

Shanghai, China, May 25, 1937.

Submitted by: C. E. Christopherson, Trade Commissioner.

National Construction Commission Enterprises
Become Private Companies.

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Two enterprises organized and operated by the National Construction Commission, the Yangtze Electric Power Company and the Huai-nan Mining & Railway Company, have been turned over to private interests and only 20% of the capital of each company retained by the Government as represented by the National Construction Commission. Each company is to be capitalized at yuan 10 million divided into shares of yuan 100 each. The companies are now being organized and shares will be sold by the China Development Finance Corporation.

The Yangtze Electric Power Company is made up of two power companies one at Nanking and one at Tsishuyen, while the Huai-nan Mining & Railway Company is a consolidation of the Huai-nan Mining Bureau and the Huai-nan Railway Bureau.

In discussing this reorganization with a representative of the China Development Finance Corp., he stated that the two principal advantages in this plan were that it made available to the Construction Commission additional funds for new projects and at the same time gave private interests an opportunity to invest in going concerns and thus bring about a closer cooperation between the Government and the people.

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When asked if the yuan 16 million evidently paid to the National Construction Commission represented their actual investment or actual cost of construction of the projects, the reply was somewhat evasive and the official finally stated that this sum, of course, included a certain amount of good will and other items purchased from the National Construction Commission.

C. E. Christopherson
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Trade Commissioner.

Approved for transmission

JA
Julean Arnold,
Commercial Attache.

CEC:MB