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July 11, 1934.

Subject: "AUTOMOTIVE MARKET SURVEY" -- Quarter ending June 30, 1934
(Questionnaire 321)

Submitted by: A. Viola Smith, Trade Commissioner.

BUREAU OF FOREIGN AND
DOMESTIC COMMERCE
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GENERAL ECONOMIC TRENDS:

Shanghai dealers have since the beginning of the year been in the tantalizing position of seeing a favorable China demand dissipated by certain economic situations in America. The Pacific Coast longshoremen's strike following upon the heels of the tie-up in the American automotive industry has left many dealers short of stock and in some instances in very embarrassing positions. Considerable loss has been entailed in some instances due to cancellation of contracts by buyers owing to dealers' inability to make deliveries; in other instances good orders for new business have been lost.

Although general import lines have been in the doldrums, automotive inquiries have been brisk, due to strengthening of silver currency in relation to United States dollar, thereby making it possible for the automotive buyer to purchase at lower prices than have ruled for several years past; and replacement opportunities afforded European car owners to secure roomier and more attractive American models at more favorable prices.

A protracted heat wave has brought about drought conditions in several sections of Northern and Central China, and unless soon broken, the agricultural masses will severely suffer from the loss of their crops. This will have a marked effect upon revenues of interior bus line services.

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SALES AND IMPORT TRENDS:

Imports into China proper during the first five months of 1934 have shown a marked increase as compared with the same period last year. Passenger car imports total 1518 units, of which 1308 were from America, and 1208 through the port of Shanghai, as against 1023 units during first five months of 1933. Motor truck imports show even greater advances, a total of 1406 units, of which 1358 were from the United States of America, and 1077 imported through Shanghai, compared with 601 units during the same period last year. Imports of parts and accessories are slightly below last year.

Registrations of "brand new" vehicles in the International Settlement at Shanghai for the first six months of 1934 total 514 units composed of 378 passenger cars and 136 trucks, compared with 415 units during the same period last year comprising 324 passenger cars and 89 trucks.

Newly registered motor cars and trucks in Nanking during the first five months of the year total 209 units. No comparative figures are available for the same period last year.

Sales have stood up well though dealers have been handicapped greatly by non-deliveries from America. Stocks of American models are short, and unless the Pacific Coast longshoremen's strike is settled within the near future, a number of dealers fear they will be loaded up with 1934 models late in the year, when they ought to have 1935 models for display.

TAXICABS:

Taxicabs do not exist, instead the ordinary 4 door sedan type of car is used by hire car companies for taxi service. Twenty-five new 8 cylinder low-priced American cars were added to the fleet of the leading

American hire car company in Shanghai during the quarter. (1) Hire car services have extended their operations from the city confines of Shanghai, to such outlying districts as Chapoo and Hangchow, the latter being 130 miles distant.

PASSENGER CARS:

The China market is predominantly for low-priced 4 door Sedan type passenger cars. Only a slight market exists for medium-priced cars, with high priced models limited to but occasional sales. Coupe type is popular to some extent with private owner-drivers for city purposes, but because of the relative cheapness of labor costs, Chinese chauffeurs are extensively used, and sedans are preferred for chauffeur-driven vehicles. Touring cars find practically no market at the present time. Slight market exists for other special types to meet individual tastes.

American six-cylinder 4 door sedan passenger cars are selling in the Shanghai market at prices lower than European 4 cylinder saloon types can be purchased by dealers. The rise in silver exchange some months ago, placed American cars again in the lead in this market. (2)

Radio-equipped passenger cars do not find a ready market owing to the difficulty of importation. For some years now the National Government has had an embargo on radios of all kinds, and same can be imported only under a special permit form known as a "Huchao", secured from Nanking. Dealers importing radio-equipped passenger cars, must unbox such cars at Customs sheds in Shanghai, remove the radio, and leave it in bond until such time as the special permit is received from Nanking. It sometimes requires three weeks or more to secure such permit. Dealers for the most part consider that too much trouble is involved in importing standard radio-equipped passenger cars.

USED CARS:

Used car stocks are probably the lowest they have been within the past two years. This is attributable to the cheaper price which used cars are commanding in terms of local currency, and also to demand from such outport centers as Nanking, Hangchow, Tsingtao etcetera. Small dealers, especially in Nanking and Hangchow, have adopted recently the practice of coming to the Shanghai market, purchasing real values in used cars, and driving them away over the new highways connecting these cities.

