

WEEKLY REPORT - W5

Shanghai, China, July 27, 1935.  
Shanghai, China, July 27, 1935.

(City) (Country) (Date)

Report for the week ended July 27, 1935.

Submitted by: Julian Arnold, Commercial Attache.

11-2386 GPO

(Name)

(Title)

*Copy for Mr. Calder*

OFFICE ACTIVITIES.

American Chamber of Commerce held its monthly meeting on Friday. The Entertainment Committee, of which I am a member, recommended to the Chamber that a special Chinese-American evening be arranged for the end of September in celebration of the 150th anniversary of the beginnings of American trade with China. The idea was endorsed and the Entertainment Committee is to proceed with the arrangements. In order further to develop cordial and friendly relations with the Chinese, the Committee suggested to the Chamber that two of the functions of our fourth of July celebrations, namely the morning reception at the Consulate, the expenses of which are paid for by the American community, and the noon-time reception at the American Club be utilized for a larger participation by prominent Chinese members of the community. I recommended also to the Chamber that in view of the immense amount of unfavorable criticism which the American community and American interests generally are receiving as a result of the bad showings in the liquidation proceedings of the Raven interests that a special committee be appointed to investigate and make such recommendations as it deems advisable in connection with suggested measures for proper inspection and auditing of the affairs of the banking and finance companies operating here in China under American law, but devoid of supervision otherwise.

Mr. Lu, a Chinese mining concessionaire, called several times with proposals to secure American capital for his mining project. I had to in-

form him that the outlook is not favorable because of the uncertainties as to the operations of American companies in the interior of this country.

Dr. MacLennan, pastor of the First Presbyterian Church of Hollywood, California, was furnished with considerable material and suggestions for a series of lectures which he plans delivering upon his return to the United States.

Called on Loy Chang, Director General of the Customs Administration

to discuss the fine of \$500. imposed on the American firm Paul E. Sarman & Co. in connection with the imports of long terme sheets as sold by the United States Steel Products Co.

How Can China's Foreign Trade be Advanced ? is the title of an address prepared by me for delivery before the Shanghai Rotary Club on August 15. This is in keeping with the idea of furthering Chinese-American goodwill and friendly relations.

Frank L. Hough, liquidator for the American-Oriental Bank and affiliated companies in a personal interview with me made an interesting statement regarding the progress of the liquidation proceedings. (ARNOLD)

China Trade Act: Handled outgoing and incoming mail. Routine administrative matters carried out in respect to twelve cases. Completed for despatch two 1934 annual reports. Various telephone calls handled with reference to inquiries from companies regarding different requirements of the Act. Discussed with two law concerns documents which they desired to file, but which have been held in abeyance pending receipt in Shanghai of the new regulations which cable advices indicate became effective July 1, 1935.

Trade Promotion: Three full days devoted to completing the compilation

July 15, 1935.

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of data for the Foreign Commerce Yearbook -- Bureau's special inquiry. Assembled data for July 10th Quarterly report on Prices of Petroleum Products. Numerous routine local matters handled. Trade Opportunity despatched on Graphite. Eleven callers interviewed and supplied with appropriate information desired. Seven outside calls made.

Accounts and Disbursements: Routine supervision done. (SMITH)

Started work on August 1 issue of China Monthly Trade Report. Prepared weekly financial and economic radios. (CHRISTOPHERSON)

Worked on Semi-Annual Lumber Report. Called on Mr. Gray, China Import & Export Lumber Co.; Mr. A. Verjba of the Bloch Manufacturing Co.; and Mr. Vilas of the Dollar Lumber Co.

Sent six reels of film representing four educational subjects, to Dean H. R. Wei, University of Nanking. (HOWARD)

JA:ER

Julesn Arnold,  
Commercial Attache.

## WEEKLY REPORT

WI

Shanghai, China,

July 1, 1935.

(City)

(Country)

(Date)

Report for the week ended June 29, 1935.

Submitted by: Julian Arnold, vice is about to be Commercial Attache.

11-9363 GPO

(Name)

(Title)

OFFICE ACTIVITIES.

The U. S. Government Building: Mr. Painter of the firm of W. L. Painter & Co., and Mr. Murphy, American architect, called to secure suggestions regarding possible participation of local American concerns in the plans and construction for the proposed new U. S. Government Building which is provided for by a Bill now before the U. S. Congress.

Mr. A. D. Henningsen of Getz Bros., spokesman for the importers of American fresh fruit and vegetables, called with me upon the Bureau of Inspection of Commercial Commodities, which has recently made provision for plant quarantine involving the inspection of imported fruits and vegetables. I believe we have succeeded in eliminating objectionable features of these inspections through a proposal that the certificates of the American authorities issued upon their exportation be acceptable here.

