

INDEXED
~~4828~~
FILE NO.

CHEWING GUM FOR CHINA

1915-

DEPT. OF COMMERCE
INDEXED
FILE NO. 128
Peking

San Francisco, Calif , Aug 25th, 1915.

Department of Labor and Commerce,
Editor of the Commerical Report,
Washington, D . C .

Dear Sir:—

I herewith inclose a newspaper clipping showing the report that Mr Julian Arnold of Shanghai, China sent in as regarding the chewing gum possibility in China.

I wish that you would publish my views of the matter, as Mr Arnolds report is as far from the true state of affairs as it is possible to be according to my summing up of the situation.

I have been located in business in Shanghai for the past thirteen years, and in the candy and chewing gum trade for the past six years, my experience with the chewing gum end of it being that Chinese will not chew gum, nor , even invest in chewing gum though I sell it a cent cheaper that it is sold here in the United States where it is made.

The three hundred million Chinese that Mr Arnold speaks of as wanting chewing gum, need their little ten cents Mexican the price of chewing gum in China(4cents gold) for the daily chow chow as they can live for less than ten cents a day, and it stands to reason that they are not going to invest the amount of a days board in chewing gum, no more than we would if the same conditions were equal with us.

Mr Arnold's report is very misleading and might do harm in this way, that it may induce some enterprising American to go over there and invest several thousands of good American dollars in a venture which will be predestined to absolute failure. Carpet sweepers will not sell in the Phillipine Islands because no carpets are used there, _____ "same thing belong chewing gum China side."

Very respectfully yours.

J. S. Sullivan
No 700 O'Farrell St,
San Francisco, Calif.

July 4th 1915

INDEXED 4828
FILE NO.

San Francisco, Calif. Aug. 25th, 1915.

Department of Labor and Commerce,
Editor of the Commercial Report,
Washington, D. C.

September 3, 1915.

Mr. J. D. Sullivan,
700 O'Farrell Street,
San Francisco, Calif.

Dear Sir:-

Receipt is acknowledged of your letter of August 25th with regard to a report by Commercial Attaché Arnold on the market for chewing gum in China. I appreciate the interest you have shown in this matter and I have taken the liberty of transmitting a copy of your letter to Mr. Arnold for such comment as he may see fit to make. I shall be glad to advise you further upon the receipt of Mr. Arnold's supplementary report on the subject.

Very truly yours,

Acting Chief of Bureau.

F:K

Very respectfully yours,

(Sd.) J. D. Sullivan,

No. 700 O'Farrell St.,
San Francisco,
Calif.

NE

(Copy)

INDEXED 4828
FILE NO.

San Francisco, Calif. Aug. 25th, 1915.

Department of Labor and Commerce,
Editor of the Commercial Report,
Washington, D. C.

Dear Sir:-

I herewith inclose a newspaper clipping showing the report that Mr. Julean Arnold of Shanghai, China sent in as regarding the chewing gum possibility in China.

I wish that you publish my views of the matter, as Mr. Arnolds report is as far from the true state of affairs as it is possible to be according to my summing up of the situation.

I have been located in business in Shanghai for the past thirteen years, and in the candy and chewing gum trade for the past six years, my experience with the chewing gum end of it being that Chinese will not chew gum, nor, even invest in chewing gum though I sell it a cent cheaper than it is sold here in the United States where it is made.

The three hundred million Chinese that Mr. Arnold speaks of as wanting chewing gum, need their little ten cents Mexican the price of chewing gum in China (4¢ gold) for the daily chow chow as they can live for less than ten cents a day, and it stands to reason that they are not going to invest the amount of a days board in chewing gum, no more than we would if the same conditions were equal with us.

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(Sd.) J.D. Sullivan,

No. 700 O'Farrell St.,
San Francisco,
Calif.

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(Copy)

INDEXED
FILE NO.

4828

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Department of Labor and Commerce,
Editor of the Commercial Report,
Washington, D. C.

September 2, 1915.

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I wish that you publish my views of the matter, as Mr. Arnold's report is as far from the true state of affairs as it is possible to be according to my summing up of the situation.

I have been located in business in Shanghai for the past thirteen years, and in the candy and chewing gum trade for the past six years, my experience with the chewing gum end of it being that Chinese will not chew gum, nor, even invest in chewing gum though I sell it a cent cheaper than it is sold here in the United States where it is made.

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Very respectfully yours,

(Sd.) J.D. Sullivan,

No. 700 O'Farrell St.,
San Francisco,
Calif.

AK

September 3, 1915.

September 23, 1915.

Mr. Julean H. Arnold, Commercial Attaché,
American Legation,
Peking, China.

Dear Mr. Arnold:

I am inclosing herewith a copy of a letter received from Mr. J. D. Sullivan, of San Francisco, commenting upon your report on the possible market for chewing gum in China, published in Commerce Reports for August 12. I should like to be advised as to the merit of Mr. Sullivan's contention that economic conditions in China make it impossible to market American chewing gum in that country.

Very truly yours,

Acting Chief of Bureau.

Inclosure 16240

F:K

My circulating reports of this kind you do my business an injury, and you are likely to put some American citizen with a few thousand dollars to invest in wrong by getting him to go out there and investing his pile in a "Pine Tree", for this thing of three hundred million Chinese wanting chewing gum is nothing more or less than I herein describe.