MOTOR TRUCKS:

Motor truck imports consist entirely of truck chassis, owing to local conditions which make the building of bodies thereupon much cheaper, as well as a differential in the import tariff schedule. Motor trucking services have been extending in such large industrial centers as Shanghai, but for the most part have not been utilized in the interior of China, except for military operations. A new trend in this respect, has however, recently been observable in Chekiang Province where the highway administration is conducting a cargo trucking service. Another new departure is that of Shanghai trucking companies despatching cargo from Shanghai to Hangchow over the new highway. Formerly this highway had been used exclusively by bus and private motorists.

In Hunan Province where the provincial highway authorities have been operating a special cargo trucking service with 3-ton American trucks, twenty-eight 5-ton American trucks (3) are reported to have been delivered during 1934 against an order placed the latter part of 1933. The use of heavier trucks in the interior is an entirely new feature in the trade.

and small fleet orders, but no outstanding business was reported during the quarter.

The 550 American trucks (4) purchased by the Chinese Government during March, arrived in Shanghai about the middle of the present quarter. One hundred and fifty are reported to have been shipped to General Chiang Kai-Shek's headquarters in Kiangsi Province, and another 25 units to Fukien Province. The remainder are stored at Shanghai wharves.

MOTOR BUSES:

This trade is chiefly confined to $1\frac{1}{2}$ - $2\frac{1}{2}$ ton imported motor truck chassis upon which bodies are built locally to meet individual requirements. Heavier units are in use by the bus services in the International Settlement at Shanghai, and in Hong Kong and Kowloon, but these are mainly of British Manufacture. Chinese motor bus services until the past year have mainly used $1\frac{1}{2}$ - 2 ton truck chassis, but a slight tendency has been noted recently upon the part of provincial highway departments to give consideration to heavier trucks. For the most part these have not exceeded $2\frac{1}{2}$ tonners as the low surface type of roads will not stand up under heavier weights.

The City Government of Greater Shanghai inaugurated its new bus terminal depot during June in the Nantao area of Shanghai. It has since April successfully operated the new service in the Nantao area formerly operated by private interests. Sixteen American 2-ton trucks (5) with locally built bodies furnish the equipment for this service.

Chinese bus line services are continuously seeking a cheaper means of fuel than imported gasoline, which at the present time is retailing in Shanghai at Yuan \$0.86 per American gallon. Of this price the sum

of 47 cents alone is accounted for by import duties, surtaxes, wharfage and conservancy dues. When gasoline reaches the interior parts of China it not infrequently sells as high as Yuan \$5. to \$6. per gallon. German-Diesel engined truck chassis have been purchased to a considerable extent within the past year by certain bus lines. It is reported that upwards of 60 of these diesel-engined busses are operating in Central, Northern and Southern China. In Shanghai, the British bus company controlling the sole franchise for the International Settlement is operating 96 British Diesel-engined busses out of a fleet of 164 vehicles, with plans under way for converting their entire fleet.

Numerous experiments have been made in the interior in the operation of charcoal operated trucks and busses. Charcoal operated trucks have recently been noted on the streets of Shanghai.

The Bureau of Construction of the Hunan Provincial Government has announced plans for the erection of an Alcohol Factory at Changsha within the next three months, with a capitalization of Yuan \$300,000. In this connection a motor truck with alcohol adapter will be built by the mechanical expert of the Hunan Bureau of Construction, as an experiment in utilizing alcohol fuel for operating motor vehicles.

The National Economic Council has recently appropriated Yuan \$60,000 for research purposes for motor fuel substitutes.

MOTOR CYCLES:

Individual users continue to favor light type British models which are predominant in the China market. Military and government authorities to some extent have adopted high-powered American models. Individual sales have been stagnant, while although inquiries from Governmental sources have been received, no particular business has been

reported as consummated. The trade is characterized as being particularly featureless, if not dead at the present time.

A Shanghai garage furnishing a road petrol service to members of the Automobile Club of China, placed two high powered American (6) motorcycles, with special side car service units, into operation during the quarter. These units are being especially used for patrol service over week ends on the Shanghai-Hangchow highway.