A. M. Slack, representing the Bakelite Corporation of America, called and recounted the difficulties he is having in meeting German competition who seem to be backed by government subsidy. He states that his company's business in China is rendered more difficult because the New York office turns the export business over to a shipping and forwarding company which adds on unwarrantedly high charges. It would seem that a company with a capital of this concern should be able to develop its own export department to handle all these details.

These represent an outlay of about \$100,000 each. Thus, it is a matter of credit arrangements. He tells me that he has also sold thirty of these tractors in North Manchuria and twenty of the smaller No. 20's to Japanese in Saghalien Island where

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Shanghai, China

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Shanghai, China.

July 1, 1935.

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they Y. C. Wen, Director of the Bureau of International Telegraphs informs me that radio telephone service is about to be established between Shanghai and London and within a short time will also be inaugurated between Shanghai and San Francisco. Vice Consul Wadsworth called to secure information regarding paper manufacturing in China in connection with a report the Consulate is publishing on the subject. I suggested that he contact with the American Trading Company as that concern has been gathering very considerable amount of information in connection with a project for the erection of a paper mill at Wenchow. Walter Webber, representing the Far East Trading Syndicate, called to get this office to substantiate his credentials as representative of a company which represents about 60 different American manufacturers. A number of Chinese have also asked this office for this information. He claims that our Department will inform me by radio at the request of his New York office giving the necessary particulars.

The Chinese-American Trade Council held a meeting to receive the report of the secretary in connection with the business of the American Economic Mission. I reported this matter in full to the Bureau in a special report. A. L. Langton, representing the Caterpillar Company, states that he recently sold four Diesels 40's to the Canton Provincial Government and they claim to be in the market now for 100 more in connection with the development of the sugar industry. These represent an outlay of about \$3,000. each. Thus, it is a matter of credit arrangements. He tells me that he has also sold thirty of these tractors in North Manchuria and twenty of the smaller No. 20's to Japanese in Saghalien Island where

they will be used for clearing land and pulling roots in preparation for Japanese colonization.

O.E. Vongehr, representing McKesson & Robbins at Hankow says that during the first half of the year trade conditions in Hankow were very favorable because of active export business but during the last half of the year it will be very dull and probably the only item that will amount to anything in exports will be tung oil. The provincial government, however, is in very good shape with a better personnel than it has had for some years and political conditions are very favorable. In commenting upon the Yangtze Rapids Steamship Company, for which his company are the Hankow agents, he states that Americans generally at Hankow are glad to see the ten vessels of this company under other than the American flag because the company's affairs have been very badly handled. Hence, its enforced dissolution and disposal of its property will vitiate the unfavorable criticism that has been so general in the Central Upper Yangtze region regarding the operations of this company as an American concern.

Col. Moller of the Hosken Trading Company, called to inform me that arrangements are being made to have the company represented in the future by Mr. T. K. King of the Mei Shen Steamship Company, at 33 Szechuen Road. Miss Harrington, the stenographer and secretary of the company, will be continued to keep up contacts with the company here and its New York office. Col. and Mrs. Moller are both returning to the United States shortly but he expects to come back to China some months later but in the capacity of Overseer and Travelling Representative for the whole of the Far East for the company rather than as the head of its Shanghai office.

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Shanghai, - China.

July 1, 1935.

The China Monthly Trade report has received considerable attention during the week in a careful review by me of the Consular contributions is made during the past three or four months as a result of which I drew up a set of recommendations which I have mailed to the officers in question suggesting ways and means of improving these regional resumes.

Trade Commissioner Christopherson and his wife were introduced to about 200 members of the Shanghai community through a garden party given by Mrs. Arnold and me for this purpose on the 28th at our home.

(ARNOLD)

Continued here by the International Trade Commission.

China Trade Act: Routine correspondence and radiograms handled; despatched outgoing mail on Monday and handled incoming mail on Tuesday. Four annual company reports analyzed and returned to concerns for suitable adjustment. Two calls on Judge Helmick re status of China Trade Act companies. Called on F. C. Hough, liquidator for the Raven group of companies, with reference to continuation of Harking Importers & Exporters, and despatched radiogram thereupon to Bureau. Five callers re China Trade Act matters.

Julian Arnold,

Commercial Attaché.

Trade Promotion: Followed up new Insurance Business Law and endeavored to secure suitable translation for Commercial Laws Division; completed Financial Report for week ended June 15th; miscellaneous local inquiries; worked on securing statistics for revision of Foreign Commerce Yearbook. Ten callers received and furnished required information. Eight outside calls made. Prepared section on highways for July Monthly Trade Report.

Accounts and Disbursements: Fully one half of my time during week was devoted to matters relating to winding up the fiscal year June 30; preparing tenders for continuous contracts; revising budget estimates; supervising payment of accounts and sundry related matters.

