

Tientsin - China

January 2, 1924.

SUBJECT: Lincoln Motor Car.

The Lincoln Division,
Ford Motor Company,
Detroit, Michigan.

INDEXED

FILE NO. 521

China

WNO
ec
JWB.

Gentlemen:

Having seen your advertisement in a recent issue of the SATURDAY EVENING POST, I thought you might be interested in the enclosed clipping which recently appeared in one of the Tientsin papers, the NORTH CHINA STAR, discussing the sale of a Lincoln Model 1923 to President Tsao Kun of China. Naturally, the sale of this car has caused a considerable amount of comment in Chinese and foreign circles in this part of China. At an official dinner recently given by the Military Governor of Chihli Province, all the leading Chinese officials were present and the merits of the Lincoln which was recently sold to President Tsao Kun were discussed by them. Subsequent to the appearance of the article enclosed, in the local press, the following letter was published in a Peking paper:

RECEIVED IN
FILES SECTION
OCT 17 1924

"Peking, November 27th, 1923.

To the Managing Editor,
The Peking Leader, Peking.

22

Dear Sir:--

The attack made by your Acting Editor upon
President

out

President Tsao in to-day's editorial of the "Leader" is unwarranted and malicious. The President's Office has not increased its monthly expenditures. It receives \$80,000 a month, I think, but am not quite sure, but from this fund it has to pay the salaries of foreign advisers and a large staff of secretaries, clerks and guards and pay expenses for the maintenance of the immense buildings within the enclosure of the Office. Whenever the President is called upon to contribute to charitable purposes, he has to use this fund also. For the relief of poor people in Peking for this winter, he has already contributed \$50,000 to one agency. When Mr. Impey, the Acting Editor who wrote the article of attack, gives the matter a little thought, he would perhaps write differently. (Here some personalities appear to have been eliminated --- N.C.D.M.)

As to the purchase of a \$16,000 motor car by the President, there is nothing wonderful about. General Chang Tso Ling some time ago bought a \$40,000 armored motor car from America and sent his American adviser to Tientsin specially to take delivery of it. There was not a word of criticism said against General Chang.

Mr. Impey has gone too far when he tried to dictate to the President of China that he should ride in a Ford. (? more eliminations)

In fairness to all, I request you to be kind enough to publish this letter in equal importances.

Yours faithfully,
FAIR PLAY."

The part referring particularly to the Lincoln car has been underlined. The next day the following appeared in the local press:

"Added interest is given, by Mr. Hollington Tong's letter, to the comparatively small matter of the purchase by President Tsao Kun of a fashionable motor car. I understand that the car was landed here about a week ago, by the China-American

Trading

Trading Company, Inc. (Mr. McGowan) and cost \$16,000 Mex. Mr. Hollington Tong says there was "nothing wonderful" about this, and he complains that not a word of criticism has been directed against General Chang Tso-Lin who bought recently a \$40,000 armoured car and sent his American adviser to Tientsin specially to take delivery of it.

- 3 -

Trading Company, Inc. (Mr. McGowan) and cost \$16,000 Mex. Mr. Hollington Tong says there was "nothing wonderful" about this, and he complains that not a word of criticism has been directed against General Chang Tso-Lin who bought recently a \$40,000 armoured car and sent his American adviser to Tientsin specially to take delivery of it.

As you will note, the sale of the Lincoln car has stirred up considerable comment, which from an advertising standpoint is all in your favor as there are a large number of wealthy officials who will be decidedly impressed by the fact that President Tsao Kun has purchased a Lincoln motor car.

It is thought that the following recital of the automobile situation in this part of China may be of interest to you.

Statistics obtained from the various police departments having charge of automotive registration in Tientsin and Peking indicate figures as below. The figures given are not estimates but are the actual number of registrations in Tientsin and Peking as of date November 1st, 1923.

	<u>TIENTSIN</u>	<u>PEKING</u>	<u>TOTAL</u>
Number of Automobiles	964	1230	2194
Number of Motorcycles	150	39	189
Number of Trucks	27	7	34
	TOTAL REGISTRATIONS		<u>2417</u>
1	Alfa Romeo		
1	Clement Bayard		
19	Citroen		
8	Charro		
6	De Dion		
1	Darracq		
1	Lorraine-Dietrich		

The

The following recapitulations indicate the number and countries of origin of automobiles and motorcycles registered in Tientsin.

Automobile Registrations in Tientsin

<u>Country of Origin.</u>	<u>Number.</u>
American	812
French	85
English	29
German	23
Italian	13
Belgium	1
Swiss	1
TOTAL	<u>964</u>

Motorcycle Registrations in Tientsin

<u>Country of Origin.</u>	<u>Number.</u>
American	85
English	43
French	13
Italian	6
German	2
Belgium	1
TOTAL	<u>150</u>

REGISTRATIONS.

