

Shanghai, China,  
November 30, 1939.

Subject: "MOTOR TRANSPORTATION IN CHINA"

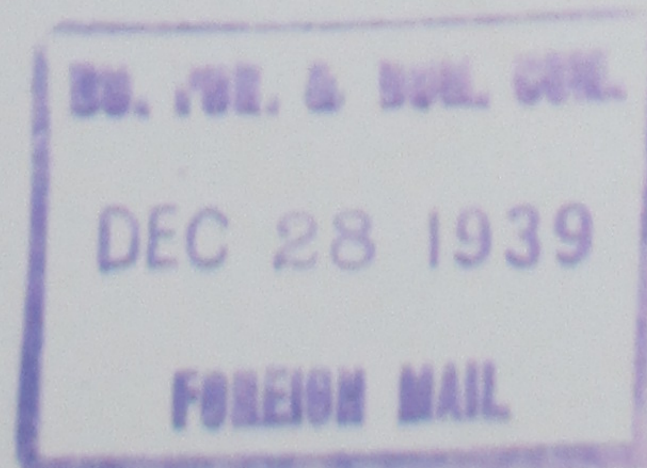
Submitted by: A. Viola Smith, Trade Commissioner

10155

(Supplementing Special Report No. S-35, dated November 28, 1939  
entitled "Motor Transportation in China")

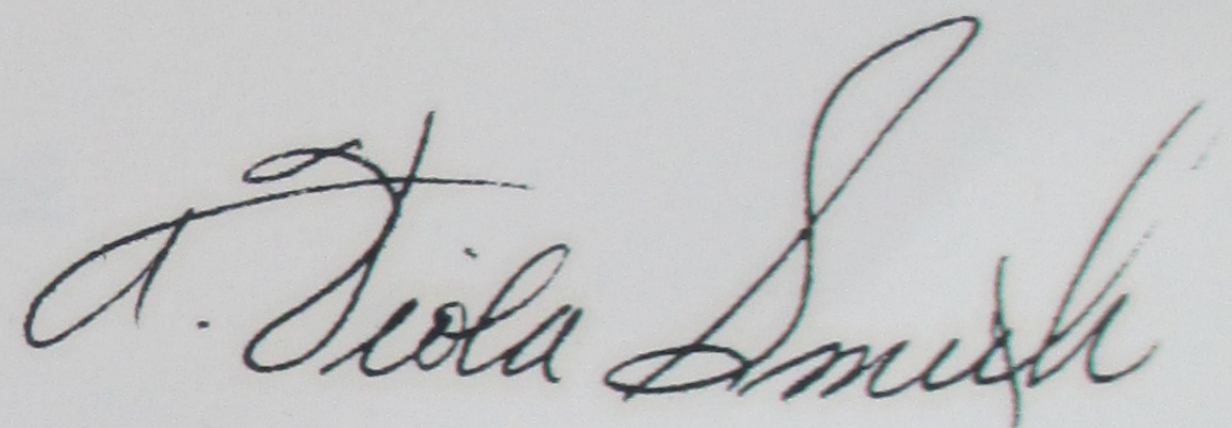
Since preparing Special Report No. S-35, on "Motor Transportation in China", United Press despatches dated November 29, 1939 from Chungking, reporting an interview with Mr. Maurice E. Sheaham, leader of the American Transport Commission, credits the latter as stating that the next months will see a new major motor highway thrown open to traffic linking Tungteng, railway terminus of Indo-China and Hochih, northern Kwangsi, almost in a straight line. Hochih is 200 kilometers north northwest of Nanning. The new road is also 200 kilometers shorter than the former route via Nanning. At least four other highways are being constructed in southwest China at present, though details were not disclosed.

A Reuters despatch dated November 29, 1939 from Chungking indicates it has been officially announced that the Chinese Government has taken a decision to create a semi-official concern for the control of all aspects of transportation throughout "Free China" to be known as the "Chinese Transportation Company". The aim of the company will be to "unify China's transportation administration, concentrate all transportation personnel, and facilitate transportation management". It will also control the manufacture and distribution of transportation equipment.



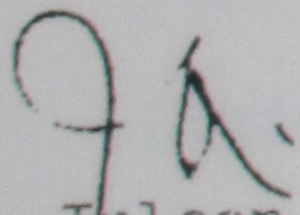


A proposal submitted to the recent session of the Central Executive Committee of the Kuomintang, asking for the creation of a Ministry of Transportation, was, at the time, referred to a special committee for consideration. The establishment of the "Chinese Transportation Company" is a modified form of the original proposal.



A. Viola Smith,  
Trade Commissioner

Approved for Transmission:



Julean Arnold,  
Commercial Attache