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Subject: "MOTOR TRANSPORTATION IN CHINA"

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Motor transportation became during 1939 a requisite life-line to the national existence of China. With all eastern seaboard ports of consequence either occupied or blockaded by Japanese forces, "Free" unoccupied China has been wholly dependent for unbound necessities and export commodities abroad upon three "back door" overland routes: (1) French Indo-China via port of Haiphong; (2) Burma, via port of Rangoon; and (3) Soviet Russia through Chinese Turkestan. At the end of November, 1939, an important supply route to China from Haiphong northward through Kwangsi Province was interrupted by the penetration of Japanese forces into Southern Kwangsi. The cutting of this artery at Nanning is estimated to affect 30% of the present inbound supplies to unoccupied China, but an alternative route through Kao-bang, and Western Kwangsi may possibly offset this loss.

Inadequate railway lines have thrown "Free" China upon motor transportation to an extent never before known in her history, so great has been the necessity for bringing in munitions and other essential supplies and in exporting her produce abroad.

Complete and accurate data is unavailable but the drawing together of threads of material from innumerable sources into this report may be of value as a sketch of what is taking place in the realm of motor transportation in this transitional period.



The Sino-Japanese "Incident" has split China temporarily into two broad geographical areas: (1) Eastern China, representing the Japanese occupied territory in North, Central and South China, including all principal seaports; and (2) in unoccupied "Free" China, comprising the two southwestern and northwestern provinces. Japanese military occupation since July 1937, has engulfed 410,000 square miles and about 45% of the total Chinese population. The Chinese National Government continues to govern effectively 3.3 million square miles with a population of 285 million people--no inconsiderable domain in which lies vast undeveloped natural resources.

At the close of 1936 about 98,000 kilometers of highways were open to traffic, of which one-third were estimated to be in Eastern China. The 30,000 kilometers within the Japanese occupied areas have suffered severely from active warfare, and in the main have not been restored. The destruction of highway mileage during 1937-38 has been largely offset, however, by new construction in western China, hence the total highway mileage of China in 1939 is probably 100,000 kilometers, or slightly more than that open to traffic at the end of 1936. The proportion of surfaced roads is believed to be somewhat greater, as new routes in the southwest are of water-bound macadam construction, while routes in the occupied areas of Eastern China were mainly dirt construction. Surfaced roads in China consist of low type clay-bound macadam. There are no asphalt paved or concrete highways outside of limited city districts in such main treaty ports as Shanghai, Tientsin, Tsingtao, Peiping, Hankow, Canton, etcetera. The low-cost type of surfaced roads has provided passable all weather roads for motor traffic, though considerable difficulties is encountered in very rainy seasons. These routes have carried an increasingly heavy strain from the sudden burden of motor traffic put upon them within the past two years of hostilities.



A Commission of three American motor transportation experts have been in China since August, 1939, to advise upon ways and means of untangling congestion which would free export commodities, especially wood oil, destined to the United States; and to assist the Ministry of Communications in creating a National Transportation Bureau which will have administrative control over highway engineering and related affairs. The first task of these experts has been to survey existing motor transportation facilities and to advise upon practical ways of accelerating the movement of motor freight and methods of keeping rolling equipment in repair and moving profitably. The members of this Commission have made extensive tours of investigation over the network of highways in southwestern China, and held numerous conferences with Chinese government officials. Unconfirmed press reports state that an American loan of US\$350 Million for highway improvement and construction is under discussion.

The principal national highways under the supervision of the Ministry of Communications of the Chinese Government, now open to traffic are:

<u>NAME OF ROUTE</u>	<u>CONNECTING CITIES</u>	<u>APPROXIMATE LENGTH IN KILO.</u>
Szechwan-Kweichow Line	Chungking-Kweiyang	483
Kweichow-Yunnan Line	Kweiyang-Kunming	656
Kweichow-Hunan Line	Kweiyang-Changsha	1,008
Kweichow-Kwangsi Line	Kweiyang-Chennankwan (French Indo-China border. From Border to Hanoi in FIC. is 152 km.; and Hanoi to port of Haiphong, 101 km.)	1,042
Kweichow-Kwangsi Branch Line	Hochi-Pingma-Kaobang (A new alternative route re- cently opened considerably shortening the line from Chennankwan to Kweiyang)	300



<u>NAME OF ROUTE</u>	<u>CONNECTING CITIES</u>	<u>APPROXIMATE LENGTH IN KILO.</u>
Yunnan-Burma Line	Kunming to Border (Border to Lashio railhead in Burma is 187 km.; Border to Rangoon is 1181 km.)	979
Yunnan-Szechwan Line	( Kunming-Luhsien (Luchow) ( Luhsien-Chengtu	913 312
Hunan-Kwangsi Line	Changsha-Laochow (Liuchow) Tatang	860
Hunan-Kwangtung Line	Hengyang-Tsunyuen	565
Szechwan-Hunan Line	Canchichang (Kikiang)-Yuanling	1011
Kwangtung-Kiangsi Line	Shaokwan-Nanchang	650
Hunan-Hupeh Line	Changteh-Shasi	150
Szechwan-Hupeh Line	Chenkiang-Patung via Enshih	350
Szechwan-Sikang Line	Chengtu-Ya An (Yachow) Ya An to Kangting (Tachienlu) in Sikang Province now under construction	250
Szechwan -Shensi Line	( Chungking-Chengtu ( Chengtu-Hanchung ( Hanchung-Sian	550 550 466
Kansu-Szechwan Branch Line	Kaolan (Lanchow) via Tienhui to Paochi	325
Kansu-Shensi Line	Kaolan (Lanchow) via Pingliang to Changan (Sian)	748
Kansu-Sinkiang Line	Kaolan (Lanchow)- Tihwa (Urumutsu)	2400



#### MOTOR TRANSPORTATION SERVICES

Motor transportation services, both governmental and private, sprung hastily into existence in an effort to meet the emergency needs of the hour. The Chinese National Government in December 1938 allocated Chinese \$76 million for transportation improvements at a Conference of the Executive Yuan attended by representatives of Ministries of War, Communications, Economics and Finance, and directors of reconstruction and highways departments of nine provinces. Of this sum Chinese \$52 million was to be spent on the purchase of new busses, trucks and tractors and for the reconditioning of old vehicles. The Ministry of Communications during 1939 allocated C\$20 million for repairs and maintenance work on lines operating in the southwest.

Two transport services known as the Southwest Highway Transportation Administration and the Northwest Highway Transportation Administration, were organized by the Ministry of Communications to assist local governments in motor transportation problems, as well as to conduct trucking services of their own for which large fleets of motor vehicles were placed at their disposal. These Administrations were also charged with the responsibility of maintaining highways over which their fleets operated.

As a step towards further efficiency and unified control, the Ministry of Communications in August, 1939 was empowered by the Executive Yuan to separate motor transportation from constructional management, and to establish a Central Highway Transportation Bureau to control all transportation matters heretofore directly controlled by the various highway stations. Henceforth, upon the completion of the construction of a highway, while its management and control will still remain in the Ministry's Central Highway Administration Department, new District Administration offices will be established to cooperate with the head office.



The Central Highway Transportation Bureau's Head Office was inaugurated on August 1, 1939, and all highway systems re-adjusted, major changes including:

1. The former Southwest Highway Transportation Administration Office was ordered to cease functioning, and a new Southwest Highway Control Office established to take charge of all building operations along the lines Chungking to Liuchow (Kwangsi) via Kweiyang; Changsha to Kunming via Kweiyang.

2. A new Szechwan-Kwangsi Highway Transportation Bureau was established to control all transportation matters along the line extending from Chungking, Kweiyang, Liuchow and Changsha. This Bureau also concurrently takes charge of all transportation matters along the Kunming-Kweiyang Line.

3. A new Szechwan-Yunnan Highway Control Office established to take charge of all building matters along the Kunming-Luhsien (Luchow), Szechwan Line, and concurrently all transportation matters along this route.

The adjustment of highway systems in Northwestern areas is proceeding along similar lines.

A school has been operating in Kunming, the capital of Yunnan Province, for over a year, to train drivers and mechanics for trucking services on the southwest roads. Thirteen hundred young Chinese boys are reported to have come from overseas to enter the school, 216 of whom were later assigned as drivers to the Yunnan-Burma road. Chauffeurs and mechanics have been drawn from Shanghai and other coastal cities, but these are stated to have been unsatisfactory because of their unwillingness to put up with the pioneering conditions in the interior.

An American motor truck manufacturer (1) has organized two mobile repair service units, with headquarters at Kunming, for providing modern ser-



vice station facilities and training of mechanics on the southwestern routes, where its particular makes of trucks are operating. This has been done to accord better servicing facilities for the large fleets of trucks purchased by the Chinese Government, as well as to uphold the good name of American equipment.

#### TRUCKING SERVICES

Several thousands of motor trucks, chiefly of American make, have been purchased by the Chinese Government for the development of long distance trucking services. In July, 1939, it was conservatively estimated that 9,000 trucks were operating, many of which had been in use for two or three years. It was expected that 40% of the total would have to be replaced in the near future. Newly imported trucks were reported to be arriving at the rate of 1000 a month, though other sources of information tend to regard this figure as excessive.

