

WEEKLY REPORT.

Shanghai
(City.)

China
(Country.)

May 1, 1927
(Date.)

Report for the week ended April 30, 1927

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

PERSONNEL

APPOINTEES

Days on Duty

Cause of Absence

Duration of Absence

Jules Arnold On Official Trip to South China

A. Bland Calder 6

A. Viola Smith 6

EMPLOYEES

Evelyn Varley 6

Verne Leary On Leave for 3 weeks

Henrietta McKeen 6

Gladys H. Bulger 6

S. Z. Yih 6

Anselm Chuh 6

(For other Employees see Form 218 Supplemental.)

ACTIVITIES OF STAFF DURING WEEK

MR. CALDER:

A good deal of my time was spent in catching up on answers to local inquiries and I was obliged to devote a considerable amount of time to accounting matters with Miss McKeen winding up the March quarter China accounts. At the request of William Golding & Company, an American firm, I submitted trade opportunity to Bureau for paper candy boxes and waterproof cloth.

I prepared and transmitted weekly cable, making numerous calls locally and studying the situation then obtaining in the Yangtze Valley generally, to give as correct an interpretation of same as possible.

Also prepared monthly antimony cable and gave special attention to Bureau cabled inquiry for information on current antimony export Tariff, calling on Commissioner of Customs, Consulate General and American firms in connection therewith.

Confidential. Gave some time to Mr. R. F. Evans, of C. K. Eagle & Co., Inc., American silk exporters, one of our good contacts here in Shanghai, digging out data and conferring with him in regard to Japanese silk market. Mr. Evans' company, in view of the unpropitious prospect then obtaining in the China silk market with likelihood of labor troubles ruining this trade almost completely, was interested in studying the Japan situation with the idea perhaps of transferring his office to Japan where a dependable source of supply of silk would be assured. The Shanghai silk situation has now changed for the better and Mr. Evans is not giving further thought to this plan at present. Confidential.

Called on Mr. H. Kato, Vice Consul in Japanese Commercial Attache's Office,

ACTIVITIES OF STAFF DURING WEEK--Continued

MR. CALDER:

to endeavor to confirm for Weekly Cable a report that Japanese banks had removed their silver from Hankow branches by aid of Japanese Navy Bluejackets. Mr. Kato took the matter up with the Manager of the Yokohama Specie Bank, Shanghai branch, but was unable to confirm it.

Entertained at dinner Mr. Holland S. Parker, and gave him a considerable amount of information on Formosa. Mr. Parker represents the Garlock Packing Company, and covers the Far East generally (local agents W. C. Leonard). He was about to leave for a business trip to Formosa.

American Chamber of Commerce. At the invitation of the American Chamber of Commerce I attended the annual meeting of that organization on April 26th. At this meeting election of a Board of Directors of twelve members for the next year was made and the American Association of China was merged with the Chamber as a joint organization. At a subsequent meeting of the Board of Directors the following officers were elected for the ensuing year: President, C. H. French; Treasurer and Acting Manager of Andersen, Meyer & Co.; Vice President, W. I. Eisler, American Bureau of Shipping; Treasurer, F. J. Raven, Raven Trust Company, Ltd.; Secretary, Warren Kenley.

Another important piece of business handled by this annual meeting of the Chamber was the passing of a resolution expressing disapproval of the policy of the China Weekly Review, an American publication edited and published by J. B. Powell, requesting the Review to withdraw its membership from the Chamber. I am covering this situation in a separate communication entitled "Attitude and Opinion of the American Chamber of Commerce, Shanghai, on the Present Situation in China".

Mr. Arnold returned from South China Saturday noon, April 30th, and I gave my attention the rest of the day to several urgent situations, assisting Mr. Arnold with same.

During the week I called on Chinese bankers in connection with confirming news of present financing of the new Wanking Government concerning which I reported briefly in the Weekly Cable.

MISS SMITH:

Attended to routine matters incident to trade promotion work and China Trade Act affairs. Also spent considerable time during the week culling out dead material from our library and directing Miss Varley in its revision.

The following callers were granted interviews:

George A. Arbogast, American Machine & Foundry Company, regarding activities of Chinese cigarette manufacturers in Shanghai.
M. A. McCourt, Treasurer Yangtze Rapids Steamship Company, Fed. Inc. U.S.A., with regard to Annual Report and Audit of this company. Mr. McCourt stated

ACTIVITIES OF STAFF DURING WEEK--Continued

MISS SMITH:

that owing to the disturbed conditions existing in Hankow that it had been necessary to bring their accounts to Shanghai for audit, and that they were unfortunate in getting the accounts here just as the recent emergency occurred so that the audit had been considerably delayed. He promised to have them finished in a week's time.

H. C. Cheek, of Keacock & Cheek, in respect to operation of American companies in China. He was furnished with information regarding boot and shoe imports.

H. C. Vernon, Manager Sanitary Provision Co., Ltd., with regard to quotations on food supplies.

D. Conkin, regarding employment.

E. Schuster, Manager Cosmos Paper Company, in connection with the completion of their permanent organization.

R. L. Hambleton, in respect to revocation of certificate of incorporation of Hambleton China Company, Inc. U.S.A.

Mr. and Mrs. J. G. Scott, of the International Exposition of Modern Homes, regarding a business trip to America.

Walter A. Adams, American Consul from Chungking, regarding activities of the Yangtze Navigation Company and the Yangtze Rapids Steamship Company.

The following outside calls were made:

On the American Consul, with regard to citizenship of H. C. Mei. Also regarding the status of E. D. Bush & Company, Inc. U.S.A.

On E. D. Bush, in regard to incorporation of his company under the China Trade Act.

On Mrs. J. T. Byrd, Deputy Comptroller of Volunteer Services, with respect to Canteen work for the Shanghai Defense Forces.

On Monday, April 25th, a tiffin was arranged for Dr. Manley C. Hudson, Basis Professor of International Law at Harvard University, at which time he spoke before the Joint Committee of Shanghai Women's Organization on the League of Nations and other international affairs. This body of women represents nine constituent organizations and seven different nationalities.

ALL OTHER MEMBERS OF THE STAFF were engaged in carrying on their usual duties.

REPORTS COMPLETED

Trade Opportunity Report on "Paper Candy Boxes & Waterproof Cloth"...ABC
"Shanghai Property Owners' Association"--Trade Note.....AVS

REPORTS IN PROGRESS

Supplement to April Monthly China Trade Report on South China.....ABC
"Trade List of Knitting and Hosiery Mills in China".....AVS
(This is nearing completion and it is hoped soon to be able to send it to the Bureau.)

A. Bland Calder,

WEEKLY REPORT.

SHANGHAI
(City.)

China
(Country.)

May 2, 1927.
(Date.)

Report for the week ended April 30, 1927.

Submitted by: JULIAN ARNOLD
(Name.)

Commercial Attache
(Title.)

Visit to Canton:— Left Shanghai April 9th and returned April 30th, spending three days in Hongkong and ten days in Canton. My report entitled "Current Conditions in Canton" will convey to the Bureau a fairly complete and comprehensive statement of the situation. At Canton I enjoyed the full cooperation and assistance of Consul General Jenkins and the members of his staff. At Hongkong, Consul General Tredwell and the members of his staff rendered me every possible assistance and cooperation. I found at Canton that the Consul General had effected a complete evacuation of American women and children and many of the men from all regions in his Consular Districts except that a limited number had remained in Shameen and a relatively less number in Canton City. However, conditions politically had improved to such an extent during my visit there as to justify the return of some of the women and many of the men to Canton but not to the regions in the interior. It is interesting to hear from representative American business men and from a number of Chinese in prominent business circles commendation of the favorable aspects of the Nationalist Government as described in detail in my report above mentioned. On the other hand, these same individuals were unanimous in denouncing the Communist elements who had for upwards of two years dominated the actions of the Nationalist Government in the encouragement which had been given to the labor and peasant unions. There are among these unions, however, one which stands out in opposition to the destructive principles of the Communist Party. This is the Mechanics Union and in a lesser way the old Kwangtung Unions. Thus it was necessary for the Military Governor to differentiate between the Red Union organizations and those which appear to have had little affiliation with the Soviet advisors. On Good Friday, the Military Governor launched an attack against the reds, centering his operations against the Railway Union which appears to have been the most radical of them all. The populace generally, however, is skeptical lest the red elements stage a comeback. Hence the expressed determination of the Military Governor to rid the unions of the red element is received with a certain amount of reserve as there are fears that it is difficult or impossible to purge these organizations of their radical domination.

My weekly cabled despatch from Canton presented a resume of the situation. Before despatching it I consulted with Consul General Jenkins who agreed that it was a correct picture of the situation.

I did not in my report on Canton, mention the difficulties which our missionary organizations are experiencing in South China. They represent a very important phase of American enterprise in this country. At present, upwards of 75% of our missionaries in Central and South China have been

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evacuated. It appears to be the policy of the Communist Party to create a condition in China which will make it impossible for our missionary interests to continue to function. This accounts for the Nanking atrocities. In Canton the Canton Christian College, which is known now as the Ling Nan University, has gone further than any other real missionary organization in meeting the demands of the Nationalist Government. They have agreed to turn over the control of their institution to Chinese management with provisions for a certain number of American advisors and such American instructors as may be deemed advisable. The property and plant, however, remain in the possession of the American society with provision for Chinese control and use under certain designated stipulations. It seems that it was the irony of fate that this institution, which has exhibited a willingness to meet the Chinese demands, should suffer far more than those missionary educational institutions which opposed the idea of going under Chinese registration or acquiescing in Chinese control. The least molestation on the part of the Chinese has been in their attitude towards the missionary girls' schools. These continue to function in Canton with little interruption, so I was given to understand. Apparently the Chinese themselves have developed very few girls schools, hence there is very little of the spirit of jealousy on the part of the Chinese girls' schools against American institutions carrying on work of this sort. On the other hand, Chinese boys' schools and colleges exhibit a strong feeling of jealousy against the superior and better supported American educational institutions. This spirit of jealousy is one of the important factors in the attitude of the radical elements of the Nationalist Party toward the foreign institutions.

The Canton Christian College, or Ling Nan University, situation is complicated by a strike of the workers who are unionized, there being about two hundred on the campus. In anticipation of the changed administration they hoped to be able to insure the future of their employment with a new administration by demanding first, that before anyone of them may be dismissed he must be given a two months notice, plus six months extra pay; second, it will not be permissible to replace an old crew on an unfinished piece of work with a new crew, or if the old crew is discharged the work must cease; third, no dismissals will be made final unless sanctioned by the labor board. The strike of these two hundred workers forced the university to close down and send the one thousand or more students back to their homes. The foreign women and children and some of the foreign instructors were sent to Hongkong. Fortunately, a few days after this action was taken the Military Governor made his attack which included clearing the campus of the union workers. It was amusing to note that after the campus was cleared of the union men, the University authorities were able to take

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over the operation of the pumping plant which had been closed down during the strike under the order of the strikers. They discovered that the union employees handling the pump had succeeded in imposing on the University a condition whereby three men were employed to operate the pump, each receiving \$24.00 (Canton currency) (about G\$12.00) a month. This crew of pump operators hired a cook, paying him \$4.00 a person or \$12.00 in all a month. The cook ran the pump and cooked the chow for the three professional pump operators who lived the life of ease and luxury without having to devote any of their time to handling the pump. It is no little wonder that under conditions of this sort laborers turned red as I imagine they might anywhere else in the world if they could put over a deal such as this. However, conditions have improved very materially and it looked at the time I left Canton as though the strike might be settled in a way satisfactory to the college authorities. However, there was one obstacle which stood in the way of this settlement which is that the Government authorities insist upon the continued recognition of the labor union in negotiating for a settlement. It seems strange that while the University was closed down completely in all other of its departments, the Department of Sericulture continued to function. This Department had its inception in the encouragement given it by the Silk Association of America and receives \$2,000, Canton currency, a month from the Nationalist Government to aid in its support. It was given to understand that beginning with the first of May the Government's contribution will be increased to \$3,000 a month. The Silk Association of America has recently contributed G\$10,000 worth of equipment, taken from the United States Testing House in New York when they moved from their premises at 340 Hudson Street to Hoboken, New Jersey. An interesting development in this Department of Sericulture is a product of an improved strain of silk worm or cocoon which it is calculated will eliminate some of the objectionable features at present militating against the use of Canton raw silk in the American market. Further information on this subject can be secured from Mr. D. E. Douty of the United States Testing House, Hoboken, New Jersey. They are not

bothered by labor strikes as the sales are on a commission basis. Saving schools. It was interesting to hear from the representatives in Hongkong and Canton of the Standard Oil Company and to note the satisfaction which they express in the workings of the special tax on petroleum products, amounting to \$2.00, Canton currency, (about G\$.80) per ten gallon case. They informed me that the likin taxes which have formerly been assessed against petroleum products throughout the province of Kwangtung have effectively been abolished. Petroleum products are not paying the Customs surtaxes but continue to pay the 5% import duty plus the \$2.00 a case special tax, which special tax amounts to an advalorem duty from 25 to 35%, depending upon the quality of the product. They also had much to say concerning the Cantonese Government, contending that it has given adversely affected this business. Then the Chinese cigarette manufacturing companies secured control of the market. However, the double tax was abolished and the strikes and boycotts ceased so that gradually these foreign products are re-establishing themselves in the market but with much emphasis

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Canton the best administration that the city has ever had. are 6,000

While in Canton I saw much of Mr. Canon who is representing the American Automatic Telephone Corporation. This company entered into a contract with the Canton City Government to install an automatic telephone system, embracing 5,000 instruments. This will cost the Municipality about \$750,000. The present system embraces 2,200 old type telephones of the Swedish Ericsson manufacture, subscribers paying \$300.00, Canton currency, a year which entitles them to the possession of the instrument. The American Automatic Telephone Corporation sometime ago installed a special system of 100 automatics for use in municipal offices but the idea is to scrap the Manuals and put in the new automatic system. It will require more efficiency and a higher voltage, owing to the damp climate, but Mr. Canon contends that it can be made a success. The work is held up at present for want of funds but the first shipment of one-third of the amount of material is on its way to Canton and it is hoped that the first installment of cash will be forthcoming when the instruments are ready to be installed. There is a chance, however, that Mr. Canon may find himself with this material on his hands and unable, because of lack of funds from the Canton Municipality, to proceed with the work. The company has, however, gambled on this chance.

the bank. On the top floor very spacious and palatial quarters, fully furnished. The experience of the Singer Sewing Machine Company in South China is very interesting. Thus far in 1927, the company has done more business in South China than during any similar period in the past. This last year's sales in that territory amounted to 9,800 machines. They sell, principally the disappearing top style which retails at cash \$130.00, Canton currency, or on installments for \$170.00. The bulk of the business is done on the installment plan but delinquencies are comparatively few. Of the 400 Chinese salesmen, 100 are women who, although more timid than men, have entree to Chinese homes, many of which are closed to the men. They are not bothered by labor strikes as the sales are on a commission basis. Sewing schools are scattered over the Province and are generally under the direction of Chinese women. While I was there he was busy trying to get together a party of 100 Cantonese merchants for a tour around the world on one of the ships. Thus it may be said that two important American institutions are conducting a very successful business in South China, namely, the Standard Oil Company and the Singer Sewing Machine Company. The British-American Tobacco Company and other American cigarette manufacturing concerns are not so fortunate. They are up against Chinese competition. The boycott and strike against British interests were aimed particularly at the British-American Tobacco Company and practically ran its products out of the South China market. A double tax was placed on British cigarettes which naturally adversely effected this business. Thus the Chinese cigarette manufacturing companies secured control of the market. However, the double tax was abolished and the strike and boycott raised so that gradually these foreign products are re-establishing themselves in the market but with much emphasis

both incoming and outgoing cargoes from Hongkong at this time are unusually

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on the word gradually. In Canton City, for instance, there are 6,000 cigarette hucksters only 30 of whom are carrying British-American Tobacco Company products. On the other hand, the trade in American leaf tobacco continues almost uninterrupted as the Chinese companies are obliged to depend in a large measure on American leaf tobacco. I presume, however, that it is more to our interests to sell the finished manufactured product than to furnish the raw material. The British-American Tobacco Company is experiencing much more success in the sale of its products in Kwangtung Province outside of Canton City. The Manager for South China, who is a Britisher, during January of this year, took a 300 mile trip in a house boat over the Canton Delta, against the advice of the British Consul but without molestation. He managed to do much during that time in the reinstatement of his company's business throughout that very populace region.

It was interesting to note that in Canton the National City Bank has the best building, owned and erected by the company, of any place in China. It is a building which would do credit to any American city. On the lower floor space is provided which in the aggregate is about 50% greater than that occupied by our Shanghai offices of the Bureau. On the second floor suites are provided for the two bachelors employed in the bank. On the top floor very spacious and palatial quarters, fully furnished, are provided for the Manager of the bank, who is an American. The business in Canton at present does not warrant this palatial and spacious establishment but the bank evidently had visions of future developments when they erected this structure. Canton shipped last year 65,000 bales of silk, valued roughly at \$30,000,000. If through improvements in sericulture, this trade can be developed on a more extensive and more profitable basis, the National City Bank is in a position to take full advantage of it as it also has in addition to the bank building, a warehouse for the storage of silk.

The Robert Dollar Steamship Company maintains an office at Canton under the direction of an American. While I was there he was busy trying to get together a party of 100 Cantonese merchants for a tour around the world on one of their Round-the-World Dollar steamers. He claims that he has every reason to believe that the tour will be successful and is trying to arrange it for the spring of 1928. The company is also interested in the shipment of Canton products, including silk, as well as in the import business of South China, which includes considerable American flour. At Hongkong the manager of the company informed me that their ships were taking on unusually good cargoes. While I was there one of the steamers was taking on a cargo of 6,000 tons which is 2,000 tons above the average cargo from that port. It must be born in mind that Hongkong acts as a discharging point for Java, Singapore, India as well as for South China.

Mr. Nance of the Swayne Hoyt Company in Hongkong informed me that both incoming and outgoing cargoes from Hongkong at this time are unusually good.

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Mr. Horder of Connell Bros. and Company informed that the business of his company at Hongkong, which covers the Canton territory, is better than it has been for several years. This he attributed in a measure to the reorganization of the firm's business with better and more business-like methods. Connell Bros. handles mainly food products, including flour.

Mr. Forbes, Manager of Andersen, Meyer & Company, told me that his company's business in Hongkong is quite satisfactory. Considerable stocks had accumulated during the strike and boycott against Hongkong which were on indent orders for Chinese in Canton. They had held these for many months but since the lifting of the boycott in October, 1926, the consignees have all taken delivery of their goods, and met their bills which were in some cases 20% higher than prices ruling in the present market. There was some disagreement over interest and storage charges but this matter was adjusted in a manner satisfactory to both parties. Andersen, Meyer & Company is completing the installation for the General Electric Company at Canton in a contract with the Kwangtung Electric Company for a 6000 kilowatt unit extension to the Kwangtung Electric Light Plant, making a total of 16,000 kilowatt units, the bulk of the equipment of which is American. The last contract called for an outlay of \$180,000. Incidentally, Andersen, Meyer & Company is selling considerable electrical equipment in Canton. They are agents for the Ever Ready flash light. The travelling representative of this company came to Canton some months ago and so far as my observation went he must have stocked every notion shop in Canton with Ever Ready flash lights as I cannot recall having ever in my life seen so many flash lights distributed among shops of any one city as were in evidence in Canton. In a similar way it appears that some enterprising American salesman distributed over Canton an unusually large stock of thermos flasks. If Canton were not within the tropics, I imagine we would also find extensively distributed all over the city varied colored American hot water bags as these are much in evidence in the show cases of Shanghai and North China cities. It is not an unusual thing to see on the streets of Canton huge bales of old American newspapers which were evidently an important item of import into that great South China port.

Probably the most enterprising American concern in Hongkong is that known as the South China Development Company or more commonly known as the Shank Brothers. These are three enterprising Americans from Chicago. They seem to figure in most of the recent large development projects in that British Colony. Recently they completed a contract for the erection of the barracks for the British soldiers at Hongkong. The contract stipulated that for every day beyond 60 days, the company would forfeit \$1600, Hongkong currency, a day; on the other hand it would receive a bonus of \$1600 a day for every day under the 60 days in which the work might be completed. The lumber came from the United States and when it arrived in

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Shanghai it got caught in a stevedore strike. However, this was overcome and the shipment hurried to Hongkong where through some fluke the lumber got loose in the Hongkong Harbour and had to be picked up piece meal but even under these difficulties the South China Development Company completed the contract in 45 days. I was given to understand that these brothers have recently signed a contract for important work on the Singapore Naval Base. The Shank Brothers are representatives in China for the Raymond Concrete Pile Company. They have closed a number of contracts for this company, including one for the largest business building erected in Shanghai. Prior to the seamen's strike in Hongkong, when the British Colony was about to enter upon a large building program, Shank Brothers contracted with the largest British merchandising company there, Jardine, Matheson & Company, for the erection of a number of houses aggregating in all a cost of \$15,000,000, Hongkong currency. They received \$80,000 for their plans but owing to the strike and the subsequent boycott, the construction work is still in abeyance. They also contracted for the erection of 100 residence buildings in Kowloon, on the leased territory opposite Hongkong, but this work has also been held up by the boycott and strike. Plans have been made by the Shank Brothers for the Whampoa Board involving the expenditure of several tens of millions of dollars but these are held up for lack of funds. There are other enterprises in which this concern figures, all of which indicate the enterprising spirit of an American firm of contractors in a British Colony. Like 2,000 tons a month, so Mr. James of Swaine, Hoyt & Company informed me. The Manager. To one who has lived in Shanghai for sometime, he cannot but be impressed by the evidences on all sides of a lack of enterprise on the part of the British community in Hongkong. It would seem that if one were to take from Hongkong its electric lights and motor cars the place would be reduced to a Mid-Victorian community. Hongkong is still without a modern sewerage system or modern sanitary appliances. I was told on good authority that five years ago one of the prominent Hongkong business men who for years has served on the Legislative Council opposed a proposal to permit the introduction into Hongkong of that modern institution known as the flushing toilet. His grounds for an opposition of this introduction was that it was still a new-fangled idea and that until it was successfully tried out elsewhere it would be foolish for Hongkong to experiment with it. It is quite possible that the limited water supply in Hongkong may have had something to do with the Colony's backwardness in this direction, however, it would seem that some device could be worked out whereby salt water might be used with vitrified pipes. In other words, they are still awaiting a more favorable Hongkong can boast of the poorest telephone service of any city in China, in spite of the fact that the company has guaranteed an 8% return on its investment from the Hongkong Government. It is opposed to the idea of the introduction of the automatic telephone because of the

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presumed difficulties of a damp climate. It is interesting to note, however, that the Chinese Municipality of Canton has already contracted for an automatic telephone system with equally unfavorable climatic conditions. Another factor which seems to militate against Hongkong business expansion is the maintenance of an arbitrary 10% premium in Hongkong currency as contrasted with the Shanghai or Chinese silver dollar. Mr. Biggar of the Equitable Eastern Banking Corporation at Hongkong contends that Hongkong lost out on the contract for the construction of six American gun boats in competition with a Shanghai ship building company because of the more unfavorable gold exchange value of the Hongkong dollar as contrasted with the Shanghai dollar.

The hotel accommodations in Hongkong are very poor at present. I found it necessary to make reservations sometime ahead in order to assure myself of a room in the Hongkong Hotel and then had to pay \$16.00 a day (Hongkong currency) (about \$8.00 gold), figuring on the European plan.

Hongkong is, however, enjoying a certain amount of extra trade due to the disordered conditions in the Yangtze Valley. For instance, wood oil which usually is exported from Hankow is now finding its way overland down to South China and out at Hongkong so that in place of the usual shipments of 500 tons a month, Hongkong is exporting something like 2,000 tons a month, so Mr. Nance of Swayne, Hoyt & Company informed me. The Manager of the National City Bank at Hongkong is usually rather pessimistic about trade conditions in that place but he surprised me by telling me that trade in Hongkong is not so bad.

Two years ago when I was in Hongkong, I discussed with a group of merchants the advisability of organizing there an American Chamber of Commerce or some other Trade Association for the furtherance of American business interests in the British Colony. I recommended that the organization make no provision for renting quarters and maintain thereby a very modest over-head. Instead, however, of working along these lines the American colony in Hongkong has organized an American Club with rented quarters and arrangements for luncheon accommodations. The Club, however, is operating with a \$4,000, Hongkong currency, deficit which is not a promising outlook.

