

PAPER REQUIREMENTS.

There would appear to be a good opening in South China for the sale of Canadian paper of various kinds. Formerly the bulk of the supplies imported into Hong Kong came from Norway and Sweden, while the United Kingdom shipped good quality stationery, office papers and newsprint for the use of locally-established European journals. Since the outbreak of the war the Japanese mills have been endeavouring to take full advantage of the difficulty of obtaining supplies from Europe by shipping large quantities of paper to South China. Japanese paper is manufactured to a great extent from Norwegian and Canadian pulp. Complaints are being made as to the quality of Japanese papers and buyers are reported to be dissatisfied.

The greater part of the business in paper with Hong Kong is done in writing papers of the kind used by the Chinese and suitable for their particular style of writing. This Chinese stationery is a special kind of paper of an inferior grade, somewhat below that of the better class of newsprint used in Canada. This paper is now supplied in large quantities by Japan. There is a large trade also in another kind of paper especially made for the Far East and which is dyed a red colour and used for a variety of decorative purposes. Visitors in China will recollect having seen the strips of red paper bearing Chinese ideographs, which are found in nearly every house and shop. The demand for this paper was formerly catered to by Scandinavian mills, but now Japan is able to fill most of the requirements. The spread of education in South China has led to a great increase in the number and size of daily newspapers in the Chinese language. These journals are printed on newsprint paper of a very cheap grade. Samples of the newsprint and other kinds of paper used in South China have been forwarded to the Department of Trade and Commerce, Ottawa, where they may be seen on application.

The import of good quality newsprint is limited to the requirements of the few foreign journals established at Hong Kong. There is also a limited trade in good quality stationery, foolscap and other office papers for use among the foreign business houses. During the war Japan has been able to occupy the place of chief supplier of these papers which were formerly obtained from Scandinavia and Great Britain. Canadian mills should not only be able to compete in supplying the limited demand for good quality papers, but should also be able to cater to the special requirements of paper for use among the Chinese as outlined above. One importer at Canton reported that they had obtained samples from Canada, but that the quality of the paper was too good for the South China trade. Another importer at Hong Kong stated that the prices of Canadian good quality papers were too high. The complaint was also made that the Canadian firms were too inelastic as regards terms. The Chinese dealers do not want fixed prices; they must have discounts or they won't do business. Canadian mills should carefully investigate the possibilities for their doing business with South China, since this market offers a steady outlet for cheap grade paper of a special kind and a limited sale for papers of better quality.

MARKET FOR CANNED PROVISIONS.

Canadian firms should be able to do some business with Hong Kong in various provision lines such as canned fruits and vegetables, jams, biscuits, tinned butter, dried, salted and canned fish, and tinned milk. At the present time Australia is doing a large trade in most of these articles and is the principal supplier for canned fruits and vegetables, jams and tinned butter. Canned fruits and vegetables are also imported to a large extent from California. Pickles