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"Taxes and accessories business will
remain high in American prices again for
Japanese lines. Increasing sales of surplus
Central Government principally for
made in which American lines are
competition.

China

January 27, 1937

Mr. George E. Quisenberry, Editor,
American Automobile (Overseas Edition),
330 West 42nd Street,
New York, N. Y.

27-c

Dear Mr. Quisenberry:

The following is the transcript of a radio message received from
our Shanghai Office:

"1. Estimates from 32 out of 49 reporting areas show total
passenger cars 30,825, decrease of less than 1 percent. Total
motor busses 6,109 or increase 14.4 percent; total motor trucks
8,597, an increase of 27.3 percent; Estimates for such large
centers as Dairen, Mukden, Nanking, Hong Kong, and Chekaing
Province areas not yet available.

"2. Present data too fragmentary to radio.

"3. Motor vehicle operation as distinct from registration
believed to have somewhat increased during 1936, principally
in truck and motorcycle category for military purposes. Passen-
ger cars static.

"4. Total tax figure extraordinarily difficult to obtain
and for many reasons impossible to secure. Preliminary data
from nine areas aggregates \$617,824 U.S.

"5. Outlook for 1937 favorable due to improved economic
conditions occasioned by bumper crops, stabilized currency,
and general return of public confidence. Prospect sales of
American motor vehicles greatly clouded by Pacific Coast
shipping tie-up and strike in automotive industry. China
passenger car market definitely remains low-priced car field.
Stocks both new and used cars and trucks unusually low with
actual shortage several lines. Development of roads within
the past three years materially in advance imports of auto-
motive units. Market could absorb hundreds of truck chassis
for bus purposes and transportation needs but lack of funds
restricts trade.

DEPARTMENT OF COMMERCE

"Parts and accessories business outlook good though recent rise in American prices again favors German and Japanese lines. Increasing sales of garage equipment to Central Government principally for military purposes being made in which American lines are experiencing stiff German competition.

"Detailed preliminary report being mailed January 28, due to arrive Washington about February 20."

Very truly yours,

I. H. Taylor, Acting Chief,
Automotive-Aeronautics Trade Division

PHM:ESR

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Commercial Office

January 28, 1942 (Distribution point)