Building operations in Hongkong as well as in Canton appear to be at a standstill at present. In other words, they are still awaiting a more favorable political situation in South China. In Canton, much new road work and improved streets are in evidence. Canton now has about 40 miles

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of paved streets with considerable constructed on a concrete base and an asphalt capping. Several city parks have been instituted as also a municipal stadium and the beginnings of a modern sewerage system. The Canton City Health Department has been working on progressive lines under an American educated Chinese physician who has put in a very effective system of small pox vaccination and other public health precautions. I have in my report on Canton dwelt at some length on the budget system introduced by the Cantonese Government. This is a welcome innovation but one need not become over optimistic for fear that a change of administration might wipe it out. Furthermore, 72% of the budget of \$100,000,000, Canton currency, for 1926 was expended on military operations, principally in connection with the northern expedition. However, if the figures are correct, the budget for the three months of 1927 shows a reduction to 57% for the purpose of military expenditures. In my report on Canton I also made much of the operations of the Central Bank of China. In this connection the American Bank Note Company appeared to have sold \$500,000 worth of bank notes, involving two issues of \$20,000,000 each for the Central Bank of China.

I trust these fragmentary notes may indicate quite clearly to the Bureau that amidst this confusion of political disruption there is considerable progress in a commercial and development sense. We are prone to picture the entire situation in China as one of such seriousness in connection with the civil wars that are now raging that all business and other enterprises of a constructive nature are at a standstill. Hence, it is necessary, if we are to have a balanced picture of this situation, that we take cognizance of the commercial and other developments projects which are evidenced. In this connection I wish to refer the Bureau to a communication received by this office from the American Consulate at Tientsin who refuses to give me certain basic trade information for the reason that in transmitting it to America, American business men may be prevailed upon to conclude that there is a certain amount of business going on in China in spite of its political and military disturbances.

WEEKLY REPORT.

Shanghai
(City.)

China
(Country.)

May 11, 1927
(Date.)

Report for the week ended May 7, 1927

Submitted by: A. Bland Calder Trade Commissioner
(Name.) (Title.)

PERSONNEL

Appointees	Days on Duty	Cause of Absence	Duration of Absence
Julean Arnold	Returned from Official Trip to South China on April 30th. Spent Monday, May 2d in Office, and left for Official Trip to Peking on May 3d.		
A. Bland Calder	6		
A. Viola Smith	6		

Employees

Evelyn Varley	6		
Verne Leary	On leave for 3 weeks		
Henrietta McKeen	6		
Gladys H. Bulger	6		
S. Z. Yih	6		
Anselm Chuh	6		

(For other Employees see Form 218 Supplemental.)

ACTIVITIES OF STAFF DURING WEEK

MR. CALDER:

Mr. Arnold was in the office Monday and Tuesday taking care of urgent current matters and preparing for trip to North China, leaving Wednesday morning by boat for Tientsin.

On the basis of Mr. Arnold's report on Conditions in Canton, I supervised the preparation and mimeographing of a twelve-page supplement to our April Monthly China Trade Report, giving this up-to-date information on South China as prepared by Mr. Arnold en route to Shanghai. This was despatched (usual number of copies) by fast mail via Seattle on Saturday.

I continued to follow up the antimony situation and prepared further cabled replies to Bureau inquiries and written reports to Bureau confirming cables despatched the previous week.

I gave some time to a Mr. G. S. C. Tsao, formerly agent of the Asia Life Insurance Company (American) at Chungking, West China. Mr. Tsao, because of poor opportunities for the sale of life insurance at this time has disconnected himself from that organization and is engaged in developing a company to be known as the West China Trading Company, on behalf of certain Chinese capitalists at Chungking. He was interested in getting into touch with local American suppliers with whom he might work on kerosene business in Szechuen province. He was also interested in a motor car sub-agency for Szechuen Province and I introduced him to the General Motors representative locally and to Dodge Bros. agent.

ACTIVITIES OF STAFF DURING WEEK--Continued

MR. CALDER:

Also prepared a World Trade Directory report on his company.

Mr. C. C. Chang, of the Shanghai Y. M. C. A., who stated he had friends in the Foochow municipal government desiring to study road making equipment, called and I gave him some attention including introductions to local American agents of manufacturers of road making equipment. I also turned over to him catalogs and highway periodicals.

The Japanese Commercial Attaché requested us to give him data on portable motion picture projectors, as he desires to purchase one for his own use.

Chaplain T. L. Wood of the U.S.S. Black Hawk, which recently arrived in Shanghai to join the Asiatic Fleet here, requested me to give a talk on American commercial relations with China to about three hundred officers and men on the ship on Friday evening. I prepared material for such a talk, but the Chaplain failed to show up, apparently making a mistake in the date. I have indicated to him my willingness to give the talk at a later date when convenient to him.

The Manager of Getz Bros. of the Orient, Ltd., an American firm, called to secure information on the wood oil situation and I gave him such data as we have on hand including declared export figures and information recently telegraphed from Hankow by the Consul General there. In addition to this, I am endeavoring to get together further information for him. He appeared very appreciative of information given him.

I called on Mr. George J. McCarthy, Oriental Passenger Agent, Dollar Line, for an expression of the Dollar Line policy as to 25 per cent. rebate to American Government officials, including Department of Commerce employees, in connection with official travel and duly reported the result by mail to the Bureau, in answer to Bureau communication on the subject.

I was obliged to spend further time on accounting matters.

I conferred further with Chinese bankers and local business men for opinions and confirmation of material for Weekly Cable to the preparation of which I gave especially careful attention.

MISS SMITH:

During the week the Trade List of Knitting and Hosiery Mills in China was gone over with one of the local American importers of Hosiery and Knitting Mill Machinery, in an effort to have it checked for inaccuracies. We are promised the cooperation of one other American concern in this matter, and hope that the list will be despatched to the Bureau in the very near future.

The following callers were given interviews:

Chester Fritz, of the American Metal Company, regarding Singapore concerns.

ACTIVITIES OF STAFF DURING WEEK--Continued

MISS SMITH:

Walter Kelly, Vice President Muller, Phipps Company, and C. A. Gile, Special Representative Miller Rubber Company, with regard to the latter's agency in China.

J. Kleffel and C. H. Raven, respecting China Trade Act documents for the Bakerite Company, Fed. Inc. U.S.A.

Capt. Thos. Watson, of the United States Marine Corps, and Mr. Paul Wright, Chicago Newspaper man. Mr. Watson was put in touch with local American interests who were able to supply the Marines with athletic equipment at an inside price.

B. A. Padon, of Haskin & Sells, regarding matters pertaining to China Trade Act companies.

F. C. Millington, with regard to advertising service in Shanghai.

Wm. Yinson Lee, of Brewer & Co., Inc., regarding Pure Food Laws of the U. S. A.

Leon O. Kwok, of the Oriental Trading Company, with regard to trade complaint against the Miller Rubber Company.

Outside calls were made as follows:

J. Clancy, Elbrook & Co., Inc., regarding knitting mills.

Mr. Ferguson, of Andersen, Meyer & Co., also with regard to knitting mills.

The Standard Products Company, Fed. Inc. U.S.A. regarding China Trade Act matters. This company has not been complying with the requirements of the Act through inadvertence, and some time has been spent with them during the week in an effort to bring them into line.

Lensing W. Hoyt, in regard to activities of the Yangtze Rapids Steamship Company which is still awaiting the final audit before this case can be cleared up.

D. B. Sparks, with respect to trade connection for Captain Watson of the U. S. Marine Corps for supplying athletic equipment.

The United States Court for China, to watch certain features of a very important case which has been in progress, as several angles of this case had to do with activities which were closely identified with the activities of several individuals who are in China Trade Act companies.

T. Y. Chang, in connection with claim of the Jeffries Mfg. Company.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED AS USUAL.

REPORTS COMPLETED

The Supplement to April Monthly China Trade Report on South China..ABC
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REPORTS IN PROGRESS

"Trade List of Knitting and Hosiery Mills in China".....AVB

A. Bland Calder,
Trade Commissioner.

WEEKLY REPORT.

Shanghai

(China)

May 16, 1927.

Report for the week ended May 14, 1927.

Submitted by:

A. Bland Calder

Trade Commissioner

PERSONNEL

Appointees

Days on Duty

Cause of Absence

Duration of Absence

Julean Arnold

On Official Trip to North China

A. Bland Calder

6

A. Viola Smith

6

Employees

Evelyn Varley

6

Illness

1 day

Verne Leary

On Leave for 3 weeks

Henrietta McKeen

6

Gladys H. Bulger

6

S. Z. Yih

6

Anselm Chuh

6

(For other Employees see Form 218 Supplemental.)

ACTIVITIES OF STAFF DURING WEEK

MR. CALDER:

I spent some time during the week following the financing of the new Nanking Government, calling on several bankers for details of the Treasury Bond issue, which I secured and cabled to the Bureau, I believe, in advance of the news being cabled by newspaper correspondents, though I was not trying to make a "beat" on this news, but regarded it as the most important development to include in the weekly cable. This weekly cable I held over until Saturday morning in order to include the exact terms under which the Treasury bonds are being issued.

I also prepared and transmitted a confidential report dated May 14th, in which I endeavored to interpret certain local American opinion on the Nationalist Movement.

I was obliged to devote a full day's time of about twelve hours' work endeavoring to straighten out the Peking Office rent situation which has been suspended over the past two years by the General Accounting Office because of certain defects in the way in which it has been handled and because the payments appear to have been made to persons unacceptable to the General Accounting Office because of certain laws and statutes. After searching ancient records and consulting with Miss Smith on legal phases of the matter, I was in position to take action which I trust will settle this matter once and for all. This situation proved an unpleasant handicap to an otherwise productive week's work.

ACTIVITIES OF STAFF DURING WEEK--Continued

MR. CALDER:

I followed on behalf of local inquirers the wood oil situation and also the matter of surtaxes on antimony, for reply to Bureau inquiries; handled general correspondence; received several callers; and spent some time bringing weekly political, general business and administrative reports up to date.

Ford Assembly Plant: I learned during the week that the Ford Motor Company, in view of the conditions obtaining in China at the present time, has decided to postpone the assembly plant project for Shanghai, previously reported, and which was to have been under way by late summer this year.

MISS SMITH:

The "Trade List of Knitting & Hosiery Mills in China" was, during the week, checked with another local representative for American knitting and hosiery mill machinery, with the result that so much additional information was secured, that it has been necessary to re-caste the entire rough draft, and thus hold up the final list for a little longer. However, the list will be a great deal more accurate and the delay will be well worth while.

A great deal of routine work incident to filing of China Trade Act documents was handled during the week.

Callers: Paul Anderson, of W. R. Rice & Company, regarding insurance activities in China.

J. E. Hayes, of J. E. Hayes Engineering Corporation, Fed. Ind. U.S.A., made two calls at this office with reference to the closing up of their Shanghai office and the filing of pertinent documents regarding an amendment to the articles of incorporation. Full report made to Assistant Registrar.

O. J. Todd, of Essential Oil Products Company, Fed. Inc. U.S.A., regarding delay in filing of their Annual Report and Income Tax Return. Mr. Todd also is the Chief Engineer of the International China Famine Relief Committee, and gave some interesting information regarding conditions in and around Hankow, where they are engaged in dyke construction work.

E. Polson, of Comerford & Company, with regard to connections with New York buying concern of China novelties.

George S. C. Tao, a Chinese who is engaged in business interests in West China, was given assistance in making connections in Shanghai for a sub-agency arrangement for American kerosene.

J. W. Huck, of Great Northern Railway Company, in connection with closing of their office, and disposition of their fixtures and furniture.

H. W. Brooks, representative for the California Packing Company, and Mr. C. D. Komaroff, representing the F. E. Booth Company of San Francisco, were both put in touch with Mr. D. Mills, the purchasing agent for the Navy, Army, Air Force Institutes that are supplying canteens to the British Forces in Shanghai. Mr. Mills had complained that he had been unable to make satisfactory connection with representatives of American canned fruits. Both Mr. Komaroff and Mr. Brooks

ACTIVITIES OF STAFF DURING WEEK--Continued
ACTIVITIES OF STAFF DURING WEEK--Continued

Miss Smith:

Callers:

have cordially thanked this office and indicated that as a result of our interest business will undoubtedly result for their American houses.

J. P. De Barry, of Singer Sewing Machine Company, furnished with information relative to 1 per cent. surtax levied for a short period by the Hankow Government for dyke construction work.

Mrs. L. E. Gale, to secure information regarding incorporation under the China Trade Act; her husband, who is the principal in the L. E. Gale Company of Hankow, being desirous of incorporating thereunder.

Ralph A. Frost, Jr., Hankow attorney, in regard to incorporation of the Hankow Herald under the China Trade Act.

William Rufus Scott, representative for the "Washington Star", regarding conditions in China. Given considerable information along the lines of his investigation.

T. Y. Chang, regarding his back payments for the account of the Jeffries Manufacturing Company. Mr. Chang's position has been fully reported by letter to the Bureau.

Mr. Jung Toh-ien, with regard to the holding of an exhibition in China for sale of Fukienese products.

Outside Calls:

On Monday arranged a Tiffin at the American Women's Club, at which time Mr. B. Lennox Simpson, otherwise known as "Putnam Weale", spoke to ninety American women regarding conditions existing in China, especially regarding conditions which he had investigated in Hankow recently.

C. J. Ferguson, of Andersen, Meyer & Company, very kindly checked over with me the trade list of "Knitting and Hosiery Mills" in China and, through his cooperation, additional information was secured so that our list when reworked will be much more accurate than formerly.

Several calls were made upon C. B. Perkins, President of the Standard Products Company, Fed. Inc. U.S.A., in order to entangle certain difficulties incident to his operation under the China Trade Act.

G. E. Gauss, American Consul General, regarding discontinuance of American ~~XXXXXXXXXX~~ Emergency Relief Quarters.

Consul Jarvis, with regard to activities of the Yangtze Rapids Steamship Company and the Yangtze Navigation Company, Fed. Inc. U.S.A. Confidential reports are in course of preparation by the Consulate upon which the Registrar will doubtless be obliged to act in the very near future.

D. B. Sparks, to meet Mr. D. Mills of the Navy, Army, Air Force Institutes. Through this introduction I was able to put Mr. Mills in touch with local representatives of American canned fruits which will result, undoubtedly, in business to considerable volume.

American Chamber of Commerce regarding expected arrival of three American Senators and suitable entertainment programs.

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ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED in their usual duties.

continued

May 4th, I left Shanghai.
19th, I left London on
the 19th, spent the
evening of the 21st at Teington
22nd.

A. Blain Calder,
Trade Commissioner.

HDM

WEEKLY REPORT.

Shanghai

(City.)

China

(Country.)

May 24, 1927.

(Date.)

Report for the week ended three weeks ending May 21, 1927.

Submitted by:

JULEAN ARNOLD

(Name.)

COMMERCIAL ATTACHE

(Title.)

Visit to North China:- On Wednesday, May 4th, I left Shanghai, arrived in Peking May 7th, left there on the 15th, arrived in Mukden on the morning of the 16th, left there on the evening of the 18th, spent the 19th and half of the 20th at Dairen and the morning of the 21st at Tsingtau, arriving back in Shanghai the evening of the 22nd.

Customs Valuations Revision Commission:- The Chinese representatives on this Commission transferred their headquarters to Peking, hence it was necessary for me to visit the Legation and confer in regard to the method of procedure in completing the work as American representative on this Commission. At Peking I conferred also with the British and French Attaches and arranged with them a draft note for the Diplomatic Body to the Chinese Minister of Foreign Affairs in regard to the method or procedure for the completion of the work of this Commission. I also called on the Chairman of the Commission and discussed the details of his plans for completion of the Tariff Valuations Revision. It will be necessary for me to spend some weeks in Shanghai checking the valuations as this work cannot be done elsewhere for the reason that the basis of the tariff valuations is the Shanghai wholesale market values for the year 1925.

Plans for Peking Office:- One of my objects in going to Peking was to confer with the Minister and Evans, of our office, in regard to the plans for the next fiscal year. Owing to the crisis arising from the prospective advance of Cantonese forces to Peking, the Minister had expressed a desire to the Department of State that Evans be retained so that he might have the advantage of a continuity of personnel at the Legation during the period of uncertainty produced thereby. The raid on the Russian Embassy changed the situation in such a way as to warrant the Legation cabling the Department that as the crisis had passed it was no longer deemed necessary to press for the retention of Evans, thereby making it possible for our organization to proceed with plans as formerly laid down. Accordingly, I arranged with the Minister and with Evans that he be privileged to proceed on his trip to the United States, leaving Peking some time during the month of June.

It is gratifying to find that Evans' services have been deeply appreciated by the Legation and have proved of much value to our American interests in this connection. During my week in Peking I had many conversations with Evans in regard to the work of our China organization which were very helpful, especially so as it has been nearly a year since I have visited Peking. I found conditions in Peking far more settled and quiet than I had anticipated, judging by the news reports that had come to us through the press in Shanghai. In fact, conditions had so settled that some of the foreign women and children who had been evacuated were returning and others planning to return later. I was thoroughly in sympathy with

the representations made by Evans to the Bureau in regard to the question of paying the expenses of transportation and subsistence of families evacuated from Peking. The Department of State arranged very promptly for compensation in this connection whereas the representatives of the Department of Commerce were at a distinct disadvantage in this regard.

While in Peking, I had an opportunity of visiting the Metropolitan Police Station and inspecting at first hand the documents and other material taken from the Russian Embassy at the time of the raid. The Bureau has had full information on this subject from Evans so it is not necessary for me to expatiate on it at this time.

I called on a number of prominent Chinese as well as upon my British and French colleagues, and also upon various members of the Legation, during my visit to Peking. I also had an opportunity of meeting a number of our business men and representatives in educational and medical work.

The Director of Railways and Minister of Communications informed me that under the present conditions, the Peking-Mukden Railway is operating on a more efficient basis than for several years past. This is indicated by a report dated May 14th, prepared by Evans for the Bureau, on the specifications for the purchase of new equipment for the Peking-Mukden Railway Shops at Mukden. Thus the railway is earning sufficient funds to allow for certain improvements and also to provide for some new work.

Dr. Houghton, Resident Director of the Peking Union Medical College of the Rockefeller Foundation, informed me that he is well pleased with the efforts which the administration of this institution is making towards developing a Chinese personnel. As rapidly as possible, the plans for developing this as a Chinese institution are being consummated. Dr. Houghton states that he is in no way disappointed in the results which are following their efforts in this connection, both as regards building up a Chinese faculty and developing a Chinese personnel in the administrative work. Dr. Stuart, President of Yenching University, an American missionary institution, which is spending from \$3,000,000 to \$4,000,000 in building and equipment, stated that the plans of his institution which provide for larger Chinese participation and control, following the scheme which is being put into effect by the Canton Christian College, are being worked out in a satisfactory manner.

The Chinese whom I interviewed were not at all optimistic as to the possibilities of any satisfactory settlement of the political situation but expressed themselves as of the opinion that North China would remain comparatively peaceful until the contending factions in the Yangtze Valley have cleared the way for a possible northern advance.

I arranged with Mr. W. W. Fowler of the General American Car Company, who has an outstanding claim of \$4,000,000 against the Chinese Railways, to call upon Dr. V. K. Ting who was formerly Commissioner for the Port of Woosung and Shanghai and is a well informed man on Chinese politics generally. Dr. Ting gave Mr. Fowler a very clear statement as to his

in China. The British-American Tobacco Company had, during 1926, the best opinion on the political situation and told him that while he was convinced that China would not repudiate its obligations and that the material claims would receive satisfactory consideration so soon as conditions permitted, yet he was certain that it would be at least a year before Mr. Fowler might expect to have an opportunity of securing any satisfaction in regard to his claim. In other words, he stated to Mr. Fowler that it would be useless for him to remain in Peking or in China on any prospects of a favorable change in the political situation whereby it would be possible to negotiate for a satisfactory adjustment of his claim. In the near future.

Through the courtesy of the American Minister, I had the opportunity of conferring with Senator Bingham and Congressmen Tilson and Quinn in regard to conditions in China and the objects of their visits. I travelled with Congressman Tilson, who is the floor leader in the House for the Republican Party, from Peking to Mukden which accorded me an excellent opportunity to know him better.

Conference with Consul Berger, Tientsin:- En route to Peking, I delivered some official mail entrusted to me by the Shanghai Consulate General to the Tientsin Consulate General. I discussed with Consul Berger, who is in charge, a letter which he addressed to me in regard to my request for certain Customs information and which information he refused to give me on the grounds that his staff was inadequate for the purpose of handling trade work and even if it had been adequate he expressed himself as averse to giving out information for fear that it might convey more favorable idea of the business situation than conditions otherwise warranted. I explained to him that he might have qualified the information as he saw fit but he was not in any sense warranted in withholding it. Copies of my correspondence in this connection have been sent to the Bureau. Consul Berger informed me that he now has an increased personnel and will be in the future able to handle trade matters and give us such assistance as we may desire.

Visit to Mukden:- I found the service on the Peking-Mukden Railway quite satisfactory. The trip from Peking to Mukden was made under satisfactory conditions, the train leaving Peking on time and arriving in Mukden ahead of its schedule. Consul Sokobin was at the train to meet me in Mukden and both he and Consul General Myers rendered me very courteous and generous assistance during my three days visit in Mukden. As in the case of my visit to Canton and Hongkong, I found it possible to do much by way of encouraging our Consular representatives to cooperate in a more effective manner with the Bureau's organization in this country. It is gratifying to be able to report that both Consul General Myers and Consul Sokobin exhibited an eager desire to fit into the work of our organization as effectively as possible. I spent much time in outlining the character of cooperative services which would be most acceptable and I believe as a result of my visit we shall have much better relations in this direction. I was pleased to find that there is a very considerable building program under way in Mukden. In fact, I am of the opinion that next after Shanghai there is more building activity in Mukden than in any other city

in China. The British-American Tobacco Company had, during 1926, the best year during the history of its business in Manchuria. Each month during the present year has been better than each preceeding month. The British-American Tobacco Company factory in Mukden is running at full blast and the company is suffering less from illicit taxes in that territory than in any other section of China. Naturally, the great impediment to increased prosperity in Manchurian trade is the almost unlimited issue of paper small money. It is estimated that there are now in circulation in Manchuria between five and six hundred million silver dollars worth of "feng piao" or subsidiary small notes. Apparently there is little or no specie behind this issue. When it was anticipated that the "reds" would enter Peking, these notes fell to about thirteen hundred to the silver dollar. They have since recovered and are now in the neighborhood of one thousand. As in the case of the German Mark some years ago, trade has in many respects been reduced to a barter basis.

Naturally the curse of the country as elsewhere in China is the military situation. Chang Tso-lin maintains at Mukden an arsenal which represents an outlay of \$120,000,000 (silver). The arsenal occupies an area of ground which appears to be about one mile in length and probably one-third of a mile in width. It employs upwards of 10,000 persons and represents an annual expenditure of approximately \$30,000,000 (silver). It employs a number of foreign experts and while its output is not up to the standards of Western industry of a similar nature, yet they are tremendous. Unfortunately, there are a number of other arsenals in China which also represent extremely large capital outlays and capital expenditures. It would probably be conservative to figure that China's arsenals are spending upwards of \$100,000,000 a year and it probably would not be exaggerating the true state of conditions to state that the military organizations in this country, which involve an aggregate of upwards of 1,000,000 armed men, represent in the total expenditures an aggregate of upwards of \$500,000,000 (silver). If these funds were put into productive employment one could easily surmise the wonderful effect it would have on the reconstruction of China along modern lines.

Our American business concerns in Mukden appear to be doing a fairly good business. Andersen-Meyer & Company, Ltd., the Standard Oil Company, the Texas Oil Company and the American tobacco interests are not complaining regarding the volume of their business in that section.

The present year crop prospects for Manchuria are thus far excellent. It is estimated that during the past year 1,000,000 immigrants from Shantung and Chihli moved up into Manchuria. The migration of people from these less favored sections into Manchuria continues this year at what appears to be even a greater rate than 1926. In this connection it is interesting to note that during the past twenty years while the Japanese authorities have not been able to induce more than 200,000 of their nationals to take advantage of the big development enterprises which has marked the opening up of Manchuria, added to the permanent population of the three eastern provinces. New Railway construction in Manchuria during the past year has involved the purchase

of 65,000 tons of rails and considerable other railway equipment.

It has been two years since I last visited Mukden and I was surprised to note the substantial progress made in new and modern street construction, in building operations and development of other modern enterprises, all of which indicated that in the event of a fairly stabilized political situation, Manchuria is destined to great developments.