SERVICE AND GARAGE EQUIPMENT:

The introduction of such equipment into China has been carried on by manufacturers' representatives for a number of years past, with but little result for the amount of effort expended. Certain installations in three of the large foreign garages, and in a few of the oil company service stations in Shanghai have begun to bear fruit to the extent of consumer's taking an interest in the possibilities of such equipment. Recently some of the small Chinese garages have evinced an interest in small air pressure lubricating outfits. Perhaps the healthiest sign to have been noted has been the inquiries from military authorities for such equipment. It appears that some unknown stimulus for better conditioning and servicing of military motor vehicles has occurred. A number of local dealers have placed indent orders for American equipment. Distributors are loathe however, to stock anything in the way of service and garage equipment. They feel that such equipment is too expensive and bulky, that there is relatively very little profit on such investment, and that the present demand from military sources may soon be exhausted and that there is at present insufficient demand from commercial users of such equipment to justify stocking.

While a gradual but very slow awakening to the merits of service and garage equipment may be noted, the demand is scattered. The disinclination of distributors to carry stocks, not infrequently lessens the enthusiasm for such equipment when purchasers find that it will take upwards of 3 to 4 months to indent such cargo. Practically the only items of garage equipment which are at present being stocked at Shanghai in very limited way are a few automobile garage jacks; oil buckets and small high pressure lubricating sets. Such articles as cranes, hoists, lifts, automatic greasing guns, dollies, can not be purchased locally even at a premium as none are stocked. Small stocks of automotive reamers for which a very limited sale exists are available. Automotive wrenches of various types and sizes are stocked, for which there is a steady demand.

An American automotive dealer at Shanghai put into operation during the quarter a specially built and equipped motor truck, particularly for wrecking and road service on the outside roads. (7) This "Blitz" truck is equipped with an American (8) single swinging boom crane.

The Chekiang Highway Administration has plans under way for building four motor trucks equipped with cranes and supplies for road service. The Inter-Provincial Traffic Commission, has purchased a second hand American $1\frac{1}{2}$ ton truck, which it expects to equip with crane, and put into road service on the provincial highways. Both these governmental authorities have recently been in the Shanghai market in an effort to purchase cranes from stock, but without success. It is reported that the Chekiang authorities will endeavor to have cranes built locally.

ACCESSORIES:

The market for accessories is very limited. It should be remembered that there are only some 50,000 motor vehicles in the whole of China, including Hong Kong and Manchuria. Furthermore, that all American

passenger cars entering the market come fully equipped from factory, hence accessory business is restricted to replacements. Again, owing to the lack of connecting roads, motor touring has not been possible until within the last year. The impetus given motor travel by the opening of new roads in the Shanghai area may possibly create a slightly greater future demand for accessories than has existed heretofore.

Combination Ash Receivers and Cigar Lighters: small business is done;

Chains, tire (sets): Limited to interior demands from bus companies, chains suitable for $1\frac{1}{2}$ ton trucks chiefly in demand.

Heaters: Nil

Horns: Electric and hand operated. Considerable steady business.

Baggage Carriers: Nil

Automobile Jacks: Steady business;

Lamps: Illuminating and signal. Stop and tail combination lights have a ready market, owing to the regulations which require that cars must be equipped with two tail lights, so that one may be over both the license of the Foreign Concession, and of the Chinese area.

Tire Locks: Nil

Motor-heat Indications: Very small, practically nil.

Radiator Ornaments: Very small business, one Chinese firm of retailers makes a specialty of carrying these.

Radiator Shutters and Covers: Nil. No stocks of shutters are carried, in fact it is impossible to get parts for repairing the shutter diaphragm. Radiator covers are made by local tailors from imported fabrics.

Taximeters: Nil.

Tire Pumps: Good demand, chiefly from interior bus lines.

Tire Covers: No demand.

Windshield Visors and Wings: No demand.

Windshield Cleaners: Good sale for automatic air type wipers.

Air Cleaners: Practically no demand.

Dash Clocks: Small demand but no volume of sales.

Radiator Cap and Heat Indicator Locks: Considerable demand for radiator and gasoline tank locks, but not for heat indicators.

Horns: Good demand.

Bumpers: Not stocked. Absolutely no demand.

Mirrors: Small business done for replacements in passenger cars.

Considerable business done in very cheap mirrors which are installed upon trucks to meet local traffic regulations.

Stock Absorbers: Demand limited only to replacement parts. Very small demand.

Oil Purifying Devices: Small demand.

Tire Pressure Gauges: Considerable demand.

Radiator Grills: Nil.

Tire Covers: (Fabric or metal) Nil.

Seat covers: No opportunities for imported seat covers, as local tailors make these up from both imported and locally made fabrics at much cheaper prices.

Indicators: English and German pointer indicators of inexpensive type have been moving for installation on motor trucks.