I will be in Shanghai in December and talk this matter over further with you, as I think that I am and have been in closer touch with trade in China generally than you are, and know thereof I speak."

Probably I can give no better reply than to quote the original of my report as forwarded from this office to the Department of Commerce.

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Peking, China.

September 29, 1915.

Subject: Chewing Gum for the Chinese People.

Mr. J. D. Sullivan,
700 O'Farrell Street,
San Francisco, California.



Dear Sir:

I have to acknowledge the receipt of your letter of August 24th enclosed in which was a clipping entitled "300,000,000 Jaws in China Need Gum". Before replying to your letter I will quote it herewith in order that you may better understand my reply:

"Please allow me to tell you that you are away off on your estimation as to what chewing gum can be sold in China, for I sell chewing gum in Shanghai cheaper than they do right here in the United States where it is made, and I can't sell it to the Chinese, nor, can they be induced to try it.

You know as well as I do and as every one else knows in China that the three hundred million Chinese that you speak about need their little ten cents mex for Chow Chow instead of chewing gum which they have to spit out instead of eating.

By circulating reports of this kind you do my business an injury, and you are likely to put some American citizen with a few thousand dollars to invest in wrong by getting him to go out there and investing his pile in a "Pipe dream", for this thing of three hundred million Chinese wanting chewing gum is nothing more or less than I herein describe.

I will be in Shanghai in December and talk this matter over further with you, as I think that I am and have been in closer touch with trade in China generally than you are, and know whereof I speak."

Probably I can give no better reply than to quote the original of my report as forwarded from this office to the Department of Com-

merce

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merce, which is as follows:

"While the consumption of chewing gum in China is at present negligible it would seem that this Republic offers a splendid market for the introduction of American chewing gum. The Chinese people are fond of sweets and, I believe, have no particular aversion to the use of chewing gum. Because they have not in the past taken to its use should not be construed as a conclusive argument that they will not accept it. There was a time when the Chinese people did not know condensed milk, yet today they consume millions of tins. There was a time when the Chinese people smoked tobacco only in the form of pipe tobacco; today they smoke millions of cigarettes. There was a time when the Chinese people knew they had no such thing as tooth powder, yet today tooth powders are advertised all over China. These articles have been introduced from abroad and by elaborate advertising campaigns have secured for themselves extensive sales among these people. The advertising must be done in Chinese, the article must be wrapped (in Chinese-printed wrappers) in a manner attractive not to the American consumer but to the prospective Chinese user, and money must be spent in the initial campaign of introducing it. This business can be handled only by sending representatives to China, for the introduction of a new article into this market is a matter that requires the attention of those fully conversant with the details of the business. The prospective Chinese user, and that money must be spent in the initial campaign introducing it. The Chinese take readily to the idea of a certain trade-mark, so that much stress in advertising should be laid on the trade-mark under which the article is sold. In this connection it is well to caution American manufacturers of the necessity of having their trade-marks registered not only in China but in Japan as well, in order to guard against the flooding of the market with imitations after the trade has been worked up. Registration can be effected by application at the consulate general at Shanghai and at the Patent Office at Tokyo."

You will note in reading over my report that the American press gave it a very distorted version. I do not know how long you have been in touch with the trade of China but I doubt the accuracy of your statement when you say that you have been in closer touch with the trade of China generally than I have. It is over thirteen years since I came to China in the consular service and with the exception of a few months spent in the United States there is no record here for that period.

of

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One of the most important questions of the commercial aspect of several short trips out of China have been here ever since. There are but two or three provinces I have not visited during my sojourn in this country. At one time on a twelve hundred mile tour across West China I walked seven hundred miles making a special study of the trade conditions in that remote section of the country. You will also note in reading over my report that it contained no dogmatic statements in regard to the possibilities of introducing chewing gum into China. You state that I know as well as you that the 300,000,000 Chinese that I speak of "need their little ten cents Mexican for chow-chow instead of for chewing gum which they have to spit out instead of eating". I cannot agree with you in this statement and in reply can only ask you how you account for the millions of "ten cents mex" which the Chinese spend for cigarettes which they also cannot swallow, and I have also to remind you of the fact that there was a time when they did not smoke cigarettes and that cigarettes were introduced by foreign merchants, and that by an advertising campaign spreading from one end of the country to the other the Chinese have been taught to use cigarettes, and that millions of dollars worth of this article are sold to them now every year.

The fact that you have tried in Shanghai to sell chewing gum to the Chinese and offer it for sale cheaper than it is sold in the United States is no conclusive argument in my mind that the Chinese will not take to chewing gum. In my report as above quoted you will note that I state that it will be necessary to advertise the product in China, to have the article wrapped in Chinese-printed wrappers, in a manner attractive not to the American consumer but to the prospective Chinese user, and that money must be spent in the initial campaign introducing it. During the past year I have spent four or five months in Shanghai and have seen no evidence whatsoever of an effort being made to introduce the sale of chewing gum among the Chinese people. Never during my whole thirteen years experience in China have I ever seen any advertising matter concerned with chewing gum. I have not contended that the Chinese people will take to chewing gum but have said that I believe if it is properly advertised it is an article which would find an extensive market among them. I am not conversant with the details of the chewing gum trade in America but should judge that hundreds of thousands of dollars have been spent there in advertising this article, if fact I believe that I am right when I say that hundreds of thousands of dollars are spent each year for that purpose. Without advertising it would probably have stood as much of a chance of getting a place on the market as would cigarettes have done in China without advertising. Thus I believe you will agree with me that until someone has given the question of introducing chewing gum into China serious consideration he is hardly entitled to conclude that there is no market here for that article.