Visit to Dairen:- In going from Mukden to Dairen, I travelled on a pullman sleeper built by the South Manchuria Railway Shop in Dairen. The equipment is excellent and the service is all that one might wish. The operating revenues for the South Manchurian Railway for the fiscal year ending March 31, 1927, were Yen 107,000,000 whereas the operating expenses were only Yen 45,700,000. This is an eloquent testimonial for the ability of the Japanese to operate modern railways along efficient lines. It also indicates the enormous amount of traffic which these railways carry. One of the Engineers-in-Chief of the South Manchuria Railway at Dairen informed me that if he had a free hand in operating the Peking-Hankow railway he could make a far better showing than possible on the South Manchuria Railway. I concur with him in this statement. I am making a complete report to the Bureau on the last year's statement of the South Manchuria Railway Company.

It is interesting to note that very few private Japanese ventures in Manchuria have been operating on a profitable basis. Success of Japanese enterprises in Manchuria from a financial point of view seems to be confined to the South Manchuria Railway and some of its subsidiary companies. The Japanese business man finds it very difficult to compete in a basis of equality with the Chinese trader. Naturally, the unfavorable financial situation has much bearing in this connection. At Dairen, the foreign trading companies, with the exception of such concerns as the Standard Oil Company, appear to confine their business for the most part to that of the South Manchuria Railway and its subsidiary industries.

At Dairen I had an excellent visit with Consul Sturgeon and found him very alert and keenly desirous of cooperating to the fullest degree with the Bureau's organization. Here again I was able to be of much assistance to him in outlining in a specific way the character of work that would be most acceptable to the Bureau in plans for trade promotion in China.

Visit to Tsingtao:- I had only a few hours stop at Tsingtao and spent most of these with Consul Dorsey with whom I have been acquainted for at least twenty years. He told me that the most serious impediment to trade expansion in Shantung is the ever increasing illicit taxes. The land taxes in that province have been collected for eleven years in advance. In spite of this fact the Shantung railway is operating on a fairly efficient basis although the traffic on this railway is taxed almost beyond the limits of what the traffic can stand. Trains are running between Tsingtao and Tsinan on regular schedule and considerable bridge repair work is being undertaken.

I had expected from all accounts to have found Tsingtao in a more run down condition than it actually is. With the exception of the wharfs and docks the city seems to be administered on a fairly good basis. At all events the streets are in good state of repair and conditions generally appear on the surface very little different from what they were under the Japanese regime. However, under the constantly increasing tax burdens, trade is suffering badly. Brigandage throughout the province, combined with extortionate taxes have forced large numbers of Shantung natives to forsake their farms and seek better opportunities for livelihood in Manchuria. This accounts for the exceptionally heavy migration of Shantung people into Manchuria.

Consul Dorsey informs me that now that he is provided with a Vice Consul he will find it possible to devote more of his time to trade work and expects on that account to be of more effective assistance to the Bureau's organization in this country.

JULEAN ARNOLD

JA-B

WEEKLY REPORT.

Shanghai

China (Country.)

May 26, 1927 (Date.)

Report for the week ended

May 21, 1927

Submitted by:

A. Bland Calder

Trade Commissioner (Title.)

PERSONNEL

APPOINTEES	Days on Duty	Cause of Absence	Duration of Absence
Julean Arnold	On Official Trip to North China	---	---
A. Bland Calder	6	---	---
A. Viola Smith	6	---	---

EMPLOYEES

Evelyn Varley	6	Leave	2 days
Verne Leary	4	---	---
Henrietta McKeen	6	Illness	1/2 day
Gladys H. Bulger	5 1/2	---	---

S. Z. Yih 6 Illness 1/2 day

Anselm Chuh 5 1/2

(For other Employees see Form 218 Supplemental)

ACTIVITIES OF STAFF DURING WEEK

MR. CALDER:

Monthly cable week is always an exceedingly busy one for this office, particularly at this time when there is so much going on in the way of political and other developments affecting trade. I have been gradually improving my contacts for securing information and during the week consulted no less than thirty five of these personal contacts for information on the various commodity and other subjects treated in the Monthly Cable, which was despatched in eight sections. In addition to personal contacts, we naturally avail ourselves of various published sources of information, including the local press, though I endeavor in all cases to confirm news items by consulting authoritative contacts. Mr. Chuh has been very helpful in assisting me with calls on Chinese bankers and with securing information in regard to cotton mill activities. Miss Smith also made several helpful suggestions of material for use in the Monthly Cable, particularly the matter of import and export surtaxes being imposed by the Hankow Government for dyke construction work, which information she happened to pick up from a local contact and which we were able to confirm by wiring the American Consul General at Hankow.

I entertained at Tiffin, on Monday, Mr. J. E. Hayes, of the J. E. Hayes Engineering Corporation, who is closing his Shanghai office and is leaving the country shortly, though he will keep contact with his office in Tientsin, and will keep the Tientsin office open for a time. He will give us information as to the agencies held by him and to what local firms these agencies are being turned over to.

ACTIVITIES OF STAFF DURING WEEK--Continued

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ACTIVITIES OF STAFF DURING WEEK--Continued

MR. CALDER:

On Tuesday I had luncheon with Mr. George Aveyard, Manager of the Jardine Engineering Corporation, which holds several American agencies. We discussed several features of the present China situation and he expressed the view that British intervention of some kind or another would be seen in the Yangtze Valley before long, believing that the raid on the Soviet trade mission in London is a preliminary step to breaking off negotiations with Moscow and the indication of a stronger British policy in China.

On Friday evening I entertained at dinner Mr. Frederick Moore, correspondent for the New York Times, and Mr. George Sokolsky, correspondent for the New York Evening Post, also Mr. George Fitch, prominent Y.M.C.A. man, and Mr. William Golding, American in business in his own name locally, importing American products. Many phases of the China situation were discussed; the exchange of ideas being very helpful to gaining a deeper understanding of the present upheaval in this country.

In addition to the foregoing, I prepared a number of communications to the Bureau, and, in collaboration with Miss Varley, a number of replies to trade inquiries; also a trade circular was prepared and circulated locally, bringing attention to Shanghai firms of American exporters or manufacturers desiring representation in this field. This is the first letter of the kind I have issued since March 1st, as previous letters due to the troubled situation in China have resulted in replies only from small Chinese companies, either inexperienced in foreign trade or with insufficient capital to prove effective as agents for American manufacturers. This circular letter was formerly issued weekly by this office, but in the future we may find it quite sufficient to circulate such a letter once a month, at least until conditions change for the better.

MISS SMITH:

Further work was put in on the "Trade List of Knitting & Hosiery Mills in China", and it is hoped that this report may soon be completed.

Callers interviewed during the week:

W. E. Jarvis, Standard Products Company, regarding Annual Reports.
J. F. Malone, Cobb Wynne Tobacco Company, in regard to their representation in Shanghai.
H. W. Brooke, Fu Chung Corporation, furnished with information in respect to dried fish.

C. D. Komaroff. During the week considerable time was spent with Mr. Komaroff in an effort to introduce the F. E. Booth & Company's (of San Francisco) line of canned fruits. Mr. Komaroff was put in touch with the purchasing agent for the Navy Army Air Force Institutes who are running the canteen service for the British Forces.
Mr. R. A. McCourt, Yangtze Rapids Steamship Company, regarding audit of their accounts.

T. Y. Chang, in regard to disposal of Chinese curios. Mr. Chang was introduced to two large American buyers of curios.

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MISS SMITH:

ACTIVITIES OF STAFF DURING WEEK--Continued

Callers. Continued:

S. A. Moss, A. E. Mandel, J. Abraham and F. J. Moore, to swear to documents in connection with making application for incorporation under the China Trade Act.

Jack E. Ellis and Roy L. De Lay, Electric Service Corporation, to swear to China Trade Act documents.

A. McLure, Secretary H. S. Honigsberg Company, to swear to China Trade Act documents.

Max Sternberg furnished with information regarding Pacific Coast manufacturers of ice cream.

E. C. E. Schneider, Secretary of Standard Products Company, Federal Inc. U.S.A., to swear to China Trade Act documents.

R. F. Clark, U. S. Navy, regarding application for work in the Department of Commerce service.

Outside Calls were made on the following:

Warren Manley, Secretary of American Chamber of Commerce. Upon his request, this office secured telegraphic information regarding the arrival of several American Senators. The Entertainment Committee of the Chamber are planning to entertain these representatives upon their arrival in June.

Vaughan Read, regarding claim of the Hunter Fan Company against him for G\$196. Mr. Read promised to take this up in the very near future.

C. D. Komaroff, in regard to introduction of F. E. Booth & Company's canned fruits.

Dr. George Sellet, U. S. District Attorney. Lengthy conferences had with Dr. Sellet during the week regarding the revocation of certificates of incorporation of China Trade Act corporations.

R. Y. Jarvis, American Consul, in regard to operations of the Yangtze Rapids Steamship Company, Fed. Inc. U.S.A. Confidential reports will be made to the Bureau in the near future.

Lansing W. Hoyt, President of the Yangtze Rapid Steamship Company, Fed. Inc. U.S.A. and the Yangtze Navigation Company, Fed. Inc. U.S.A. The audit of the accounts of the Rapid Steamship Company WAKH was completed this week and has been filed with the Registrar. The audit of the Yangtze Navigation Company's accounts is promised by the auditors on May 24th. Full reports will be transmitted to Washington shortly.

D. B. Sparks, in regard to several complaints against American manufacturers.

ALL OTHER MEMBERS OF THE STAFF were engaged in their usual duties.

Reports in Progress

"Trade List of Knitting & Hosiery Mills in China".....AVS

A. Bland Calder,
Trade Commissioner.

Shanghai branches it makes payment in Hankow currency but issues permits of exchange by which the firms can secure payment in Shanghai through the Dal Bank. Rice, salt, hospital supplies, and certain other army and other supplies are thus being purchased in Shanghai and the Hankow Government is using up most of this monthly credit of Mexican \$2,000,000 so that there is very little, if any, left for commercial transactions or for financing imports to Hankow by business houses. Such facilities as the Hankow authorities do grant to local firms are confined to goods regarded as essential to the economic situation there. Hankow money remitted in this way is exchanged by the Hankow Government at par except that a 2% remittance fee is charged. Thus, it appears that the chief support of the Hankow Government at the present time is this direct monthly contribution from Moscow, as the volume of trade has fallen to such a low ebb that the surtax revenues are very much diminished.

Mr. Wright said he had been successful in getting the Minister of Finance at Hankow to grant his company (Anderson, Meyer & Company, Ltd.) facilities for exchanging Mexican \$500 per month for transfer to Shanghai. He threatened to close the Hankow office of Anderson, Meyer & Company, Ltd. if this facility was not granted. This arrangement, therefore, practically limits the amount of import business this one firm can do (except for sales to the Hankow Government) to Mexican \$500 per month. The Hankow authorities apparently do not want the remaining foreign firms to close up and are so giving these small accommodations where necessary to keep them there.

This policy is apparent both on the part of the Chinese and the Russian Communist advisors to the Hankow Government as well. Mr. L.E. Gale, recently in Shanghai from Hankow, told me that some time ago he became nervous over the safety of the small stock of cars (Dodge cars) which he had in Hankow and arranged to send some back to Shanghai for safety. He loaded two of these on a steamer for Shanghai. Borodin learned of what he was doing, came to see him, urged him not to ship his stocks out, and personally purchased both cars, paying cash for same.

I had an extensive conversation with Messrs. Hykes and Warner of the Oriental Alcoa, Ltd., who have developed a considerable business in recent months in the sale of American aluminium foil which takes the place of tin and other foil in cigarette package wrappings. They are much concerned over the effect which the tobacco monopoly situation is likely to have on their business and were desirous of securing all the information possible on this subject. I am giving them the benefit of my findings.

I called during the week on the Bolton Bristle Company and was conducted through their plant which is the only one of the kind in China. This plant performs the work of preparing the bristles for immediate use by brush manufacturers and saves this work being done at greater expense in the United States.

A. BLAND CALDER
Trade Commissioner

Shanghai

China

July 14, 1927

July 2, 1927

A. Bland Calder, Trade Commissioner

Personnel Section-2

There is still no sign of improvement from previous accounts. Dis-
 bursing for June 1927, in Shanghai and Amoy, involves numerous
 complications.

PERSONNEL

<u>Appointees</u>	<u>Days on Duty</u>	<u>Cause of Absence</u>	<u>Duration of Absence</u>
Julien Arnold	6	----	----
A. Bland Calder	6	----	----
A. Viola Smith	0	Annual Leave	6
		A. BLAND CALDER	
		Trade Commissioner	
<u>Employees</u>			
Evelyn Varley	6	----	----
Verne L. Wright	6	----	----
Henrietta McKeen	5 $\frac{1}{2}$	Illness	$\frac{1}{2}$
Gladys H. Bulger	6	----	----
E.S. Long	6	----	----
H.S. Carey	6	----	----
S.Z. Yih	6	----	----
Anselm Chah	6	----	----

(For other Employees see Form 218 - Supplemental.)

ACTIVITIES OF STAFF DURING WEEK

Mr. Arnold: (Mr. Arnold's Report for this week is covered in his Report con-
 tained in the Weekly Report for the Week Ending June 25, 1927.)

Mr. Calder: On Sunday evening I attended with Mrs. Calder and Mr. Arnold a
 dinner given by the Chinese Commissioner of Foreign Affairs of this district
 (under the Nationalist Government of Hanking) in honor of Senators Wheeler
 and Coff and Representative Dyer and their wives.

Among other callers received during the week was Mr. H. Suther-
land Pilch of Dodge Brothers, Inc., who was in town only for the day en route
 to Detroit, completing an eastbound trip around the world for his company. I
 gave him all current statistical information in our possession on the automotive
 situation and copies of general report material as well.

In connection with winding up year end accounts for the China or-
 ganization it was necessary for me to put in further time on accounting mat-

Shanghai Weekly Report--Week Ended July 2, 1927

Personnel Section-2

tern as well as to take care of suspensions from previous accounts. Disbursing for three offices, Peking, Shanghai and Manila, involves numerous complications.

A. BLAND CALDER
Trade Commissioner

ABC: VW

Shanghai

China

July 15, 1927

Shanghai Weekly Report - Week Ended July 9, 1927
July 9, 1927

Personnel Section - 3

A. Bland Calder, Trade Commissioner

Shanghai city with its surrounding agricultural population, as our last automotive survey shows that there are only about 21,000 automotive vehicles in all of China. Shanghai agents are able to do only say one-third of the total China business. This total volume of business is spread over more than one hundred fifty makes of American and foreign motor cars now represented in

<u>Appointees</u>	<u>Days on Duty</u>	<u>Cause of Absence</u>	<u>Duration of Absence</u>
Julean Arnold	5	Holiday, July 4	1 day
A. Bland Calder	5	" " " "	1 "
A. Viola Smith	5	" " " "	1 "

Employees

Evelyn Varley	5	" " " "	1 "
Verne L. Wright	5	" " " "	1 "
Henrietta McKeen	5	" " " "	1 "
Gladys H. Bulger	5	" " " "	1 "
E.S. Long	5	" " " "	1 "
H.S. Carey	5	" " " "	1 "
S.Z. Yih	5	" " " "	1 "
Anselm Chuh	3	" " " "	3 days

(For other Employees see Form 218 - Supplemental.)

ACTIVITIES OF STAFF DURING WEEK

Mr. Arnold: (Mr. Arnold's report for this week is covered in his report contained in the Shanghai Weekly Report for the week ended June 25th.)

Mr. Calder:

Mr. Thomas B. Belsjoe, representing the Dodge Brothers, Inc., called to request information concerning a certain local firm which he was requested by cable from his head office to investigate as possible agents for the Dodge line in the Shanghai district.

I told Mr. Belsjoe that I believed, in his recommendation in connection with the proposed change of agency, he would do well to consider the fact that practically all agents of American motor car manufacturers in Shanghai are pretty much in the same fix so far as the current situation and trade in the past few months are concerned. The entire China market at present is very little more attractive than that of some very small middle

western city with its surrounding agricultural population, as our last automotive survey shows that there are only about 21,000 automotive vehicles in all of China. Shanghai agents are able to do only say one-third of the total China business. This total volume of business is spread over more than one hundred fifty makes of American and foreign motor cars now represented in the market here.

Apparently the representation now established for all of these lines is not based upon the prospect for immediate sales but on the hope that conditions will eventually settle down in this country to the degree where the huge potentialities of the market will be realized.

There appears to be an indication locally that, if business continues unfavorable for another six months and unless there is a marked improvement within that time, a number of agents now handling American motor cars may have gone out of business and the agencies may be obliged to go begging for a time until a more favorable situation develops.

I advised Mr. Belsjoe that under circumstances now obtaining in Shanghai it would probably be advisable for him to assure himself of the likelihood of any firm which he might be considering as possible future agents for the Dodge line being in business six or eight months hence. I directed him to a reliable local credit information bureau.

The present agents of the Dodge line of motor cars and trucks are the China Motors, Federal Inc. U.S.A., a firm operated by Messrs. Leon and Max Friedman. Mr. Belsjoe seemed to think that because this firm is handling the Hupmobile it will be a direct competitor of the new Dodge Six, and that for this reason and others it might be well for the Dodge people to change their agents. I strongly advised Mr. Belsjoe to take all of the above mentioned features into consideration before condemning the present agents or before transferring the agency to a company which might not be any better able to represent the line here.

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Mr. Fred P. Herbst, a seed specialist and agricultural expert who has been in Japan assisting certain seed growers for the past three months, and who is connected with Herbst Brothers, 95 Front Street, New York City, called to secure our assistance in establishing connections locally with firms capable of handling exports of China produce such as hides and skins, wool, feathers and seed products. I introduced him to a number of local firms who have indicated their desire to establish such connections.

I called on the Deputy Commissioner of Customs for information on proposed new tariffs and also on the local Service Station of

On Wednesday I attended a luncheon given by the Board of Directors of the American Chamber of Commerce to Congressman Dyer of St. Louis, at which many of the problems confronting American business in China were discussed. At this meeting a decision was made to make protest to the United States Government through the American Consul General against the illegal imposition by the Nationalist Government of taxes and additional tariffs on American products coming into China. The Chamber holds that some of the tariffs and taxes in force and those proposed are contrary to existing treaties.

I also attended a meeting of the Chinese-American Relations Committee of the American Chamber of Commerce and discussed with those present the subject matter proposed for the Chamber Bulletin, which is shortly to be issued in an enlarged form and which will contain certain material to which the Chamber may decide to give circulation to Chambers of Commerce and prominent individuals in the United States in an effort to correct misimpressions which have been made in regard to the Chamber's activities and policies. The primary purpose of the Chamber Bulletin is an informative organ for distribution to its own members. Plans for periodical dinners to be given by the Chamber at which prominent Chinese (business and other) may be entertained were discussed and will doubtless be carried out in the near future.

I gave information and minor services to several other callers including:

- W.S. Leonard, local American manufacturers' representative.
- K. Sorensen, Ford Motor Company.
- Carl Crow, an American engaged in the advertising and publishing business locally.
- C.D. Komaroff, local importer and exporter, representing the Asia Selling Company.

I also responded to a large number of telephone inquiries for information in regard to the proposed new tariffs and other subjects.

I also handled a volume of local and other correspondence and handled usual administrative matters.

I called on the Deputy Commissioner of Customs for information on proposed new tariffs and also on the Loans Service section of

the Customs for Customs Revenue figures for the first half of the present year.

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At the request of the Commissioner of Customs and in connection with the Nationalist Government's proposal to impose a 50 percent increase on present tonnage dues on all steamers or vessels entering China ports, I secured from the American Chamber of Commerce data relating to a recommendation which the Chamber was considering a year or more ago to request a low per-trip tonnage tax on mail steamers, which now must pay 4 mace per ton for a period of four months, making only one or two entries at China ports in that period, whereas British and other coastwise and river boats pay the same tonnage dues and are in and out of China ports almost daily for the same period of time. Mr. F.W. Maze, the Commissioner of Customs for Shanghai, was to meet the Chinese Nationalist authorities at 3 P.M. on Friday, July 8th, and he informed me that he would try to induce them to make a special rate of say one mace per ton for a period of one month for mail steamers as it would be obviously unjust to charge steamers possibly entering say the port of Shanghai only once in four months the same dues as apply to coastwise and other steamers constantly in and out of the port every few days. The increasing of tonnage dues as now proposed by the Nationalist Government is apparently also in violation of treaties and is one additional burden which the Nationalist authorities are planning to place on foreign trade in what appears to be either a blind policy of revenue-raising by every possible means or a deliberately designed plan to embarrass foreign trade relations as much as possible in an effort to force some sort of official recognition by foreign powers. The addition of two mace per ton to tonnage dues will be a heavy tax on American shipping coming to China ports. The rates already in force (four mace per ton for four months) are reported to be the highest in the world. The new rates, if enforced, without alteration in favor of mail steamers, will be six mace per ton.

A. BLAND CALDER
Trade Commissioner

Weekly Report

Shanghai

China

June 20, 1927

June 18, 1927

A. Bland Calder

Trade Commissioner

<u>Appointees</u>	<u>Days on Duty</u>	<u>Cause of Absence</u>	<u>Duration of Absence</u>
Julean Arnold	5	Official Trip to Hanking	1 day
A. Bland Calder	6	.....	.....
A. Viola Smith	0	Annual Leave	6 days

Employees

Evelyn Varley	6	.....	.....
Verne Leary Wright	5	Illness	Saturday
Henrietta McKeen	6	.....	.....
Gladys H. Balger	5 1/2	Illness	1/2 day
E.S. Long	6	.....	.....
H.S. Carey	6	.....	.....

S.E. Yeh	6	.....	.....
Anselm Grah	6	.....	.....

(For other Employees see Form 213 - Supplemental.)

ACTIVITIES OF STAFF DURING WEEK

Mr. Arnold: (Mr. Arnold's Report for this week is covered in his Report for the week ended June 18, 1927.)

Mr. Calder:

As this was monthly cable week, my time was largely taken up as usual with numerous calls on local contacts for commodity and other information. I gave particular attention to the tobacco and cigarette situation and prepared both a cabled and a written report on the subject.

I had luncheon on Thursday with Mr. W. Wright of Andersen, Meyer & Company, Ltd., Shanghai, who has recently been on an investigatory trip to Hankow. The only new information which I secured from him additional to that which we already have on the very bad trade situation there is that the Hankow Nationalist Minister of Finance had been crank in telling Mr. Wright that the Hankow Government is regularly receiving through the Del Bank, Shanghai, Mexican \$2,000,000 monthly from the Moscow Government. This is about the only means the Hankow Government now has for establishing financial credit in Shanghai and for the purchases it makes from the Hankow firms or from their

SHANGHAI WEEKLY REPORT

Shanghai

China

July 15, 1927

WEEK ENDED -- July 9, 1927

A. Bland Calder, Trade Commissioner

Western city with the surrounding population, as our last extensive survey shows that there are only about 21,000 automobiles in all of China. Shanghai agents are this to be only one-third of the total Chinese business. This total value of business is spread over more than one hundred fifty years of business and American motor cars are represented in the market.

Appointments	Days on Duty	Cause of Absence	Duration of Absence
Jules Arnold	5	Holiday, July 4	1 day
A. Bland Calder	5	"	1 "
A. Viola Smith	5	"	1 "

Employees

Evelyn Verley	5	"	4	1 "
Verne L. Wright	5	"	4	1 "
Henrietta McKee	5	"	4	1 "
Gladys H. Bulger	5	"	4	1 "
E. S. Long	5	"	4	1 "
H. S. Carey	5	"	4	1 "
E. S. Yih	5	"	4	1 "
Anselm Chuh	5	"	4	3 days

and illness

(For other Employees see Form 218 - Supplemental.)

ACTIVITIES OF STAFF DURING WEEK

Mr. Arnold: (Mr. Arnold's report for this week is covered in his report contained in the Shanghai Weekly Report for the week ended June 25th.)

Mr. Calder:

Mr. Thomas B. Belajoe, representing the Dodge Brothers, Inc., called to request information concerning a certain local firm which he was requested by cable from his head office to investigate as possible agents for the Dodge line in the Shanghai district.

