

Shanghai, China, June 7, 1938.

Submitted by: H. B. Howard, Assistant Trade Commissioner.

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MOTION PICTURE NOTES

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The following news items published in the local press indicate current trends and developments in the exhibition and production of motion pictures in Shanghai and other parts of China.

"Effect Of Present Currency Situation  
on the Cinema Business  
(Shanghai Times, June 4, 1938.)"

"Supply of Pictures Is Being Maintained In Spite Of Problem: Local film distributors are being affected to some extent by the currency situation, and, owing to the fact that no exchange allotments are being granted to them, are being forced to buy in the open market. At the present time matters are quite uncertain but it is believed not impossible that Shanghai film schedules may meet with some form of curtailment or that theatre prices will have to be raised some time in the future.

"In the meantime the distributors are carrying on as best they can and have thus far done their utmost to insure Shanghai an adequate supply of the best pictures. It is recognized, however, that these films must eventually be paid for in terms of U.S. dollars, and in this way Shanghailanders are dependent upon the currency situation for their entertainment.

"With regard to the possibility of raising theatre prices, one manager stated that he would like to see such a measure avoided if possible in that it was realized that many patrons were hard pressed these days. He pointed out that attendance had fallen off during the past few weeks, adding that this decline was due to conditions and not seasonal.

"The present situation is not entirely new to Shanghai, however, for theatre managers recalled that several years ago when the exchange rate was five to one on the U.S. dollar that prices were not raised. It is also believed that it would take a great deal to give the Shanghai show world anything resembling a serious set-back, for perhaps more than in any other large city in the world the public here is dependent upon the cinema for its entertainment."

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In our Economic and Trade Note No. E-39, dated February 23, 1938, we referred to the voluntary institution of an entertainment tax by theaters in the International Settlement. This levy is known as the Refugee Tax and was first adopted by theaters in the French Concession, the theaters in the International Settlement soon following suit at the suggestion of the Municipal Council. The levy went into effect on January 20. The total sum received by the Council to May 18 has amounted to Yuan 96,521.35. Particulars of amounts received up to April 25 are as follows:\*

| <u>Theater</u>     | <u>Period</u>       | <u>Amount</u>               |
|--------------------|---------------------|-----------------------------|
| Capitol            | Jan. 20 - Apr. 20   | Yuan 2,075.78               |
| Chekiang           | Jan. 20 - Apr. 20   | 1,693.94                    |
| Lyric              | Jan. 20 - Mar. 23   | 4,471.91                    |
| Metropol           | Jan. 20 - Mar. 9    | 5,711.85                    |
| Metropol           | **Mar. 10 - Mar. 27 | 13,484.84                   |
| Metropol           | Mar. 28 - Apr. 20   | 1,767.65                    |
| Palace             | Jan. 20 - Mar. 30   | 2,469.02                    |
| Rialto             | Jan. 20 - Apr. 20   | 2,902.97                    |
| Strand             | Jan. 20 - Apr. 13   | 4,899.64                    |
| Tien Chan Wu Ta    | Jan. 20 - Mar. 9    | 1,210.69                    |
| Yung Kee Dah Wu Ta | Jan. 31 - Apr. 20   | 7,181.06                    |
| Carlton            | Jan. 22 - Apr. 20   | 4,719.08                    |
| Carter             | Jan. 20 - Apr. 6    | 1,182.16                    |
| Grand              | Jan. 20 - Apr. 13   | 14,120.95                   |
| Kwong Wah          | Jan. 20 - Apr. 13   | 2,257.50                    |
| Star               | Jan. 20 - Apr. 13   | 1,764.89                    |
| Western            | Jan. 20 - Apr. 6    | 1,482.78                    |
| Shanse             | Jan. 20 - Apr. 20   | 889.36                      |
|                    |                     | Total Yuan <u>74,285.47</u> |

\* The Nanking Theater does not appear on this list as it is located in the French Concession.

\*\* Special Contribution, Dr. Mei Lan Fang's performances.



"Chinese Film Business in Shanghai  
Has Hard Time.  
(Shanghai Times, April 28, 1938)

"Chinese Motion Picture Industry Sorely Hit By Hostilities:  
Shanghai was formerly considered to be China's 'Hollywood' and just prior to the hostilities last year the Chinese motion picture industry was making great headway. Chinese pictures enjoyed capacity houses in practically every theatre in Shanghai.

"There are however a few Chinese pictures being shown and these were made last year, prior to the hostilities, or are old pictures which have never been exhibited for various reasons. The Hsin Hwa Motion Picture Company, however, completed its outstanding success, "Sable Cicada" after the outbreak of hostilities, the film being shown in both foreign and Chinese theaters.

"The Hwa Wei Trading Company, which was in charge of renting many pictures to theatres in all parts of the country, is suffering losses having business connections with theatres in Hong Kong only. At the peak of its business the company usually had connections with no less than 60 theatres, but now the figure has been reduced to about 10 only, Chinese reports state."

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"Japanese Theaters In Tientsin Bombed  
(Shanghai Evening Post, June 6, 1938 - United Press Despatch)

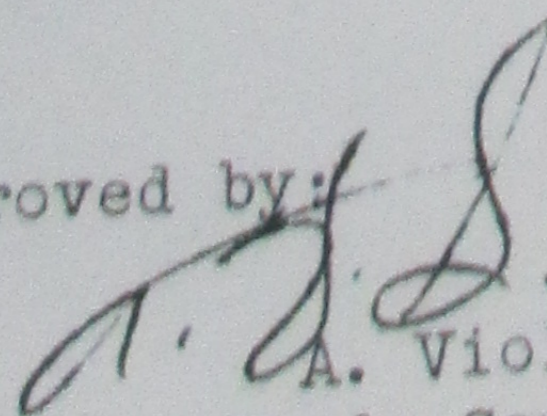
"Chinese terrorists struck at Japanese owned theatres here and succeeded in reducing the Capitol Theatre to ashes.

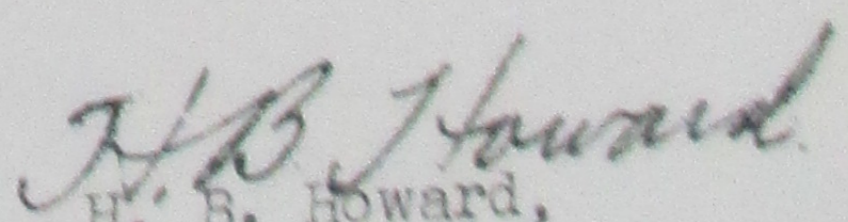
"The Japanese-owned Capitol Theatre, in the first special area, was totally destroyed by fire following the explosion of two incendiary bombs back-stage.

"The theatre was filled with a capacity audience at the time of the explosions, but no one was seriously injured despite panic which broke out as the theatre patrons jammed exits in an effort to escape from the flames.

"Two incendiary bombs also exploded at the Cathay Theatre, but the flames were extinguished before considerable damage had been done. The Japanese owners of the Capitol also own the Cathay. The Cathay is situated in the French Concession and was showing 'Good Earth'."

Approved by:

  
A. Viola Smith,  
Trade Commissioner,  
Temporarily in Charge.

  
H. B. Howard,  
Assistant Trade Commissioner.