THE BUREAU.

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One of the most important functions of the commercial attaché is to try to anticipate possible new wants among the people abroad for articles manufactured in America and it is only in keeping with this idea that I suggested that "it would seem" that China offers a splendid market for the introduction of American chewing gum. It remains for the American manufacturers and dealers in chewing gum to investigate the subject and conclude for themselves whether or not it would be worth their while to attempt to give the Chinese something which they have not yet learned to use.

Respectfully,

Mr. J. D. Sullivan,
700 S. Market Street,
San Francisco, California.

a/1

American Commercial Attaché.

Supplementary to my communication of September 29th I have now to attach a clipping taken from the "China Press", Shanghai, and being an editorial from the "London and China Express". You will note that the "London and China Express" comments very favorably upon the action of this office in trying to point out to American manufacturers new opportunities in this country, and agrees with this office in that if the Chinese people could be made to take a favorable attitude towards chewing gum there could be opened up in China a good field for American business in this direction.

Until you or your company has really tried to establish a market in China for your chewing gum, that is, until you have made your product known to the Chinese people through an educational advertising campaign I believe you have no right to contend that this is a field for this product.

Respectfully,

Very truly,
[Signature]

a/1

American Commercial Attaché.

Enclosed as stated.

for the BUREAU.

Peking, China.

October 4, 1915. 1915.

Subject: Chewing Gum for the Chinese People.
Subject: Chewing Gum for China.

Mr. J. D. Sullivan,
700 O'Farrell Street,
San Francisco, California.

Dear Sir:

Supplementary to my communication of September 29th I have now to attach a clipping taken from the "China Press", Shanghai, and being an editorial from the "London and China Express". You will note that the "London and China Express" comments very favorably upon the action of this office in trying to point out to American manufacturers new opportunities in this country, and agrees with this office in that if the Chinese people could be made to take a favorable attitude towards chewing gum there would be opened up in China a good field for American business in this direction.

Until you or your company has really tried to establish a market in China for your chewing gum, that is, until you have made your product known to the Chinese people through an educational advertising campaign I believe you have no right to contend that China offers no field for this product.

Respectfully,

Wingford

a/1

ENCLOSURE: as stated.

American Commercial Attaché.

for the BUREAU.

4828

INDEXED

Peking, China.

September 29, 1915.

Subject: Chewing Gum for the Chinese People.

Mr. Nelson Roberts
1400 Broadway,
New York.



Dear Sir:

In reply to your letter of August 13 on the above subject asking for information in regard to gum and cards and the creation of a market for the same in China, permit me to suggest that you address the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, and secure from them the information on these subjects which they have on file.

In the event that you desire to enter into communication with merchants in China who would be interested in introducing your chewing gum into this market, I would suggest that you address the British-American Tobacco Company, Shanghai. This company has an admirable distributing organization working throughout the whole of China, and might be able to introduce your chewing gum as one of its advertising features, along with its cigarettes, and in this manner secure the introduction of your article into this market. From personal conversation with members of this company they seem to take a favorable view of a proposal of this sort. Should you not come to any satisfactory agreement with them, I would suggest that you address Messrs. J. J. Connel and Company, Shanghai, an American concern handling tinned provisions, and general distributing agents for China for the products of the California Fruit Cannery Association.

Respectfully,

American Commercial Attaché.

Respectfully yours
L. Hayes

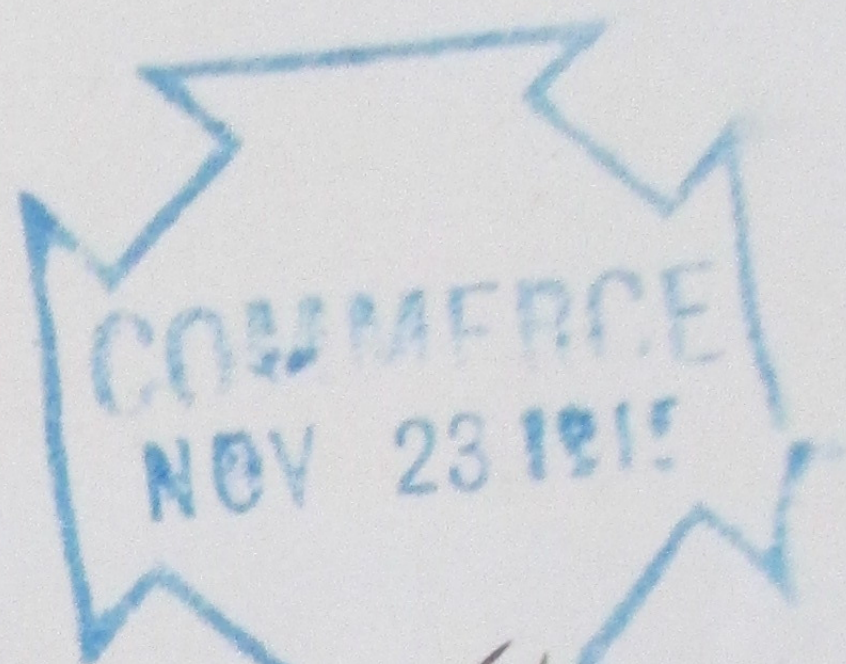
November 18, 1915

4828

Department of Commerce:-

Washington, D. C.,

Gentlemen:-



The communication from you addressed to Mr J. D. Sullivan, 700 O'Farrell has been forwarded to him by me.