I told Mr. Belajoe that I believed, in his recommendation in connection with the proposed change of agency, he would do well to consider the fact that practically all agents of American motor car manufacturers in Shanghai are pretty much in the same fix so far as the current situation and trade in the past few months are concerned. The entire China market at present is very little more attractive than that of some very small middle

western city with its surrounding agricultural population, as our last automotive survey shows that there are only about 21,000 automotive vehicles in all of China. Shanghai agents are able to do only say one-third of the total China business. This total volume of business is spread over more than one hundred fifty makes of American and foreign motor cars now represented in the market here.

Apparently the representation now established for all of these lines is not based upon the prospect for immediate sales but on the hope that conditions will eventually settle down in this country to the degree where the huge potentialities of the market will be realized.

There appears to be an indication locally that, if business continues unfavorable for another six months and unless there is a marked improvement within that time, a number of agents now handling American motor cars may have gone out of business and the agencies may be obliged to go begging for a time until a more favorable situation develops.

I advised Mr. Belajee that under circumstances now obtaining in Shanghai it would probably be advisable for him to assure himself of the likelihood of any firm which he might be considering as possible future agents for the Dodge line being in business six or eight months hence. I directed him to a reliable local credit information bureau.

The present agents of the Dodge line of motor cars and trucks are the China Motors, Federal Inc. U.S.A., a firm operated by Messrs. Leon and Max Friedman. Mr. Belajee seemed to think that because this firm is handling the Hupmobile it will be a direct competitor of the new Dodge Six, and that for this reason and others it might be well for the Dodge people to change their agents. I strongly advised Mr. Belajee to take all of the above mentioned features into consideration before condemning the present agents or before transferring the agency to a company which might not be any better able to represent the line here.

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On Wednesday I attended a luncheon given by the Board of Directors of the American Chamber of Commerce to Congressman Dyer of St. Louis, at which many of the problems confronting American business in China were discussed. At this meeting a decision was made to make protest to the United States Government through the American Consul General against the illegal imposition by the Nationalist Government of taxes and additional tariffs on American products coming into China. The Chamber holds that some of the tariffs and taxes in force and those proposed are contrary to existing treaties.

I also attended a meeting of the Chinese-American Relations Committee of the American Chamber of Commerce and discussed with those present the subject matter proposed for the Chamber Bulletin, which is shortly to be issued in an enlarged form and which will contain certain material to which the Chamber may decide to give circulation to Chambers of Commerce and prominent individuals in the United States in an effort to correct misimpressions which have been made in regard to the Chamber's activities and policies. The primary purpose of the Chamber Bulletin is an informative organ for distribution to its own members. Plans for periodical dinners to be given by the Chamber at which prominent Chinese (business and other) may be entertained were discussed and will doubtless be carried out in the near future.

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Carl Crow, an American engaged in the advertising and publishing business locally.
C.D. Kemeroff, local importer and exporter, representing the Asia Selling Company.

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I also handled a volume of local and other correspondence and handled usual administrative matters.

I called on the Deputy Commissioner of Customs for information on proposed new tariffs and also on the Loans Service section of

the Customs for Customs Revenue figures for the first half of the present year.

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At the request of the Commissioner of Customs and in connection with the Nationalist Government's proposal to impose a 50 percent increase on present tonnage dues on all steamers or vessels entering China ports, I secured from the American Chamber of Commerce data relating to a recommendation which the Chamber was considering a year or more ago to request a low per-trip tonnage tax on mail steamers, which now must pay 4 mace per ton for a period of four months, making only one or two entries at China ports in that period, whereas British and other coastwise and river boats pay the same tonnage dues and are in and out of China ports almost daily for the same period of time. Mr. F. V. Kane, the Commissioner of Customs for Shanghai, was to meet the Chinese Nationalist authorities at 3 P.M. on Friday, July 8th, and he informed me that he would try to induce them to make a special rate of say one mace per ton for a period of one month for mail steamers as it would be obviously unjust to charge steamers possibly entering say the port of Shanghai only once in four months the same dues as apply to coastwise and other steamers constantly in and out of the port every few days. The increasing of tonnage dues as now proposed by the Nationalist Government is apparently also in violation of treaties and is one additional burden which the Nationalist authorities are planning to place on foreign trade in what appears to be either a blind policy of revenue-raising by every possible means or a deliberately designed plan to embarrass foreign trade relations as much as possible in an effort to force some sort of official recognition by foreign powers. The addition of two mace per ton to tonnage dues will be a heavy tax on American shipping coming to China ports. The rates already in force (four mace per ton for four months) are reported to be the highest in the world. The new rates, if enforced, without alteration in favor of mail steamers, will be six mace per ton.

A. BLAND CALDER
Trade Commissioner

WEEKLY REPORT.

Apple's copy

Copy for Mr. Calder

Shanghai

China

July 18, 1927

Report for the week ended

July 16, 1927

Submitted by:

A. Bland Calder, Trade Commissioner

(Title.)

Appointees

Days on Duty

Cause of Absence

Duration of Absence

Julian Arnold

5

Official Trip-Hanking

3 days

A. Bland Calder

6

A. Viola Smith

6

Employees

Evelyn Varley

6

Verne L. Wright

6

Henrietta McKee

6

Gladys H. Bulger

6

H.S. Long

6

H.S. Carey

6

S.E. Yih

3

Illness

3 days

Anselm Chub

6

(For other Employees see Form 218 - Supplemental.)

ACTIVITIES OF STAFF DURING WEEK

Mr. Calder:

Mr. Arnold left for Hankow late Wednesday night after preparing the first section of the monthly cable, leaving the balance of the cable to me to handle.

The major part of my time for the balance of the week was, therefore, taken up making numerous calls and investigating outstanding subjects to include in the monthly cable.

I called upon several bankers in connection with the silver embargo which appears to be the most important issue, and I have duly reported on this subject in the cable and in a special communication to the Bureau.

I also called upon several local business contacts for information on various commodity subjects and was given some assistance in this connection by Mr. Carey of this office.

On July 14th on the occasion of the celebration of the French national holiday I called, in company with Miss Smith, on the French Consul General presenting the respects of this office.

My time was taken up with several administrative matters and additional time was devoted to accounts with Miss McKee.

I received several callers, among the principal of whom were the following:

Mr. Fred P. Herbst called for further information on China export commodities and was given some help in this respect.

Mr. H.O. Hereford, sales manager for the National Aniline & Chemical Company, Inc., called for advice in regard to certain persons whom he is considering for positions with his company locally.

Mr. S.C. Kingsbury, Manager of Connell Brothers Company and vice-president of the American Chamber of Commerce, called to secure certain trade statistics showing the trade between China and the United States for the first six months of the present year.

Mr. W.S. Leigh, who is forming the Asia Trade Development Company - a firm which will engage in the sale of medical products and toilet articles, called to invite me to the inaugural dinner on Saturday evening given by himself and his partner, Mr. C.H. Loh. Mr. Leigh is a Korean whom I knew quite well some seven years ago here in Shanghai during my connection with the Grace China Company when he did some very effective work for us in clearing up certain stocks of goods which we had on hand at that time. Miss Smith is, I believe, reporting on the Asia Trade Development Company as to its organization, etc. Mr. Leigh himself is an energetic person of Korean nationality but appears to be on very good terms with the Chinese. I knew him later in North China where he was working with certain Chinese in the marketing of toilet articles and medical products. He later went to Portland, Oregon, at the instigation of the Marshall, Wells Hardware Company and underwent a course of training, later travelling in the Far East for them as a salesman for their products. It appears that German competition was very keen and that the Marshall, Wells Hardware Company were jobbers rather than manufacturers of the lines they attempted to market here, hence the results of his efforts were not exceedingly successful. My impressions are, however, that he was on good terms with the Marshall, Wells Hardware Company at the time he severed his connections with them.

Mr. Fox of Reuters News Agency, Shanghai, called on me to secure my reaction to the present tax situation in China and in regard to the silver en-

bargo imposed by the Nationalist Government at Hanking.

Mr. M.J. Harris of the Associated Press of America also called upon me for the same purpose. I gave both of these correspondents my reactions on the subject which I had just investigated, but with the understanding that neither I personally nor the office were to be quoted. In the case of Mr. Harris, representing the Associated Press, I gave him copies of our monthly reports, also with the understanding that he was not to publish material therefrom but to use them simply for his own information in securing a background on the general situation obtaining here.

Mr. R.B. Lydon of the Studebaker Corporation called to discuss the proposed new import tariff under which it appears likely that automobiles will be placed under the luxury tax of 35 to 40 percent. As the latest announcement of the Nationalist Government would indicate that they will establish this new tariff September 1, 1927, Mr. Lydon has decided to urge his agents here to cable immediately for three or four months' stocks of cars to be shipped from the factory via the Pacific Coast in time to arrive here before September 1st, thus avoiding the payment of the increased tariff. While Mr. Arnold has had some unofficial indications that the Hanking authorities may further postpone the imposition of this new tariff until November 1st, no public announcement has been made, and as no assurance can be had as to such postponement, Mr. Lydon will doubtless induce his agents to bring in stocks of cars before September 1st.

The Red Menace: An interesting feature of my conversation with Mr. Fox of Reuters was that he stated that he had met at Hankow the author of the recent series of articles appearing in the "North China Daily News" under the heading of "China in the Grasp of the Reds". There has been some doubt in the minds of people here as to the authenticity of these articles describing in detail the influence of Moscow in the development of Communism in China and in assisting the Chinese revolution. At one time several days ago there was a rumor that this entire set of articles was a hoax perpetrated by Borodin himself for some sinister purpose.

The articles are written by a former Russian Red who served at Hankow as secretary to both Eugene Chen and Borodin. It appears that he came under the suspicion of these two individuals and upon his return from a special mission to Shanghai he was assigned to new work in charge of a fictitious bureau in a building located on the outskirts of Hankow. When he was connected to this building members of the Chaka (a secret organization for the killing of suspected traitors to the revolutionary cause) and Chinese communists attempted to kill him. He escaped, however, over a wall and got to the Hankow Race Club where British officers placed him in an automobile and took him to the French hospital in the French Concession at Hankow. It is understood that British agents assisted him in escaping after his wounds had

been treated, to Shanghai where he voluntarily offered to give the entire story of the communist control at Hankow and in general since the advent of the communist influence in the Chinese revolution. His reason for giving this information to the public in this manner is that he appears to have had enough of Communism inasmuch as he nearly became a victim of its mercilessness while serving it. Mr. Fox stated that he met this person (his name is not made public) in Hankow after his escape from his assassins and believes in the authenticity of these articles. Hence I thought it of sufficient interest to note here.

On Wednesday evening I was the dinner guest of Mr. Joseph Cockin, formerly manager of the China Produce Department of Jardine, Matheson & Company, Ltd., one of the largest exporters of China produce from this country. I secured some very interesting sidelights on the Hankow situation at the time the British Concession was forced out of the control of the British and also upon the extent to which the commercial operations of Jardine, Matheson & Company have diminished in that port since that time (last December). Mr. Cockin was about to return to Hankow a week ago to reorganize his work there, but in view of the unfavorable developments will remain in Shanghai rather than attempt to do anything at the present time.

Chinese sources of information would indicate that there is going to be a serious war now between the Hankow and Hanking Governments; in other words, a real clash between the Communists and the Conservatives in the Nationalist group. Up till now there has been considerable doubt as to the seriousness of this split which took place April 12th. The development of active warfare between the two groups will, if it actually occurs, be an indication of the seriousness of this split. Borodin, the revolutionary leader, is already reported to have left Hankow and to have arrived in Shanghai. The information comes from British intelligence sources and it is possible that it is incorrect, but if it proves to be true, it would probably indicate a weakening of the Communist position in Hankow.

On Tuesday evening I was the dinner guest of Mr. Maurice Benjamin, a prominent British property owner who is reported to have owned in the recent past a good deal more than one million Dollars worth of Shanghai real estate. He informed me that he is converting his assets and holdings in Shanghai as rapidly as possible into cash or U.S. gilt edge securities of one kind or another and expects within a few years to have all of his interests here

closed out as he feels the risk to his investments is too great under the threatened loss of control of the foreigners in the foreign settlements of Shanghai, and the possible inauguration within the next few years of an exclusively Chinese regime in this city. I asked Mr. Benjamin, who is very well informed on real estate matters here, whether property values had depreciated to any great extent since these threatening developments have occurred. He stated that in general foreign property owners are willing to sell out their properties and have their price for cash, but that they are not in a mood at the present time to make very great sacrifices in disposing of their property. On the other hand, there are no buyers who are willing to invest in property at the values which were current just prior to the recent unfavorable developments in this country, so that the real estate market is practically stagnant with property owners as yet not inclined to sell out at sacrifice prices though willing to sell at figures around the levels or slightly below those obtaining for property here last fall rather than to hold their properties for the higher prices which normal appreciation under the extraterritorial status of the Settlements would bring. The situation may well be in the future so that they will have to demand for their property rather than "give away".

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On Thursday evening, I was the dinner guest of Mr. F.A. Bowen of the Commercial & Credit Information Bureau, Shanghai. Mr. Bowen was formerly credit manager of the Asia Banking Corporation several years ago before that institution closed its business here. He has been in Shanghai for eight years and is a very close observer of the various situations affecting trade and the status of companies engaged in business here. He is also very familiar with the outstanding personalities in the business world in this vicinity. Mr. Bowen cooperates with this office wholeheartedly and has been as Miss Smith reports a very good friend to the office for some time past and has been especially helpful to her in her Commercial Intelligence work. Mr. Bowen is one of the few persons I came across in the run of the week's work who feels in any way optimistic of the immediate outlook here. His business is, of course, not directly dependent upon import and export trade and so far as the credit information part of his work is concerned, possibly that would be even more remunerative under troubled conditions here than under settled or normal times of prosperity. He feels quite confident that even if serious setbacks to foreign business concerns occur and American and other foreign firms are obliged to close his business would still go on, perhaps with even greater activity than previously due to the fact that he would be called upon to report upon the new Chinese firms which would be presumed to take over the business which the foreign firms would leave behind. He is optimistic to the extent that he does not believe there will be an exodus of foreign firms from Shanghai or other parts of China, but he did express the view that every firm or established business

here has its price at which it would be willing to sell out its goodwill, etc. at the present time in order to make sure of the present status of the business rather than bank on its future success. He expressed the view that he did not believe such local concerns, say such as automobile distributors having showrooms and other foreign business, would at the present time sell out at prices which would mean a great sacrifice, but that doubtless nearly every firm in business has a reasonable price at which it would be willing to close out and get out in order to be safe. In other words, they would be willing to take a reasonable price for their business as it stands rather than bank on the future success of their business under the precarious conditions which threaten it, but at the same time they would feel that they would not want to sell out their years of effort in the development of their organizations and the present goodwill at terms which would mean defeat, but rather prefer to take the gambler's chance (if a reasonable price they would quote could not be obtained at the present time) as the situation may work out in the future so that they will have a reward for their efforts rather than "even money".

In other words, in Mr. Bowen's opinion, the foreign community is going to see it through and run the risk of losing out entirely rather than quit under the conditions now obtaining; at least, that would be his view of the present attitude of the foreign business community.

Truscon Steel Company to Close its Shanghai Office September 1st: On the other hand, in discussing business prospects with Mr. E.A. Silagi, manager of the Shanghai office of the Truscon Steel Company, I find an entirely different point of view. Two months ago Mr. Silagi was a very optimistic contact. He took great pleasure in showing me his bookings for business each month when I called upon him for his general reactions in regard to the building trade, and while his work was not experiencing anything which might be called a boom, it was making expenses and a few thousand tools profit each month.

I discussed the situation with him on Thursday, July 14th, and I found he had turned in the past few months from hopefulness to extreme pessimism in regard to the situation here, and that he believed the Nationalist Government of Hanking, in the numerous tax and other impositions which it was placing upon business and industry in its territory for the purpose of raising revenue, was apparently also bent on forcing issues and embarrassing foreign business to the greatest extent possible. Mr. Silagi has been in American China and India for many years for his company, and he states that the situa-

tion does not look good enough here to warrant keeping his office organization and plant here in operation. The plant is a small one engaged chiefly in assembling steel window sashes. He stated that he felt the situation was going to be so unstable here during the next few years that his efforts would be more effective in India, which is entirely under British control, and as soon as he closes up the Shanghai organization and turns the agency over to some local firm, he will proceed to Bombay to take charge of the Truscon Steel Company's interests there.

We discussed the Red Russian menace and he stated that he believed Great Britain would maintain a strong policy in India which would assure stability, but that in China the foreign governments were very evidently not inclined to take effective measures to eradicate the Red menace and that there is considerable doubt as to the ability of the Chinese themselves to remove this condition, and that under the circumstances there is not sufficient promise in the situation to warrant his organization continuing on its present basis here. He discussed with me the practicability of turning over the agency to a local American firm, but stated that he felt it quite likely that these same firms might be closing up rather than carrying on. He may decide to turn over the agency for his products, which are mainly steel window sash, chemicals and paints, and steel lath, to his own Chinese compradore, who wants to form a company with strictly Chinese capital amounting to Taels 100,000 to carry on the Truscon agency.

He informed me that his compradore had recently made a three days' trip to Hanking to observe the work of the Hanking Government, and he said there are already evidences of the Hanking Government going ahead with the establishment of a permanent capital in that city. They have already begun street widening in certain sections of the town, and certain officials indicated to him that within the next few months they proposed to go ahead with the construction of government buildings. Mr. Silagi, however, does not think this situation offers sufficient inducement for him to plan on remaining here. The development of a government building program depends, of course, upon the military success of the Hanking Government, and as the Hanking Government's major revenues are now being devoted toward military purposes in an effort to get control of the entire country, there is little chance that the building program will be taken up until that complete control is accomplished. This may mean months or years, or never, and could not be counted upon as a development sure to take place within the next few months.

Miss Smith

Callers: Mr. E.D. Bush regarding completion of his documents for incorporation under the China Trade Act.

Mr. R.E. De Loy, Kellogg Radio Corporation, Federal Inc. U.S.A., re

China Trade Act matters.

Congressman L.C. Dyer, official call. Furnished with statistics covering number of companies incorporated under China Trade Act and amount of appropriations expended in its administration.

M. Mills, Navy, Army and Air Force Institutes, which organization controls the monopoly of the Canton Service amongst the British forces, called at this office to secure our cooperation in putting him in touch with American manufacturers and suppliers. Trade Opportunity submitted to Bureau.

Woo Bai-tsung, well known Chinese merchant, regarding catalogues and quotations on horse clipping machines. Radiogram despatched to Bureau regarding this trade opportunity.

E.G. Osborn furnished with trade journal information regarding lumber industry.

O Outside Calls: Official call on the French Consul General on July 14th, Bastille Day.

Several calls made during the week upon the American Consul General and the U.S. District Attorney regarding China Trade Act matters that are under investigation.

American Trading Company, Commercial & Credit Information Bureau, National City Bank and Hongkong & Shanghai Banking Corporation, regarding business standing of L.E. Gale Company of Hankow.

General: Usual China Trade Act and trade promotion routine work continued.

REMARKS COMPLETED

3 World Trade Directory Reports - AVS
2 Trade Opportunities - AVS
"Revision of Trade List of Tea Exporters from Shanghai, China" - AVS

A. BLAND CALDER
Trade Commissioner

WEEKLY REPORT.

Shanghai
(City.)

China
(Country.)

July 23, 1927
(Date.)

Report for the week ended July 23, 1927

Submitted by: A. Bland Calder Trade Commissioner
(Name.) (Title.)

Personnel

Appointees	Days on Duty	Cause of Absence	Duration of Absence
Julien Arnold	On Official Trip to Hankow		
A. Bland Calder	6		
A. Viola Smith	6		

Employees

Evelyn Varley	6		
Verne L. Wright	6		
Henriette McKeen	6		
Gladys H. Bulger	6		
E. S. Long	6		
H. S. Carey	6		

S. Z. Yih Absent all week Illness in Family 6 days
Anselm Chah 4 Illness 2 "
(For other Employees see Form 218--Supplemental)

ACTIVITIES OF STAFF DURING WEEK

Mr. Arnold

Absent on trip to Hankow.

Mr. Calder

I attended on Wednesday evening a meeting of the Chinese-American Relations Committee of the American Chamber of Commerce, at which were discussed plans for meeting with and entertaining groups of Chinese of prominence, including Chinese business men. I also attended on Friday the weekly luncheon of the Board of Directors of the American Chamber at which various matters were discussed including the matter of entertaining Chinese preferably at either the American Club or Columbia Country Club at luncheons or dinners. Matters relating to the new tariffs to go into effect on Sept. 1st, instituted by the Hankow Government, were also discussed but no definite action taken.

Among callers received by me during the week were Mr. Yasaku Omi and Mr. H. Umetsu of the South Manchuria Railway, who called in regard to Manchurian crop estimates.

Dr. J. S. Ching, American born Chinese, called in relation to representation for H. G. Fischer & Co., Inc., Chicago, manufacturers of electro-therapeutic devices. Dr. Ching has been using their appliances in his private practice as a naturopathic physician, and now desires to return to the United States to go

through a year's training in the factory where this apparatus is produced, with the object of returning to China to represent the manufacturer in the sale and distribution of this apparatus in China.

Mr. C. B. Perkins, Standard Products Co., called in regard to representation for the J. B. Williams Company's products, for which he desires the agency for China.

was taken up

My time/during the week principally with general correspondence, accounts and answers to telephone inquiries regarding the increased tariffs. This office normally appears to have a very considerable number of inquiries by telephone for information of various kinds and this form of service to the business community consumes a noticeable portion of our time and effort.

Miss Smith

Routine: Routine work incident to China Trade Act matters and Commercial Intelligence work. Two World Trade Directory Reports were made.

Callers: D. B. Sparks made several calls at this office during the week and was given assistance with respect to various trade connections which we have been furthering for American manufacturers.

K. B. Oak, Sidney Moss and Barnes Moss, with reference to application filed on behalf of the A. G. K. Company, Federal Inc. U.S.A.

Charlotte Neely, Employment Secretary, Foreign Y. W. C. A., with reference to local business conditions.

Outside Calls: A great many calls were made during the week at the American Consulate and the United States Court for China with respect to China Trade Act cases that are now under investigation, by the Registrar, for possible revocation of their charters.

H. G. Westwood, Universal Film Corporation, regarding Board of Film Censors created by the Shanghai Municipal Council, and the effect this may have upon the importation of American films. A full report to the Bureau is now being worked up.

Japanese Consul General called in regard to activities of the A. G. K. Company.

ALL OTHER MEMBERS OF THE STAFF were engaged in their usual duties.

Callers: C. S. Johnson, International Association Company, regarding sales and matters. A. Bland Calder, Trade Commissioner, in regard to business conditions.

Callers: Commercial & Credit Information Bureau, American

WEEKLY REPORT.

Handwritten: ASBOP City

Shanghai
(City.)

China
(Country.)

July 30, 1927
(Date.)

Report for the week ended July 30, 1927

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

Personnel

Appointees	Days on Duty	Cause of Absence	Duration of Absence
Julean Arnold	5½	Returned from Hankow Trip Monday Afternoon	---
A. Bland Calder	6	---	---
A. Viola Smith	6	---	---

Employees

Evelyn Varley	6	---	---
Verne L. Wright	3½	Terminated services with Shanghai Office	---
Henrietta McKeen	6	---	---
Gladys H. Bulger	6	---	---
E. S. Long	6	---	---
H. S. Carey	6	---	---
G. Jurgenssen	4 hrs.	Works part time only	---

S. Z. Yih 6 days
Anselm Chuh 6

(For other Employees see Form 218--Supplemental)

ACTIVITIES OF STAFF DURING WEEK

Mr. Arnold returned from Hankow, arriving Monday afternoon, July 25th.

Mr. Calder

Most of the time several members of the staff, including Mr. Arnold, Mr. Calder, Mr. Long, Mr. Carey, Miss Bulger and Miss Varley, including members of the Chinese Staff, were taken up in various phases of the work of getting out our July Monthly Trade Report.

Mr. D. F. Spencer, of the Tokyo Office, en route to Rome, visited the Shanghai Office during the week.

Miss Smith

General: General routine incident to China Trade Act work and Commercial Intelligence work.

Callers: T. C. Britton, International Securities Company, regarding China Trade Act matters.

J. Wirt Smith, American Trading Company, in regard to Chinese Government personnel.

Outside Calls: Commercial & Credit Information Bureau, American-

Oriental Banking Corporation, Mitsubishi Banking Corporation and Bank of Taiwan, regarding A. C. K. Company.

D. B. Sparks in regard to trade complaint against Milbury Atlantic Company.

Warren Manley, American Chamber of Commerce, in regard to effect of appointment of Board of Film Censors by the Shanghai Municipal Council.