There are no statistics available indicating the extent of imports on individual accessories. Customs figures lump both accessories and replacement parts together. The above information is given to indicate the general

trend for specific accessories, based upon the experience of one of the largest automotive accessory dealers in Shanghai.

REPLACEMENT PARTS:

Business during the quarter has been slow both from standpoint of interior purchases and Shanghai buyers. Imports into China of Parts and Accessories during the first five months of 1934 decreased by Gold Units 8,064. (Approximately U.S.\$5,464.) compared with the same period during 1933. Of the total importations during 1934, the United States supplied Gold Units 274,431 (U.S.\$185,953.) and the port of Shanghai accounted for Gold Units 229,388. of the total trade.

The following information is furnished as giving an indication of the trend of demand for certain items, as the customs figures do not separately classify these commodities:

Bearings, ball, roller, bronze: A considerable demand for these parts, chiefly supplied by German, Swiss and Italian manufacturers. American lines are too high for local trade and can not meet European competition.

Belts for fans, pumps, etc.: Good demand chiefly supplied from U.S.A.

Bushing: Ditto

Carburetors: Ditto

Chains, drive: Ditto

Fans: Demand limited to Chevrolet and Ford types.

Radiators & Radiator Parts: Demand chiefly for Chevrolet, Ford and Dodge trucks.

Shims: Good demand, but aggregate business very small.

Gaskets (copper, asbestos, cork): Considerable volume of business.

Ignition Cable: Large volume of business for this market, but competition from Europe, especially Italy, and from Japan, severely felt by American makes.

Valves, Motor: Fair demand.

Pistons: Probably the biggest demand for any replacement part is that for pistons. Two or three local manufacturers are affording a certain amount of competition being offered at 50% under American goods, but the sterling qualities of American products in this line continues. Buyers learn from experience that American pistons are the most economical in the long run.

Piston Pins and Rings: Big demand, mostly furnished by U.S.A., none made locally.

Timing Gears (fabric and metal): Very small demand supplied entirely from U.S.A.

Spark Plugs: Large demand, about 90% of trade in hands of American makes.

Starting, Lighting and Ignition Equipment: Big demand for replacements in this line, but stiff competition from European and Japanese makes.

Chassis Parts:

Axle Shafts: Good business, considerable stock carried.

Ball and Socket Joints: Small demand.

Brake Assemblies: No demand other than for parts thereof.

Brake Lining: Large demand, but competition of the stiffest kind, mostly from Germany and Japan.

Clutch Linings: ditto

Rims and Rim Parts: Demand chiefly from interior, small.

Differential Assemblies: Demand limited to parts thereof.

Fenders: No demand, usually made locally when needed.

Frames: Ditto

Hoods: Ditto

Lamp Bulbs: Considerable demand but entirely supplied by local manufacturers, as import duties too high.

Lubricating Systems, and parts for Chassis: Demand chiefly for small hand grease guns.

Springs and Leaves, Chassis: Formerly no demand existed for imported springs and leaves owing to high prices; local products were made as occasion required. A noticeable departure in this respect has been the tendency in recent months of military authorities and highway officials stipulating American imported springs and leaves.

Steering Apparatus and Parts: Very small demand.

Drive Shafts: Fair demand.

Dash Instruments: (Ammeters, gas and oil gauges) Fair demand

Tie Rods: Considerable demand but chiefly for old models Chevrolet and Ford types.

Transmission Gears & Pinions: Large demand.

Transmission Lining: Demand entirely for Model "T" Fords, for which there is now only a very few operating.

Tubing for Gasoline or Oil, flexible and copper: New model cars have somewhat accelerated the demand for this item.

Speedometers: Small demand.

Universal Joints and Parts: Considerable demand.

Wheels and Wheel Parts: Demand chiefly for replacements on Chevrolet cars and trucks in interior districts.

Body Parts:

Body complete: No market. In fact, bodies for passenger cars are not infrequently made by hand; all motor bus bodies are built locally.

Body Hardware: Only cheapest types used, and these are usually made locally though some very cheap European hardware comes in.

Window Regulators: No demand.

Glass, Windshield and Window: Fair demand.

Tops and Bows: All made locally.

Top Materials: Considerable demand for imported fabrics, chiefly from U.S.A.

Curtain Fasteners: Considerable demand for American fasteners, though local production now by two companies in Shanghai is offering competition.

Floor Covering: Very little demand.