Mr Sullivan left San Francisco for the Orient with his wife and family and Chinese servant on Saturday, October 23. 1915, taking passage on the Tenyo Maru.

Respectfully yours
(Miss) L. Hayes.

November 18. 1915.

November 29, 1915.

Miss L. Hayes,
700 O'Farrell Street,
San Francisco, California.

Dear Madam:

I have your letter of November 18 stating that you have forwarded a communication from this office addressed to Mr. J. D. Sullivan and desire to thank you for your courtesy in this matter.

Very truly yours,

Assistant Chief of Bureau.

JF:B.

Note: The article above mentions two American consular attaches, one at Shanghai and one at Peking. It suggests the United States has only one Commercial Attaché in China and it is his duty to cover all parts of China including Shanghai and Peking and in addition cover Japan as well.

600,000,000 MORE JAWS FOR GUM.

We owe a good deal to China, and it is but fair that we should try to pay the debt. The ancient country had much to do with the adaptation of gunpowder to warfare, and we all are conscious of the great blessings that have grown out of that. Then she taught us how to make fireworks, we are largely indebted to her for our tea-drinking habit, and it must not be forgotten that, albeit with the active encouragement of "perfidious Albion," she once set a high mark in the use of dope, by means of which a good many persons of both sexes under our glorious flag enjoy ecstatic moments.

We have been kind to China, and now another opportunity arises. Her people are fond of sweets, and the United States commercial attache at Shanghai, Julian H. Arnold, estimates that there are in the great republic 300,000,000 pairs of jaws that might be led to chew gum if they were judiciously encouraged. That surely is a consummation worthy of essay. What a spectacle the hundreds of millions of Celestials all biting gum would present! Niagara, the canyons of the Colorado, the Victoria falls, the Himalayas and the Kaiser sink into insignificance when one prefigures it.

Then there are other ways in which we can add to the gaiety of the life of the Chinese. They already have our tooth powders and pastes, and their children make playhouses of Standard Oil and condensed milk cans.

Pressclipping Bureau

OTTO SPENGLER, DIRECTOR

352 2nd Ave. New York

CLIPPING FROM

Rochester, N.Y. Demo. Chronicle

AUG 2 1 1915

600,000,000 MORE JAWS FOR GUM.

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COMMERCIAL ATTACHÉS

(Translation of an article appearing in the October 3d edition of the French journal "La Politique de Peking")

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We must not fail to mention the activity shown by Mr. Arnold, Commercial Attache' of the United States at Peking. His travels into the interior are numerous, and from each one of them he brings back a portfolio crammed with useful suggestions which are communicated to the chambers of commerce of the United States to the profit of American business men. This is good work and we certainly can expect a renewed activity on the part of American commerce in China if the present pressure persists.

There was a time when the Chinese people did not know condensed milk and today they consume millions of tins; there was a time when the Chinese smoked only pipe tobacco, today they smoke millions of cigarettes; the same is true of tooth powders which advertising posters scattered everywhere have made for the sales of millions of boxes, etc., etc.

The two American commercial attachés of Shanghai and Peking are making an effort to have introduced into China the habit of chewing gum. What the Americans call "chewing-gum" is an elastic gum, put up in rectangular tablets, with different aromas, which one quite simply chews as one would a quid of tobacco. It sweetens the breath, preserves the whiteness of the teeth, and removes from between the teeth all the residue deposited there during meals.

(Note- The article above mentions two American Commercial Attaches, one at Shanghai and one at Peking. At present the United States has only one Commercial Attache in China and it is his duty to cover all parts of China including Shanghai and Peking and in addition cover Japan as well)

COMMERCE

COMMERCE

UNITED STATES
DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

INDEXED

FILE NO.

4828

OFFICE OF COMMERCIAL ATTACHÉ
PEKING, CHINA

American Legation.
November 10, 1915.

Subject: American Chewing Gum for China.

Chief, Bureau of Foreign and Domestic Commerce,
Department of Commerce,
Washington.