Major Hilton-Johnson, regarding Board of Film Censors.

K. B. Oaks respecting his application for incorporation under China Trade Act.

Mr. Harry Schwenen, North American Ginseng Company, in regard to agencies in this territory.

ALL OTHER MEMBERS OF THE STAFF were engaged in their usual duties.

A. Eland Calder,
Trade Commissioner.

WEEKLY REPORT.

1126 P
C. M.

Shanghai
(City.)

China
(Country.)

Aug. 2, 1927
(Date.)

Report for the week ended August 6, 1927

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

Personnel

Appointees	Days on Duty	Cause of Absence	Duration of Absence
Julian Arnold	5	Left for Peking Friday evening	
A. Bland Calder	6		
A. Viola Smith	5½	Annual Leave	½ day

Employees

Evelyn Varley	6		
Henrietta McKeen	6		
Gladys W. Bulger	6		
E. S. Long	6		
H. S. Carey	6		
G. Jurgensson	5	Four hours per day. Works part time only.	
A. P. Giovannini	6		
Ann Dalmas	6		
S. Z. Yih	6		
Anselm Chuh	6		

(For other Employees see Form 218--Supplemental.)

ACTIVITIES OF STAFF DURING WEEK

Mr. Arnold (4 Weeks Ending August 6, 1927.)

Visit to Hankow

On July 13th I left for Hankow and returned on the 25th. Prior to making this trip I telegraphed the Legation to ascertain if there were any urgent reasons for my coming to Peking at this time. I received a reply that there was nothing urgent requiring my attention in Peking. I fear that once I get to Peking, it will not be easy to get away on any prolonged trips. Furthermore, I wished to make the Hankow trip before proceeding to Peking, as I had not visited Hankow since February, 1925. I embodied the observations made on this trip in a resume in our China Monthly Trade Report for July. Political conditions had changed very materially quite recently because the radical elements had turned conservative and anti-communistic. The Soviet Russian political advisers were dispensed with, so it appears. How long this condition will persist is difficult to say. The import trade has been far more seriously affected than have exports, on account of the silver embargo and heavy discounts on paper currency.

I was able while in Hankow to outline plans and methods whereby we may secure from the Hankow Consulate General a greater degree of cooperation and its commercial work may be made more effectively in keeping with that of our organization. I received from the Consul General and his staff a most delightful

Mr. Arnold

measure of full-hearted cooperation. Among those upon whom I called while in Hankow are the following: The British Consul General; the French Consul General; the American Admiral; Sun Po, Chairman of the Hankow Nationalist Central Committee; C. C. Chang, Vice-Minister of Finance; and the Managers of the following concerns: Jardine, Matheson & Co.; National City Bank; Gillespie & Sons; L. E. Gale Co.; Pacific Orient Co.; Standard Oil Co.; British-American Tobacco Co.; Tobacco Products Co.; Hankow Herald; Shanghai Commercial & Savings Bank; Bank of China; Central Bank of China; Andersen, Meyer & Co.; Fu Chung Corporation and the Chinese Maritime Customs; also, Bishop L. E. Root, the Secretary of the Y.M.C.A., etc.

China Tariff Increases

This office has sent much material on this subject in its cables and reports otherwise. I have personally called on the officials of the Nationalist Government to discuss the matter with them and have been able to exert a certain amount of influence in making for more favorable conditions. I have also conferred with the American Chamber of Commerce Committee on this subject and assisted in drawing up recommendations for them. All this work, however, had to do with the technique of the tariff rather than with matters regarding its diplomatic or treaty character.

American-Japanese Dinner

I have arranged for a group of prominent Americans to entertain the heads of the leading Japanese companies here in Shanghai at a dinner and entertainment to be held on August 22. There will be twenty-three Americans to entertain nineteen Japanese, or a total of forty-two present at the dinner. I have been working with a group of Americans for a similar entertainment for specially selected Chinese groups.

China Monthly Trade Reports

We have had such a heavy call for copies of these reports and so much favorable comment in connection with their usefulness that much stress has been placed by this office upon the importance of getting them out in as complete and comprehensive a manner as possible and with the most pertinent and up-to-the-last-minute information obtainable. The Department of State, as the Bureau well knows, persists in exercising its prerogative in having the Consulate General at Shanghai prepare the Annual Trade Report for China. This Annual Trade Report probably reaches the Bureau about eight or nine months after the end of the year for which it is compiled. Thus it probably has more historic than commercial significance. Our Monthly Trade Reports, as they are now being compiled, undoubtedly make these annual reports of little interest in assistance to Americans having trade relations with China. Thus the monthly report has to all intents and purposes superseded the annual report. However, its compilation means much grinding and exacting work on the part of the members of this office and taxes the office staff in a very heavy way.

Attitude of American Business Men Towards Present Situation in China

American business men in Shanghai seem to be fairly unanimous in assuming a gloomy aspect in the outlook in business developments in China. In-

Mr. Arnold

creasing tax impositions and irregularities in taxes in contrast with their effectiveness in one section of the country as related to another, and the sudden increases in these taxes as also the announced increases in the import tariffs for the territory under the control of the Nanking Nationalist Government, are all embarrassing factors and full of uncertainties. Several American business men have told me that they have been able to evade paying the 2 1/2% luxury tax by paying Five Dollars or Ten Dollars to a clerk in the tax office who, for this consideration, would stamp the goods as non-luxuries. It should not take long before it becomes generally known in the trade that there is a method of evasion and it is resorted to in a considerable degree. The American Chamber of Commerce and the automotive dealers in Shanghai have made cabled representations to the United States, urging action on the part of the Department of State in preventing the Chinese authorities from exceeding the stipulations of the Washington Conference in tax imposition matters, especially as pertains to increased import taxes. On September 1st, it is expected that the new import tariff schedule as announced by the Nanking Nationalist Government and which has primarily to do with the Port of Shanghai, will become effective. This will mean that some commodities will, if this tariff becomes effective, be paying 30% import taxes when coming into the Port of Shanghai and still be accepted on a 10% import duty if imported into the Port of Tientsin or certain other ports in the territory not under the control of the Nanking Nationalist Government.

Indicative of the depressing effect upon trade of the present political situation in the Yangtze Valley, is the fact that what were considered at one time gilt-edge securities are now being offered at a considerable discount. For instance, Shanghai American Club debentures, issued at \$100.00 and drawing 6% interest can now be purchased at \$85.00. A similar situation obtains in connection with other Shanghai debentures. While it is probably true that property values are nominally unaffected, yet if one were obliged to make a forced sale of some property which he holds here in Shanghai, he would have to sell it at a very considerable sacrifice. Real estate transactions are stagnant at the present. The number of business offices and residences which are offered for lease is greater now than at any other time during the past five or ten years.

In Hankow conditions are even worse. It was hoped that the Nationalists might secure control of the whole of China, following their advance in the Yangtze Valley, and it was anticipated that this might have brought about a certain degree of unity to the whole country, but a split in the Nationalist party with one group at Hankow and the other at Nanking, each preparing for war against the other, has retarded the extension of the Nationalist control in North China, which makes for a very uncertain outlook for the future of the political situation.

Naturally, this uncertainty has a depressing effect on trade. Furthermore, with the increased tax impositions, increased living costs and the costs of doing business are enhanced. Thus on the whole the American business men in the Yangtze Valley region are pessimistic regarding the outlook for the immediate future; in fact, they generally feel that the situation viewed even for a period of five years into the future does not seem to contain any definite rays of hope. However, with these uncertain conditions and with the rapid changes that are in progress and the differentiations between different sections of the country,

Mr. Arnold

as contrasted with others, in tax impositions, the trade restrictions and chaotic political aspects, the Bureau's offices in China find themselves called upon to do far more than would be necessary were conditions more like normal.

Arnold's Departure for Peking

The Commercial Attaché has spent sixteen months in fairly continuous service in Shanghai. He returns to Peking on August 6th to resume his headquarters there. He has made an effort while in Shanghai to lift the status of the Shanghai Office to a higher and more useful plane. Much has been done toward improving the personnel of the Shanghai Office, toward improving the general appearance of the offices and toward making these offices of more signal service to the business community of Shanghai and to the American manufacturers and exporters generally. The Commercial Attaché laid particular emphasis on improving the character of the monthly mimeographed China Trade Reviews. He realizes that there is still much room for improvement in these compilations, but they are now on a far better and more helpful plane than they have ever been in the past. Thus, much has been done in many directions during the past sixteen months to make the Shanghai Office a more effective agency for American trade promotion in China.

Mr. Calder

I spent some time on Monday and Tuesday assisting in arrangements for the dinner given on Tuesday evening by Mr. Arnold, myself and a group of American business men to the Japanese Commercial Attaché and a representative group of Shanghai Japanese business men, and attended the dinner which was a very successful function in the way of promoting acquaintance and friendly and harmonious relations between the two groups.

On Thursday, August 4th, I attended a joint luncheon of the Shanghai University and Rotary Clubs to U. S. Senator Hiram Bingham of Connecticut, who spoke on his experiences in four months of investigation in the Far East, particularly in China. The impressions gained from his talk were that he has not had wool pulled over his eyes in the course of his investigations and he spoke very plainly by way of contrasting the lack of discipline in the Nationalist armies and the lack of respect for the rights of others, as evidenced by the occupation of American mission properties and desecration of mission churches by Nationalist soldiers, with the absence of such acts due to the better discipline and control he had witnessed in those parts of China under the control of the Northern militarists. He described the excellent work of Governor Yen Hsi Shun in conducting the model province of China, Shanai, where education, good government, good roads, progress and prosperity are in vogue, and said he believed China's hope lay in each province endeavoring to emulate Yen Hsi Shun's policies. Senator Bingham in his talk gave the implied impression that he has no faith in or hope for early unification in this country.

Mr. Arnold and I were both invited by the American Chamber of Commerce to a dinner given on Thursday evening to Senator Bingham by the Com-

Mr. Calder

mittee of thirty, a group of fifteen American business men and fifteen representative American missionaries, which meets now and then to discuss Sino-American relations. The discussions at this meeting were confidential but nearly every one present had something to say and Senator Bingham's remarks were heard with much interest. Thus the meeting was exceedingly instructive to all present. The American business men sought to show the very acute danger now threatening American business in China in the program of illegal (contrary to treaties) taxation and tariff increases which appear likely to have the effect of forcing out American business by bringing about conditions which will make it impossible to carry on. In other words, it was made clear that something more than simple protection to life and property would be necessary on the part of the American Government to prevent disaster to American business now established in China.

I had a discussion with Mr. C. D. Komaroff during the week in regard to difficulties facing him in the marketing of certain American foodstuffs. He represents F. E. Booth Company of San Francisco. His Chinese customers, in view of the new tariff classing certain of these foodstuffs as luxuries & to be charged 50% tariff, told him he must cancel all orders which could not arrive here prior to Sept. 1st, the date when the new tariff goes into effect. Fortunately, he was able to get the shippers to clear all these orders from San Francisco by August 6th to arrive here before Sept. 1st, but he was not so fortunate in regard to six motor cars (he has representation for the Clear), orders for which he has been obliged to cancel.

Mr. A. K. Sals, President of Kullman & Sals, San Francisco, large leather tanners and exporters, was introduced to this office by his Far Eastern Sales Manager, Mr. Clarence Cuming. Mr. Sals desired information on the pulp and paper market on behalf of a new paper and pulp mill at Long View, Washington, in which he is interested. I assigned the work of investigation to Mr. Carey of this office, who introduced Mr. Sals to Mr. Frank J. Moore of the China Fibre Container Company, with which company it is possible Mr. Sals may be able to work out arrangements for the sale of container board. We are gathering other data on the market for Kraft Paper and Sulphate Pulp for Mr. Sals.

Miss Smith

General: The majority of the week was given to routine China Trade Act work, especially in making up a draft for the revision of the China Trade Act Regulations, to conform with the amendments to the Act in 1925, which has never been done; such draft to go to the Assistant Registrar in Washington for approval.

Callers: H. Schoonen, North American Ginseng Company, was furnished with considerable information regarding crude drugs used in the manufacture of Chinese native medicines.

D. B. Sparks, in regard to trade connection with
Parker, Peebles & Knox.

C. B. Perkins, Standard Products Company, was furnished with information relative to new taxes imposed by the Hanking Government.

Miss Smithy

C. H. Kim, regarding connections with American manufacturer of torchlights and flashlights. As Mr. Kim is not in a position to do direct trading he was referred to several American firms in Shanghai through whom he could make sub-distributing arrangements.

Outside Calls: A great deal of time was spent during the week in conference with Consul Jarvis and U. S. Attorney Geo. Sellett with reference to the Yangtze Rapid Steamship Company, Fed. Inc. U.S.A. activities.

H. Otatsu, Vice Consul of Japan, in regard to status of A. O. K. Company, and K. B. Oak.

U. S. Court for China, looking up court decisions.

Captain Wahl, Police Commissioner, in regard to Board of Film Censors.

ALL OTHER MEMBERS OF THE STAFF were engaged in their usual duties.

A. Maud Calder,
Trade Commissioner.

WEEKLY REPORT.

Atkins City

Shanghai
(City.)

China
(Country.)

Aug. 16, 1927.
(Date.)

Report for the week ended August 13, 1927.

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

PERSONNEL

Appointees	Days on Duty	Cause of Absence	Duration of Absence
A. Bland Calder	6	---	---
A. Viola Smith	6	---	---

Employees	Days on Duty	Cause of Absence	Duration of Absence
Evelyn Varley	5½	Illness	½ day
Henrietta McKeen	6	---	---
Gladys H. Bulger	0	On leave leave.	---
E. S. Long	6	---	---
H. S. Carey	6	---	---
A. T. Giovannini	6	---	---
Ann Dalmas	6	---	---
G. Jurgenssen	5 days of 4 hours each--part time.	---	---
S. Z. Yih	6	---	---
Anselm Chuh	6	---	---

(For other Employees see Form 218--Supplemental.)

ACTIVITIES OF STAFF DURING WEEK

Mr. Calder

I spent some time in the early part of the week running down the Antimony situation and securing prices and other information, which was duly cabled to the Bureau. I also did as much as possible toward clearing up a mass of accumulated miscellaneous correspondence.

I received a number of calls during the week from local business men desirous of securing some definite information in regard to the new tariff schedules which the Nanking Government proposes to put into effect September 1st. I spent some time in endeavoring to run down the various features of this situation during the week, and conferred with the Japanese Commercial Attaché in regard to action being taken by the Japanese Chamber of Commerce of Shanghai and other Japanese business interests. I also attended on Friday the weekly luncheon of the Board of Directors of the American Chamber of Commerce, at which this issue was discussed at some length. This situation is being covered in a separate section of this report.

I also called on the Dollar Company for information in regard to the Tonnage Dues Surtax, which is also being covered separately.

Other callers for specific assistance of one kind or another received during the week were as follows:

Mr. A. Magnus Spence, British mining engineer, called in to make a definite offer of fifty tons of Antimony Regulat.

Mr. A. E. Corbin, Standard Oil Company, for information on the market for disinfectants and insecticides, which was duly supplied to him.

Mr. C. D. Komaroff called for information on a Chinese Drug called "Ma Huang", concerning which we secured some data for him on behalf of American firms who have applied to him for purchase of same.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

Mr. A. H. Wells, Chief Chemist, Bureau of Science of the Philippine Government, Manila, called for assistance in securing definite information as to the methods of preparation and inspection of Chinese ham and bacon being shipped to the Philippine Islands. He was placed in touch with local persons in position to inform him on this subject.

Mr. W. S. Leonard, American manufacturer's representative established locally, called for certain trade statistics, which we are endeavoring to secure for him from the Customs.

Mr. A. W. Noble, of the General Fire Proofing Company, Youngstown, Ohio, selling filing cabinets and other office equipment, including safes, called en route from Australia to North China to secure information on the new tariff schedules and in regard to transportation to North China.

I also prepared usual Weekly Cables and Reports and spent some time on accounting matters.

Miss Smith

Many calls were made during the week, as follows:

A. Krisel, Secretary, Motion Picture Association, regarding film Censorship.

H. Westwood, Universal Film Company, in regard to film Censorship.

D. B. Sparks, regarding Oval Manufacturing Company trade connections.

K. C. Lee, in connection with F. & E. Soter Tobacco Corporation.

A. F. Ollerdissen, Fobes & Company, with regard to China Trade Act work.

Mission Photo Bureau, to locate R. M. Vanderburgh, principal incorporator of the China National Film Company.

R. L. Hambleton, regarding Hambleton China Company.

Many calls were made during the week at the American Consulate and the United States Court for China, in conjunction with China Trade Act cases that are now in course of being revoked in the Court.

The following callers were granted interviews at the office:

G. F. Richardson, Raven Trust Company, regarding China Trade Act matters.

C. D. Komaroff filing trade complaint against the Asiatic Selling Company of New York. This complaint was transmitted to the Bureau for adjustment.

N. E. Lurton, Commissioner of U. S. Court for China, regarding incorporation features of the China Trade Act.

Sidney A. Moss, with regard to incorporating China Trade Act companies.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

Reports in Progress

List of American Branches and Correspondents of Modern Chinese Banking Institutions.....AVS

Reports Completed

Economic Trade Note "Film Censorship".....AVS

A. Bland Calder,
Trade Commissioner.

ACTIVITIES OF A. BLAND CALDER for WEEK ENDING
August 13, 1927.

I spent some time in the early part of the week running down the Antimony situation and securing prices and other information which was duly cabled to the Bureau. I also did as much as possible toward clearing up a mass of accumulated miscellaneous correspondence.

I received a number of calls during the week from local business men desirous of securing some definite information in regard to the new tariff schedules which the Nanking Government proposes to put into effect September 1. I spent some time in endeavoring to run down the various features of this situation during the week, and conferred with the Japanese Commercial Attache in regard to acts being taken by the Japanese Chamber of Commerce of Shanghai and other business interests. I also attended on Friday the weekly luncheon of the Board of Directors of the American Chamber of Commerce, at which this issue was discussed at some length. This situation is being covered in a separate section of this report.

I also called on the Dollar Company for information in regard to the Tonnage Dues Surtax, which is also being covered separately.

Other callers for specific assistance of one kind or another received during the week were as follows:

British Mining Engineer
Mr. A. Magnus Spence, ~~who~~ called in to make a definite offer of 50 tons of Antimony Regulus.

Mr. A. E. Corbin, Standard Oil Company, for information on the market for disinfectants and insecticides, which was duly supplied to him.

Mr. C. D. Komaroff called for information on a Chinese Drug called "Ma Huang," concerning which we secured some data for him on behalf of American firms who have applied to him for purchase of same.

Mr. A. H. Wells, Chief Chemist, Bureau of Science of the Philippine Government, Manila, called for assistance in securing definite information as to the methods of preparation and inspection of Chinese hams and bacon being shipped to the Philippine Islands. He was placed in touch with local persons in position to inform him on this subject.

Mr. W. S. Leonard, American manufacturer's representative established locally, called for certain trade statistics, which we are endeavoring to secure for him from the Customs.

Mr. A. W. Noble, of the General Fire Proofing Company, Youngstown, Ohio, selling filing cabinets and other office equipment, including safes, called enroute from Australia to North China to secure information on the new tariff schedules in regard to transportation to North China.

I also prepared usual weekly cables,
and reports and spent some
time on accounting
matters.

W.S.J.

WEEKLY REPORT.

Shanghai

China

Aug. 19, 1927.

(City.)

(Country.)

(Date.)

Report for the week ended ^{two} August 13, 1927.

Submitted by: A. Bland Calder

(Name.)

Trade Commissioner.

(Title.)

Chief Events of Political and Commercial Significance.

Illegal Taxation.

That American and other foreign business in China is faced with a crisis because of the taxation in various forms imposed or announced to be imposed by the various military-political factions in control of different sections of the country is becoming daily more and more apparent. The Nanking Government has been especially active in planning forms of taxation in contravention of treaties, and it would appear that these various impositions are especially designed to make the position of the foreigner in China more difficult and intolerable. If the Nanking Government had not also carried out various forms of extortion and illegal exactions upon Chinese as well during its short regime to date, foreigners would be justified in assuming that the raising of revenue is not the principal object in view in the Nanking Government's financial policy. Undoubtedly the raising of revenue has been the principal object, but there are also grounds for the belief on the part of foreigners that the Nanking Government's schedule of taxation as applying to or affecting foreigners and foreign trade is based in part on a determination to force issues with foreign governments by making the conduct of business and life in general just as embarrassing and difficult for foreigners as possible to the end of bringing about recognition or at least the opening of parleys by foreign governments with Nanking, or, failing that, to eject the foreigner by these "economic weapons" of taxation.

New Tariff Schedules.

As has been reported previously, the Nanking Government has announced that on September 1 it will enforce a new tariff schedule in the territory under its control under which all ordinary commodities not on the free list will be charged 12½% import duty, while luxuries of Classes A, B, and C, will be charged 20%, 30% and 62½% respectively. (For commodities so classed see July monthly trade report). A great many of the commodities which foreigners regard as necessities rather than luxuries are classed in this schedule as luxuries. Hence, if the rates go into effect living costs for foreigners will at once mount and serious additional disruption to trade is expected to result.

The Northern Government has announced that beginning August 15 a 5% luxury surtax will be imposed at the port of Tientsin on practi-

ally the same range of so-called luxuries which the Hankow Government has divided into the three classifications mentioned. (Both factions apparently adopted approximately the same list of commodities to class as luxuries as were tentatively decided upon by the Peking Tariff Conference of 1925-1926 as items on which higher rates of duty than the basic 5% were to apply.)

Various surtaxes on both import and export trade have been imposed by the Canton and Hankow Governments, before and since the formation of the Hankow Government (early April). The beginning of this tariff advance was the imposition of the 2½% import surtax first in Canton, then by the Northern Government in all of its territories, in the early part of this year as covered in our reports at the time the imposition was made.

The foreign business communities feel that it was a great error on the part of the various foreign governments to give their tacit agreement to the imposition of this 2½% surtax before the conditions were fulfilled by China under which the Powers agreed that it should be levied, as it was apparently imposed by the various factions not only because they needed additional revenues for war and graft and other governmental purposes but also as an experiment to see whether it would work, and no opposition having been met there is now apparently no limit to which these various factions will go in embarrassing foreign trade and throttling industry in their rapaciousness for revenue. So long as no opposition is raised by the Powers or by business itself, there will apparently be no reason exercised in levying the load of taxation, and as we have remarked in past reports it does appear that the Chinese factions indulging in these various orgies of taxation have in many cases not limited the taxation to the level the traffic could bear. In other words, they fail to avoid killing the goose that lays the golden eggs. The Northern Militarists are less open to criticism on this score, so far, than are the Canton, Hankow and Hankow Governments, though even some of the Northern factions have made such impositions on tobacco manufacturing as to result in the factories being obliged to close.

Excise Taxes & Coal Tax.

The Hankow Government along with its new tariff schedule plans to impose on September 1 excise taxes on factory output, the taxes to be equivalent to the import tariffs on the same classes of commodities as produced in the factories. Rebates on dutiable imported materials used in manufacture will be allowed, however. This will, if put into effect, seriously affect the cotton mills of Shanghai, Japanese, Chinese and British, as will the 1½% per ton coal consump-

tion tax also to be imposed. The Japanese Cotton Mill Owners Association have, in fact, announced that they will close down their mills September 1, thus throwing out of work more than 60,000 Chinese operatives if the Hanking Authorities attempt to levy this tax on their output.

Abolition of Likin.

Simultaneously with the imposition of these new import tariffs and excise taxes the Hanking Government proposes to abolish likin in its territory. It has already ordered all Custom Houses and branches for the collection of these internal transit taxes in the provinces of Kwangtung, Kwangai, Fukien, Chekiang, Kiangsu, and Anhwei to be closed before September 1.

Tonnage Dues Increases.