Complete data relative to government and private operators is not available. Principal large scale operators are described below:

Foh Shing Trading Company is the China organization of the Universal Trading Corporation of New York, which latter concern was created to make the bulk of Chinese purchases from the US\$25 million American credit placed at China's disposal during December, 1938 against wood oil shipments. To assist in getting wood oil exports out of China, 1000 American trucks were purchased, and a transportation service organized under the style of the Foh Shing Trading Company, with headquarters at Rangoon, Burma, and Haiphong, French Indo-China. In August, 1939, one hundred trucks were in operation in Kwangsi province carrying oil to the French Indo-China railhead. The remaining 900 trucks were expected to be in service by end of the year to carry oil from interior collecting centers to Kweiyang. The company aimed



to maintain services over two routes, one line to Kunming, Yunnan and the other to Chennankwan, on the French Indo-China border. It estimated that 4000 tons of cargo could be carried to port or railhead each month, thereby relieving by an almost equal amount the heavy burden that the 2000 trucks of the former Southwest Highway Transportation Company had been carrying. On their return trips, the trucks are to carry gasoline, machinery, medical supplies and other American products purchased with the American credit by the Chinese Government.

Foh Shing is a privately organized Chinese company capitalized at Chinese \$10 million.

The company has also established two training schools for 600 mechanics and chauffeurs engaged from Singapore and Shanghai. These are stationed along its routes, where service repair stations, filling station, store-houses and dormitories have been opened. The company hopes in this manner to prolong the life of a truck in war time from the present six months period to two years.

Various sources indicate that an additional order for probably 6000 American trucks will be placed against the American credit, but that the actual placing of the order is probably awaiting the final report of the American commission of motor transportation experts who have been in China since August, surveying conditions in the field.

Southwest Highway Transportation Administration organized and operated by the Ministry of Communications during 1937-1938, has undergone numerous changes since August 1939. While it is said to have ceased functioning under this specific name, and to have been superceded by separate District Transportation Control Offices, the transportation service operated by the Ministry of Communications is still commonly referred to by the old name. This governmental organization should not be confused with that of a private



organization also operating under the style of "South West Transportation Company".

The Southwest Highway Transportation Administration formerly maintained two branches, one at Kweiyang, the capital of Kweichow Province; and the other at Kunming, the capital of Yunnan Province, and had under its jurisdiction a network of 5000 kilometers of highways over which it operated from 1000 to 2000 trucks. The system was under the direct supervision of an American trained Chinese highway engineer. Indicative of the extensiveness of its operation is the fact that it required upwards of a quarter of a million gallons of gasoline a month; maintained stock of 2000 tires; 50 tons of springs; and spare parts valued at half a million Chinese dollars. A central repair shop, a machine shop, and a stores supply unit were maintained at Kweiyang. Its machine shop was engaged in turning out many items which, owing to the scarcity of supplies in the interior, necessitated the service being self-reliant. Illustrative of this was the fact that the shop had to make its own screws and even nails. In June 1939, the gross monthly revenues of this service were estimated at C\$800,000. and by October 1939 it fully expected to increase revenues to C\$1.5 million.

The inauguration of the Foh Shing Trading Company's transportation service in August relieved a heavy burden from the fleet of the former Southwest Highway Transportation Administration, making its vehicles available for commercial cargoes.

Under the new August 1939 set up the Southwest Highway Transportation Administration ceased functioning, and a new Southwest Highway Control Office established in charge of highway maintenance along the lines to Chungking to Liuchow (Kwangsi) via Kweiyang; Changsha to Kunming via Kweiyang. Responsibility for transportation was placed in the newly created Szechwan-Kwangsi Highway Transportation Bureau and the Szechwan-Yunnan Highway



Control Office.

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South West Transportation Company, privately organized, managed by T. L. Soong, brother of T. V. Soong, with close government affiliations, engaged chiefly in the transportation of military supplies for the government. (While somewhat similar in name, it should not be confused with the service of the Ministry of Communications, which formerly operated under the style of the South West Highway Transportation Administration) In July, 1939, this company was reported to be operating 1000 trucks between Kunming and Burma, averaging 60 to 100 tons haulage a day. Effective September 1, 1939, an order was issued to the effect that none of its trucks were to leave Kunming without export shipments of the Foreign Trade Commission.

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Szechwan-Kwangsi Highway Transportation Bureau: organized in August, 1939 by the Ministry of Communications to control all transportation matters along the line extending from Chungking, Kweiyang, Liuchow and Changsha, and to concurrently have charge of Kunming-Kweiyang line. These routes were formerly under the control of the Southwest Highway Transportation Administration.

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Szechwan-Yunnan Highway Control Office, organized in August 1939, by the Ministry of Communications to take charge of all transportation matters along the Kunming-Luhsien (Luchow) Szechwan Line, and presumably has superseded the former Sui-fu Kunming Transportation Administration. This line is expected to be able to move 100 tons of cargo daily.

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The Chinese Postal Service Administration under the Ministry of Communications has established various express trucking services in the interior to speed up postal transport.

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In addition to the above large scale organizations 27 private commercial transportation companies are said to be operating 2000 motor trucks between Chungking and China's southern borders, estimated to be capable of carrying a total of 6000 tons of freight monthly, on the basis of each truck making one and a half trips within this period. Several Chinese commercial transportation firms are popularizing a highway-waterway through transportation system between Haiphong and the interior of China. By this new system trucks are needed to negotiate only 1000 kilometers on the entire route as compared to 1500 kilometers previously. One firm claimed that it is able to bring at least 1000 tons of freight a month from Haiphong into China by this system at a much less cost than by highway only.

The Chinese Government is augmenting its motor transportation services by making large scale experiments with 7000 to 8000 coolie bearers being used in relays for long overland hauls. These caravans can move goods between 12 and 17 miles a day. The actual cost equals that by truck, but it does not involve any expenditure of foreign exchange and is therefore more economical in China. The Ministry of Communication has also formed 2000 mule cart caravans for transportation. Cost of transport by this means from Chungking to Kunming is stated as Chinese ¥600. per ton compared with Chinese \$1,300. per ton by truck.

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Indo-China Motor Transportation Service: In April 1939 a new Sino-French transportation company was organized to operate in French Indo-China between Haiphong, Hanoi and the Chinese border in an effort to relieve the enormous congestion of cargo which had piled up in these French colonial cities. This service was expected to augment the limited facilities of the French Annam-Yunnan Railway Line, whose capacity is but 250 to 300 tons daily. If the rolling stock were doubled and the line doubled tracked and entirely modernized, it is doubtful whether its transport capacity could be extended beyond 500 tons daily. Large quantities of goods have moved over the French Indo-China highways to Dong-Dang at the Kwangsi border of China.

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#### TRANSPORTATION COSTS

Varying reports of costs of transportation are most confusing because of the inadequacy of means of checking material received. The following random notes, however, may be of some assistance.

In January 1939, Yunnan merchants were paying from C\$2,600. per 2 ton capacity truck and up for the shipment of goods to Chungking via the Yunnan-Kweichow highway, a distance of 1,139 km. The building of a new road known as the Kunming-Luhsien (Luchow) Line, to be opened early in 1940, is expected to cut the time required for the trip in half thus doubling the capacity of the trucks in use.

In February 1939 the cost of transportation from Chungking to Kunming by truck ranged from Chinese \$480. to Chinese \$552. per metric ton, working out at a ton-mile rate ranging from C\$0.6713 to C\$0.772. Insurance rates against risks of transportation from Chungking to Kunming were about 1.15%. The National Foreign Trade Commission insures its shipments against these risks only, bearing the war risk itself.



A representative shipment of bristles from Chungking to Hong Kong work out at a rate of 1.87% including war risk.

In adjuring Chinese public during October 1939 to conserve gasoline the Minister of Communications stated that it cost Chinese \$1200. to haul each ton of gasoline from Chennankwan at the French Indo-China border to Chungking.

#### Transportation by Yunnan-Burma Road

The following information relative to comparative methods of transporting cargo from Rangoon to China has been furnished through the courtesy of a Shanghai American firm (3) who during August, 1939, had its representative make detailed inquiries as to the feasibility of shipping commercial cargo over this route.

Transport from Rangoon to Bhamo, by water is the most economical, as the Irrawaddy River flows from Rangoon to Bhamo. A highway exists from Bhamo through Namkham and Muse to the Yunnan border. However it is passable only as far as the Shweli River Bridge, about 75 miles from Bhamo, and over a very hilly road. Shweli to Yunnan border at Wangting is impassable in rainy season. Hence the route via Bhamo is ruled out as a means of connecting with the Yunnan highway.

A pack animal route exists from Bhamo to Kunming via Tengyuan. Maximum load is limited to 120 pounds, being two units not exceeding 60 pounds each in weight. The trip requires from 6 to 8 weeks during good weather, and longer when rainy.

A railway line runs from Rangoon to Lashio in northwestern Burma, and is the most practical means of transportation, although a highway route also exists running from Rangoon to Lashio via Pegu, Pyuntaza, Toungoo, Pyinmana, Meikuila, Mandalay, Maymyo, Gokteik Gorge and Hsipaw.



Nearly all Chinese government shipments from Rangoon have been made via the Burma Railways to Lashio, for which the railway company has increased its rolling stock. Passenger trains from Rangoon to Lashio take 24 hours; fast goods freight trains 60 hours; slow goods trains 96 hours. Since the increased movement of cargo over this line, no tariff rates have been officially published by either the Burma Railways or the Irrawaddy Flotilla Co., as much competition between the two exists for this new business. All goods in transit to China, with few exceptions, must pay a nominal 1% transit tax on the c.i.f. Rangoon value.

