

U.S. DEPARTMENT OF COMMERCE

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AUGUST 27 1927

AUGUST 27, 1927

AUGUST 30, 1927

18/25/12

Packard Motors Export Corporation,  
1861 Broadway,  
New York, N. Y.

Proposed Increased Import Duty  
on Automobiles in China

Mr. Henry Chalmers,  
Chief, Division of Foreign Tariffs,  
Attention of Mr. A. C. Peters, Sales Manager.  
Washington, D.C.

Gentlemen:

Replying to your letter of August 24, on the above subject, I would advise you that according to our most recent information the Nationalist government at Nanking has made no announcement in regard to its intention of modifying or withdrawing the tariff schedule it proposes to enforce in territory under its control on September 1 next.

It is our understanding that the tariff schedule proposed by the Nanking government provides for an import duty of 30 per cent ad valorem on motor vehicles and accessories, with the exception of motor trucks over one ton carrying capacity and motor busses equipped to carry more than eight passengers which will pay an import duty of 12½ per cent ad valorem. Should these duties become effective, they will of course be levied apart from the regular import duty of 5 per cent ad valorem provided by the treaties to which China is a party.

It would appear from information in our possession that local interests are making strong representations to the Nanking government for a postponement of the new tariff schedule and it is quite probable that that government will shortly make some definite announcement in this regard.

Any further developments of a definite nature will be published in our COMMERCE REPORTS and I will try to keep you in mind for an advance copy.

I am referring your letter to our Automotive Division for further attention.

Very truly yours,

Henry Chalmers,  
Chief, Division of Foreign Tariffs

JJD-ngs

WASHINGTON  
August 31, 1927. *China*

Mr. A. C. Peters, Sales Manager  
Packard Motors Export Corporation,  
1861 Broadway,  
New York City.

IN REPLY REFER TO 277 D

Dear Mr. Peters:

Immediately on receipt of your letter of August 24, referring to the activities of Mr. Moody, your Chinese distributor, to the end that the Cantonese Government might somewhat modify their ruling pertaining to the rate of duty which will apply to motor cars, I got in touch with our Division of Foreign Tariffs and I believe that they covered the tariff angles of the question in their letter dated August 27.

I am now asking those in our highway section of the Transportation Division to send you all pertinent data available in their files relative to the operation of toll roads, either in this country or abroad. Also, I anticipate being able to send you something relative to the revenue derived from the operation of various internal tax laws in this country.

Very truly yours,

I. H. Taylor,  
Acting Chief, Automotive Division.

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WASHINGTON

August 31, 1927. *China*

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To: Transportation Division  
Attention: Mr. Frank B. Curran.

IN REPLY REFER TO 27

From: Automotive Division

Subject: Information for Packard Motors Export Corporation.

Mr. Moody, Chinese representative of the Packard Motors Corporation, reports, through the Packard Motors Export Corporation, that he is doing everything in his power to the end that the Cantonese Government will abandon their idea of applying a luxury tariff rate on automobiles coming into China. In this connection Mr. Moody has written his principals in New York City as follows:

"I am going to try to prove to the new regime that while they may realize considerable immediate returns by putting into effect the proposed increase of duty on motor cars, that they will defeat their chances of making greater revenue by taxing in another direction. I am working on a plan to prove to them that if they will build roads and encourage the importation of motor cars that they can reap greater returns by the taxing of motor freight vehicles and passenger vehicles operating on the roads. Perhaps you have data or access to data which may be of assistance to me in working out my prospectus on toll roads. There is nothing of this nature available out here.

Assuring you that any data or tips or suggestions which you may have to offer, will be greatly appreciated, I am".

Will you send to the Packard Motors Export Corporation, 1861 Broadway, New York City (attention A. C. Peters, Sales Manager), any material you have that will assist Mr. Moody in his work in China.



*J. A. Taylor*  
J. A. Taylor,  
Acting Chief, Automotive Division.

*JBC*

September 2, 1927.

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Mr. A. C. Peters, Sales Manager,  
Packard Motors Export Corporation,  
1861 Broadway,  
New York City, N. Y.

I. H. Taylor,  
Acting Chief, Automotive Division.

Dear Mr. Peters:

I wish to acknowledge your letter of August 24, 1927, on the subject of the request of your distributor in Shanghai for material relative to motor vehicle taxation and the revenues. You have doubtless already received a communication on this subject from our Tariff Division and the Roads Section of the Transportation Division of this Bureau has also been requested to furnish you with any material available.

In addition to the above I am forwarding to your office the following publications:

- "The Gasoline Tax", published by the American Automobile Association.
- "Special Taxation for Motor Vehicles" 1927 Edition, published by Motor Vehicle Conference Committee.
- Reprints from the American Motorist, April 1927, "Why Our Cars are So Inexpensive".

The last of these items is a short article entitled "United States Registration of Motor Vehicles", which was prepared in this division and distributed throughout the world to our Foreign Offices as a Press Release under the auspices of the American Automobile Association. This contains some very pertinent facts and figures on the subject of Motor Vehicle Taxation, and should be of value to your Shanghai distributor.

I would also suggest that you get in touch with Mr. J. V. Lawrence, Manager of the Foreign Department of the National Automobile Chamber of Commerce, in New York City. Mr. Lawrence has made some interesting studies of this subject in cooperation with their Statistical Department and might have something of value to add to the material already furnished you by this Bureau.

I appreciate very much this opportunity to be of assistance to