These have been mentioned in previous reports. Under the treaties with foreign powers the tonnage dues for many years past have been Haikwan Taels 0.40 per ton on vessels over 150 tons in size to cover a period of four months. The Hanking Government increased these duties effective July 11 by 50% to Haikwan Taels 0.60 per ton. The rates were already the highest in the world for taxes of this character. Various foreign shipping companies have been obliged to pay these rates, but have done so under protest. The French were the first to take steps to oppose these increased tonnage dues, the French Consul General at Shanghai on July 30, after accompanying the representative of the Messageries Maritimes to the Bank of China (where the dues are collected) and tendering the treaty rate of Haikwan Taels 0.40 per ton on the S. S. "Paul Lecat" and being refused clearance for the ship unless the increased rate was paid, himself received the treaty rate dues on this ship and gave it Consular clearance from Shanghai, holding the funds to turn over to the Bank of China at such time as they would be acceptable. This resulted in the Hanking Government hastily reducing these dues to only a 25% increase over the old rates or to Haikwan Taels 0.50 per ton. Protests made by British and American shipping companies to their Consuls have resulted in the American and British Consuls being authorized to follow the procedure exercised by the French Consul General in the case of the "Paul Lecat". An American ship was thus cleared, the S. S. "President Taft", on August 13, and later British ships were cleared on the same basis. It is of interest to note - and this statement is confidential - that while the British Legation has assured the British shipping companies full Naval protection for ships so cleared, the American Consul General has made it clear to the American shipping companies that he will give their ships Consular clearance at the treaty tonnage dues rates but entirely at

the risk of the companies concerned and without American Naval protection. The Japanese shipping companies have been paying the increased dues under protest, but are confident that they will shortly be given by their Government the same facilities and protection as the British companies are securing.

Opposition to New Tariffs and Taxes.

The American, British and Japanese, and possibly other Chambers of Commerce at Shanghai have entered protests against the levying of the new tariff schedules with their Consular representatives and through them have appealed to their Governments for protection against these impositions and for Consular assistance in clearing goods through Customs at Shanghai at the treaty rates of tariff.

The American Chamber of Commerce, at least, has gone on record in a statement to the American Consul General for transmission to the State Department that it is not opposed to the principle of China having tariff autonomy when China has a Government and can make treaties which will be observed. The Chamber does not feel that tacit acquiescence to being illegally taxed contrary to existing treaties by any Chinese faction which may happen to be in control of this, that or the other area of the country will make it likely that any one faction which may possibly at some time in the future gain entire control of China, and may make treaties with the foreign Powers, will be any more disposed to respect those treaties than are the various factions now respecting present treaties. In other words, the Chamber has adopted the belief that no good can come from our submitting to having the present treaties entirely disregarded without conditions being established which will permit of law, order, peace, and the normal economic development under those conditions which will make foreign trade possible under increased tariffs.

The American Consul General at Shanghai has made it clear to the American Chamber of Commerce that the State Department is opposed to his acting in the capacity of a custom house and receiving treaty rate duties on imported merchandise and giving such goods consular clearance on and after September 1 when the new Hanking Government levies go into effect.

The Japanese and British Chambers are, however, confident that they will receive this support from their governments, and both Chambers have within the past week made representations requesting such support, insofar as importing goods at Shanghai is concerned. The Japanese are unwilling to pay the 2½% surtax, but want authorization from their government to clear their goods at the treaty tariff of

5% only. The British Chamber in its representations expressed its willingness to pay both the 5% tariff and the 2½% surtax, but no further exactions.

The American business community is, therefore, faced with the likelihood of being at a disadvantage of from 7½% to 57½% in the matter of import tariffs, assuming that the Japanese and British communities are upheld by their governments in their stand and the American Government fails to give its nationals equal support. There appear to be strong indications that the Japanese and British Governments will act independently in this matter whether the American Government follows the procedure or not. The powerful Japanese cotton textile industry and other interests represented by the Osaka, Kobe, and Kyoto Chambers of Commerce have made strong appeals to the Tokyo Government for co-operation with the other Powers in resisting illegal taxation, and, failing co-operation on the part of other Powers, have requested the Japanese Government to act independently. A delegation of Japanese business men from Shanghai, headed by a Mr. Funatsu, head of the Japanese Cotton Mill Owners Association of Shanghai, have gone to Japan to endeavor to get the desired action on this issue.

Political situation in the Yangtze Valley.

For some two or three weeks it has been apparent that the Southern drive against the North along the Tientsin Pukow line has not been making headway. The Chinese press ceased to publish news of advances and military successes, and it became increasingly apparent that the Northern forces were coming to life and were pushing Chiang Kai Shek's troops southward. The Hankow group gives as an excuse the fact that the Wuhan (Wuchang-Hankow) troops were pressing down the river toward Hankow with intent to wage actual warfare on Hankow, and that the necessity of withdrawing troops from Northern Kiangsu Province to meet this aggressive move from Hankow weakened the punitive expedition against the Northern Militarists and was responsible for the retreat of the Southern Armies before the advance of General Sun Chuan Fang.

The entire situation is so exceedingly complex for foreigners to attempt to digest that only a brief resume will be given here. Apparently the Cantonese elements in the Hankow Government decided that it was time to take definite action to prevent aggression from the Southern Party at Hankow. Hankow was not in position to fight two wars at once. The only obstacle to a compromise or union with Hankow was the presence of General Chiang Kai Shek in the Party. (General Chiang Kai Shek is not a Cantonese but a Ningpo man, and incurred the undying enmity of the Hankow group at the time he broke with Hankow on April 12 and began his anti-communistic campaign, setting up the

Hankow Government at that time).

As published to the world by the Hankow Government, General Chiang Kai Shek heroically resigned his position as Generalissimo of the Hankow Government's forces to make possible a union of the military strength of the Wuhan and Hankow factions to resist the military force of the North. It is alleged that the party is in process of purification and re-organization with the Cantonese of the old Kuomintang original group which originally started the northward expedition dominant in the Party.

Marshall Feng Yu Hsiang, the famous so-called Christian General, who has really done very little or no fighting in the campaigning to date, but has played a waiting game, and who apparently has aspirations of securing control of Peking on his own account, as mediator between the Hankow and Hankow factions, in what is presumably to be a union, becomes the strongest military factor outside of the Northern Group.

With General Chiang Kai Shek's resignation on August 13 many other members of the various Hankow Councils resigned, in fact what amounts to a collapse of the political organization of the Hankow faction took place.

The principal issue the Hankow faction, or what remains of it, and its newly acquired Hankow military cohorts, have to face is the strong Northern offensive pushing down the Tientsin Pukow Line nearer and nearer to Pukow and down the Grand Canal route nearer and nearer to the Yangtze River opposite Chinkiang. Supporters of the Hankow Government's cause locally are giving out that the Wuhan-Hankow reunited group are well off in a military way and will successfully resist the North and keep Sun Chuan Fang north of the Yangtze. They expect certain Wuhan troops to move Eastward along the North bank of the River and to attack Sun Chuan Fang's flank, and Feng Yu Hsiang is expected to move Eastward along the Lunghai Railway and harass the rear of the Northern forces. So far as the political organization is concerned, this is apparently a matter which will take some little time of adjustment, and the indications are that most of the civilians of the Hankow Government have come to Shanghai to seek safety in the International Settlement and French Concession, which they have been so intent on doing away with. A considerable number of military officers of the Hankow group are reliably reported to have come to Shanghai from Hankow, changing from uniforms into civilian attire on the Shanghai North Station platform (in Chinese territory) and immediately seeking refuge in the foreign settlements.

It is quite apparent that the morale of Chiang Kai Shek's troops is broken. They have marched from Kwangtung and Kwangsi since last

fall without a retreat until they were very near to Tsinan in Shantung Province. Apparently Sun Chuan Fang has not been willing to play the usual Chinese military game of taking over intact deserting battalions from the opposition. He has not wanted communist soldiers or their influence in his own ranks. It is reported, therefore, that he has not been taking prisoners nor accepting deserters from the opposition, but has followed a policy of either repelling or shooting down the Southern troops. This is believed to have contributed to the successful routing of the Southern troops, which have very apparently been in full retreat Southward to the Yangtze for some days or weeks while the Kuomintang news agencies have either been silent and have muzzled the Chinese press or have published false information on the position and movements of the Nanking troops. Such news as has been received at Shanghai has been chiefly from Northern sources, and has appeared almost exclusively in the foreign (non-Chinese) press.

A. Bland Calder,
Trade Commissioner.

WEEKLY REPORT.

Shanghai

China

August 25, 1927.

Report for the week ended August 20, 1927.

Submitted by: A. Bland Calder

Trade Commissioner

PERSONNEL

Appointees	Days on Duty	Cause of Absence	Duration of Absence
A. Bland Calder	6 1/2	---	---
A. Viola Smith	6	---	---
Granville O. Woodard	2	---	---
<u>Employees</u>			
Evelyn Varley	6	---	---
Henrietta McKeen	6	---	---
Gladys H. Bulger	0	On leave.	---
E. S. Long	6	---	---
H. S. Carey	6	---	---
A. T. Giovannini	6	---	---
Ann Dalmas	6	---	---
G. Jurgenssen	5 days of 4 hours each--part time	---	---
S. Z. Yih	6	---	---
Anselm Chuh	6	---	---
(For other Employees see Form 218--Supplemental.)			

ACTIVITIES OF STAFF DURING WEEK

Mr. Calder:

As this was Monthly Cable week, the greater portion of my time was taken in following the political developments in their bearing upon the trade situation and securing commodity and other information for the Monthly Cable, which was duly transmitted on Wednesday and Thursday. I made a considerable number of outside calls and expended much effort in following this very complex situation, in order to analyze the issues and make as correct a report as possible. I took some time and pains in the preparation of a seven-page Weekly Report covering two weeks ending August 13th, in which the chief problems of taxation as affecting American business are set out. I followed the press closely and conferred with a number of people in connection with the preparation of this material.

On Friday I attended the weekly luncheon of the Board of Directors of the American Chamber of Commerce, at which the question of illegal taxation was discussed and all action taken by the Chamber to date in the matter was reported upon. I have covered this in several communications to the Bureau. A general meeting of the Chamber is being called for Friday, August 26th, to consider further steps.

The American Consul General reinstituted the fortnightly conferences of representatives of American Government activities at Shanghai,

Shanghai Weekly Report--Week Ended Aug. 20, 1927.

Personnel Section--3

Mr. Calder, Cont'd.:

calling a meeting for 4 o'clock on Friday, August 19th, which was attended by Miss Smith and myself. This meeting is the first of the kind held at Shanghai in more than three years. Mr. Cunningham, Consul General, expressed the view that such meetings take a very great deal of his time, upon which there are very heavy demands at present. He stated that he felt the desired results might be obtained by the various departmental representatives taking up their various problems with each other when the occasion demanded, rather than taking everyone's time once every two weeks for a special meeting, at which some of the matters would not and could not be discussed. He indicated his intention, however, of carrying out the executive order of April 4, 1924, by continuing to hold these meetings in the future. He stated that the reason the procedure had been dropped three years ago was that the interest on the part of other government representatives than himself declined to the point where he was the only person present at the meetings. Hence no meetings were held. I suggested that our office take steps to reinstitute the procedure of advising the Consulate General of reports in course of preparation in our office and reports completed during each fortnightly period, and Mr. Cunningham stated in reply that he would be very glad to reciprocate by giving our office this same kind of report on the activities of the commercial section of the Consulate General in the way of reporting upon trade matters. We are now supplying the Consul General with copies of our Monthly Cable as transmitted to the Bureau and copies of our monthly trade and economic report on China, but we do not plan to supply the Consul General with copies of other material, as it has apparently not been possible to secure reciprocation in kind from the Consul General in the past and we are obliged to wait until reports by the Shanghai Consulate General go to Peking and are noted by our Peking office. I may take this issue up later after observing which way the wind blows.

Among those who have made inquiry concerning the tariff matter are the representatives of the Ford Motor Company and General Motors, the Japan offices of which we are keeping advised through the Tokyo office or by mail direct. The Sun-Maid Raisin Growers have also been in touch with us on this subject, stating that the new tariff schedule classifying their product as a luxury at 20% tariff they expect to damage their business materially, as basic economic conditions in China have not improved to the point where the poor or coolie class among which the Sun-Maid people have endeavored to dispose of their product can afford to absorb this increase; besides which this company intends to do its trans-shipping business in the future at Hongkong. Ordinarily the Sun-Maid people carry

Mr. Calder, Cont'd.:

stocks at Shanghai and re-export to the Philippines, Java, Straits Settlements, Indo-China and other Asiatic countries, securing customs drawback at Shanghai. They propose to hold any goods arriving at Shanghai after September 1st in bond and to direct further stock shipments to the British port of Hongkong, as they fear customs drawback at Shanghai at the new tariff rates might not be possible to secure, particularly should the Nanking Government suddenly go out of existence at any stage of the game. This is only one example of the difficulties confronting American business here as a result of these new tariff impositions, under the unstable political conditions obtaining in this country.

Among other callers was Captain Merriam of the U. S. Navy Purchasing Office, who desired information on local importers of many kinds of food products and brand names of goods handled, in order that his purchasing activities might be effective in the way of avoiding taking delivery of spurious goods from dealers. We have already turned over to him considerable data and I am turning the matter over to Mr. Woodard to follow up and complete.

Mr. Woodard arrived on Thursday evening August 18th. I met his ship on arrival, and arranged the courtesies of the American Club for him as a place of residence. We are all most favorably impressed with him and are glad to have him in the Shanghai Office.

Miss Smith:

Callers: A. Robbins, Shanghai Mutual Telephone Company, was shown through our library of American telephone directories, his desire being to improve the next year's edition of the Shanghai telephone directory.

K. T. Lee, former Director of F. & E. Soter Tobacco Corporation, regarding revocation of certificate of incorporation of the China Trade Act company.

Mr. Gibson, Robert Dollar Company, in regard to America's treaties with China.

Clarence W. Noble, General Fireproofing Company. Official call.

Outside Calls: American Paper Export Company; Business Equipment Corporation; National City Bank of New York, regarding market for bank stationery and equipment.

D. B. Sparks, in regard to list of bank correspondents. J. G. Scott & Company, respecting continuance of their advertising business.

Japanese Consulate General. Several calls made in an effort to secure data regarding the activities of the A. C. K. Company.

U. S. Court for China. Several calls made during the week incident to cases pending in the Court pertaining to China Trade Act Work.

Consul Jarvis, in regard to Yangtze Rapid Steamship Company case.

Miss Smith, Cont'd.:

Outside Calls: J. Kleffel, American-Oriental Banking Corporation, regarding matter of drawing drafts through specified banks.

Attended a Fortnightly Meeting called by the Consul General in response to the Executive Order. This is the first meeting that has been called for over three years.

Routine: Considerable routine work was done incident to both China Trade Act work and trade promotion work.

ALL OTHER MEMBERS OF THE STAFF were engaged in their usual duties.

A. Bland Calder,
Trade Commissioner.

HM

REPORTS COMPLETED

None

REPORTS IN PROGRESS

"^{HI}Chinese Banks American Correspondents".....A.V.S.
"Questionnaire No. 220--Chinese Legal Codes"....A.V.S.
"Questionnaire No. 219--Market for 'Manco' Bank
Stationery".....A.V.S.
"Market for Short Length Films".....A.V.S.
"Trade List--Advertising Agencies".....A.V.S.
"Trade List--Reading & Reference List, China"....A.V.S.
"Cotton Survey--1927".....H.S. Carey

WEEKLY REPORT.

Shanghai,
(City)

China
(Country.)

August 30, 1927.
(Date.)

Report for the week ended August 27, 1927.

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

PERSONNEL

Appointees	Days on Duty	Cause of Absence	Duration of Absence
A. Bland Calder	6	--	--
A. Viola Smith	6	--	--
Granville O. Woodard	6	--	--

Employees

Evelyn Varley	6	--	--
Henrietta McKeen	6	--	--
Gladys H. Bulger	0	On Leave	--
E. S. Long	6	--	--
H. S. Carey	6	--	--
A. T. Giovannini	6	--	--
Ann Dalmas	6	--	--
G. Jurgensen	5 days of 4 hours each - part time	--	--

S. Z. Yih

6

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Anselm Chuh

6

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(For other Employees see Form 218--Supplemental.)

ACTIVITIES OF STAFF DURING WEEK

Mr. Calder:

I was occupied for a very considerable portion of my time with the taxation situation which I reported upon in several cables. I also spent some time on the subject of antimony and called at the American Consulate General in connection therewith. I despatched three or four radiograms on the subject to the Bureau during the week.

I attended on Friday both a luncheon at the Board of Directors of the American Chamber of Commerce and a general meeting of the Chamber, held at five o'clock on the same day. At the request of the President of the Chamber of Commerce, I transmitted a cablegram to the Bureau for Secretary Hoover on the subject of illegal taxation. In connection with following the taxation situation and particularly with endeavoring to get accurate information on what other nationals were doing on the matter, I called on the American Consul General, the French Assistant Commercial Attache and the Japanese Commercial Attache's office, and through the Secretary of the American Chamber of Commerce kept in touch with what the British business community was doing and anticipating in connection with this matter.

Shanghai Weekly Report - Week ending August 27, 1927. Personnel Section. 2.

I received numerous calls from local business men during the week, both by telephone and in person, for information and in some cases for advice as to what to do in regard to the high tariff scheduled to be imposed on September 1st. Inquiries were also received from our Tokyo office on behalf of American automotive people there and were replied to in three cables.

I spent some time in getting Mr. Woodard started in his work and made some few calls with him and introduced him at the American Consulate General.

Among other callers received during the week were the following:

Mr. R. G. Burdin, Victor Talking Machine Company, on behalf of Mr. D. P. Mitchell, General Export Manager of the Company, to secure import figures pertaining to the trade in talking machines and records. Mr. Chuh secured statistics for two or three years back on these items and the figures were supplied to Mr. Burdin.

Miss Smith:

Mr. M. Toba, in the office of the Japanese Commercial Attache, called to inquire as to whether we had had any experiences with the Chinese Post Office in having our mail opened. He stated that the Japanese Commercial Attache's office has had mail opened by the Shanghai Post Office, apparently, and he wished to secure information on other similar abuses so that steps might be taken to have it stopped.

Mr. G. T. Miller, Sales Engineer, United States Machinery Company, Inc., also representing the American Floor Surfacing Machinery Company, called to discuss representation for the two companies in China. We are endeavoring to assist him with suggestions and otherwise.

Mr. Arnold Gady, of the National City Company, re Chinese investments.

Mr. H. F. Wilkins, of the Evening News, Shanghai, called to secure our reactions regarding the tariff situation.

Mr. Walter H. Daub, Quaker Oats Company, called to ask advice on the matter of his company's product being placed in a luxury classification by the Nationalists in their new tariff schedule. He stated that he proposed to place the matter before his head office at Chicago.

Royal Asiatic Society and Public Library, to look up several references.

Consul Jarvis and Consul Hodgkins, regarding China Trade Act matters.

Mr. G. W. Noble, of the General Fireproofing Company, called in connection with securing representation in China for the North Pacific Co-operative Prune Growers Exchange of Portland, Oregon, (Mr. Newhouse, Sales Manager). It appears that Mr. Noble's company has delegated to him certain work of this character on which he will draw a commission on such business as is done, which will contribute to Mr. Noble's expenses in the Far East in marketing the specific commodities manufactured by the General Fireproofing Company, such as safes, filing cabinets, etc.

We introduced Mr. Noble to the W. I. Zimmerman Company, Shanghai, as we had received inquiries from that firm for assistance in securing connections on the West Coast. Mr. Noble worked out with Mr. Zimmerman a plan of representation, and has discussed the matter with the bankers who are handling the letters of credit for the W. I. Zimmerman Company, and Mr. Noble informed us before he left for North China that he believed the connection thus established would work out satisfactorily.

Miss Smith: The American Consul General and his staff.

Callers: Benj. H. Watson, Manager, Sun Maid Raisin Growers Association's Shanghai office.

R. L. Hambleton, regarding revocation of certificate of incorporation of Hambleton China Company, Federal Inc., U.S.A.

Yohmin Low, Assistant Manager, National Commercial Bank, re credit information.

E. D. Bush, regarding amendment to Articles of Incorporation for application which is now pending in Washington.

W. S. Fleming, re incorporation of Teminitzky Bros. of Harbin.

H. W. Brooks, representative for "Del Monte Fruits", regarding assistance rendered to him by Miss Smith in putting him in contact with purchasing agent of N.A.A.F.I., which has resulted in satisfactory business arrangements.

Outside Calls: Prepared cable on Shanghai flour and wheat market.

Kelly & Walsh; Chinese-American Publishing Company; Brewer & Company and Edward Evans & Sons, regarding Chinese publications; also Chinese law works.

Royal Asiatic Society and Public Library, to look up several reference matters.

Consul Jarvis and Consul Hodgkins, regarding China Trade Act matters.

Shanghai Woman's Savings Bank; Business Equipment Corporation; Cosmos Paper Company; D. B. Sparks; Zellerbach Paper Company; Dodge & Seymour regarding market for "Manco Better Bank Products".

Arthur Morris, Hoyt & Company, re their complaint against Deebalard & Company of Seattle, which through the courtesy of our Seattle District Office, we were able to secure some action upon behalf of Hoyt & Company.

Routine:

Trade List--Advertising Agencies
Trade List--Reading & Reference List

Work incident to China Trade Act matters and trade promotion work.

Mr. Woodard:

Spent some time in acquainting himself with the files, reference lists, and general administrative procedures of the office. Prepared several items for the monthly report. Made the following calls with Mr. Calder:

The American Consul General and his staff.

Mr. Benj. H. Watson, Manager, Sun Maid Raisin Growers Association's Shanghai office.

Mr. S. Ellis, Dodge & Seymour (China) Ltd.

Mr. C. H. French, Pres. Shanghai American Chamber of Commerce.

Captain J. H. Merriam, U.S. Navy Purchasing Officer.

Mr. T. K. Yung, General Manager, Fou Sing Flour Mills and Sun Sing Cotton Mills.

Mr. Ralph Sun, General Manager, Foh Foong and Chung Foong Flour Mills and Manager of the Chung Foo Union Bank, Shanghai.

Prepared cable on Shanghai flour and wheat market.

REPORTS COMPLETED

"Chinese Banks' American Correspondents"
"Manco Products for Better Banking" Questionnaire No. 219.

A.V.S.

A.V.S.

"Cotton Survey--1927"

H.S. Carey

Shanghai Weekly Report - Week ending August 27, 1927. Personnel Section - 5.

REPORTS IN PROGRESS

Questionnaire 220 - "China's Code of Laws"	A.V.S.
"Market for Short Length Films"	A.V.S.
"Trade List--Advertising Agencies"	A.V.S.
"Trade List--Reading & Reference List, China".	A.V.S.

A. Bland Calder,
Trade Commissioner.

WEEKLY REPORT.

Shanghai

China,

Sept. 8, 1927.

(City.)

(Country.)

(Date.)

September 3, 1927.

Report for the week ended

A. BLAND CALDER

TRADE COMMISSIONER

Submitted by:

(Name.)

(Title.)

PERSONNEL

<u>Appointees</u>	<u>Days on Duty</u>	<u>Cause of Absence</u>	<u>Duration of Absence</u>
A. Bland Calder	6	—	—
A. Viola Smith	5	Sick Leave	1 day
Granville O. Woodard	6	—	—
<u>Employees</u>			
Evelyn Varley	2	On Leave	—
Henrietta McKeen	6	—	—
Gladys H. Bulger	6	—	—
E. S. Long	3	Termination of Services	—
H. S. Carey	6	—	—
A. T. Giovannini	6	—	—
Ann Dalmas	5½	Sick Leave	½ day
G. Jurgenssen	1	Termination of Services (part time)	—
S. Z. Yih	6	—	—
Anselm Chuh	4	Leave	2 days

(For other Employees see Form 218 - Supplemental)

ACTIVITIES OF STAFF DURING WEEKMr. Calder:

My time was occupied chiefly with general correspondence and administrative work during the week. Numerous telephone inquiries received during the course of the business day consume a great deal of time.

On Friday, September 2nd, I attended the weekly meeting of the Board of Directors of the American Chamber of Commerce at which several topics of interest were discussed, including the probable appointment of a Washington representative for the Chamber. Mr. Frederick Moore, correspondent for the New York Times, addressed the Board members on conditions in North China, at this meeting. I have reported separately on the Chamber's recent activities.

On Wednesday, August 31st, I met the steamer "Athos II." of the Messageries Maritimes line, on which Admiral Mark L. Bristol arrived with Mrs. Bristol, from Europe. Dr. Klein had cabled instructions for Mr. Arnold to meet Admiral Bristol and arrange for cooperation with Admiral Bristol as discussed with Dr. Klein in Paris. I am following the situation, keeping in

touch with Admiral Bristol and keeping Mr. Arnold informed. Mr. Arnold will probably come to Shanghai the latter part of September to meet Admiral Bristol in person.

