Current Far Eastern Trade Conditions Based on Cables from U. S. Foreign Commerce Officers

China. Building in China is active, especially of public utilities in principal cities, and progress along industrial, agricultural and educational lines is noteworthy. Tarffic is renewed on the Peiping-Hankow railway, after floods on the first 7 months of the year fall below these imports imports are also off a bit, but up a bit are petroleum products, sulphate of ammonia, printing paper and timed plate imports.

The advance in commodity prices is overcoming the advantage of the lower exchange of the American dollar on the import market. The wheat crop is estimated at 10 per cent above last year with result that lower imports of foreign wheat are anticipated. The rice crop is also expected to approximate last year's large yield while an average cotton crop is estimated. Tobacco acreage increased. The six monthe' foreign trade declined compared with the same

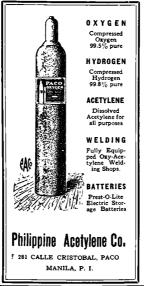


period in 1932 with American trade holding first place and accounting for 20 per cent of imports and 18 per cent of exposts. The improved political situation in North and West China is expected to react favorably on economic development of the entire area north of the Yangtze River.

The crop outlook is generally good with the exception of the North China oction crop, reports on which are conflicting with dealers anticipating a decline from last year to the extent of 15 or 20 per cent and other sources estimating a decline of thirty per cent. American goods are recovering their position in the China market owing to more favorable exchange but firms carrying considerable stocks suffer temporarily with the progressive decrease in the value of United States dollars in terms of Chinese currency. The Shanghta building program continues active.

The five per cent curtoms revenue surtax has been ordered continued for another year beginning July 1. Shaughai hankers have loaned \$500,000 in local currency to the Human provincial government for reconstruction, road building and telephone projects. Thirty technical experts of the Rural Rehabilitating Commission including American agricultural advisors are conferring over methods for improving China's major erops.

Tokyo, Japan. August exports from Japan were 34 per cent above the same month last year and imports showed an increase of 79 per cent in comparison. The largest export increases were in raw silk, cottoń fabries, canned goods and machinery items. Import increases were principally due to raw cotton, iron and steel, wool and ammonia. The balance of trade which is unfavorable to Japan for the first eight months of 1933 totalled 116,000,000 yen. Bond issues during the month under review were heavy. Postal savings declined from July but the number of depositors increased. Sales of Soviet gasoline were disrupting the oil industry.



Practically all September business activities were seasonally dull with imports, particularl from the United States, adversely affected by uncertain exchange developments. Regil price were upward in July and expected to advance under or adult buttoes whome year. Allowing the continues. With better cocoon prices, a prof of two yen per kwan of about enth pounds :expected during the year by raisers but the probable benchist may be offset by a drop in ricprices. The rice stock is unusually heavy any ubstantial surplus is crepted at the first contract placed in October, lass year, has arrives causing a decline in retail syndicate oriee.

Business conditions in Japan during the wee ending September 30. General business we returnerse scoept for exchange, fluctuationwhich reflected an erratic stock market and weak bond prices. The money market was essy anotherse by convergence of the statistical prior. Tor August davanced but wholesale prices daclined slightly. September exports increases: compared with the same month last year theretereducing the unfavorable trade balance for the first ten months of this year. China's share in purchases of Japanese exports is declining, offsuby a proportional gain in Manchuria's share of this trade.

Import ordering is impeded by exchange uncertainties. Retail commodity prices during July were slightly lower than June but wholesal, prices were somewhat higher. The cottoindustry during the first half year was quiactive, consuming 709,000,000 pounds wer bought from the United States and 22(J00,00° from India. July exports were below Jur but imports were higher with the favorab balance lower. Automotive trade was actidoring July with the outlook better and demanfor parts and other automotive equipmetencouraging.

The commodity and security markets weal ened with the recent collapse of the New Yo. stock market but declining yen tended to equalib lesses. Exports during the first six moths : the current year increased 31 per cent over U funding of the year with the per other to the transtion of rice wear. Total imports advance 27 per cent. Importers are at present with holding orders pending the possible advance exchange rates. Commodity prices in Tokyo have been advancing since July 1 with the excetion of rice which is low due to heavy stock at 400,000 pounds, an increase of three per cet

over last year. Soigon The paddy market has been we' sustained by small arrivals, the reserve of selle and good demand from France for rice. Price of of white rice are approaching levels of a year ag Other buyers are turning to Siam and Burn but activity from France is sustaining the Saigo market. Total exports of rice from Saigon 1 the first six months of 1933 amounted to 784,0metric tons compared to 631,000 last year.

Singapore. The business outlook is improving as a result of better prices for rubber and importers are ordering in anticipation of increase purchasing power. Demand for American goo 's has been curtailed by the recent price increase offsetting the more layorable exchange positio-Busings: attention is focused on the Unit

Business attention is focused on the Unit of States Recovery program with general outlow hopeful and interest in American products cotinuing. Itising and fluctuating prices in t United States are reported to be impeding import

thunk. Itsing and nictuating prices in to United States are reported to be impeding impor-Bolanda. The uncertainty caused by ethe lower value of United States dollars is heling importers of American goods. The genes business sectioner has improved with the nubbatin and tea prices. Heavy Japanese competiticontinues.

The steadying dollar exchange at a deprecistion of approximately 25 per cent is stimulating immediate business, and the export situating may be characterized as slightly better. The government is proposing the enforcement of the import quota system.