From the railhead at Lashio, to Wangting, on the border of Yunnan Province, a fairly good road exists. The Burmese Government limits the size of trucks over this Burma section to 2 tons. It is estimated that a 2 ton truck could cover the route between Lashio and Kunming, and return and be serviced in half a month. A fleet of 1000 trucks could thus bring 4000 tons of freight to Kunming in a given month, though during the rainy season from May to October, the traffic would be less. It is not efficient to run trucks in sections. The official mileage between Lashio and Kunming is 772 miles of which 280 miles is in very bad condition. Commercial operators estimate the average life of a truck on this route as 25,000 miles and say that trucks must be completely depreciated within six months if successful commercial operation is to be expected. It is not as yet certain whether free commercial transportation will be permitted over the Yunnan section of the route. There is as yet a great lack of repair and service stations. Only Chinese government cargo or cargo consigned to the Chinese government is at present allowed to be transported, which in volume is more than the road can presently carry. It is hoped that with the improvement of the highway that permission may later be obtained from the Chinese Ministry of Communications to operate a



small number of commercial trucks. The average speed of truck traffic from Lashio to Wangting is between 10 and 15 miles per hour; from Wangting to Kunming not more than 10 miles per hour. Running time from Wangting to Kunming in dry season averages one week; in rainy season, two weeks. All year around hoped for by end of 1940.

The Southwest Transportation Co. (a semi government organ) ran convoys of trucks for some time through the 1939 rainy season, by having the first two or three trucks of the convoy loaded with coolies to clear landslides and other obstacles. There are still many weak points on the Yunnan section of the highway which must be remedied before the road can carry heavy traffic of 100 to 150 trucks per day. Survey of the route is good ; grades at one time as steep as  $8\frac{1}{2}\%$  have been cut down to 6%. Prior to the May-October, 1939 rainy season the road was in fairly good condition, with most permanent bridges completed. Two weakest points were a 275 feet long bridge over the Salween River, well constructed, suspended on steel cables between two rock towers at either end; and a 350 foot suspension bridge over the Mekong River which could take  $7\frac{1}{2}$  tons without reinforcement. These two bridges would make excellent air raid targets. The September-October rains washed out a portion of the Mekong River bridge. The other 100 odd bridges on the route can carry only from 2 to 3 tons, hence trucks are forced to unload all cargo and cross bridges empty. Cargo carried over by coolie or pack mule is then reloaded. Continuous work has been in progress to strengthen and reinforce all bridges, to improve road surface, curves and drainage. Some traffic signs have been erected, while telegraphic communication is now available at largest cities along the route.



Current transportation rates quoted on August 2, 1939 were:

1. Burma Railways from Rangoon to Lashio.

(a) Per carload lot of  $11\frac{1}{2}$  tons of 2240 lbs Rs.45 (HK\$55.35) or (US\$15.77)

(b) Less than Carload Lots, per ton of 2240 Pounds Rs.50 (HK\$61.50) or (US\$17.53)

2. Irrawaddy Flotilla Co.

Rangoon to Bhamo Per ton of 2240 Pounds Rs.30 (HK\$36.90) or to 35 (US\$10.52) to (HK\$43.05) or (US\$12.27)

3. Truck 2 to 3 tons Lashio to Wangting, based on full load could be shipped at 8 annas (HK\$0.82 or US\$0.24) per ton mile; same contractor would accept shipments from Lashio to Kunming 772 miles at Rs. 1 (HK\$1.23 or US\$0.35 per ton mile); rates nominal only since no commercial traffic permitted at present.

4. Southwest Transportation Co. (semi-government) Paying  $15\frac{1}{2}$  annas (HK\$1.59 or US\$0.45 per ton mile). Lashio to Chefang about 50 miles over border into Yunnan province, thence by own trucks.

5. Operating costs for private trucks is very expensive, since petrol costs on an average of Rs1/11 annas (HK\$2.36 or US\$0.67) per Imperial gallon in up country Burma. If arrangement can be made to take petrol supplies across frontier into China, the Burma Government gives a drawback of 11 Annas per gallon. Excise--net cost, ex freight, insurance, etc. HK\$1.23 per gallon. Only 10 miles per gallon can be expected between Lashio and Kunming under best conditions. Under present conditions not more than 5 miles per gallon. One of the major oil companies running its own trucks from Dong Dang on the French Indo-China border to Chungking averages but 7 to 8 miles per gallon on a very much easier road.



6. Chauffeurs paid Rs. 75 (HK\$92.35 or US\$26.32) per month to drive as regular salary plus per diem of Rs. 1 (HK\$1.23) for time actually driving. Usually 2 drivers per truck necessary to alternate driving and assist in road obstacles and mechanical breakdown.
7. There at present are no private commercial trucks allowed over the road nor the shipment of private cargo. However, proposed rates are said to be in the neighborhood of C\$0.54 per metric ton per kilometer when handled by the Chinese Government's Highway Administration trucking services, and C\$0.14 per metric ton when shipped by private truck. The C\$0.14 is transit charge to be paid to highway authorities by all private trucks and is of course a surcharge in addition to whatever rates may be arranged between shipper and private trucking company.

Two Rangoon transportation firms are suggested:

- CONFIDENTIAL
- Balthzar & Sons, Ltd. (Armenian), Merchant Street, Rangoon, Est. 1856, salesman. Bankers: National City Bank, Rangoon.
  - S. Vertannes, Haulage Contractor, 96 Money Point Road, Rangoon. Transportation agent, financed by Watson & Son, Chevrolet agents in Rangoon. 150 Chevrolet trucks and has a haulage contract with Southwest Transportation Co. from Lashio to Chefang, 53 trucks stranded at one of river bridges washed out and Southwest Transportation Co. have 500 trucks marooned in the Mekong River.

Local insurance companies in Burma will cover shipments only to the Chinese border:

- A 1/8% Rangoon-Lashio by rail
- B 1/2% Lashio-Wangting (Chinese border) by truck

Cover for ordinary transportation risks with prompt trans-shipment at Lashio, as there are no proper godowns facilities at Lashio, except for Chinese Government cargo.



Central Trust Co. of China, Insurance Department, quoted in August:

	War Risks	F.P.A.	Time Limit
(1) Rangoon-Lashio by Burma Railway thence to Kunming by road	.50%	1.95%	30 days
(2) A. Rangoon-Chungking via Lashio and Kunming	.50%	3.15%	30 days
B. Rangoon-Chengtou via Lashio and Kunming	.50%	3.60%	30 days
(3) Rangoon-Bhamo by boat and to Kunming by truck	.50%	2.35%	50 days
(4) A. Rangoon-Chungking via Bhamo and Kunming	.50%	3.55%	50 days
B. Rangoon-Chengtou	.50%	4.00%	50 days

Time limit includes 7 days storage at destination provided time taken in transit and in storage at destination does not exceed the limit.

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#### DEVELOPMENTS BY PROVINCES

ANHWEI: Busses and trucks operating out of Nanking to nearby cities in Anhwei Province are operated mainly by Japanese Army or by interests under its direct control. Practically no restoration of private traffic has occurred.

CHEKIANG: In the northern districts under Japanese occupation, no private lines have been resumed. Such bus or truck services as are operating are those of the Japanese military or its interests.

Important motor bus services and trucking lines continue to function, however, in Southern Chekiang, which is still under Chinese control. A conference held at Kinkwa, in September, completed arrangements for the inauguration on October 10, 1939, of a seven-province through transportation service linking Chekiang up with the national war-time capital, Chungking--some 3000 km. distant. Daily bus services travelling between these points complete the



trip in two weeks time. Third Class fares fixed at Chinese \$130. The system traverses the provinces of Chekiang, Fukien, Kiangsi, Kwangtung, Hunan, Kwangsi and Szechwan.

Despite blockading of the coastal ports of Ningpo and Wenchow and intensive aerial bombing by Japanese forces, Chinese authorities manage to keep motor transport lines in southern Chekiang operating, which serve as feeders to interior China for cargo coming through these coastal areas.

FUKIEN: Long distance bus services are being improved and new fleets of motor trucks imported by the Chinese Government have been mobilized to transport the provincial products to Chekiang, Kiangsi and Yunnan provinces from where they are being exported abroad or shipped inland to meet local requirements. New regulations governing the transportation and freight procedure between Fukien, Chekiang and Kiangsi have been drawn up by the three provincial government authorities concerned for compliance by merchants and trades people.

Bus lines reported as operating in southern Fukien during July, 1939 were:

Lung Yen to Chui Tow	45 miles
Lung Yen to Eng Teng	36 miles
Lung Yen to Peng Kow	
Lung Yen to Changting	109 miles (Old Tingchow)
Peng Kow to Lien Cheng	18 "
Yungchun to Tek Hua	60 "
(Eng Choon)	
Total	268 miles

HOPEI: Heavy floods in North China during the summer of 1939, extending over some 40,000 square miles has seriously dislocated motor transport services. The Hua Pei Bus Company, a subsidiary of the South Manchuria Railway company, has a monopoly on motor transportation in the Tientsin and Peiping



areas, with similar concerns operating in Inner Mongolia.