I cabled the Bureau for authority to retain the services of Mr. H. S. Carey for one more month for special commodity work, there being a number of inquiries requiring attention and demands on my time otherwise being very heavy. Mr. Woodard cannot be expected to function 100% effective during his first few weeks here while getting familiar with local conditions, and Mr. Carey's services will be especially useful during this month. Mr. Carey will assist Mr. Woodard in forming a number of useful contacts for his food investigations. Mr. Carey will also engage in other commodity work. I was very grateful to receive the Bureau's authorization within fifteen hours after cabling request, this being the quickest reply we have had to any message.

I received several callers during the week, among whom were the following:

(Confidential) Mr. Rowland A. Curry, an American architect, called to secure information on figures on importation of hardwoods from the Philippines, the Malay States and Java into the United States. He is interested in getting into trade in Asiatic hardwoods because of the depressed condition of building activities which makes the situation difficult for architects at this time in Shanghai. (Confidential)

Mr. W. W. Baer, representative for the Union Oil Company, called for general information and requested that we place him on our mailing list to receive at Kobe, his headquarters, our Monthly Reports on China trade.

Mr. Frederick Moore, correspondent for the New York Times, called to discuss the general situation in the Shanghai area, having just returned from North China. I gave him copies of our recent monthly reports with the understanding that they are to be used for background and not for republication. We have made a practice of doing this with several American correspondents.

Mr. Peter Chrysanthopoulos, of the Shanghai Import & Export Co., Ltd., called to ask our assistance in securing connections with American importers of brass ware from China. I declined to render him this assistance.

Miss Smith:

Investigational work done throughout the week to secure appropriate information to complete these reports, as listed below.

Trade Complaints:

The representative of Parker, Peebles & Knox, of New York City,

brought to the attention of this office a draft which had been drawn upon the Sun Sun Company, Ltd. and put through the Italian Bank instead of the Shanghai Commercial & Savings Bank as originally specified by the buyer. The buyer had received no documents from Parker, Peebles & Knox, and upon presentation of the draft, requested the bank to release copy of bill of lading and invoice, stamped for "CUSTOMS PURPOSES ONLY" which would permit their paying the customs duty, placing the goods in bonded warehouse, and thus eliminate the assessment of extra customs charges. The bank refused to do this, irrespective of the fact that the practice is common amongst the banking institutions in Shanghai. The local representative of the American manufacturer called upon the bank in an effort to adjust this matter, but met with no satisfaction. Upon bringing the matter to the attention of this office, Miss Smith called personally upon the manager of this bank, explained the situation thoroughly, and was able to get them to concede a point and release "for Customs Purposes Only" a copy of the bill of lading and copy of invoice. By doing so it was the means of getting the buyer to take up the goods whereas he had become disgruntled and had refused to accept them at all. The amount of \$270. that was involved, is in itself small, but the case illustrates the importance of shippers putting their drafts through the bank specified by the purchaser rather than leaving it to the buyer's bank to send it through their own particular correspondent.

Callers:

Mr. W. E. Fleming, Mr. N. P. Allman and Miss M. Thompson, incorporators of "Tesminitsky Brothers", to swear to China Trade Act incorporation documents.

Mr. T. Y. Chang, regarding his outstanding installments against a claim of the Jeffrey Mfg. Company. Mr. Chang states that he is still only working on a half time basis, that he has been unable to meet his recent payments, but has some prospects of bettering his condition towards the end of September, and will do his utmost to take care of this matter.

Mr. D. B. Sparks, regarding trade connections.

Mr. E. D. Bush, regarding incorporation of the E. D. Bush Company, Federal Inc., U.S.A. Mr. Bush is leaving for America on September 9th and will adjust his application which is now pending in Washington, upon his arrival there through his resident agent.

Mrs. L. E. Gale, re incorporation particulars of the L. E. Gale Company, Federal Inc., U.S.A. of Hankow.

Mr. J. W. Duff, re Kaling Supply Company, Federal Inc. U.S.A.

Mr. Kent Lacey, re information for incorporation under China Trade Act.

Judge D. R. Williams, Pres., Far East Company, re trade connections.

Outside Calls:

Woo Bai-tsung, regarding his inquiry for catalogues and price lists on American horse clipping machines.

Commercial & Credit Information Bureau, re standing of several firms applying for incorporation under China Trade Act.

Robert Dollar Company, re address of Mr. P. L. Cunningham, representative of the Pan Pacific Oil Company.

Mr. N. G. Westwood, Universal Film Corporation, re market for short length films.

Pathe Orient Company, re market for short length films.

Major A. Hilton-Johnson, re film censorship.

In company with Trade Commissioner Calder, paid an official call upon Consul General of the Netherlands, upon the occasion of their Reception on the Queen's birthday.

Also, met Admiral and Mrs. Bristol upon their arrival in Shanghai on Wednesday.

Attended staff conference of government representatives at the Consulate General.

Mr. Woodard:

Concerned myself with the general procedure incident to the compilation of the Monthly Report, i.e., contacts, sources, material, facilities, etc., with the idea in mind of attempting to plan the work so as to avoid the congestion which usually takes place just prior to the completion of the report.

Made the following calls:

Mr. W. I. Zimmerman, in regard to fresh and dried fruit inquiry of L. Langstroth Company of San Francisco.

Mr. E. Samson, Managing Director of the Geddes Trading & Dairy Farm Company, Ltd., agents of the Pratt-Low Preserving Company of Santa Clara, California, in connection with request of the latter firm for information regarding the status of their agency.

Mr. L. O. Kwok, Manager of the Shanghai office of the Oriental Trading Company, who act as agents for Haas Bros. of San Francisco, in connection with the request of the latter for information regarding the status of their agency.

Replies to a number of trade inquiries.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

Reports in Progress

Questionnaire 220 - "China's Code of Laws"	AVS
"Market for Short Length Films"	AVS
"Trade List--Advertising Agencies"	AVS
"Trade List--Reading & Reference List, China"	AVS
Questionnaire 223 - "Highway Research Board"	H.S.Carey
Questionnaire 212 - "Colorings for Foodstuffs"	GOW

Reports Completed

None

A. Bland Calder
Trade Commissioner

B.

WEEKLY REPORT.

Shanghai,

China,

Sept. 13, 1927.

(City.)

(Country.)

(Date.)

September 10, 1927.

Report for the week ended

A. Bland Calder

Trade Commissioner

Submitted by:

(Name.)

(Title.)

PERSONNEL

Appointees	Days on Duty	Cause of Absence	Duration of Absence
A. Bland Calder	5	Chinese Holiday	1
A. Viola Smith	4	" " & Labor Day	2
Granville O. Woodard	4 $\frac{1}{2}$	" " " "	1 $\frac{1}{2}$

Employees

Evelyn Varley	0	On Leave	
Henrietta McKeen	4	Chinese Holiday & Labor Day	2
Gladys H. Bulger	3	" " " "	3
		Leave of Absence	
H. S. Carey	4	Chinese Holiday & Labor Day	2
A. T. Giovannini	4	" " " "	2
Ann Dalmas	4	" " " "	2
		" " " "	1 $\frac{1}{2}$
S. Z. Yih	4 $\frac{1}{2}$		4 $\frac{1}{2}$
Anselm Chuh	1 $\frac{1}{2}$	On Leave	
(For other Employees see Form 216 - Supplemental)			

ACTIVITIES OF STAFF DURING WEEK

MR. CALDER:

Callers:

Mr. M. F. Edlin, Pacific Orient Co., Hankow, called to discuss antimony situation. We gave him copies of two messages from his San Francisco office transmitted by our San Francisco office via Naval Radio. As Mr. Edlin is one of our good contacts at Hankow I entertained him at tea and dinner.

Mr. H. H. Arnold, called to inform me that he has rejoined the General Electric Co. and is now with Andersen, Meyer & Co., their agents. We gave him access to figures of electrical power machinery and apparatus to China.

Mr. M. C. Cheek, of Messrs. Hancock & Cheek, Shanghai, importers of American clocks and watches, and jewelers, called for some general commodity information, particularly with regard to leather trade into which he desires to enter. He was given

data on the trade and in regard to tanners now represented here. He will probably write tanners not represented to endeavor to secure agencies for China. This is another illustration of the effect the business depression is having on certain lines of business and upon professional men, who are seeking new lines of activity to tide them over, hoping eventually for a return to normal conditions. It just happens that business in leather lines has been very fair in recent months, particularly in North China, some of the demand being for war purposes.

Mr. P. H. Bordwell, of the Robert Dollar Company, called to secure maps of China.

California Fresh Fruit Shipment:

On Tuesday afternoon, Mr. Woodard and I went up the Whangpu River to the Chang Koh Pang wharf, Bootung side, to inspect the S.S. "Silverguava" of the Kerr Steamship Line, and cargo of California fruit in cold storage. We received a special radio request from Mr. Gary, of the San Francisco district office of the Bureau, to look into this situation. Mr. Woodard has prepared a written report to the San Francisco office on this situation and we have also cabled essential points.

Kerosene Sales:

In response to a cabled request from the Bureau for some special service in finding additional buyers of kerosene for the Richfield Oil Company of Los Angeles, I called on four local firms found on our lists of kerosene importers. Mr. Carey also called on ~~one~~ firms. I shall report separately on this situation. The investigation is being continued this week. The firms I called on were as follows:

China United Petroleum Co., Ltd.
Paul E. Samman
United Agencies, Ltd.
S. D. Ren & Co.

Mr. Carey called on ~~Strom~~ & Company.

Our investigations so far indicate that these companies who buy so-called "independent" oil (outside the Socony and Asiatic Petroleum Companies) do so only intermittently and at a considerable risk, so the Standard Oil and Asiatic Petroleum watch imports very closely and if the volume of independent oil coming in gets to any size, the large companies promptly lower prices and these smaller importers are simply put out of the market, sometimes losing heavily on shipments they have under way. So far as I can observe

at the present time, assistance of the kind the Bureau has requested us to render can, if not handled with extreme care, get both us, the American shipper, and possibly also the buyers here into serious trouble. This situation will be reported at greater length separately when our investigations are more complete.

I handled a volume of local and general correspondence; also local telephone inquiries on minor matters.

MISS SMITH:

Investigational work done throughout the week to secure additional information upon reports in progress.

Callers:

John W. Rowland, regarding Annual Report of the Engineering Equipment Co., Federal Inc. U.S.A.

J. L. Duff, re Annual Report of the Kuling Supply Co., Federal Inc. U.S.A.

Mrs. W. A. L. Pardoe, regarding information for a new city directory entitled "Hong and Homes".

Miss E. de Meglio, re employment.

E. G. Osborn, furnished information re American lumber publications.

Mr. In Young, Union Motors, Federal Inc. U.S.A., re Annual Report and Income Tax Return.

Thurston Porter, U.S. Marshall, U.S. Court for China, furnished with information regarding Idaho Industrial Training School, St. Anthony, Idaho.

Roscoe L. Hambleton, re revocation of Certificate of Incorporation of the Hambleton China Company, Federal Inc., U.S.A.

E. D. Bush, re certain corrections to be made in the Articles of Incorporation for Messrs. E. D. Bush & Co., Federal Inc. U.S.A., application for which is now pending in Washington.

D. B. Sparks, re various trade connections for American commodities.

Outside Calls:

E. D. Bush, regarding completion of their application for incorporation under the China Trade Act.

Robert Dollar Co., re available space and sailing dates. Reservation has been made on the "President Grant" sailing from Shanghai May 25, 1928, by Miss Smith.

United Film Exchange,

Hongkong & Shanghai Amusement Co,

Fox Film Company,

Krisel & Krisel,

Cartoon Ads, re information on short length films.

Mr. H. Holgate, China & Java Trading Co., and Mr. Warren Manley, Secretary, American Chamber of Commerce, regarding arbitration methods in textile disputes.

MR. WOODARD:

Spent some time in redrafting and arranging material for the monthly report.

Called on Mr. S. C. Kingsbury, Manager of Connell Brothers, local importers of Foodstuffs and discussed the fresh fruit import situation at considerable length.

In company with Mr. Calder, visited the "Silverguava", first of the Kerr Steamship Company's recently inaugurated line of steamers to call at Shanghai. The Silver line boats are equipped with refrigerator facilities especially designed to handle fresh fruit. The refrigerator system, as well as the fresh fruit cargo, were carefully inspected. A complete report covering the Silver Line service and facilities has been mailed to the San Francisco district office.

Called on the following firms:

Getz Bros. & Company, in connection with their shipments of fresh fruit arriving on the "Silverguava".

Slowe & Company. do.

Ilbert & Company. do.

Mr. G. F. Evans, of Clifford-Wilkinson Tansan Mineral Water Company, in connection with a shipment of poor quality crackers which they have received from Agner & Fredericksen of Seattle, acting for the American Cracker Company, Seattle, Washington.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

Reports in Progress

Questionnaire 220 - "China's Code of Laws"	AVS
"Market for Short Length Films"	AVS
"Trade List--Advertising Agencies"	AVS
"Trade List--Reading & Reference List, China"	AVS
Questionnaire 223 - "Highway Research Board"	H.S. Carey
Questionnaire 212 - "Colorings for Foodstuffs"	GOW

Reports Completed

Trade Note -- "New Movie Theatre for Shanghai" AVS

A. Bland Calder
Trade Commissioner

B.

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

Sept. 20, 1927.
(Date.)

Report for the week ended September 17, 1927.

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

PERSONNEL

<u>Appointees</u>	<u>Days on Duty</u>	<u>Cause of Absence</u>	<u>Duration of Absence</u>
A. Bland Calder	6	---	---
A. Viola Smith	6	---	---
Granville O. Woodard	6	---	---
<u>Employees</u>			
Evelyn Varley	-	On Leave	
Henrietta McKeen	3	Services terminated Sept. 14th.	
Gladys H. Bulger	6	---	---
H. S. Carey	6	---	---
A. T. Giovannini	6	---	---
Ann Dalmas	6	---	---
S. Z. Yih	5	Leave of Absence	1
Anselm Chuh	4 $\frac{1}{2}$	On Leave	1 $\frac{1}{2}$

ACTIVITIES OF STAFF DURING WEEK

MR. CALDER:

I forgot to mention in last week's report that Mr. Woodard and I appointed ourselves a committee of two to meet the "Pride of Detroit" on its arrival from Hongkong at Shanghai at about 5:30 P.M., September 10, only fifteen days after its departure from American soil in the State of Maine. We assembled with several thousand other people at the Shanghai Race Course, which is fairly centrally located, but after attempting to negotiate a landing at this point, Messrs. Brock & Schlee decided that the gliding space was not sufficiently long to enable them to get away with heavy load of fuel, so landed at Hangjao Airdrome in Chinese territory, six miles from town. The fliers remained in Shanghai only that night, leaving at daybreak Sunday for Japan.

The Asiatic Petroleum Company called me up on Monday morning to ask me to pay for 37 five gallon tins of "motor spirit" which they supplied to the "Pride of Detroit" on telegraphed instructions from their Hongkong office. I disclaimed responsibility and directed the inquirer to the Consulate General.

Callers:

Mr. Donald K. Hsu, United Petroleum Co., a company not yet completely organized, called on me in regard to kerosene business. I had called on him a day or two previously in re the Bureau's message concerning the Richfield Oil Co.'s offer. I have reported by cable on this situation and am also writing the Bureau.

Mr. Marshall F. Edlin, son of H. N. Edlin of the Pacific Orient Co., Hankow, called again before leaving for Hankow. He gave me some interesting data on antimony which I have looked into here and am cabling on to the Bureau.

Mr. Eddy T. Hsu, of the China Trading Co., Ltd., Swatow, called for assistance in establishing connections with American suppliers of medicinal preparations, drugs, sundries, patent medicines, etc. I placed him in touch with importers locally handling these and other products including milk powders, etc., rather than with the American manufacturers as the firm is a small one doing business at an outpost in a restricted area. I secured from Mr. Hsu particulars concerning his company and prepared a W.T.D. report.

I called on numerous local contacts for information for the monthly cable which was transmitted on Thursday. Mr. Woodard and Mr. Carey also assisted in gathering this data.

I called on Admiral Mark L. Bristol, new Commander-in-Chief of the U.S. Asiatic Fleet, on the Flag Ship on Tuesday, extended the courtesies of the office, offering our cooperation and assistance. I discussed some angles of the present China situation with him and at his request have given him lists of American firms here, certain newspaper clippings in which he was interested, and other data. On this occasion I also met his Chief Intelligence officer, Commander Webb Trammell, and other naval officers. Commander C. J. Wheeler, Aide and Flag Lieutenant to the Admiral, called on me and arranged for me to call on the Admiral. He also requested certain information which we are supplying. In accordance with Dr. Klein's cable, this office will cooperate in all ways possible. The Admiral will receive our monthly reports henceforth. He has been supplied with copies of the past several months and with considerable other data.

The Admiral is leaving Sunday morning, September 18, for Peking on a cruiser, via Chinwangtao. I wired Mr. Arnold at once. The Admiral is counting on meeting Mr. Arnold at Peking. Mr. Arnold has now

arranged to delay his trip to Shanghai a few days in order to meet the Admiral in Peking.

MISS SMITH:

Investigational work done throughout the week to secure additional information upon reports in progress.

Callers:

Mr. Max Sternberg, regarding trade connections with American manufacturers for new company which he is establishing in Singapore and the Straits Settlements.

Mr. R. A. Currey, local architect, supplied with information re hardwood timber merchants.

Messrs. Fleming and Allman, and Miss M. Thompson, re filing of application of incorporation on behalf of American-Oriental Motors Federal Inc., U.S.A., Tsingtao.

Mr. E. D. Bush, Wai Yuen Char and Y. C. Woo, re their application for incorporation under China Trade Act.

Mr. J. L. Duff, General Manager, Kuling Supply Company, Fed. Inc. U.S.A., re China Trade Act matters.

Mr. L. E. Gale and Alice Cook Gale, to complete documents incident to incorporation of L. E. Gale Company, Fed. Inc. U.S.A.

Mr. In Young, Union Motors, Fed. Inc. U.S.A., re Annual Report and Corporate Income Tax Return.

Mr. Kaden, American Asiatic Underwriters, Fed. Inc. U.S.A., to file China Trade Act documents.

Lt. Gen. Charles Julian Wheeler, Aide de Camp, Admiral Mark L. Bristol, official call.

Outside Calls:

Bahn Meyer & Company, re agency for Eagle Trucks.

Hillston & Company, re agency for Century Fan Company.

Frost, Bland & Co., re agency for Century Fan Company.

Commercial & Credit Information Bureau re
commercial data on several concerns.

Carroll Lunt, regarding compilation of 1928
China Who's Who.

Shanghai Building Company, Fed. Inc. U.S.A.,
re China Trade Act matters.

American Asiatic Underwriters, Fed. Inc. U.S.A.,
re letter addressed to this office regarding
American shipping on Upper Yangtze River.

Several calls made during the week upon the
American Consulate and the U.S. Court for China
incident to pending China Trade Act matters.

Attended Executive Order Staff meeting at American
Consulate on Friday, September 16th.

MR. WOODARD:

Assisted in the gathering and preparation of material
for the monthly cable, in connection with which I made the following
outside calls:

Mr. W. Klein, American Trading Co.

Mr. C. D. Komaroff, Komaroff Co.

Mr. Green, Amos Bird Co., Inc.

Mr. W. Cohen and Mr. J. Spunt of J. Spunt & Co.

Mr. Ewing of N. H. Ewing & Co.

Also concerned myself with the preparation of material
for the monthly report and followed up trade inquiries collected during
the period of my visit to the Pacific Coast District Offices.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

Reports in Progress

Questionnaire 220 -- "China's Code of Laws"	A.V.S.
Trade List -- "Advertising Agencies"	A.V.S.
Trade List -- "Reading & Reference List, China"	A.V.H.
Questionnaire 212 -- "Colorings for Foodstuffs"	G.O.W.
Questionnaire 223 -- "Highway Research Board"	H.S. Carey

Reports Completed

"Market for Short Length Films"

A.V.S.

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

October 3, 1927.
(Date.)

Report for the week ended October 1, 1927.

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

PERSONNEL

<u>Appointees</u>	<u>Days on Duty</u>	<u>Cause of Absence</u>	<u>Duration of Absence</u>
Julian Arnold	3	Arrived from Peking on Wednesday	
A. Bland Calder	6	--	--
A. Viola Smith	5	Sick Leave	1
Granville O. Woodard	6	--	--
<u>Employees</u>			
Evelyn Varley	5	Sick Leave --?	1
Gladys H. Bulger	6	--	--
H. J. Carey	5	Services terminated with Shanghai office.	
A. T. Giovannini	6	--	--
Ann Dalmas	5	Sick-Leave --?	1
S. Z. Yih	6	--	--
Anselm Chuh	6	--	--

ACTIVITIES OF STAFF DURING WEEK

MR. ARNOLD:

Cooperation with Admiral Bristol, U.S.N.:- On Admiral Bristol's invitation, I accompanied him on the U.S.S. "Cincinnati" from Tientsin to Shanghai. Although we made the trip in the record time of about thirty-six hours, doing at times as much as thirty-five or thirty-six miles an hour, yet we had an excellent opportunity while on board to discuss the question of cooperation between our office in China and the United States Navy forces. Arrangements are being made whereby we shall exchange reports, giving the Navy the full advantage of all the material we have which may be of interest to them. On the other hand, Admiral Bristol has agreed to arrange so that we may secure from the Navy material which may be of interest to us, not only that which is already part of our own program but to the further extent of securing certain material in keeping with our own demands and taking advantage of the fact that the Navy has ships from time to time in various interior places in China.

Chinese Contacts for Admiral Bristol:- Admiral Bristol expressed a wish to make the acquaintanceship of a number of representative Chinese in Shanghai. Accordingly, I arranged to have a reception and tea at the Hotel Majestic to which I invited about seventy-five representative Chinese to meet Admiral and Mrs. Bristol and the members of his staff.

Work of the Shanghai Office:- My main object in coming to Shanghai at this time is to consult with Mr. Calder in regard to plans for more effective labors on the part of the Shanghai office, especially since the arrival of Woodard. We have here now a splendid working organization, probably the best that the Shanghai office has had since its inception. The question of more effective contacts in our commercial community at Shanghai is one which is receiving our attention. The question of our relations with the Consulate General is one which we are trying to work out in a more satisfactory way. We are also concerned with a better working arrangement with the other Consulates in China so that we may secure a larger measure of cooperation in obtaining material for our monthly reports and otherwise. Our relations with the Shanghai American Chamber of Commerce are most cordial and a representative of our office sits in now every Friday noon at the weekly meeting of the Executive Committee of the Chamber.

MR. CALDER:

My efforts during the week were largely devoted to clearing up miscellaneous correspondence and in discussion of various features of the work of our organization with Mr. Arnold, and assisting him in various ways.

I received the following callers during the week:

S. C. Yang, regarding petroleum dealers in Shanghai. Mr. Yang made inquiries among the trade at my request and gave me some information on kerosene trade which will be useful in connection with reporting on this situation in response to the Bureau's recent inquiry.

H. C. Hsieh, called with card of introduction from Mr. J. B. Powell to inquire regarding tobacco taxation in the United States and method of application of such taxes. Mr. Hsieh desires to obtain a position with the Nationalist Government Finance Department and believes that with knowledge of the working of such taxation in the United States his qualification for securing the desired position will be enhanced. I directed him to local American tobacco men.

Vernon Dyson, called to endeavor to enlist my active support of the campaign by Dr. C. T. Wang to raise funds among foreigners for carrying on the work of the National Good Roads Construction Association of China. Mr. Arnold and I discussed this situation at some length with Mr. Dyson and I loaned him some material sent by the Bureau on good roads, motor transportation, etc. Mr. Arnold and Miss Smith attended a luncheon at the Astor House at which these matters were discussed by several interested parties.

Charles Komaroff called to discuss his claim against the Asiatic Selling Co.

H. A. Gnade, General Motors, Japan, Ltd., called for information on recent developments in the automotive market locally. He has been absent in North China and will leave shortly for Japan. We are cooperating with the Japan organization of General Motors as much as possible from time to time in supplying information on developments here.

MISS SMITH:

Investigational work done throughout the week to secure additional information upon reports in progress.

Callers:

R. F. Evans, re Mark L. Needy, Fed. Inc. U.S.A.

M. Sternberg, given considerable assistance re establishment of connections with American manufacturers.

H. W. Brooke, Fu Chung Corporation, re distribution of Del Monte Brand canned goods.

C. D. Komaroff, re claim against Asiatic Selling Co.

P. W. Kelly, re Asia Motors, Fed. Inc. U.S.A.

Outside Calls:

Attended special tiffin meeting of the National Good Roads Association of China.