Military and highway authorities who have organized their service operations on a systematic basis, usually submit specifications for their requirements to Shanghai dealers quarterly. Many interior bus line services are slow to realize the necessity of purchasing spare parts ahead of time. One "classic story" has been prevalent in automotive circles recently of an order for a fleet of British busses, where the bus company insisted upon purchasing two extra truck chassis to be utilized for spare parts rather than to place an order for individual spares. Some Shanghai dealers appear to have been somewhat hesitant in stocking parts for 1934 models, preferring to conduct such business on an indent basis as occasion demanded.

REGISTRATIONS:

Newly registered motor cars and trucks in Nanking during 1934, furnished by Consul General Willys R. Peck, based upon data from the Public Works Department of the Nanking Municipal Government total as follows:

	1934	1934	1934	1934	1934	
Austin	--	1	1	2	1	5
Beacon	1	--	--	--	--	1
Bedford	1	--	--	3	--	4
Buick	4	2	1	2	2	11
Cadillac	1	--	--	--	--	1
Chevrolet	8	1	6	8	5	26
Chrysler	1	1	--	--	--	2
Citroen	1	--	--	--	1	2
Commet	1	--	--	--	--	1
Continental	--	--	1	--	--	1
De Soto	1	1	1	--	--	3
Diamond T	1	--	--	2	2	5
Dodge	3	--	2	7	10	22
Erskine	1	--	--	--	--	1
Essex	1	1	--	1	--	3
Federal	--	3	1	2	--	6
Fiat	1	--	1	1	--	3
Ford	11	6	4	22	8	51
G.M.C.	--	1	--	--	1	2
Graham-Paige	1	--	--	--	--	1
International	--	--	--	1	--	1
Morris	1	--	--	2	1	4
Nash	2	1	1	4	--	8
Oldsmobile	--	--	--	--	2	2
Opel	1	--	--	--	--	1
Overland	1	--	--	1	--	2
Peugeot	--	--	--	--	1	1
Plymouth	--	--	--	--	2	2
Packard	--	1	1	--	--	2
Pontiac	--	1	--	--	1	2
Rugby	1	--	1	1	--	3
Reo	--	--	--	--	1	1
Studebaker	4	2	3	5	6	20
Stewart	--	--	--	1	2	3
Terraplane	--	--	--	1	--	1
Whippet	2	--	--	--	1	3
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TOTAL	50	22	24	66	47	209

TAXATION:

An administrative ruling made by the Chinese Maritime Customs on May 24th whereby, effective July 1, 1934, the treatment of duty-paid motor vehicles for export to coastwise and interior points, would be changed, has caused considerable concern to a number of Shanghai importers of knocked down motor truck units. The Customs's ruling states:

"Whereas it has been the practice of this office to issue Passes for duty-paid Motor cars, enabling these to be re-shipped coastwise without further payment of duty, it is noticed that motor car importers are landing cars in a broken down condition, assembling them subsequent to payment of duty. Seeing that in November 1932, the Government promulgated special bonding regulations in connection with the assembly of automobiles in bond, the issue of passes for cars imported in an incomplete condition and subsequently assembled locally is contrary to established practice. The privilege of re-exporting cars coastwise free of duty can be given only to such cars as are re-exported in the condition in which they arrive, that is to say, when they are imported complete. Importers of course have the option of assembling in bond (see Bonding Regulations or "Customs Code of Procedure", pp. 56-59), but you are hereby notified that on and after July 1st, 1934, Customs passes will not be issued for motor cars unless these are imported complete and that cars (of all kinds) assembled locally after release from the Customs will be subject to payment of interport duty if reshipped coastwise."

The ruling is predicated upon the policy that goods imported into one China port can not be re-exported to another China port duty free, unless exported in the original packing, or change of packing done in bond. The ruling will have no material effect upon passenger cars as these vehicles have been imported as complete jobs. While the Customs circular refers entirely to "motor cars" and nowhere mentions "motor trucks" one importer of American trucks when endeavoring to clear a shipment found that the ruling was to be construed to trucks after July 1st. It has been customary for many importers and distributors to import motor trucks in a knocked down condition and to assemble the units in Shanghai, build local bodies thereupon, and then ship to interior points. This method of importing motor truck chassis has meant a considerable saving in freight (estimated at 50%),

that there will be but two alternatives: (1) Assemble in bond, or (2) import assembled trucks, as the market is too small to make it practical to assemble in bond under the existing bonding fees and regulations. Either of these alternatives will mean that in re-exporting motor truck chassis from Shanghai to other China ports that these vehicles will be obliged to stand an interport export duty of $7\frac{1}{2}$ per cent.