Dear Sir:

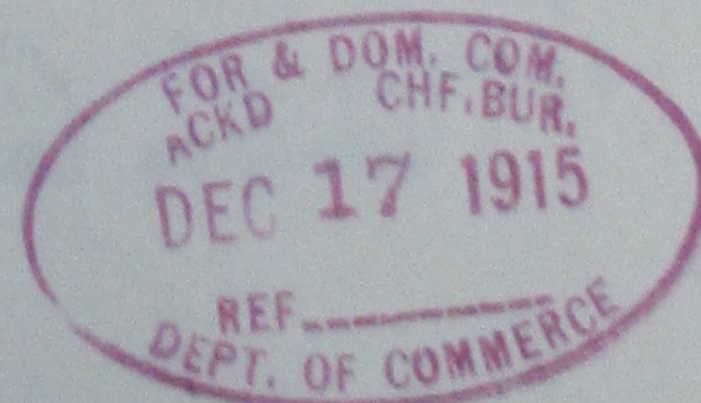
The Bureau is evidently cognizant of the correspondence this office has sent in on the above subject, and probably will be interested now to learn that the Wrigley Spearmint Chewing Gum Manufacturing Company has entered Japan and China with the object in view of introducing their goods into this market in a large way.

I recently had an interview with their representative in Shanghai and discussed with him Chinese designations for their products, and possible methods of efficacious introduction into this market. I expect before the next year is finished to be able to report substantial sales of American chewing gum in China.

Respectfully,

Julian to Amner
American Commercial Attaché.

a/1



JSA

UNITED STATES
DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCEINDEXED
FILE NO. 4828OFFICE OF COMMERCIAL ATTACHÉ
PEKING, CHINA

American Legation, November 30, 1915.

Subject: Chewing Gum for the Orient.

Chief, Bureau of Foreign and Domestic Commerce,
Department of Commerce,
Washington.COMMERCE
JAN 4 1916

Sir:

In view of Mr. Sullivan's seemingly unwarranted attack upon the work of the Commercial Attache for China and Japan as instanced by his letter of August 24th to this office and of August 25th to the Bureau adversely criticising the report of this office on the possibilities of American chewing gum in China as published in Commerce Reports of August 12th, last, I believe the Bureau will be interested in the enclosed clipping taken from the Japan Advertiser of November 21st. In this connection, permit me to suggest to the Bureau that it refer to Mr. Sullivan's letter above mentioned and to my reply thereto as also to the clippings sent to the Bureau from the London and China Express and from L'Echo d'Chine favorably commenting upon my report on chewing gum.

A Commercial Attache seldom receives a note of appreciation from those for whom he renders a service, even though that service may be of great value, yet he is open to attack from those in business because of what may appear to be impractical or unwelcome suggestions. Some business men seem to credit a Government official with having little or no business sense and apparently delight in criticising his work when it has to do with suggestions of a commercial or trade nature. I am pleased to be able to demonstrate to Mr. Sullivan, who professes to speak as one of experience in business in China, that men and firms far bigger than him or his are sufficiently interested in some of the recommendations made by an employee of the Department of Commerce to give the matter a fair trial. It is indeed gratifying to find that an American manufacturer of chewing gum is engaged in the introduction of its products into Japan and China and I have every reason to believe that it will make a success in this business far beyond its own fond hopes. I take it that the most valuable service a commercial attaché can perform is that of anticipating a want and in being instrumental in helping to have American manufacturers fill this want. It is not difficult to follow in tracks made by others. The really important task is that of making tracks which others will be tempted to follow. I firmly believe that "Spearmint" will be followed in China by others.

Respectfully,

Julian A. Arnold
Commercial Attache

Enclosure, as stated.

A BIG CHEWING GUM CONSIGNMENT



This cut shows the third shipment of Wrigley's Spearmint Chewing Gum, sent to Japan from America since October. This, and similar consignments each representing 50,000 pieces of the popular chewing gum, is made all the more remarkable when it is considered that the Japanese people though fond of sweets and confections, have but recently acquired a fondness for gum. Physicians who advocate the use of gum as an aid to digestion, and also by way of reducing the excessive appetite for the tobacco habit, recommend the Wrigley Spearmint Gum as superior to others, because of its medicinal qualities. The Hospital Supply Company of Tokyo have been appointed sole distributors for Japan and Korea for the Wrigley Spearmint product, and will have the gum on sale in every City and town in the Empire.

A BIG CHEWING GUM CONSIGNMENT



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COPY for the BUREAU.

INDEXED 4828
FILE NO.

December 17, 1915.

Subject: Chewing Gum Monopoly.

Mr. John C. Uhrlaub,
Peking.

Dear Sir:

In reply to your proposal for the establishment of a chewing-gum monopoly for China with certain rights as set down in a skeleton draft which you submitted to me, I have to state that by treaty China can grant no monopoly rights in any industry furthermore even were she able to grant such rights, there is an American company in the act of entering the field for the sale of its chewing gum in China and this office would be obliged to secure for this company equality of consideration with the company which you represent for we must be impartial in our attitude and assistance toward American interests.

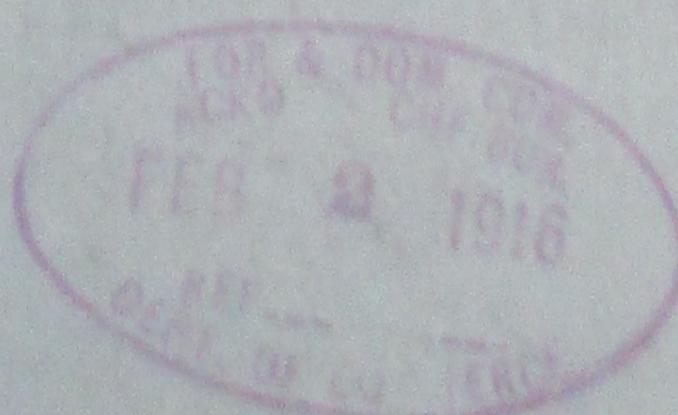
In my opinion China offers a splendid field for American chewing gum. Up to the present no efforts have been made to exploit this field. I believe that by the expenditure of a substantial amount of money in judicious advertising the Chinese people could be induced to use American chewing gum to a very considerable extent and that the business would be a profitable one.