(SMITH)

Completed questionnaire on Currency and Exchange, prepared weekly financial radio, started work on Monthly Trade Report and made a large number of calls on officials and businessmen. (CHRISTOPHERSON)

Supplied Fox Films with further information regarding theaters, admission prices, etc. for their report to their New York Office.

Worked on the layouts etc. for the play "Lady Precious Stream" performed here by the International Arts Theater group.

Forwarded the latest "commodity letter" of the Specialties-Motion Picture Division to the various Consular officers.

Contacted various distributors in regard to their "future plans".

Went to Hangchow and Tien Mu Shan. (HOWARD)

JA:ER

Julean Arnold,  
Commercial Attache.



WEEKLY REPORT

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Office Activities

Shanghai, China,

China,

August 5, 1935.

(City)

(Country)

(Date)

August 5, 1935.

Report for the week ended

Jules Arnold,

Commercial Attache.

Submitted by:

(Name)

(Title)

11-5296 GPO

OFFICE ACTIVITIES:

*Copy for Mr. Collier*

I have taken the matter up with the Chinese authorities on behalf of the United States Steel Products Co. and imported iron. China tea trade and methods of its improvement were outlined by me to three representatives of the Wang Yue Tai Tea Company. The details are given in my article entitled "How Can China's Foreign Trade be Advanced?" copies of which are going forth to the Bureau.

Elton Colt, representing the California Ink Company, called and stated that his company is confronted with serious competition from Japanese manufacturers who imitate a printing press handled by his company. The Japanese make a press, which to all intents and purposes is a duplicate of his company's product and sell it for just half the price. Similarly, American printing ink is higher priced and cannot be sold on the credit terms as offered by Japanese manufacturers.

C. Delcour, representing the International Business Machines Corporation, called to discuss agency representation and the securing of a Chinese to go to America and spend six months in the company's plant in training for the handling of the company's products in China. I am securing a Chinese for him.

Mr. Fatuan Li, Chairman of the Purchasing Commission of the Ministry of Railways, and Mr. Norman, legal adviser to the Ministry, called to discuss recommendations regarding the purchase of American sleepers. Also Mr. Bordwell and Mr. Vilas of the Dollar Company called for the same purpose. A full report is being sent to the Lumber Division of the Bureau.

Paul E. Semmens and Co. have been fined yuan 500 by the Chinese Customs

Also quarterly report on Gasoline and Petroleum Prices. Tea called later.

viewed and furnished appropriate information; eleven outside calls made for alleged deliberate undervaluation of long term sheets as purchased through the United States Steel Products Co. and imported for a Chinese concern. I have taken the matter up with the Chinese authorities on behalf of Messrs. Paul E. Sammans and the United States Steel Products Company at their urgent request, as also that of the American Chamber of Commerce.

Professor B. E. Schmitt of the Department of Contemporaneous European History called with a card of introduction from Stanley K. Hornbeck of the Far East Division of the Department of State. I gave him copies of our monthly and other reports and staged a dinner for him at which he met a number of prominent Chinese men and women.

The China Monthly Trade Report and radioed resume occupied much of my time as I prepared the general summary and the general resume as also the monthly radio.

(ARNOLD)

China Trade Act: Various routine correspondence and local inquiries handled. Routine administration in connection with Yung Pei Sales and Lian Hwa Tobacco Company involving completion of organization of these companies. Conference with M. W. Anthony, Trustee for Pacific Trading Company re liquidation of this concern; Also with F. L. Hough, liquidator of the Raven interests; J. Hartzenbusch re possible liquidation of Harking Importers and Exporters. Sundry telephone calls re payment of Capital Stock Tax by China Trade Act corporations and the lack of forms available.

Trade Promotion: Economic & Trade Notes prepared on "Radio", "Production of Fushun Oil Distilleries", "Highway Developments". Completed statistical sections on railways and aviation for Foreign Commerce Yearbook; also quarterly report on Gasoline and Kerosene Prices. Ten callers inter-

viewed and furnished appropriate information; eleven outside calls made to secure information for reports handled during week. Commenced work on "Communications Questionnaire" recently received from Bureau.

Accounts & Disbursements: Half a day's time spent during week on matters in this connection. (SMITH)

Completed Shanghai section of China Monthly Trade Report, August 1 issue, prepared weekly financial radio and Shanghai section of monthly radio. (CHRISTOPHERSON)

Finished semi-annual lumber report with statistical enclosures which is going forth to Bureau in this mail.

Worked on Motion Picture Equipment Report for Bureau.

Called upon various film distributors to learn if any new developments have arisen, especially from the New York end.

Called on Mr. J. E. Pickard, General Manager of Western Electric Company, at his request, concerning motion picture equipment in new studio in Nanking. (HOWARD)

JA:ER

Julian Arnold,  
Commercial Attache.