Another Customs notification (No. 1363) which has somewhat disturbed some automotive importers is the following:

"The public is hereby notified that, in accordance with Government instructions, the following rulings will in future govern the re-export of foreign goods:

- (1) Foreign goods for which satisfactory proof of import has been produced will be treated as retaining their duty-free re-export privilege for a period of ten years from the date of their original importation, but thereafter they will be treated as native goods and will pay export duty when shipped abroad and interport duty when moved coastwise.
- (2) The same duty treatment, irrespective of the time factor, will be accorded to foreign goods in regard to which particulars of importation are not traceable, and so long as the Customs are satisfied with the explanation advanced regarding the non-traceability of the particulars of importation.

Merchants who desire to avail themselves of this ten years' limit of duty-free re-export privilege for their duty-paid foreign imports should take re-export passes and make sure of preserving full particulars of such importations so that identification, to the satisfaction of the Customs, can be readily established when duty-free re-export within the ten years' limit is required."

For those distributors who are bringing in parts in large volume in order to service their local dealers, such a ruling is a serious handicap. It is

naturally impractical to issue at time duty is paid a separate sub-pass covering each individual spare part that is imported. This would mean, for example, that if a distributor imported a case containing one hundred pistons, they would have to have one hundred sub-passes issued covering these pistons, so that later if they wished to ship them to another port in China that they could produce the passes as evidence of payment of duty, or they would have to apply for one sub-pass showing total quantity, and would have to check off against this total any subsequent shipments to other ports. This would mean that a tremendous amount of detail work would be involved, and it would not be practicable as some distributors import thousands of different items of spare parts and the number of sub-passes would be multiplied accordingly.

Representations have been made to the Customs authorities by Shanghai automotive interests in the hopes of securing a modification of both these rulings.

The City Government of Greater Shanghai which controls the Chinese area has secured the sanction of the Legislative Yuan of the National Government to float a Yuan \$3,500,000 loan for reconstruction purposes. This loan is expected to be floated at 98 bearing 7% interest and be redeemed within twelve years' time. The income derived from the licence tax on motor cars and trucks, motor cycles and bicycles is to be earmarked by the City Government as the sinking fund of the loan. Of the total proceeds, Yuan \$1,000,000. will be for the construction of a Stadium and Swimming Pool; Yuan \$500,000. for Library and Yuan \$500,000. for Museum; the balance for the improvement of roads, and bridges, all of which will be constructed in connection with the development of the new Civic Center project of the municipality at Kiangwan, Shanghai.

Council, the governing body of the International Settlement of Shanghai, during 1933, totalled Taels 729,030 (U.S.\$340,214.) representing by far the largest of any fees next to privately owned rickshaws which contributed Taels 282,544 in license fees into the municipal coffers.

Average Number Vehicles Issued per Licensing Term:

	<u>Cars and Trucks</u>	<u>Cycles</u>
1924	3452	
1925	4010	
1926	4792	
1927	5328	
1928	5649	
1929	6472	
1930	6896	733
1931	7539	747
1932	8073	815
1933	8450	717

Motor vehicle registrations at the end of December 31, 1933, totalled:

	<u>1933</u>	<u>1932</u>
Private Cars	6092	5720
Public Cars	1053	989
Trade Cars	71	60
Freight Vehicles	1928	1797
Cycles	849	1074
Omnibuses	239	240
Charabancs	6	4
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TOTAL	10,238	9884
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Motor vehicle license fees were increased slightly in both the International Settlement and French Concession areas at Shanghai on July 1, 1934. (See special reports previously made giving license fee scales)

A. Viola Smith
A. Viola Smith,
Trade Commissioner.

Approved for Transmission:
A. B. Calder
A. Bland Calder,
Acting Commercial Attache.

AVS:B
Inclosures No. 33374.

CONFIDENTIAL FOOT NOTES AND REFERENCES

- (1) Ford Hire Service, Federal Inc. U.S.A., added 25 new Ford V - 8's to its fleet.
- (2) 6 - cylinder Nash selling at about L/C \$4,000., whereas 4 - cylinder British "Rover" or French Peugeot is costing dealer about L/C \$4,800.
- (3) Dodge.
- (4) Reo.
- (5) Diamond T.
- (6) Harley-Davidson.
- (7) Triangle Motors.
- (8) Manley Crane.