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FAR EASTERN SECTION

OFFICE OF COMMERCIAL ATTACHÉ  
51 CANTON ROAD  
SHANGHAI, CHINA

SHANGHAI

TO BE SENT DIRECT

April 7, 1938.

To: Far Eastern Section  
Regional Research Division.  
From: Shanghai Office.

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RECEIVED DIRECT  
OPEN MAIL  
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FOREIGN MAIL  
BU. FOR. & DOM. COM.

Subject: Bureau's interpretation of our Weekly Economic Radio  
of February 25, 1938.

In Section 3 of our Radio No. 306 of February 25 we stated that the Chinese Cotton mills operating in the International Settlement were denying Japanese reports to the effect that they were in financial difficulties and were preparing to sell out to Japanese interests. We also stated that the operation of these Chinese mills "is now profitable due to lack of competition and greater demand for Chinese yarn products."

We of course appreciate that garbling of messages must occur in transmission from time to time, a situation which is unavoidable. However, on page 222 of "Commerce Reports", March fifth issue, 1938, we note that the interpretation of our message under the heading "Shanghai Cotton Cloth Production" gives exactly the opposite meaning to that which we intended to convey. The Bureau's interpretation of this section of the message is as follows:

"The Association states that because of little competition and great demand for Chinese yarn products, mill operations are not profitable, but that total productions are only a small section of Shanghai's former production levels."

It will be noticed that this statement is illogical due to the use of the word 'not' instead of the word 'now'.

We feel that the North China Daily News remarks on the taking over of the Peiping Light and Power Company by the Japanese would have been more accurately and informatively interpreted if the word 'adversely' had been inserted to make the last phrase of the sentence in question read as follows: "has adversely affected investment

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activities in that area." My quotation from the North China Daily News statement using the exact terminology was of course much more pointed.

These remarks are made not by way of criticism as we realize the difficulties under which you work. As these reports when they come back to us from Washington in printed form in "Commerce Reports" are circulated to certain of our contacts we are naturally interested in seeing the information interpreted as correctly as possible, while naturally your Division is equally interested on behalf of your clientele.

*A. Bland Calder*

A. Bland Calder  
Acting Commercial Attache

ABC:MHT