The North China Communications Company (Japanese) has resumed its Tientsin-Peking bus service on a six hour schedule. Progress is reported in converting the Peking-Tungchow macadamized road to asphalt. Work on the Peking-Kalgan highway to cost C\$500,000. is stated to have commenced, while the 40 kilometer Peking-Nankow section is to be completed by the close of 1939.

HUNAN: The 3000 kilometers net work of highways in this province has been the backbone of transport services to unoccupied China, since December, 1937. Services in northwestern Hunan have been withdrawn for military reasons. The route between Changsha and Changteh in northwestern Hunan, and northward between Changsha and the Hupeh border have been dispended due to military reasons. Bus and trucking services in Central, Western and Southern Hunan are playing an ever important role in keeping communication lanes open. Services are generally under the control of the Ministry of Communications.

HUPEH: No travel is permitted within the districts under Japanese military occupation, except after the issuance of a special pass and by means provided by the Japanese army. The number of privately owned vehicles in Hankow City is restricted to the few belonging to foreigners. Present registration fee is Chinese \$21.00 plus Yen 1.00 per quarter.

Some 1700 kilometers of highways are open to military motor traffic, as follows:



<u>Name of Highways</u>	<u>Kilometers</u>	<u>Names of Cities &amp; Towns Passed</u>
Han- I Line	364.1	Hankow, Yingcheng, Shayang, Shih-lipu, Tangyang, Ichang (under Japanese control from Hankow to Shayang, or about 125 miles)
Wu-Tung Line	210.64	Wuchang, Sienning, Chungyang, Tungcheng (under Japanese control--about 110 miles)
Han-Lao Line	419.85	Hankow, Anlu, Suihsien, Tsaoyang, Fancheng, Laohokow (under Japanese control from Hankow to Suihsien -- about 110 miles)
Lao-Pai Line	230.2	Laohokow, Kuchang, Shih-hwa-kai, Tsaotien, Paiho (under Chinese control)
Siang-Sha Line	204.9	Siangyang, Icheng, Kingmen, Kiangling, Shasi (under Chinese control)
Han-Ma Line	127.4	Hankow, Taichiashan, Hwangpei, Sungfow, Macheng (under Japanese control--63 miles).
Wu-Yang Line	160.4	Wuchang, I-cheng, Tayeh, Yanghsin, (under Japanese control--60 miles)
<u>1717.49 Km.</u>		

A bus service was commenced in October 1939, between Hankow and Whangpei, 40 kilometers distant, operated by the Wuhan Traffic Company, a Japanese firm capitalized at Yen 1 million. The same company has taken over the Hankow city bus service formerly managed by the Kiangnan Industrial Company (Japanese) and added a number of busses to its fleet which has improved its running schedule.

KANSU: The 3000 kilometer Sino-Soviet highway traversing Kansu Province connecting China with the Turb-Sib Railway in the Soviet Union is the third most important "backdoor" overland route open to "Free" China. Starting from Tacheng, in northwestern Sinkiang Province near the Soviet border, the road runs southward to Wusu, then eastward to Tihwa (Urumutsi), thence through



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Kuchengtze and Hami in eastern Sinkiang; Ansi, Kiayukwan, Suchow, Kanchow and Liangchow in northwestern Kansu to Kaolan (Lanchow), the provincial capital. The main trunk line continues from this point easterly through Pingliang to Chang-An (Sian), the provincial capital of Shensi Province. Military supplies are said to be transported over this route from the Soviet Border to Chengtu within a fortnight's time. It has been extensively used since March, 1938, and has been materially improved during 1939.

A new 1300 km. branch known as the Kansu-Szechwan Line, running southeasterly from Kaolan (Lanchow) via Tienhui, to Paochi on the main Shensi-Szechwan Line is nearing completion and is expected to be open to traffic early in 1940. This new cut off gives a much shorter motor transport artery to Chungking, the war-time capital of China.

KIANGSI: Although Nanchang and certain northern districts have come under Japanese occupation and motor transportation services have been abandoned in those areas, the highways in middle and southern Kiangsi, are effective links in the inter-provincial communications of China.

A coordinated highway and waterway transport system has been inaugurated between Kiangsi Province and Kwangtung (at Chao-an). Long distance bus services are in operation between the two cities via Hsinning, Lungchuan and Hoping. It is proposed to link the highway and water way communication system along the East and North river regions in Kwangtung province with Kiangsi.

KIANGSU:

Nanking Area: Almost no restoration of suburban or interurban highway communication for private traffic has been made. Busses and trucks in operation belong either to the Japanese Army or to various semi-official organizations under its control. Municipal busses in Nanking are run by the Central China Metropolitan Bus Company, a subsidiary of the Central China Re-



habilitation Company. The trucking for the railway lines is done by the Japan Transport Company; other purely Japanese companies do a certain amount of local trucking. In short, the motor vehicles operated as public utilities or in connection with them are under Japanese or semi-Japanese control.

In April 1939 there were 90 motor vehicles registered in Nanking, exclusive of Japanese civil vehicles, both in private and business use, which far surpass those employed by Chinese and other nations. Figures as to number of vehicles operated by Japanese interests not available.

As to data relative to license fees and regulations in Nanking, refer to Special Report No. S-13 dated September 2, 1939, entitled "Motor Vehicle License Fees and Regulations in Nanking" by Trade Commissioner, A. Viola Smith.

Shanghai Area: The Central China Urban Motor Bus Company, a Japanese subsidiary of the Japanese sponsored Central China Development Company, has been given the monopoly franchise for operation of bus lines within the Shanghai-Hangchow areas under Japanese occupation. Limited services are operating between Shanghai and Wusih; Changchow-Soochow; Wusih-Changchow-Tanyang. The Company plans to expand the network of bus lines, linking Shanghai with neighboring cities to 2000 kilometers within the next three years. Hundreds of its busses, a large share of which are Japanese "Nissan" make, are seen operating in the northern and eastern districts of the International Settlement at Shanghai, which areas are still controlled by Japanese Forces to the exclusion of the China General Omnibus Company, Ltd., the British company, which legally holds the exclusive franchise for motor bus operation in all areas of the Shanghai International Settlement. The fleet of this British concern, withdrawn from the northern and eastern districts of the Settlement during the height of hostilities in 1937, has not been permitted to resume its services within these areas. A fair number of American trucks (2) and German



"M.A.N." Diesels are included in the fleet of the Central China Urban Motor Bus Company. Japanese chauffeurs have been imported from Japan as well as Japanese girl conductors.

The Japanese sponsored "Shanghai Special Municipality" gave public notice on March 1, 1939, that any vehicle travelling in the districts beyond the International Settlement and the French Concession, under its jurisdiction must comply to the traffic regulations to apply for the vehicle licenses and pay the due charges for the plate and tax before such vehicle would be allowed to travel. In November, 1939, it claimed to have registered through its Bureau of Public Utilities 20,000 vehicles, but this figure is obviously excessive, as there are not that many motor vehicles in the Shanghai area. Certain it is, however, that many motor vehicles now seen on the streets of the foreign concessions in Shanghai are carrying the new license plate of the "Shanghai Special Municipality" in addition to the license plate for the foreign concession area.

Motor travel within a very restricted ten mile radius from the borders of the Foreign Concessions at Shanghai was reopened by Japanese military authorities to third party nationals only in July, 1939. As numerous unpleasant incidents have occurred because of sudden levying of unexpected "road fees and taxes" and of controversies existing between municipal authorities as to policing and uncertainties of lawless elements, has caused traffic in these areas to be slow to resume.

In August, 1939, the Japanese sponsored "Reformed Government" at Nanking announced that it would soon start the enforcement of new highway regulations. What form these regulations may assume may possibly be forecast by Provisional Regulations promulgated by the Kiangsu Provincial Government on August 8, 1938 as follows:



PROVISIONAL REGULATIONS GOVERNING THE CONTROL OF MOTOR  
VEHICLES IN KIANGSU PROVINCE.

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SECTION I. GENERAL PROVISIONS.

Art. 1. These regulations shall apply to motor vehicles of all descriptions travelling on the roads within the province.

Art. 2. The right of controlling motor vehicles in this province shall fall within a Control Bureau, set up by the Provincial Government, with assistance from police stations and sub-stations in the provincial capital, district, cities and towns.

Art. 3. Motor vehicles in this province are divided into the following categories:--

(a) Small passenger vehicles:

Vehicles which do not have more than 7 seats. These are divided into two classes, viz: private and hire vehicles.

(b) Big passenger vehicles:

Vehicles which have from 7 to 32 seats. These are divided into two classes, viz: private and hire vehicles.

(c) Public Busses:

Big public vehicles registered to run within, or in the environs of a prescribed city.

(d) Highway Busses:

Big public vehicles registered to run within a prescribed distance and on a certain route.

(e) Motor Cycles:

Motor cycles with or without side-cars. These are prohibited from carrying passengers for hire.

(f) Trade Vehicles:

Vehicles used to carry goods of not more than 5 metric ton in weight. These are divided into two classes, viz: private and hire vehicles.

(g) Trailers:

Vehicles attached to the rear of motor vehicle, carrying either passengers or goods weighing not more than 1 metric ton.

(h) Haulage Tractor:

Vehicles having a haulage capacity within 60 h.p.

