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CENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT**

COUNTRY China

DATE DISTR. 21 October 1953

SUBJECT Shortages of Peanut Oil and Alcohol in Canton

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SUPPLEMENT TO  
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1. Consumer goods began disappearing from the market in June 1953 as a result of many mergers of small factories in Canton under government supervision. Many analysts attribute the shortages to temporary cessation of production, others to hoarding, and still others to government control. The real cause is for the moment hard to determine. Perhaps the causes vary from case to case, depending on the nature of the shortage.
2. Peanut oil has been placed under government control all over Kwangtung Province since the middle of March 1953.
  - a. Cause -- [redacted] it has been reported that the Soviet Government has added peanut oil to its list of "wanted" products from China.
  - b. Regulations in Canton
    - (1) inventory of existing supplies in wholesale and retail stores
    - (2) prohibition of "home brewing" of peanut oil
    - (3) rationing of peanut oil - one-half catty per head each month
  - c. More acute shortage since July 1953:
    - (1) Price rise - from 60¢ HK (US 10¢) per catty in March 1953 to HK\$ 1.20 (US 20¢) in July 1953
    - (2) Tightening of rationing - one-half catty per couple each month
    - (3) Deterioration of quality - dark brown in color and offensive in taste
    - (4) Limited supply - almost no Manchurian peanut oil in Canton in the last two years (1952 and 1953).
3. Alcohol, an item monopolized in its sale and distribution by government agencies since January 1953 was unavailable in August 1953 to civilian hospitals, health stations, drug stores, drug factories, and medical practitioners. This shortage has been felt especially in Canton, Kongmoon, and Toishan. Many protests have been received by the Provincial People's Government and an investigation has been promised. No details are available yet.

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