If there is any further assistance which I may be able to render you in connection with this or any other matter, kindly command me.

Respectfully,

Commercial Attache.

Note: I am returning enclosed the papers which you kindly left for me. I enjoyed reading your articles on China trade and trust that you may continue to give publicity in America to conditions in this country for our people are in need of reliable information in regard to this country.



V. pho.

8
PY for the BUREAU.

UNITED STATES

DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND COPY COMMERCE

INDEXED
FILE NO. 4828

Sullivan's Fine Candles

Made Fresh Daily---Superior To Imported Candles
No. 11 - Nanking Road --- Shanghai,- China.

Subject: Chewing Gum for China.

Shanghai, Dec. 18th, 1915.

Mr. Julian Arnold,
American Commercial Attache,
Peking, China.

Dear Sir:-

Chewing Gum in China.

Reply To
Your Letter of Sept. 29th.
Addressed to San Francisco.

I thank you for your very extensive report on the possibility of educating the Chinese up to the use of chewing gum, and now that I have your view on the matter, will say that I must have taken a very narrow view of the situation, for it is substantially true as to what you say both in regards to the use of cigarettes and condensed milk, and large sales might be worked up in chewing gum as well as these two articles, if as you say that money is spent in advertising as is and was done with cigarettes and canned milk.

Thanking you for getting your views on the matter.
I am, very truly yours.

(Signed) J. D. Sullivan

Sullivan's Fine Candles,
Shanghai.

UNITED STATES
DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE

not used
for Daily
INDEXED 6549
FILE NO. 7-14

880

OFFICE OF COMMERCIAL ATTACHÉ
PEKING, CHINA

American Legation.
October 9, 1915.

Subject: Chewing Gum for China.

Chief, Bureau of Foreign & Domestic Commerce,
Department of Commerce,
Washington.

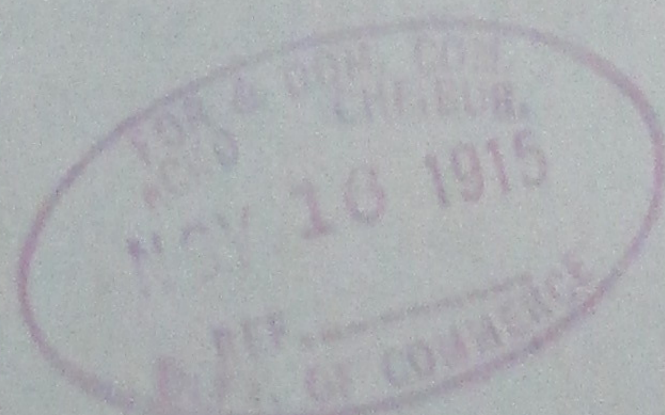


Dear Sir:

I have to acknowledge the receipt of your communication of September 3rd enclosing a copy of a letter received from Mr. J. D. Sullivan, of San Francisco, in criticism of my report on the opportunities in China for American chewing gum. I have written to Mr. Sullivan on this subject and as the letters were sent through the Bureau my replies have undoubtedly come to the attention of the Bureau before the receipt of this letter. I did not realize at the time that I answered Mr. Sullivan's letter that he is the same person with whom I am acquainted as being in business in Shanghai, and I fear that Mr. Sullivan's letter might be somewhat misleading to the Bureau.

He states that he has been located in business in Shanghai for the past thirteen years and in the candy and chewing gum trade for the past six years. Mr. Sullivan's main business in Shanghai during the past thirteen years has been that of photographic supplies, and his candy and chewing gum business is a recent creation and has been handled almost entirely by his wife. To her credit it might be said that they have developed a nice little business in fresh candies, but the shop is a very small one with a frontage of about ten feet and extending back probably no more than twenty-five feet. I cannot imagine that they have more than \$1,500 or \$2,000 invested in this business. I know Mr. Sullivan quite well and have been in his photograph shop as well as in his candy shop at least a score of times. I have never noticed in his candy shop any chewing gum on exhibition. If he carries chewing gum in his candy shop he carries it in very small quantities and does not make

much



much display of it. Furthermore, never in either shop have I ever seen any Chinese advertising matter nor have I ever noticed any effort to cater to the Chinese trade nor any Chinese going in or coming from the shops for trade purposes. In fact he caters to the foreign trade of Shanghai almost entirely. It is quite possible that Chinese make purchases from his candy shop but these are undoubtedly Chinese educated in foreign manners and apparently confined to a small number. I do not believe that Mr. Sullivan understands either spoken or written Chinese, nor do I believe that he has ever tried to cultivate the acquaintance of Chinese business men, so that I believe his remarks in regard to chewing gum possibilities are not those of a man experienced in the phases of trade in China in foreign products. Mr. Sullivan is a man of small capital and is not in the least sense of the word in a position to introduce chewing gum among the Chinese people for the reason that, as intimated in my report, it will require a large initial outlay in advertising in order to create an interest in the product on the part of the Chinese.