(i) Vehicles for Special Purposes:

Motor vehicles of special construction and purpose and/or weight to the following specifications. These shall be sub-



mitted to the required authorities and their permit shall be obtained before use.

- (1) Passenger vehicles which possess more than 32 seats.
- (2) Trade vehicles of more than 5 metric tons load capacity.
- (3) Trailers of more than one metric ton load capacity.
- (4) Motor vehicles having solid tyres.
- (5) Haulage Tractors having a capacity exceeding 60 h.p.

(j) Miscellaneous Vehicles:

Other motor vehicles such as water tankers, oil tankers, riot vans, road-repairing vehicles, road rollers, fire engines and escapes and rubbish transporters.

- Appendix:
- (i) Benches on passenger vehicles shall be fixed at 4 decimeters per seat.
  - (ii) Capacity in weight and/or power shall be ascertained according to the regulations of the original factory which produced the vehicle or provided the specification.

Art. 4. The vehicles described above are not allowed to travel within the territory of this province unless license and number plate, issued by the Provincial Government, are duly paid for and obtained according to regulations.

SECTION II. LICENSE REGULATIONS.

Art. 5. The regulations pertaining to licensing, registration and fee payment of both highway bus companies and public bus companies shall be fixed specially.

Art. 6. Owners desiring to use any kind of vehicle described in Article 3 shall register at the Control Bureau by duly filling in a registration form. The regulation form shall be prescribed separately.

Art. 7. License and number plate shall be issued to owners of vehicles after payment of license fee and number plate fee on approval by the Control Bureau. The license shall hold good for one year at the expiration of which the licensee shall renew the license and number plate at the Control Bureau according to regulations. If the license or number plate is damaged, unclean or missing, the licensee shall apply for replacement for either or both. The licensee shall advertise the loss of such license and/or number plates pending the acquisition of new ones.

Art. 8. Charges for license and number plates shall be in accordance with the following table:



Kind of Vehicle	Fee	Number Plate	Provisional License	License	Duplicate Number Plate	Duplicate License	Change of Ownership	Change of Vehicle	License Renewal
Motor Vehicle		\$2.00	\$1.00	\$2.00	Big \$1.00 Small 50 cents	\$1.00	\$1.00	\$1.00	30 cts.
Motor Cycle		\$1.00	\$1.00	\$1.00	50 cents	50 cts.	50 cts.	50 cts.	30 cts.
Vehicle under Test		\$2.00		\$2.00	\$1.00	\$1.00			30 cts.

Art. 9. Licensee of either small passenger vehicles and/or trade vehicles shall pay a deposit of \$100.00 as security fee per vehicle which sum shall be refunded when the license is cancelled.

Art.10. In the event of a vehicle requiring more than 5 days for repairs, and transfer of its number plate to another unlicensed vehicle being desired, application shall be made to the Control Bureau to provide a provisional license which shall be carried by the license together with the original license. The provisional license shall hold good for twenty days only.

Art.11. If the repairs to a licensed vehicle are completed before the expiration of the period in which the provisional license is effective, the Control Bureau shall be informed and requested to cancel the said license. If, however, the repairs are not completed within the prescribed period, application shall be made again to the Control Bureau to extend the provisional license for a further period. The Control Bureau shall examine the vehicle under repair after the provisional license has been renewed twice, and suspend the original license should the condition of the said vehicle render it unfit for further running.

Art.12. A licensee who desires to alter the particulars given with respect to his registration shall apply to the Control Bureau to make the required changes in the license particulars. The Bureau shall make due examination of the vehicle. In the event of a change of ownership of a small vehicle for hire, it is prohibited to transfer to the new owner the original license and number plate, which shall be cancelled. If a small private vehicle changes hands, both the old and new owners shall proceed to the Control Bureau and respectively sign a registration form and license before a new license is issued.

Art.13. Special license and number plates shall be obtained for car testing purposes. The issue of such license shall be limited to the following companies and factories only:--

- (1) Public Bus or Highway Bus Companies.
- (2) Companies selling motor vehicles.



- (3) Factories repairing motor vehicles.
- (4) Factories producing motor vehicles.

The license for testing vehicles mentioned above may be used on any vehicle of the company for a period of one year. If cancellation of such licenses is required the Control Bureau shall be given 10 days notice before the date of cancellation. Such cancellation may only be made at the end of each of any of the four seasons (quarterly). The license shall be returned for cancellation at the same time. If licensees do not observe the above "cancellation regulation" the license tariff must be observed and full payment maintained. The licensee shall make application at, and send in the old license to the Control Bureau within the last 10 days of the season. It is not necessary to change the number plate.

- Art. 14. License shall be carried by the licensee while driving. Number plates and enamel disc shall be exhibited in conspicuous prescribed positions at the front and back of the vehicle.
- Art. 15. License, number plates and enamel disc shall not be affixed on other vehicles except as provided for in Art. 10 and Art. 13.
- Art. 16. The license of any kind of vehicle shall be paid for or cancelled at the Control Bureau, according to whether the said vehicle is in use or out of use.
- Art. 17. All private vehicles and vehicles undergoing test are prohibited to carry passengers for hire.

### SECTION III. REGULATIONS FOR EXAMINATIONS.

- Art. 18. All types of motor driven vehicles travelling within the territory of this province shall be sent to the Control Bureau to be examined. License shall be issued on passing the said examination. Vehicles proved not satisfactory shall be ordered to undergo necessary repairs or reconstruction prior to re-examination.
- Art. 19. The following points pertaining to any vehicle shall be examined to ascertain that:--
  - (1) The condition of the vehicle conforms with the description on Regulation Form.
  - (2) The brakes are in good condition.
  - (3) The steering wheel is accessible and strong.
  - (4) The lighting system is in order.
  - (5) The body is durable and the necessary accessories are not wanting.
  - (6) The siren or motor horn is audible at a distance of 100 metres.
  - (7) The upholstery is in good and clean condition.
  - (8) The exhaust shall come from a proper fitting and the exhaust smoke shall not be harmful to health.
  - (9) The electric wiring system shall be in good condition and free from any defects.
  - (10) The speedometer and voltmeter shall be in good working order.
  - (11) The balance of the car shall be satisfactory.



- Art. 20. Motor Vehicles of every description shall undergo examination once every year.
- Art. 21. Motor accidents shall be reported to the Control Bureau which shall make investigation if deemed necessary.
- Art. 22. Damage to any principal part or parts of a vehicle shall be repaired immediately. It is prohibited to alter the construction of a vehicle after it has been examined other than for replacements.

#### SECTION IV. REGULATIONS FOR PAYMENT OF TARIFF CHARGES.

- Art. 23. Licensees of vehicles of all descriptions shall make payment quarterly and obtain the enamel disc after the license and number plates have been issued.
- Art. 24. Payment of tariff charges shall be made quarterly according to the table previously given. License and driving license shall be produced for examination when such payment is made.
- Art. 25. Payment of tariff charges shall be made within the first month of the quarter. The amount of the license fee which the licensee shall pay shall be based pro rata per quarter according to the Schedule of License Fees. Vehicles licensed less than a month before the expiration of a quarter shall pay one month's license fee.
- Art. 26. If an enamel disc and/or number plate is/are found missing, the licensee shall produce a guarantor to confirm the loss or losses. He shall report the loss to the Control Bureau producing his written licenses and driving license for investigation and replacement. The fee for this service shall be \$5.00.

#### SECTION V. REGULATIONS FOR DRIVING.

- Art. 27. Driving shall be limited to completed "Ma Loos", i.e. motor roads. It is prohibited to drive on roads where any HSIEN (district) authorities of this province have decided to close the same to motor traffic.
- Art. 28. Vehicles passing the following places shall be made to travel at a low speed, to sound the horn audibly and to prepare for braking at any moment.
- (1) Inclines, sharp curves and/or zigzag roads.
  - (2) Car stations and/or their approaches.
  - (3) Cross roads, points intersecting railways and/or crowded roads.
  - (4) Hospitals and/or schools.
  - (5) Places where two or more cars are travelling in opposite directions or at crossings.
  - (6) Places where there are children and/or animals about.
  - (7) Unlevelled and/or narrow roads and bridges.
  - (8) Places where there is poor visibility or obstacles are ahead.



- (9) Roads under repair
- (10) Places with warning signs posted.