Number, type and country of origin of the automobiles in circulation in Tientsin, in all the concessions of the city.

<u>Number</u>	<u>Type</u>	<u>Country of Origin</u>	<u>Total.</u>
1	Alba	French	
5	Brasier	"	
1	Clément Bayard	"	
19	Citroen	"	
2	Charron	"	
8	De Dion	"	
1	Darracq	"	
1	Lorraine-Dietrich	"	
	TOTAL		2

Number	Type	Country of Origin	Total.
2	Motobloc	French	
13	Peugeot	"	
27	Renault	"	
1	Latil	"	
4	De Lahaye	"	French..85
3	Augus-Sanderson	English	
1	A. C.	"	
2	Augustin	"	
1	Bayard	"	
2	Calthorpe	"	
1	Daimler	"	
2	Humber	"	
6	Oxford	"	
2	Stellite	"	
1	Sunbeam	"	
1	Siddeley	"	
2	Talbot	"	
5	Wolseley	"	English..29
812		American	812
1	Adler	German	
1	Benz	"	
1	Durkopp	"	
1	Fanerbach	"	
1	Mercedès	"	
2	Opel	"	
15	Protos	"	
1	Frankfurter	"	German....23
13	Fiat	Italian	Italian..13
1	German	Belgium	Belgium.. 1
1	Martini	Swiss	Swiss.... 1
		TOTAL	142,964

RECAPITULATION

American	812
French	85
English	29
German	23
Italian	13
Belgium	1
Swiss	1

TOTAL 964 statistics
Magneto

According to the Chinese Maritime Customs at Tientsin, importation of motor cars, and parts of, during the years of 1919, 1920, 1921 and 1922, were as follows:

37

1 9 2 0.

1 9 2 1.

1 9 2 2.

statistics

statistics for 1919 is US\$1.359 to the tael, for 1920 it is US\$1.23, for 1921 it is US\$0.76 and for 1922 it is US\$0.8197. The rate used by the Chinese Maritime Customs in actual entries varies week by week. For general conversion of these statistics, they use a rate of US\$1.39 to the Haikwan Tael for 1919, US\$1.24 to the Haikwan Tael for 1920, and US\$0.76 to the Haikwan Tael for 1921. In the actual exchange market the maximum value of the Haikwan Tael was US\$1.62 in 1919, which point was reached in December as the result of a steady rise, with minor fluctuations, from US\$1.30 in January. In the actual exchange market in 1920 the Haikwan Tael was at a maximum in February of US\$1.717 and at a minimum of US\$0.7335 in December 1920, and in 1921 the Haikwan Tael was at a maximum in October of US\$0.90, and at a minimum of US\$0.63 in March. During 1922 the Haikwan Tael ranged from US\$0.76 to US\$0.88. For this reason it is felt that the best index of the volume of business is to be found in quantities rather than in values.

Fluctuations in exchange have a marked effect on all import business in China. The local currency being on a silver basis, its value as compared to gold fluctuates daily and hourly. Merchandise purchased by the local importer at a time when the value of the local dollar is low must be sold by him at a higher price in

local

local currency than that which was purchased when silver had a high value. Thus each shipment of motor cars has its price, depending upon the exchange rate at the time when payment was made or exchange was settled.

The heavy drop in the value of silver during the early part of 1921 has made motor cars cost from twice to twice and a half what they sold for in the spring 1920, all due to exchange. In January 1920, the local dollar was worth US\$1.08½ so that it took only 92¢ local currency to buy one U. S. dollar. In September 1920, the local dollar was worth US\$0.76, so that it took \$1.32 local currency to buy one U. S. dollar. Today, it takes, roughly, \$1.85 local currency to buy one U. S. dollar. This will give some idea of what the local dealer has to face and how this exchange factor affects the demand.

Owing to world business conditions and consequent lack of demand for North China products, all trade, both export and import, has suffered depression for a year past and this has been aggravated by the disturbed political conditions obtaining at the present time.

In a letter addressed to certain motor interests in Shanghai, the head of the former Red Cross organization, who had supervision of the building of Red Cross Roads, Motor Trucks and Trailers.

