

UNITED STATES
DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE

OFFICE OF COMMERCIAL ATTACHÉ
3 CANTON ROAD
SHANGHAI, CHINA

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

INDEXED

FILE No. 531

SHANGHAI

Received by
AUTOMOTIVE DIVISIONFebruary 14, 1931. *China -*

MAR 13 1931

RECEIVED IN
FILMS SECTION

JUN 9 1931

To: Automotive Division.
From: Shanghai Office.
Subject: Instructions for Monthly Cable Reporting Stocks
of Automobiles on Hand.

Reference is made to a recent instruction received from the Automotive Division dated December 10^{*}, 1930, requesting that each office submit an elaborate monthly cable covering automotive stocks.

These instructions were thoroughly discussed at our all-day China Conference held in Shanghai on February 12, 1931, at which both Trade Commissioners Ehrhardt and Woodard were present. It was generally agreed that the amount of work involved in carrying out the instructions of the Automotive Division was out of all proportion to the results that could be achieved in this territory. In a desire, however, to serve the Automotive Division along these lines, it was agreed that in the future each of our China offices would include, insofar as practicable, data covering automotive stocks which could be incorporated in the Consolidated Monthly Cable which is regularly despatched from Shanghai.

We desire to have an opportunity to try out this method and hope the Automotive Division will bear with us in this respect, as we are all convinced that the time and effort necessary to secure the data in this market is more than we can undertake at this particular time.

We trust that our handling of this matter for the time being will be satisfactory to the Bureau.

Also note them on 2/25 - see attached

[Signature]
Julean Arnold
Commercial Attache

[Signature]

INDEXED
FILE No.

531

Shanghai, *China*

RECEIVED IN
FILES SECTION

May 13, 1931.

JUN 27 1931

To: Automotive Division.
From: Shanghai Office.
Subject: Monthly Automotive Stocks.

JUN 23 1931

Your letter of February 28, 1931, regarding a monthly cable on Automotive Stocks, has been referred to me for attention by Commercial Attache Arnold.

Within a few days of the receipt of your original request, it so happened that a Conference of the China Organization was held in Shanghai, at which Trade Commissioners Ehrhardt and Woodard were present. Later Trade Commissioner Robison was through Shanghai. The consensus of opinion in discussions had with the heads of the other offices was that such information as might be obtained on automotive stocks would take a great deal of time to dig up and what might be available would be so fragmentary for cabling purposes that it would probably reflect more misinformation than otherwise.

Subsequently I personally made a very diligent effort to secure the data for the Shanghai market. Such information as I was able to secure was so vague and indefinite that it could only be assembled into general language, for example that normal stocks would probably run between 500 and 1000 units of all classes. Later I visited all the leading automotive dealers in Shanghai and discussed stocks with them. I found them again vague and indefinite and quite a few of them extremely reluctant to disclose this type of information. On a third tour of the automotive trade I visited such warehouses and godowns as were possible, with the result that while I actually saw some of the stock on hand, I was no nearer even an approximate estimate than I was before. This because of the fact that a considerable amount of automotive cargo is held in bonded warehouses, not accessible without special permit from consignees, while

other cargo not taken up is held in steamship godowns for which no relative estimate can be secured. From such information as I could gather, the amount of cargo actually on the floor at the various show rooms and garages is comparatively small in comparison with what may be in bonded warehouses.

To root out this information monthly means upwards of 16 to 20 personal calls and as the distances in Shanghai are great, even when taking advantage of motor car transportation, this number of calls means devoting two complete days to the task in order to get some idea of what stocks are on hand.

I have tried to work this thing through the Automotive Dealers Association but find that they have no records and each dealer is so suspicious of his competitor that they take every precaution to see that no one knows the true amount of stocks each other has. Automotive contacts which I have had in Shanghai for years, who in the past have given me very confidential information of different sorts, are adamant on the question of not disclosing stock figures.

Recently when Assistant Trade Commissioner Maynard endeavored to secure similar information for the Hong Kong market, he reported as follows:

"The present stock of cars and trucks in the Colony with the Hong Kong probably lies between seventy and one hundred. Most of the dealers interviewed had very vague ideas as to the total stocks in the Colony. Certain firms did not desire to state the stock which they themselves had on hand. However, we believe that the figures lie somewhere between the two points mentioned above. We are endeavoring to build up sources of information which will in time permit us to give more accurate data relative to stocks."

Some dealers will give to me general figures as an estimate of the number of units which they have in stock but they are unwilling to break these figures down as between passenger cars and trucks, or as to models. For instance, the Auto Palace which controls a large number of both British and American lines, will gladly say to me that "present stocks

are a bit below normal; about 120 units of all kinds and types carried at present". But you will appreciate that information in this general way makes it somewhat difficult to fit into the type of a cablegram which you desire to secure. Again, the Ford Motor Exports Company will confidentially say that there are 225 units of Ford held in Shanghai between themselves and their dealer, but when I ask what proportion of this number is passenger cars and what trucks, they dodge the question. At one time I got the admission that it was probably about 50% passenger cars and 50% trucks. My own knowledge of the market would lead me to believe that the ratio would more probably be one-third passenger cars and two-thirds trucks, as the present business offering in this market is more for trucks than for passenger cars.

1/ I am attaching, hereto, a memorandum which you might regard for the present as a "Basic Statement" from which to interpret such future cables as I find it possible to despatch on this subject. Owing to the abnormal silver exchange levels which have prevailed for over a year, the motor car market is going to be restricted to low-priced models until such time as exchange again regains a normal position. I will endeavor to find out each month what, if any, change in automotive stocks has occurred and wire you accordingly. This type of information could be secured through a long tedious process and built up to a fairly satisfactory point were I assigned as an Automotive Trade Commissioner with the responsibility of giving the automotive field my primary attention. Unfortunately, however, my efforts have to be spread over China Trade Act administration, building and construction, minerals, petroleum, kerosene, gasoline, rubber tires and tubes, rubber products, automotive, highways, road building machinery, etc., etc., to say nothing of a considerable volume of administrative office routine for which I am responsible.

My interest for several years past has been in the Automotive and Highway field, and you may be certain that it would be a real pleasure for me to be able to send the Automotive Division a satisfactory monthly cable on Automotive Stocks were conditions here such as would enable me to do so. In the meanwhile, however, I trust that you will bear with us in the difficulties which this office encounters in the knowledge