- Art. 29. Vehicles shall be driven along the left side of a road. In the absence of a traffic light, driver shall use his hand to indicate his intention to stop or turn.
- Art. 30. Except for bicycles and/or small passenger vehicles, motor vehicles shall not overtake any vehicles travelling in the same direction. This rule does not apply to an expert driver or in the event of the driver of a vehicle ahead making a sign to be overtaken.
- Art. 31. A driver wishing to overtake vehicles ahead shall sound the horn, which must be answered by the preceding vehicles. The overtaking shall be effected on the right side of the overtaken vehicles and the normal position shall be taken up again after the overtaking. It is prohibited to compete in speed with other vehicles or to pass other vehicles at sharp curves and/or on an incline; and/or in a place where there is/are oncoming vehicle/s; or on a bridge, crowded and narrow thoroughfares; cross roads, or whilst passing a hospital, school and/or a place where there are children and/or animals and/or warning sign/s.
- Art. 32. The speed of a public bus, highway bus and/or a trade vehicle shall not exceed 40 kilometers p.h. (about 25 miles p.h.) in country districts and 25 kilometers p.h. (about 15 miles p.h.) in town districts. The speed of a small passenger vehicle shall not exceed 70 kilometers p.h. (about 40 miles p.h.) in country districts and 35 kilometers p.h. (about 20 miles p.h.) in town districts.
- Art. 33. Speed of a vehicle shall not exceed  $8\frac{1}{2}$  kilometers p.h. (about 5 miles p.h.) within a distance of 150 meters in either direction from the crossroads of a highway, railway, and other roads, or while passing a hospital and/or school. A driver shall stop his vehicle and make observation both right and left before crossing a railway.
- Art. 34. The minimum distance between two vehicles travelling in the same direction shall be 60 meters in country districts and 15 meters in town districts.
- Art. 35. A driver shall not permit any one to enter or alight from a vehicle while it is in motion.
- Art. 36. A driver shall not permit any one to ride outside the vehicle or in any place constituting danger.
- Art. 37. A vehicle failing to proceed up a hill or an incline or approach to a bridge because of motor inefficiency shall be made to stop by braking. Should the brakes fail the driver shall go into reverse and bring his vehicle to a safe stop when the passengers shall be requested to leave.



- Art. 38. A vehicle shall not be brought to a standstill in the centre of a road to form an obstacle to traffic. If a vehicle is stopped in the middle of an incline the hand brake shall be applied and stones placed behind the wheels to prevent sliding. The stones shall be removed from the road when finished with.
- Art. 39. In the event of poor visibility caused by bad weather or dust, a vehicle shall be made to travel with lights on at low speed and the horn sounded frequently. The small lamps shall be put on, and low speed assumed when meeting another vehicle going in the opposite direction.
- Art. 40. If a driver wishes to stop a vehicle approaching from the opposite direction, he shall signal by flashing his headlight three times and then switch off entirely, the driver of the approaching vehicle shall stop on observing these signals.
- Art. 41. If two vehicles should meet in a narrow thoroughfare, one of them shall stop and dim its lights to allow the other to pass.
- Art. 42. A driver shall not switch on the big head lamps of his vehicle while passing crowded thoroughfares and/or public hire-car stations.
- Art. 43. A driver shall stop his vehicle and seek to be substituted at the steering if he should feel dizzy or physically unfit while he is driving.
- Art. 44. A driver shall pay due attention to the engine, wheels and tyres of his vehicle whilst in his charge. He shall stop the vehicle and seek repairs should he discover any defects.
- Art. 45. It is compulsory to lessen the weight on a vehicle should same be found to be over-loaded resulting in dangerous driving.

#### SECTION VI. REGULATIONS FOR TRANSPORTATION.

- Art. 46. A vehicle shall not be loaded with articles that stretch beyond the body of the vehicle or be loaded with weight heavier than prescribed by the regulations, or weight prescribed by certain routes or bridges.
- Art. 47. A public vehicle shall carry such number of passengers as limited by the Control Bureau. Such limit of number shall be exhibited inside and outside the vehicle. It is prohibited to carry passengers exceeding the prescribed number.
- Art. 48. Cleanliness shall be maintained throughout all vehicles and the seats shall be kept cleansed. Passengers of the following descriptions shall not be permitted to travel.
- (1) Those having severe infectious disease
  - (2) Insane and/or intoxicated persons.



- (3) Those carrying article/s which is/are dangerous and/or dirty and/or article/s of bad odour.
- (4) Those carrying unlawful article/s.
- (5) Those who are naked or not properly clothed.
- (6) Blind persons or those who are dangerously ill without escort.
- (7) Children under 8 years of age or exceedingly old persons without escort.

Art. 49. Load with projecting sharp ends shall be properly stacked and protected to avoid damage and/or accident.

Art. 50. Articles of the following descriptions shall be wrapped, covered or properly packed:

- (1) Liquids or materials likely to melt.
- (2) Articles which can be easily interfered with and scattered.
- (3) Articles giving out unpleasant odour.
- (4) Articles which rattle.

#### SECTION VII. FINES.

Art. 51. A driver of any vehicle shall be fined the sum of one to five dollars if:

- (1) The number plates and enamel disc are not affixed according to Article 14.
- (2) No replacement is made of unclean number plates or if same are covered purposely.
- (3) Any necessary auto accessories for driving are lacking.
- (4) The vehicle is parked in places to form an obstacle to traffic.
- (5) Lamps are lacking in night traffic or if small lamps and tail lights are not switched on during night parking on the roads.
- (6) Horn or siren is absent while driving.
- (7) The driver is intoxicated.
- (8) The vehicle is overloaded with passengers or goods.
- (9) The speed exceeds that prescribed by the regulations.
- (10) Loads exceed the length or width of the chassis, or if the loads interfere with the sight of the driver.
- (11) Loads with projecting sharp ends are not properly stacked.
- (12) No proper covering or packing is made on loads which move easily or can be scattered easily.
- (13) A number plate is transferred to another vehicle without a provisional license while the licensed vehicle is under repair.
- (14) Alteration of any part or parts is made on the registration form without reporting the same to the authorities.
- (15) The driving license is not carried whilst driving.
- (16) Any of the regulation/s and/or rule/s pertaining to transportation are breached.



Art. 52. A fine of \$5.00 to \$10.00 may be levied if

- (1) No report is made and driving continued after loss of driving license and/or number plate/s and/or enamel disc.
- (2) A vehicle is driven on roads closed to motor traffic.
- (3) A vehicle is driven with an expired license for car testing or without a provisional license.

Art. 53. A fine of between \$10. to \$20.00 may be levied if

- (1) A vehicle is driven without license.
- (2) If the engine number is filed off or altered.
- (3) The number plates and/or enamel disc of another vehicle are used or if the number on the enamel disc differs from that on the number plates.
- (4) The owner transfers the number plates and/or enamel disc to another vehicle.
- (5) Enamel disc, number plate/s and/or license/s are forged.
- (6) Driving is continued after the expiration of the driving license, before renewal, as required by regulations.
- (7) A private vehicle or a vehicle undergoing test is used to carry goods or passengers for hire purposes, or if a trade vehicle is used as a private vehicle.

Art. 54. The fines stated below shall be levied for accidents of the following descriptions, provided the vehicle was being driven in compliance with the regulations.

- (1) Appropriate payment for death of animal/s and/or damage to public and/or private property according to the market value.
- (2) Payment of between \$5.00 to \$50.00 to cover medical treatment in case of injury not constituting temporary disability. Compensation for minor injuries is not necessary.
- (3) Compensation of between \$100.00 to \$300.00 in addition to expenses for medical treatment to victims injured to the extent of serious disability.
- (4) Compensation to dependents between \$300.00 to \$500.00 in addition to expenses for medical treatment for death as a result of injuries.

Art. 55. The fines as stated shall be imposed for accidents of the following description if driver has not complied with the regulations, in addition to the fines to be imposed under the provisions of Article 54.

- (1) A fine of between \$10.00 to \$20.00 for offences similar to those stipulated in Clause (1) Art. 54.
- (2) The right to drive to be suspended for a period of one to three years for offences described and similar to Clause (2) Art. 54.
- (3) The right to drive to be suspended for a period of 3 to 5 years for offences as described in clause (3) Art. 54.
- (4) The right to drive to be permanently withdrawn for offences as described in Clause (4) Art. 54.



- (5) A driver causing disability or death as described in Clause (3) and (4) of this Article shall be prosecuted according to law for injuries and/or accidents causing death in addition to the penalties described herein.

- Art. 56. Application for number plates and/or licenses or payment of tariff charges shall not be at variance with the regulations or the time limit fixed by the Control Bureau. A fine of 10% on the quarterly tariff and/or on the annual license fee shall be imposed if the time overdue exceeds 10 days. The fine shall be fixed at 20% for delay exceeding 20 days or proportionately more if delay is further extended.
- Art. 57. If a vehicle is found to have any of the following defects, the license and the number plates shall be liable to temporary suspension.
- (1) The body of a vehicle is extensively damaged and/or defective in any way.
  - (2) The engine is damaged and is liable to stop frequently.
  - (3) The brakes are ineffective.
  - (4)
- Art. 58. If a driver should breach simultaneously a number of the rules, he shall be fined according to each and all the rules which he is found to have breached.
- Art. 59. If the same driver is found to have breached rules more than 3 times within a month, his license and number plates are liable to suspension from 1-6 months besides the usual fines being imposed.
- Art. 60. If a driver is found to have breached any traffic rule/s not mentioned in this section or any other regulations, he shall be fined according to circumstances.
- Art. 61. Fines shall be imposed by the authorities appointed by the Control Bureau or the local HSIEN authorities. Receipts for fines shall be signed and chopped by the respective authorities.
- Art. 62. If it becomes impossible to impose a fine at the time the offence is committed, the number of the vehicle shall be taken down and a report made to the authorities appointed by the Control Bureau or the local HSIEN authorities. They shall inform the owner of the said vehicle of the breach of the regulations. Fine/s double the original amount/s shall be imposed, and the vehicle detained if the regulations are not complied with within 10 days.
- Art. 63. A portion of all fines shall be transferred to a "Rewards Fund" which shall be governed by separate regulations.