It has been estimated that there are approximately 60 motor trucks within this consular district, but against the use of five ton trucks. He stated it

on one

the blue' government about the expenditure of the time
was a high price. This was the payment of motor cars for
road construction from the motor and the expenditure of the

- 9 -

on one of these roads, a pair of these trucks within
it has been stated by reliable parties that not more
a few weeks so rocky up the road that it was put out
than forty of these are in use. The remainder are
of commission. This part of the road of some seven
either in store or unfit for operation. There are no
teen miles, cost \$100,000 of Famine Relief Funds.
steam or electrically propelled trucks in this dis-
It was macadamized and rolled out with ten ton stone
trict, -- they are all gasoline power driven. There
rollers - the heaviest that were practicable in this
are twenty-seven trucks in Tientsin, seven in Peking,
region. Within the period of a few weeks this inven-
and 16n throughout the interior of Chihli Province.
ment of money and enterprise was warped and already
There are three motor buses in Tientsin, owned by the
the trucks were left an almost dead loss on their
leading hotels. There are three trucks with trailers,
hands. The trucks were fitted with double tread rear
in Tientsin, used by firms that press-pack wool and
wheels. He advised that the dealers would have to bring
kindred lines and also have storage departments in
out a wide steel tire or stop selling trucks of this
connection with their business; and two trucks, with
weight. If the dealers who sold these two trucks had
trailers, used by the Chinese Post Office.
been gifted with a little more sense or less selfish-

Regarding the future of the trade in motor
ness, this particular road would have had a dozen or
trucks in North China, its success depends entirely
more cars.
upon whether or not there are to be suitable roads.

A five ton truck requires more foundation than
The roads in Tientsin and surrounding country aggre-
any road in China is likely to have for some years to
gate about ninety miles, while Peking and environs
come. Some firms refuse to sell heavy cars for com-
have approximately 195 miles of good streets and
try work. These five ton trucks, which were sold to
roadways. Some of these roads are only narrow pass-
the Chinese have become "white elephants" and an ex-
pensive roadway has been ruined.
ages over which automobiles rarely pass.

In a letter addressed to certain motor interests
It is said that the cost of operating a motor
in Shanghai, the head of the former Red Cross organi-
truck in China is approximately 20¢ per mile.
zation, who had supervision of the building of Red
Cross Roads in the interior of China, protested
to Pekingfu, in the province, which may be traversed
against the use of five ton trucks. He stated that

on one

on one of these roads, a pair of these trucks within a few weeks so rooted up the road that it was put out of commission. This part of the road of some seventeen miles, cost \$150,000 of Famine Relief Funds. It was macadamized and rolled out with ten ton stone rollers - the heaviest that were practicable in this region. Within the period of a few weeks this investment of money and enterprise was scraped and already the trucks were left an almost dead loss on their wheels. He advised that the dealers would have to bring out a wide steel tire or stop selling trucks of this weight. If the dealers who sold these two trucks had been gifted with a little more sense or less selfishness, this particular road would have had a dozen or more cars.

A five ton truck requires more foundation than any road in China is likely to have for some years to come. Some firms refuse to sell heavy cars for country work. These five ton trucks, which were sold to the Chinese have become "white elephants" and an expensive roadway has been ruined.

It is said that the cost of operating a motor truck in China is approximately 10¢ Mex per mile.

There is a fairly good dirt road from Tientsin to Paotingfu, in the province, which may be traversed

by automobiles. The distance is one hundred and fifteen miles. It is, however, a military road, and the use of it is greatly discouraged, permits being necessary to travel over it. There have not been more than ten privately-owned cars over this road during the last year. It is not thought that there will be much use made of it in the immediate future, due to its being a military road, its unfitness for pleasure rides, and there being no demand on it for business purposes.

A dirt road, passage over which is possible by automobiles, runs from Tientsin to Peking. The distance is eighty-one miles. Improvement of it is now in process. Too high hopes that this will become a first-class dirt road should not be entertained, for the reason that, as soon as parts of it are put in good condition, they are cut up by the native carts. These carts have steel tires of two and one-half inches, which are nailed on. Efforts have been made to require that cart tires be at least four inches, but on account of the poverty of the inhabitants no success has been achieved. It is intimated that about twelve or fifteen cars pass over this road a month, most of which contain pleasure-seekers who pass weekends either at Peking or Tientsin. The time required to make the trip is between six and seven hours, although

as there are no hills, the roads being perfectly level. There is a great deal of dust in this section of China and gears, wheels, etc. should be well protected from dirt and grit.

Most of the regular dealers have their own repair shops and garages and carry limited stocks of repair parts for the various makes which they represent. Two of the American firms state that they carry a complete stock of repair parts, although on the whole there is some complaint among the local firms that there are no distributors of American automobile accessories, especially tires. Consequently, they must long anticipate their wants, tie up their money for several months at a bank rate charge of eight per cent, and suffer inconvenience and delay in compromising difficulties growing out of incompetent deliveries, defective parts, et cetera, and it can hardly be questioned but that any firm which maintained ample stocks on hand at a central distributing point in China and could supply local houses without delay, and made prices conform with competitive concerns, would increase the sales of American products in this line considerably. Whether the demand for accessories in this district would make the establishment of a stock distributing center in Tientsin advisable, is a question upon which one hesitates to express an opinion, but, generally, and considering China as a whole,

it

any other...
There is a great need of cars in this section of China
as there are no other...
- 14 -

it would seem that the maintenance of stocks at Shanghai would certainly offer advantages. As a matter of fact, the demand for accessories has not been as great as would be expected for the number of cars in use, due to the fact that they are still running on their original equipment, the majority of them being new cars.