I would suggest that the Bureau address Mr. Sullivan in reply to his letter and ask him the following questions:

(1) How much money has he spent in advertising chewing gum in Shanghai or in any other part of China?

(2) Has he ever had chewing gum put into wrappers bearing Chinese characters and made especially attractive for Chinese demands?

(3) How large a stock of chewing gum has he carried at any one time during his six years in the so-called candy and chewing gum trade?

(4) How much capital has he invested in the candy and chewing gum trade?

(5) What efforts has he made to educate the Chinese to the use of chewing gum?

(6) How much success, in his opinion, would the British American Tobacco Company have achieved in introducing cigarettes into China had they conducted their business in the same manner in which Mr. Sullivan carries on his present chewing gum trade?

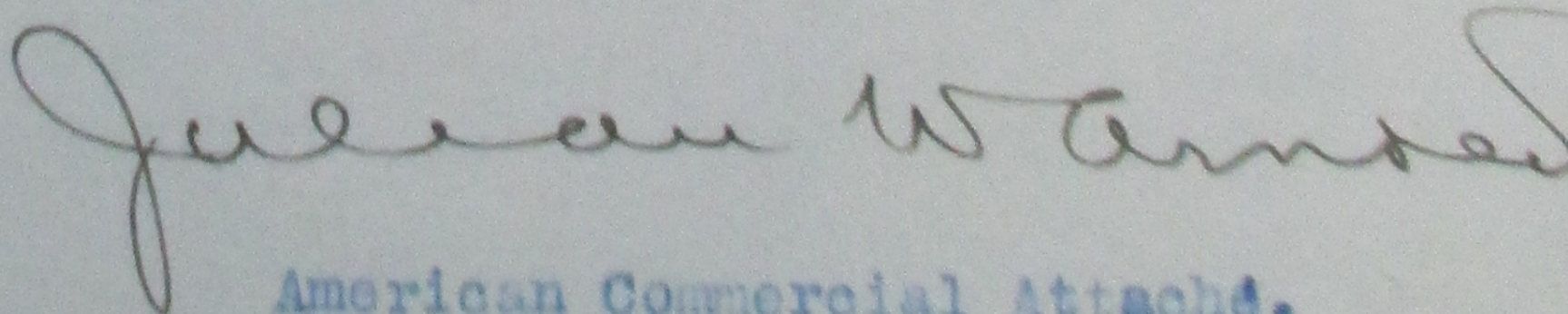
(7) How does Mr. Sullivan account for the millions of dollars the Chinese spend for cigarettes and have spent for opium if he believes that they cannot afford to invest in chewing gum?

Mr. Sullivan states that carpet sweepers are not sold in the Philippine Islands because no carpets are sold there. He forgets to take into consideration the fact that climatic conditions in the Philippine Islands are distinctly unfavorable to the use of carpets and that even wealthy families do not take kindly to the use of them the climate being warm and humid, hence it would be ridiculous to try to educate the people in these Islands to the use of carpets. But this is no argument in connection with the matter of educating the Chinese in China to the use of chewing gum, for there are no internal conditions militating against its use.

Messrs. Huntley and Palmer, British biscuit makers, and Messrs. Cadbury and Company, British candy manufacturers, sell tens of thousands of dollars worth of candy and biscuits in China every year. I believe with more enterprising activities on their part and more extended use of advertising in working up their trade they could increase their sales manyfold. I believe Mr. Sullivan's criticisms are not well founded and that his main difficulty has been that of working with too small a capital and with too narrow an outlook to realize the possibilities for big trade among the Chinese people. I have never said that there was anything certain in regard to my suggestion that chewing gum might be sold to the Chinese people for if it were a sure thing undoubtedly it would have been exploited ere this. I have said that it "would seem" that by proper advertising conditions in China are such as to encourage the belief that American chewing gum could be profitably introduced among the Chinese people and I certainly am still of that opinion.

In regard to this matter it may interest the Bureau to know that in conversation with the manager of the British American Tobacco Company, Shanghai, I was informed that he considered the prospects of the introduction of chewing gum among the Chinese people, as being one worthy of consideration, and thought it possible to do so by working through his organizations which have been created in China for the distribution of their products. It may be that this company will decide finally to confine themselves to their present products, but the fact that the manager, who is also one of the directors of the British American Tobacco Company, a man who has been in China quite as long as has Mr. Sullivan and has had the entire management of the largest distributing concern in the whole of China in his hands, states that this suggestion is worthy of consideration shows quite clearly that Mr. Sullivan's criticisms are quite uncalled for at this time.

Respectfully,



American Commercial Attaché.