- Art. 64. The remaining portion of all fines shall be reserved with records by executive authorities for use of improving roads and communications and for policing. The amounts of fines imposed shall be listed in report/s for audit purposes. No expenses shall be permissible unless under the grant of the authorities.
- Art. 65. These regulations shall be effective as from date of promulgation.

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KWANGSI: With the fall of Canton and Hankow in October 1938 the main entrepot to China became the port of Haiphong, French Indo-China. To augment the limited railway service between Haiphong and Yunnan Province, highway transportation services were speedily organized connecting Haiphong with interior China via Kwangsi Province. The principal route from the French Indo-China border at Dong Dang, ran through Nanning and other south Kwangsi cities, northward to Liuchow, where it intersected the westward line into Kweichow Province. Though subject to intense Japanese aerial bombardment from August onward, traffic continued to flow over this route, mostly moving at night. Casualties amongst both drivers and trucks were many with increasing difficulties in securing chauffeurs who were reported to be receiving C\$500. for a ten day trip between Chennankwan and Chungking. In recent months 30% of the trade between interior China and the outside world is estimated to have moved over this route. The cutting of this main artery at Nanning in November, 1939 by Japanese Forces is a serious blow. However, traffic is being diverted to a newly constructed branch route further westward, running via Kaobang, French Indo-China on the Kwangsi border to Kweiyang (Kweichow Province) via Hochi, in western Kwangsi. Connecting road from Kaobang to Hanoi is said to be in poor condition, but when improved the route will offer a welcome alternative.

KWANGTUNG: All motor transportation services were suspended with the capture of Canton by Japanese forces in October, 1938. Bus service in Canton



was resumed in the middle of January 1939, under joint auspices of the Formosan Development Company and the Kwangtung Peace Maintenance Commission, most of the busses being imported from Japan.

On June 3, 1939 the Provisional Government at Canton advertised for tenders for the franchise of operating busses, from Canton to Fatshan, Canton to Taiwoh Market in the Fayun district, and from Canton to Kongchuen. No bids were made; apparently a requirement that the bidder be prepared to offer at least C\$10. per bus per day as a tax to the government proving a substantial deterrent.

The Fuk Tai Company operates 20 busses in Canton City environs; it also operates several vessels between Canton and Fatshan, thus giving a combined river and motor freight and passenger service.

The Kuo Chai Transportation Co. with a fleet of 12 two and a half ton trucks has obtained the franchise to carry freight over the Canton-Fatshan highway. It charges C\$35. either way for the hire of a loaded truck and the shipper must pay that amount even if he has less than a full truck load.

Through transportation traffic between northern Kwangtung Province via Liuchow in Kwangsi Province, to Chungking was in course of being arranged during September 1939.

KWEICHOW: The provincial capital, Kweiyang, is the hub of motor transport lines in southwestern China, routes from the north, east, south and west, passing through this ancient city which has now become an important commercial center. Most services are under the control of the Ministry of Communications.

MANCHURIA: By decree of the "Manchukuo Government" in May 1933 the operation of motor bus transportation was placed in the Department of Communi-



cations, which was directed to expand bus transportation systems along the construction of railways. All bus lines which compete with or take the place of railways, or which play an important part in the opening up of undeveloped regions, or are considered indispensable to the maintenance of peace and order, are to be operated by the State through the General Directorate of Railways. Other bus lines are left to private management.

The Department of Communications announced on October 5, 1939, that the length of bus lines in the country as of December 31, 1939 would be as follows:

	<u>Dec. 31, 1939</u>	<u>Dec. 31, 1938</u>
South Manchuria Railway Company State Bus Lines	30,263 km.	13,750 km.
Private Lines	<u>10,050 km.</u>	<u>6,837 km.</u>
Total	40,313 km.	20,587 km.

The Harbin Railway Directorate has announced a plan to increase bus lines in its areas from 2500 km. to 5000 km. by the end of 1940. Most of the busses in operation in Harbin are in bad condition and breakdowns are frequent. Very few new business are obtainable from Japan, which at present is the principal source of supply because of the link monetary system of imports. Restrictions on the sale of gasoline limited to three gallons per day per passenger automobile during August were lifted in October 1939.

SHANTUNG: All motor roads within the province are under Japanese military control. In the Chefoo District motor transportation throughout 1938 and 1939 was uncertain due to lack of vehicles for civilian use and to destruction of roads.

In the Tsingtao area motor bus lines operate to various cities within a radius of 25 miles over unmetalled dirt roads. At the end of 1938 a motor



bus service between Kaomi, 75 miles west of Tsingtao on the Tsingtao-Tsinan Railway, and Chucheng, 40 miles to the southwest of the railways was restored.

In Tsingtao itself, an efficient bus service under Japanese franchise was opened in 1938. Local missionaries with churches and work at Chucheng, Kiaohsien and Tsimo drive to these cities regularly. Despite of the fact that Pingtu, some 70 miles distant in the northern outskirts of the district occasionally passes beyond the control of the "Provisional" Government, missionaries drive through from that city with relatively little difficulty, detouring obstacles and cut bridges where necessary.

Bus fares in Tsingtao were revised in September 1, 1939 to simplify charges and to reduce the fare on greater distances. The new ticket system is up-to-date and includes transfer facilities for the convenience of passengers. The bus company, a subsidiary of the great Japanese North China Communications Company, is reported to be making money and making preparations to extend its lines when practicable.

SIKANG: This new province lying west of Szechwan, formerly being a part of outer Tibet, will shortly be utilizing motor transportation. The new 400 km. "Cheng-Kang" highway connecting Kangting (Tachienlu), the provincial capital with Chengtu, the capital of Szechwan, is now under construction and is scheduled to be completed by the end of 1939. It will bring the province within two or three days of Chungking, the present war time capital of China. The Chengtu-Yan An-Yanyuen section in Szechwan Province completed some time ago is already open to traffic. The route in November 1939 was reported as being completed with the exception of a 20 kilometer stretch near Kangting. When the whole line is open to traffic, it will take only a day to travel from Ya-An to Kangting--a distance which would formerly require seven days by medieval transport.



The projected Sikang-Yunnan highway will meet the highway which runs from Kunming to Wuting near the Sikang border. Survey of the road bed which was started in September 1938, has been completed and construction started. Meantime the highway to be built to Chinghai Province is being surveyed.

SZECHWAN: The Szechwan-Shensi highway connecting Chengtu-Chungking-Paochi and Sian, was opened to traffic in March 1939. Travellers report that the distance is covered in five days time between Paochi, the rail terminus and Chengtu, and that all bridges are able to carry seven ton trucks. Traffic on this new highway is heavy, as it is the only land route connecting China's northwest and southwest provinces. It has brought a remarkable change in the economic life of the two provinces. Shensi, a rich cotton producing district, is now able to rapidly transport its raw cotton into Szechwan, where formerly such cargo moved overland to Hankow and thence up river through the treacherous Yangtsze rapids.

Sixteen kilometers of tarred or stone paved modern roads have been built in Chungking--the nation's war capital, where upwards of 1000 motor vehicles are now operating. The Szechwan Highway Administration through a loan arrangement with the four government banks, secured C\$700,000. for the purchase of 150 motor trucks.

The University of Nanking removed to Chengtu and Chungking since the hostilities, is offering special two-year automotive engineering courses. Automobile experts' salaries are paid by the Ministry of Education, while additional support for the course is furnished by the Ministry of Communications, by automotive companies and highway administrations. The Ministry of Communications has offered the free use of the equipment of its C\$320,000. special training center in Chungking.

The Szechwan section of the new highway between Luhsien (Luchow) and Kunming in Yunnan Province is rapidly nearing completion, and is expected to



be opened to traffic by the end of 1939. Five hundred trucks are to be put in operation over this route, which will give a 4½ day service between the capital cities of Yunnan and Szechwan. The new highway will be 590 miles long as compared with the 715 mile Chungking-Kweiyang-Kunming road and will afford a much easier route to travel between Chungking and Kunming. Sections in Yunnan and Kweichow Provinces of the road were completed some months ago.

French interests have contracted with the Chinese Government to supply 500 trucks on 3 year credit and to maintain the road for the privilege of exclusive operation. Traffic, however, is to remain under Chinese control.

YUNNAN: Yunnan Province, which prior to 1935 had less than 350 KM. surfaced motor roads, has become the focal point of motor transportation in the southwest since the Sino-Japanese hostilities. Kunming, the provincial capital, is the northern terminus of the French-Yunnan-Annam Railway; of the newly built Yunnan-Burma highway; and of the Kunming-Kweiyang Highway, the latter coupling the province with Chungking via Kweichow. At present it has some 2300 kilometers of highways open to traffic of which 1537 km. are clay bound macadam and 743 km. unsurfaced earth roads.

<u>Trunk Lines</u>		<u>Type</u>	<u>Length in Kilometers</u>
Yunnan-Burma Line	Kunming to Wanting River on Burma Border	Macadam	959.4
Kunming-Pingyi Line	Kunming to Sheng Ching Kwan on Yunnan-Kweichow Border	"	243.7
Chanyi-Suanwei Line	T'ien Sheng Chiao in Chanyi to Sha Mu Ch'in on Yunnan-Kweichow border	"	154.7
Chengkung-Loping Line	San Ch'a K'ou in Chengkung to Pan Chiao in Loping	Dirt	261.7
Kunming-Yuku Line	Kunming to Yuku	Macadam	108.3



<u>Trunk Lines</u>		<u>Type</u>	<u>Length in kilometers</u>
Anning-Wuting Line	An Feng Ying in Anning to Wuting City	Dirt	85.2
Sungming-Hweitseh Line	Yanglin in Sungming to Chi Chien Tsun in Suntien district	Macadam	17.7
	Chi Chien Tsun to Hweitseh City	Dirt	135.7
Kaiyuan-Kokiu Line	Kaiyuan City to Kokiu City	Dirt	49.9
Tali-Likiang Line	Siakwan to Tali	Macadam	13.
	Tali to Tengchwan City	Dirt	41.