The sale of automobiles and motor trucks and accessories is being vigorously pushed in this district. The advertising commonly resorted to embraces newspapers, both native and foreign, moving picture screens, and bill boards. Native salesmen are employed by the various dealers through their compradores to push sales among the Chinese, and they are paid on a commission basis. The market is well worked and the prospects for an increasing demand are good, but the trade will not be large until the road facilities are extended and improved, and business conditions come back to normal.

The agency for your cars is in good hands. The China-American Trading Company is a live organization and can be depended upon to push the sale of your automotive vehicles. It is hoped that this information may be of interest to you in the promotion of your sales in China.

52

There

THE 15 - CHINA STAR

November 25, 1923.

There is enclosed a memorandum which will give you an idea of general business conditions in this consular district, a territory for which Tientsin constitutes the distributing center.

If at any time the Consulate General can render you any aid, please do not hesitate to call upon us.

Very respectfully yours,

The American-Chinese Company displayed the last word in Motor Cars at its premises on Rue de France yesterday. It is the latest model of the Lincoln car and is a perfect beauty.

J. C. Huston
American Consul in Charge.

The power plant consists of a light cylinder engine built on the lines of the famous Cadillac motor, as in fact the engine was designed by the same engineer. The radiator has a special condensing system which insures water at all times. The water is automatically sucked back in to the engine jacket by vacuum. The front of the radiator is jacketed with a split folding blind arrangement which in turn is connected with a thermostat which regulates the opening of the blind. In cold weather when the engine is started the blind is closed and in warm weather it opens thus letting in more air.

Enclosures:

- 1: From NORTH CHINA STAR dated November 25, 1923, "President of China buys new Lincoln Motor.

- 2: Memorandum.

The headlights are made of Bausch and Lomb lenses glass and are so constructed that the rays from the left lights can be thrown right, left or down. In addition there is a spot light set in the wind shield on a universal joint which permits it being turned to any position.

There is an automatic cut-off in the gasoline tank which warns driver when he has only two gallons of gas left. It is a small bell which rings when the tank is low.

JCH/T
865.15

A true copy of
the signed original

ccct

RECEIVED IN
FILES SECTION

NOV 17 1924

27

THE NORTH CHINA STAR
TIENTSIN
November 25, 1923.

* * * * *

ENCLOSURE

PRESIDENT OF CHINA BUYS NEW LINCOLN MOTOR.

January 23, 1924.

The Lincoln Model 1923 Was Order By Telegraph And
Arrived Friday -- Many Unusual Features--will
Be Delivered To The President on Monday.
Cost \$16,000.

-----ooOoo-----

The American-Chinese Company unpacked the last word in Motor Cars at its premises on Rue de France yesterday. It is the latest model of the Lincoln car and is a perfect beauty.

The power plant consists of a "V" eight cylinder engine built on the lines of the famous Cadillac motor, as in fact the engine was designed by the same engineer. The radiator has a special condensing system which insures water at all times. The water is automatically sucked back in to the engine jacket by vacuum. The front of the radiator is jacketed with a sport folding blind arrangement which in turn is connected with a thermostat which regulates the opening of the blinds. In cold weather when starting the blinds are tightly closed while in warm weather if the temperature is unduly elevated the blinds automatically open thus letting in more air.

RECEIVED IN
FILES SECTION
OCT. 17 1924

The headlights are made of Bausch and Lomb Lense glass and are so constructed that the rays from the lights can be thrown right, left or down. In addition there is a spot light set in the wind shield on a universal joint which permits it being turned to any position.

There is an automatic shut-off in the gasoline tank which warns driver when he has only two gallons of gasoline left. In addition there is an electric fograiser which produces instantaneously a fog of gasoline permitting the engine to start in the coldest weather. The oiling system is all positive in action and as perfect as modern engineering can make it. Hydraulic shock-absorbers oil filled give a smoothness in riding which can only be compared to a modern Pullman Coach.

These are only a few of the exceptional features.

The upholstery is in plum colored broadcloth of such a fine weave that it looks almost like real doe-skin. The driver's seat is finished in heavy leather.

The inside of the car is finished as exquisitely as the outside, almost like a woman's wedding gown where the seams are all turned and hemmed. Nickel plate is the order of the day throughout even on pipe connections which in the majority of cars are usually left in the rough.

This car was ordered for H. E. Tsao Kun, President of China by telegraph and will be delivered to him Monday afternoon.

The selling price is Sixteen Thousand good cold hard Yuan Shih-kai Dollars.

Kilty.