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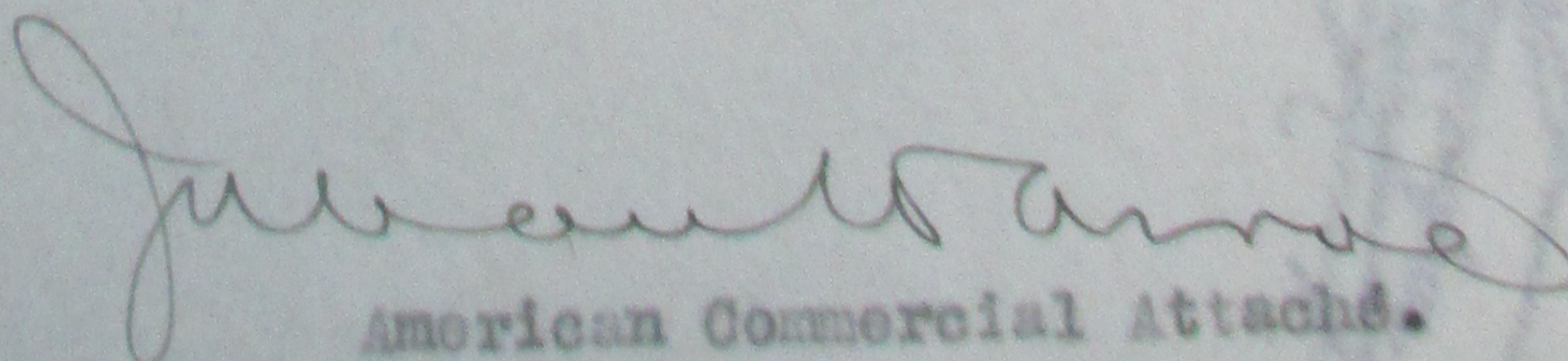
UNITED STATES
DEPARTMENT OF COMMERCE

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American Commercial Attaché.

UNITED STATES
DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE

September 14, 1916.

OFFICE OF COMMERCIAL ATTACHÉ
LONDON, ENGLAND

(CHEWING GUM IN ENGLAND)

INDEXED 4828
FILE NO.

FOR & DOM. COM.
ACKD CHIEF BUR.
SEP 23 1916
DEPT. OF COMMERCE

COMMERCE
SEP 26 1916

Chief, Bureau of Foreign and Domestic Commerce,
Department of Commerce,
Washington, D. C.

Dear Sir:

I enclose two clippings commenting on the increase of the chewing gum habit in England. Evidently the war has been the means of developing another famous American manufacture. Mr. Butler thinks it would be interesting to put these clippings in with some others you have about the growth of the chewing gum habit in China.

Yours truly,

Peice L. Williams

American Commercial Attaché.

PCW:B.

[Handwritten signature/initials]

Manchester Guardian A New Habit. 9/12/16

WE acquire new habits as we learn new disciplines in war-time. One of these is the habit, surprisingly grown this year, of gum-chewing. It appears that the consumption in England has gone up more than sixfold in three months, and that since the beginning of the great advance chewing-gum has taken its place among regular army rations. Although the Canadians demanded it, we may not put the blame on them. The simple explanation seems to be that munition workers and soldiers on the march and in the trenches wanted something to chew, and gum, being a more or less innocuous commercial commodity, has leapt into an immense popularity. The result is likely to be that at the end of the war England will be on the way to being a gum-chewing country like the United States. The chewing of gum may not be a particularly injurious vice, but it certainly is not a pretty habit. The traveller in America is apt to find himself drawn into a fascinated study of its manifestations. He sees the conductor and the lift-boy, the girl-clerk and the "sales-lady" rhythmically working their jaws as they go about the leisurely business of the day, and as his eye ranges along the corridor of the subway or the elevated train he begins to marvel at the waste of power in the moving mandibles of a million sober citizens. There is clearly satisfaction in the exercise, and possibly a more positive solace than is to be obtained from a cigarette. It may be argued that the American chin owes something of its force to the chewing habit practised from infancy. Be that as it may, it seems likely that one more link in the community of ideas and habits has been established between us and our cousins across the water.

France.

Chewing Gum

According to a report published, the sale of a nation of manufacture six months to the sale from the It has been introduced course share chewing gum have nothing the habit weakness a

The most word—are soldiers and a fair third years chew and navy last great army ration steadies h on, and parched There is a for five d a good y wad to p not an a

London have had of all cl mand h they do become

France.

Manchester Guardian
Chewing Gum for the Army. 9/12/16

According to very remarkable figures just published, the English have suddenly become a nation of gum-chewers, and the leading manufacturers are able to claim that within six months they have increased their monthly sale from three million to twenty million bars. It has been suggested that the habit has been introduced by the Canadian soldiers, who of course share the Americans' fondness for chewing gum, but I am assured that they have nothing to do with it. The spread of the habit is purely a triumph of natural weakness and advertising.

The most enthusiastic adherents—a good word—are said to be not women clerks but soldiers and munition workers, with the navy a fair third. It seems that for the past four years chewing-gum has been sold at army and navy canteens, but it was not till this last great advance that it was issued as an army ration. The soldier's theory is that it steadies his nerves to have something to chew on, and it certainly keeps his otherwise parched throat moist in times of stress. There is a story of a wounded man kept alive for five days by the saliva-inducing gum, and a good yarn about a flying man who used his wad to plug a bullet-hole in his petrol tank—not an advertised use.

London retailers tell me that for years they have had a steady sale among English people of all classes, chiefly men, and that the demand has increased greatly this year, but they do not think our civilians have as yet become slaves to the habit.