Branch Lines

Kutsing-Luliang Line	Kutsing to Hsi Chiao Tsun in Luliang	Dirt	67.8
Siangyun-Pinchwan Line	Li Yuan in Siangyun to Pinchwan City	Dirt	56.0
Around the Lake	Pi Chi Kwan to Kwan Ying Shan	Dirt	19.4

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Motor Roads leading to scenic spots near the capital city, Kunming:

	<u>Type</u>	<u>Length in KM.</u>
Wu Kuei Pei on the Circular Road to Hei Lung T'an	Macadam	13
Anningchow to the Hot Springs	"	8.9
Copper Temple to Hei Lung T'an	Dirt	7.6
Drum Tower to Copper Temple	"	6.9
Ch'a Kai (Fork Street) to Wu Chia Pa (Aerodrome)	Macadam	4.
Pi Chi Kwan to San Ch'ing Ko	"	4.6
Hei Lin P'u to Ch'iung Chu Szu	Dirt	6.
Chiao San Chiao to Tan Hua Szu	"	3.3
Hei Lin P'u to Hai Yuan Szu	Macadam	1.7



	Type	Length in Kilometers
Tang Tzu Hang to Wu Ching Chiao	Dirt	1.4
Chuan Tang to Ta Kwan Lou	Macadam	2.5
Tang Tzu Pien to the southern end of Ta Ho Kai (Circular Road around Kunming)	"	12.

The Kunming-Kweiyang route completed in March, 1938, was not opened to passenger traffic until November 1938, formerly being considered as a special route over which passage might be made only by special official permission. Highway transport services have been freely operating over the route during 1939. Considerable improvement has occurred during the last year in maintenance with the result that the roadbed withstood the summer rains satisfactorily.

On September 1, 1939 the Southwest Highway Control Administration of the Ministry of Communications levied new maintenance tax on vehicles using the roads of southwest China, exclusive of the Burma Road. Rates are C\$0.04 per kilometer for passenger vehicles with seven seats or less, C\$0.08 per kilometer for passenger vehicles with more than 7 seats and C\$0.06 per kilometer for trucks.

Yunnan-Burma Highway: World attention has been centered upon the construction and opening to traffic of the Yunnan-Burma highway during July, 1939, thereby giving inland China its second "backdoor" route to the sea through Burma, and the port of Rangoon. Hastily constructed, entirely by mass labor (over 200,000 laborers working at one time), with nothing but primitive tools, left room for serious doubts as to whether it could withstand the heavy tropical summer rains. But the road withstood its first rainy season somewhat better than its critics anticipated. Wash-out of the center sec-



tion of an important bridge over the Mekong River, and several landslides on its western sections interrupted motor traffic for about a month, but by October 18 trucks were again slowly moving, although the road was still in poor condition at several points. During the course of interrupted traffic, stalled trucks were unloaded and taken across the detours by coolie pack trains.

Chinese government officials are reported to have decided during October 1939 that the Yunnan-Burma highway should be greatly improved in order to carry for the time being the whole burden of international traffic. The Executive Yuan and the Ministry of Communications are reported to have appropriated \$12 million for the purpose of making this line into an all weather road. Some Chinese have hitherto felt it absurd to pour more money into this road, which costs four times (by rail or truck) as much to transport cargo over as from Haiphong in French Indo-China, but the penetration of Japanese forces into Southern Kwangsi late in November, 1939, has doubtless offset the opinion of these critics, and will furnish additional impetus to the government to go ahead with its plans for improving this line.

The first official transport over the road is said to have been during November 1938 by a convey of 26 trucks of Gelignite from Rangoon. The first shipment of export goods went out on August 12, 1939, consisting of 53 tons (106,000 pounds) of tung oil in 277 standard steel gasoline drums, consigned to the Universal Trading Co. in New York, shipped by the Southwest Transportation Company trucks from Kunming to Rangoon. Regular commercial traffic in volume is not expected until the latter part of 1939 after repairs have been effected from the rainy season. To date use of the road has been restricted to the movement of Chinese government cargo. A decree is stated to have been



issued stating that the road would be open to commercial traffic, but it has not yet been put into effect. All commercial traffic will be under the supervision of the Chinese Government Highway Control Bureaux. The Yunnan-Burma Highway Administration has fixed its maintenance fee at the rate of C\$0.15 per ton per kilometer for commercial traffic moving over the road.

There has been much speculation as to the volume of traffic which this road might carry, with widely varying estimates. The announced intention of the Chinese Government has been to load and despatch between 100 and 150 trucks per day, which would require 6000 to 7000 trucks as a minimum to fulfill such a schedule. During recent months not more than 4200 tons have been moved every two months.

The Yunnan-Burma Highway Administration began its bus services over this route on July 25, 1939, operating as far as Paoshan. The service is eventually to be extended to Lashio, Burma. Passenger Fare Tariff has been fixed at:

Kunming-Tsuyung	C\$9.65
Kunming-Hsiakwan	20.60
Kunming-Paoshan	33.40 (distance of 668 km)
Kunming-Wangting	48.00
(Burma border)	
Kunming-Lashio	57.35

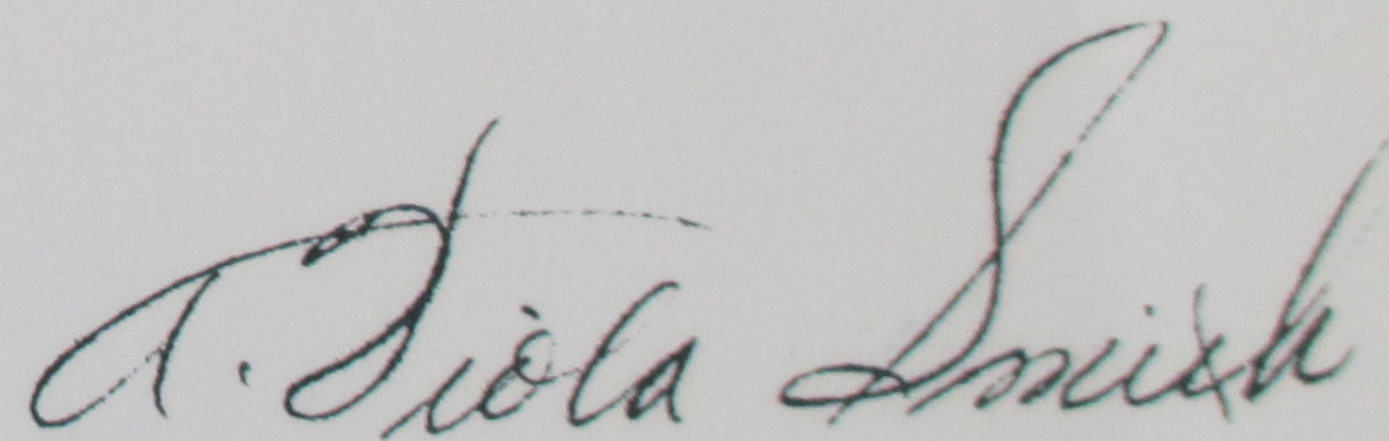
Passengers are to be allowed 20 kilograms of baggage free; excess baggage is to be charged for at the rate of C\$0.03 per 5 kg. per km. The scheduled time from Kunming to Lashio is six days. The Administration is said to have 12 busses for service.

Yunnan-Szechwan Line: The new 913 kilometer route connecting Kunming, Yunnan, and Luhsien (Luchow) Szechwan, now nearing completion and expected to be opened to traffic early in 1940, will give a 20% shorter route than the present Yunnan-Kweiyang highway to Chungking. Motor transportation on the



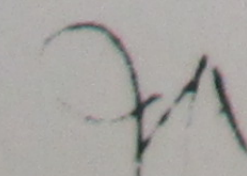
Yunnan-Szechwan line will be operated by French interests, who by agreement with the Chinese Government in 1938, sold 500 one and a half and two ton diesel Renault trucks, under a three-year credit loan basis, by which 100 trucks were to be kept in reserve at all times. The company is to have complete charge of operations, repairs and service and to also erect a repair shop at Kunming. It was expected to receive preferential treatment from the Yunnan-Indo-China Railway, as it is reported that the "Renault" interests are large stockholders therein. What effect the present European war may have upon these French interests in carrying out their contract with the Chinese Government is not known.

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SOURCES OF INFORMATION

Consul O. Edmund Clubb, Nanking

Consul General C. J. Spiker, Hankow

Vice Consul Franklin Hawley, Hankow

Consul Samuel Sokobin, Tsingtao

Consul Frederick Hinke, Tientsin

Consul Paul W. Meyer, Yunnanfu

Talks with various Chinese contacts from the interior.



CONFIDENTIAL NOTES

General Motors Company

Diamond "T", Chevrolets

National Aniline Dye Company