sufficient in cotton in 1951.
- 3. China has reciprocal trade relations with the four important industrial countries: the USSR, Poland, Czechoslavakia, and Germany. China's trade agreement with them call for her to receive heavy industrial and agricultural equipment, semiprocessed raw materials, chemicals, locomotives, and trucks. China will supply them with vegetable oil, raw materials, leather, tungsten, lead, will supply them with vegetable oil, raw materials, leather, tungsten, lead, mercury, mica, asbestos, hemp, silk, bristles, turpentine, foodstuffs, tea, eggs, and other animal products. The exchange of these goods is already in process. With countries where China lacks foreign exchange she is making barter agreements.

PROHIBITS EXPORT OF WASTE COTTON AND YARN - Shanghai, Hsin-wen Jih-pao, 19 Dec 50

Tre Shanghai Foreign Trade Control Bureau has prohibited the export of waste cotton and waste cotton yarn as of 3 December.

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