At the request of the Robert Dollar Company and the American Chamber of Commerce, attended to making arrangements for entertaining "Misses Cleveland" and "Miss Ohio", official representatives of the Industrial Exposition of Cleveland. Advance publicity was written, and plans made for their entertainment upon their arrival in Shanghai on October 4th.

MR. WOODARD:

Concerned myself with following up and replying to several trade inquiries in connection with which made the following outside calls:

Hall & Holts, Lane, Crawford & Co., Ltd., The Chocolate Shop, Wing On Co., Sincere Co., Ltd., Oriental Trading Company, International Tobacco Co., China Egg Products Co., Hsin Yuen Company, and Mr. Tingling of the Robert Dollar Company.

Discussed the work in connection with the preparation of the monthly report with Mr. Arnold and Mr. Calder and spent some time in preparing material for the September issue.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

REPORTS IN PROGRESS

Questionnaire 220 - "China's Code of Laws"	AVS
Trade List - "Advertising Agencies"	AVS
Trade List - "Reading & Reference List, China"	AVS
Questionnaire 212 - "Colorings for Feedstuffs"	GCW
Questionnaire 225 - "Highway Research Board"	ABC
"Revision of Lumber Trade Bulletin"	ABC

REPORTS COMPLETED

Questionnaire 224 - "Quarterly Automotive Retail Prices"	H.S. Carey
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A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

Sept. 26, 1927.
(Date.)

Report for the week ended September 24, 1927.

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

PERSONNEL

<u>Appointees</u>	<u>Days on Duty</u>	<u>Cause of Absence</u>	<u>Duration of Absence</u>
A. Bland Calder	6	---	---
A. Viola Smith	5 $\frac{1}{2}$	Sick Leave	$\frac{1}{2}$
Granville O. Woodard	6	---	---

Employees

Evelyn Varley		On Leave	
Gladys H. Bulger	6	---	---
H. S. Carey	6	---	---
A. T. Giovannini	6	---	---
Ann Dalmas	6	---	---
S. Z. Yih	6	---	---
Anselm Chuh	6	---	---

ACTIVITIES OF STAFF DURING WEEK

MR. CALDER:

My efforts during the week were directed mainly to getting caught up on Bureau and other inquiries, and on accounting matters, on which I put in many extra hours of work. I received the following callers:

Commander Webb Trammell, Aide to Admiral Bristol, called to request us to permit him to see our weekly reports on political and commercial affairs. I told him we should be glad to allow him to see them. He also requested information on the Federal Wireless Co.'s agreement of several years ago. I told him that the Admiral could get expert advice on this subject from Mr. Arnold. He therefore radioed the Admiral, en route to Peking, to confer with Mr. Arnold on this subject. I turned over recent reports of mine on Nationalist tariff to Commander Trammell to peruse.

Mrs. D. J. Riddek, re employment.

Mr. D. W. Smith, en route from Washington to the Bureau's Singapore office.

Mr. John J. Russell, United States Playing Card Co., requested figures of importations of playing cards and asked to be put in touch with the head of the British Army and Air Force Institute locally, both of which services we rendered.

Mr. D. B. Sparks, called re representation for the Clayton Mfg. Co. in response to a letter from us, and also invited me to call and inspect his new show room arrangement. Mr. Woodard and I called and inspected his offices and show room, and were much impressed with the attractive display and high class arrangements of his show room and of his business methods which he explained to us at some length.

Mr. R. A. May, formerly with the Bureau, now assistant to the General Manager, General Motors, Japan, Ltd., called to request certain automotive import figures. Mr. Chuh called with him at the Statistical Department of the Chinese Maritime Customs and secured the figures. We also gave him other information and secured some special data for him on the Pel Lung Garage which handles the General Motors Oldsmobile car locally. We also placed Mr. May in touch with Carl Crow, Inc., in connection with advertising which General Motors may do in China.

Mr. S. C. Yang, salesman who worked for me some years ago in the Grace China Co., called to request assistance in securing employment. We may be able to make use of his services now and then for information on the Chinese angle or background on certain commodity trade subjects.

Mr. V. N. Porozoff, an ex-Russian Navy officer, called for assistance in securing specific employment with the Yangtze Rapid S.S. Co. As Mr. Porozoff was introduced to me by friends locally, I have agreed to assist him by calling on the Yangtze Rapid people in this connection.

I attended the Shanghai American Chamber of Commerce Board luncheon on Friday, at which I was invited to meet with a special committee to draft a statement of the Chamber's policies for use by Mr. George Bronson Rea at the Annual meeting of Chambers of Commerce in the United States at which Mr. Rea will endeavor to secure the endorsement of the United States Chamber of Commerce to the Shanghai Chamber's policies. Mr. Rea has been indicated as the representative of the Shanghai Chamber in the United States.

MISS SMITH:

Investigational work done throughout the week to secure additional information upon reports in progress.

Callers:

Mr. John Korff, Andersen, Meyer & Company, re building operations.

Mr. Meyer of E. D. Bush & Co., re China Trade Act matters.

Mr. L. F. Roth, re local practice of handling D/A drafts.

Mr. R. W. Squires, re effort to secure agency for Remington Arms Company.

Mrs. Reddick, re employment.

Mr. Grant Mark, China Finance Corp., re China Trade Act matters.

Mr. R. A. May, General Motors Japan, Ltd., re automobile statistics.

Mr. In Young and K. C. Lee, Union Motors Co., re China Trade Act matters.

Mr. Max Sternberg, re securing trade connections for his new company in Singapore.

Mr. Lloyd E. Gale and Mrs. L. E. Gale, re China Trade Act matters.

Outside Calls:

American Association Fire Insurance, re trade complaint against Yangtze Rapid Steamship Company.

Several calls made at the American Consulate and the U.S. Court for China in conjunction with China Trade Act matters.

MR. WOODARD:

General investigation work with reference to replies to several trade inquiries in connection with which made the following out-side calls:

The Chocolate Shop, Marcel Co., Komaroff & Co., Oriental Trading Company, Clifford-Wilkinson Tansen Mineral Water Co., Ltd., Hsin Yuen Company.

Callers:

Mr. O. Lee, representing A. C. Monk & Co., leaf tobacco dealers, who are opening up a branch in Shanghai, in regard to general situation as affecting the sale of leaf tobacco.

Mr. Mao Lu Chung, Manager of the Hsin Yuen Company, in regard to a west coast connection for ham, cheese, bacon and canned goods.

Redrafted several items for the monthly report.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

REPORTS IN PROGRESS

Questionnaire 220 - "China's Code of Laws"	AVS
Trade List - "Advertising Agencies"	AVS
Trade List - "Reading & Reference List, China"	AVS
Questionnaire 212 - "Colorings for Foodstuffs"	GOW
Questionnaire 223 - "Highway Research Board"	HSCarey
"Revision of Lumber Trade Bulletin"	ABC
"Quarterly Automotive Retail Prices"	HSCarey

REPORTS COMPLETED

None

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai, China, October 12, 1927.

Report for the week ended October 8, 1927.

Submitted by: A. Bland Calder Trade Commissioner

PERSONNEL

Appointees	Days on Duty	Cause of Absence	Duration of Absence
Julian Arnold	6	--	--
A. Bland Calder	6	--	--
A. Viola Smith	5 1/2	Annual Leave	1 1/2
Granville O. Woodard	6	--	--

Employees

Evelyn Varley	6	--	--
Gladys H. Bulger	6	--	--
A. T. Giovannini	6	--	--
Ann Dalmas	6	--	--
S. Z. Yih	6	--	--
Anselm Chuh	6	--	--

ACTIVITIES OF STAFF DURING WEEK

MR. ARNOLD:

Cooperation with Admiral Bristol: In continuation of what has already been written on this subject, I may say that during the week I had a number of conferences with Admiral Bristol and the members of his staff regarding a practical method of mutual cooperation following Dr. Klein's proposals as made to Admiral Bristol in Paris. I have outlined a set of questions for Naval officers in Canton and Hankow which Admiral Bristol has agreed shall be used in a monthly radiogram from these two important centers to the flag ship at Shanghai, who will transmit the information to our Shanghai office for use in our monthly mimeographed reports and in our weekly cabled reports. Thus it appears we shall receive from the United States Navy in China far more assistance in line with our trade promotion activities than was ever obtained in the past. Admiral Bristol has assumed an unusually broad-minded attitude toward this whole question, hence we are obtaining some very satisfactory results.

Monthly China Trade Resumes: Mr. Woodard has taken hold of the preparation of the monthly trade resumes in excellent style. However, during the week in which these reports are finally whipped into shape, it means that nearly the whole staff of the office, including the commissioned officers, are obliged to give much of their time to getting

out these reports. The Bureau may expect to see them improve from month to month as we are making every possible effort to lift them upon a higher plane and thus make them of a more signal service to our trade interests. Considering the very limited facilities under which we are obliged to operate, I consider these compilations very credible productions. The demand for them continues to increase and the complimentary comments we receive in regard to their usefulness are very satisfactory.

Cooperation with the American Chamber of Commerce:- This is being continued as Mr. Calder is working in very close relations with the American Chamber. Either Mr. Calder or myself arrange to attend the weekly luncheon meetings of the Executive Board of the Chamber as honorary guests. However, we are called upon from time to time for advice and counsel and are also privileged to offer such comments as we see fit on matters under discussion.

The Committee of Thirty:- This organization which comprises the key men in varied organizations or lines of activities among the American community of Shanghai, meets once each month at a dinner at the American Club. Both Mr. Calder and I were invited guests at the last meeting as we are at other meetings of the Club. On Friday last, Admiral Bristol was the guest of honor and the subject under consideration was "where and under what conditions could Americans return to the interior of China". A very distinct line is drawn between missionary and mercantile activities in the interior for the reason that the merchant is not entitled by treaty to own land and operate in treaty ports whereas the missionary is, by treaty, entitled to own land and operate anywhere in the country. There was a lack of unity of opinion in regard to the question under discussion as it appears that the matter is one which takes on different aspects depending upon the particular situation affecting any particular section of the country at any particular time. Furthermore, the question of personality has much to do with the whole subject. The discussion opened up many interesting topics in connection with Americans' relations with the Chinese and the meeting did not adjourn until 11:30.

Co.

American Bank Note/versus the China Central Bank:- I devoted some time during the week in assisting the American Bank Note Company in a contract with the Central Bank of China for notes printed for this bank. It appears that the matter will be satisfactorily adjusted, giving the Bank Note Company full payment for all notes printed.

Assistance to Shanghai International Testing House:- Some weeks ago I called upon the President of the Chinese Silk Guild to try to get this organization to pay over to the Shanghai International Testing House, which is one of the branches of the Silk Association of America, a sum of \$10,000, which the Guild had contributed to the support of this institution. Mr. Buchanan, the Manager of the Testing House, now informs me that as a result of my overtures the \$10,000 has been paid over and further contributions have been promised. The Testing House is now in a

Business received during the week was as follows:

very satisfactory condition. Mr. Buchanan reports that last month it handled \$3,000,000 worth of silk and it has found it possible to double its fees. The Silk Association of America is very gratified with these results, coming at this time, so that everything is moving along in a satisfactory manner. I have had much to do personally with the establishing of the Testing House in Shanghai so naturally I am gratified with the success with which the organization is meeting.

Work in Shanghai Office:- During the week I have had excellent opportunities to discuss with our staff in Shanghai the work of the office and to arrange for plans which will help to make it more effective and particularly so as relates to our cooperation with the Consulates in China. I am returning early next week to Peking but I am able to report that my visit to Shanghai at this time has been most helpful, firstly, by way of arranging for definite cooperation with the Navy under its Commander-in-Chief, Admiral Bristol, and secondly in plans for better and more effective work on the part of our China organization and particularly the Shanghai office.

Fortnightly Meetings with Consul-General:- Three members of the Shanghai office of the Bureau attended a fortnightly meeting called by the Consul-General in obedience to the Executive Order. No other departments of the United States government were represented except State and Commerce. The Consul General seems to take it for granted that having some time ago indicated that we would hold these fortnightly meetings, it is not necessary to send out notices for each meeting. This may account for the fact that the Treasury, Navy, Shipping Board, United States Court, and the United States Health Service were not represented. Practically the whole of the one-half hour session was given to a discussion of the tariff situation, the Consul General explaining in detail the Department's attitude and the modus operandi under the Department of State's orders which involve the payment of duties on tobacco and wines through the Consul General, after which they are deposited in a bank under his direction and held in trust for the Chinese Customs.

MR. CALDER:

My efforts were largely devoted to the preparation of material for the monthly report on which Mr. Arnold, Mr. Woodard and I, all three, put in a good deal of time during the week. I made several outside calls for information both for this report and for the weekly cable. I also put in some time with Mr. Arnold in discussion of various phases of the work of the Shanghai office.

I called on Mr. Leon Kwok, Oriental Trading Co., in connection with the White Beauty Electric Company's (Chicago) products, which we were instrumental in introducing to him. Mr. Kwok has now secured several hundred dollars worth of orders for these goods, as initial business.

I called on Mr. Fred Bills, of Bills Motors, Inc., and Mr. Leon Freedman, of China Motors, Ltd., for information on current automotive market.

Callers received during the week were as follows:

Mr. C. D. Komaroff, for information as to the manufacturers of National Brand Sugar of Milk. This information was supplied to him.

Mr. Robert Coman, son of one of the officials of the American Trust Co., San Francisco, called with a letter of introduction and I entertained him with a Chinese dinner.

Miss Smith

Mr. E. J. Barnes, of General Electric Co., with Andersen, Meyer & Co., Shanghai, called for import statistics of electric lamps. We are securing these figures for him.

Callers:

Mr. Richard A. Hutchinson, representative in India of the Studebaker Corporation, called en route to his field to discuss China market. I gave him statistical and other information on current conditions in this market.

I attended the following functions during the week:

Luncheon given on Friday by the National Good Roads Association of China, to endeavor to enlist support of foreigners in Shanghai to an annual campaign for funds. The representatives of a number of foreign organizations such as the American Chamber of Commerce, the American Women's Club, the Association of American College Women, the German Women's Club, the Joint Committee of Shanghai Women's Organizations and others were there. The information as to receipts and disbursements of this Good Roads organization and other data submitted by the interested Chinese and by the temporary Chairman, was so lacking in conclusiveness and concrete form that little enthusiasm was forthcoming from the foreigners present. This organization is putting on a campaign by and among Chinese, but there is little likelihood of any concerted foreign support until something more comprehensive and conclusive is presented, preferably in printed form, showing the activities of the organization and the use to which funds have been put in the past. Under present disturbed conditions in the country, the effectiveness of active good roads propaganda is not sufficiently promising to induce foreigners to become enthusiastic over this prospect, and those foreigners who contributed to a \$30,000 fund raised by this organization for good roads propaganda three or four years ago want to know what happened to that contribution before making further donations or subscriptions.

Fortnightly meeting of American Government representatives at Consulate General. (Covered in Mr. Arnold's section of this report.)

Committee of Thirty dinner, Friday evening. (Covered in Mr. Arnold's report).

The "Times Cleveland" and "Times Ohio", official newspapers from the city of Cleveland and the State

American-Japanese dinner. Several prominent members of the Japanese business community, including the Japanese Commercial Attache, invited Mr. Arnold and myself to a good fellowship dinner on Saturday evening. This is the third function of the kind which has been held and it is the plan of the two groups of American and Japanese business men to meet now and then in the future to get well acquainted and to discuss frankly at such functions, mutual business problems in China under present conditions.

MISS SMITH:

Investigational work done throughout the week to secure additional information upon reports in progress.

Callers:

Mr. J. Y. Lum, re China Trade Act.

Mr. J. Wirt Smith, Manager, American Trading Company, re manner of filing claims with the Chinese Government.

Mr. P. W. Kelly, Asia Motors, regarding operations of that company of which he is a minority stockholder.

Mr. B. S. Jenkins, American Asiatic Underwriters, furnished with list of American firms in China.

Mr. Von Mullen, Secretary of Pan Pacific Association, re activities of that organization.

Outside Calls:

Mr. A. Hilton-Johnson, Commissioner General, Shanghai Municipal Council, regarding activities of Industrial League of Shanghai.

Mr. Warren Manley, Secretary, American Chamber of Commerce, re several matters incident to cooperation between Chamber and this office.

American Consulate General -- attended Executive Staff meeting on Friday, October 7.

Arkell & Douglas, regarding operations of their company.

Mr. Geo. F. Richardson, attorney for the Raven interests -- spent an entire afternoon in his office, endeavoring to secure correct Annual Reports for the four China Trade Act companies for whom he is attorney.

The "Misses Cleveland" and "Miss Ohio", official representatives from the city of Cleveland and the State

Report for the
Submitted by:

of Ohio, arrived on the Pres. Wilson on October 4, as
round the world visitors. Considerable time was spent
during their three day stay in Shanghai, in officially
entertaining them, both on behalf of the U.S. Department
of Commerce and the American Women's Club.

Summary On Friday attended a tiffin given by the Good Roads Movement
of China, which is making plans for putting on a membership
campaign. A request had come from the Secretary of this cam-
paign for getting the assistance of various women's groups be-
hind the movement. Miss Smith, as Acting Chairman of the Joint
Committee of Shanghai Women's Organizations was approached and
was responsible for having present at this meeting the repre-
sentatives from five of the strongest women's clubs in the city.
The information presented at this tiffin was too indefinite for
any assistance to be rendered. Various suggestions were made,
and the women's groups will attend a tiffin to be held next
week at which time the Good Roads Movement promises to furnish
more concrete information to the foreign groups.

MR. WOODARD:

Most of my time during the week was taken up in getting out the
monthly report. Also followed up and replied to several trade inquiries.
Made the following calls:

3. Industrial groups are expected to be making
American Metal Company; Spunt & Co.; American Trading Co.;
American Customs Attache, Mr. W. R. Nicholson; Mr. Scanlon
of the Sun Main Raisin Co.; Bank of China; L. Everett & Co., Inc.

Callers:

Mr. W. S. Lee, formerly connected with a wood oil company,
but now with the Shanghai Express Co. and the Mei Shun S.S.
Co., called to discuss general conditions.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

REPORTS IN PROGRESS

Questionnaire 220 - "China's Code of Laws"	AVS
Trade List - "Advertising Agencies"	AVS
Trade List - "Reading & Reference List, China"	AVS
Questionnaire 212 - "Colorings for Foodstuffs"	GOV
Questionnaire 223 - "Highway Research Board"	ABC
"Revision of Lumber Trade Bulletin"	ABC

REPORTS COMPLETED

None

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

Oct. 15, 1927.
(Date.)

Report for the week ended October 15, 1927.

Submitted by: A. H. Calder Trade Commissioner
(Name.) (Title.)

Military and Political Situation:

1. As to the offensive by Shansi troops under General Yen Shi Shan against Peking, reports from Peking indicate that the Shansi troops are being pushed back both on the Peking Suiyuan line westward and on the Peking-Hankow line southwestward from Peking, Chang Tso-lin easily holding his position and remaining in power at Peking. Reports from Nationalist sources are just the opposite indicating that Shansi troops are making headway toward Peking.
2. Feng Yu-hsiang's forces appear to be conducting active engagements with Chang Chung-chang's troops along the Lung Hai Railway and along the old bed of the Yellow River in the direction of Tsinan, opposed also by Chang Chung-chang's troops (termed Chihli-Shantung forces).
3. Nationalist troops are reported to be pushing northward along the Tientsin Pakow Line from Pakow, and along the Grand Canal northward toward Tsingkiangpu and Haichow (on the Coast) with Sun Chuan Fang's northern troops said to be retreating slowly without much resistance. This sector is not an active hot bed of war activity.
4. The civil authorities of the Nanking Government are reported to have been successful in bringing about a conciliation with the hitherto hostile and independent nationalist General Tang Seng-chi, holding a large section of Central China. This general has been revealed since the Hankow-Nanking rapprochement as a typical military opportunist and up to the present he has been endeavoring to make alliances with other military factors, even with northern generals. At the time of the Hankow-Nanking rapprochement, General Tang Seng-chi was invited to Nanking to participate in the reorganized Government at Nanking, which the Nanking group

desired to make the central controlling body of all Nationalist territory. Tang Seng-chi refused to submit to this arrangement, however, and has insisted on the Hankow branch of the Kuomintang Political Council being recognized as the authoritative governing body for the section of Central China controlled by him. In other words, he wants to control Hunan and Hupoh Provinces as a dictator, which means that he wants all central China revenues and is unwilling to submit to a central financial control at Hanking, in exchange for which he will nominally recognize the authority of the Hanking Government by refraining from any military move against Hanking or against the flank or rear of Feng Yu-hsiang's forces in any eastward or northward drive by Feng Yu-hsiang. Tang Seng-chi, just prior to this new arrangement and agreement, was moving troops down the river against Hanking, and the agreement thus averts impending war disturbances in the lower Yangtze Region (i.e. from Hankow to the mouth of the River).

To express it in brief terms Tang Seng-chi, in exchange for Hanking's recognition of his supremacy in Central China, will refrain from any further hostility against Nationalist groups or forces and may lend them some military assistance.

5. The Nationalist armies of the Hanking Government are commanded by Generals Ho Ying-ching, Li Chung-jen and Pei Tsung-chi, former subordinates of Chiang Kai-shek. They occupy Kiangsu Province (except extreme northern part) and Chekiang Province, part of Anhwei and Kiangsi Provinces.
6. Other adherents of Chiang Kai-shek (who is not now openly in any active position in a military or political way but is in Japan pursuing a purely private matter of becoming engaged to the sister of Mr. T. V. Soong, former Nationalist Minister of Finance, and of Mrs. Sun Yat Sen), are consolidating themselves along the China Coast from Chekiang to Kwangtung, inclusive.

A new development of the past week is that the Nationalist 11th army has moved from Hupoh and Kiangsi into Fukien Province and General Chen Hsing-shu (an adherent of Chiang Kai-shek) is returning from Japan to take control in that province,

which has in the recent past been under the control of three or four local generals or bandits. This entire area along the Coast and in the South is comparatively quiet at the moment.

Canton:- General Chang Fah-kwei, who was reported last week as a Communist leader and as having ousted the Nationalist General Li Chi-sun from Canton, is reported to have now placed himself under General Li Chi-sun's command. Remnants of communist troops are scattered in the interior of Kwangtung back of Canton and Swatow. A bandit army under Li Fu-lin which has been occupying a section of Kwangtung Province has been disarmed and the position of the Nationalist General Li Chi-sun in Kwangtung is now reported to be much more secure than before. Due to the disturbed situation in Canton, however, many Chinese are leaving Hongkong for safety, and very recent despatches would indicate that the more radical elements in Canton are active.

SUMMARY:

This conglomeration may be summed up about as follows:

A nationalist conference is scheduled to take place in January 1928, at which an attempt will be made to consolidate all Nationalist military and political elements into one organization with central control at Nanking. The aim of the civil authorities in the Nationalist group is to bring all military elements under the control of a Central Executive Committee and to make military leaders subordinate thereto. While in the opinion of many this will not be possible, it is not our purpose to discuss this feature but simply to chart out the situation now obtaining, which is that what amounts to independent military control over the various areas of Nationalist territory now obtains. The line-up of these independent groups is as follows:

- a. General Yen Shi-san controls Shansi Province and the Suiyuan and Chahar districts in Inner Mongolia.
- b. Feng Ya-hsiang controls Honan, Shensi and Kansu Province.
- c. Tang Seng-shi controls Hupoh and Hunan and the western part of Anhwei Province.
- d. Generals Ho Ying-ching, Li Chung-jen and Pei Tsung-shi control the eastern part of Anhwei, Kiangsu (except northern part), Chekiang and Kiangsi.
- e. Li Chi-sun controls Fukien, Kwangtung and Kwangsi.
- f. Yunnan, Kweichow and Szechuan Provinces are under

Independent military commands, nominally Nationalist but too far removed from the centers of strife to be either for or against the Nationalists.

The Northern Militarists under Chang Tso-lin as Generalissimo and with the support of numerous subordinate generals, the principal of which are Chang Chung-chang, Sun Chuan-fang, Chu Yu-pa, Chang Hsueh-liang (Chang Tso-lin's son) and Chang Tso-hsiang, control:-

Manchuria
Jehol
Chihli
Shantung
Northern Kiangsu
Northern Anhwei

with authority and military control concentrated at Peking, which is Chang Tso-lin's headquarters.

Hanking Government Finances:

The Hanking Government is now planning a new Silver \$24,000,000 loan issue to cover the current quarter's expenses of the Hanking Government. It is planned to secure the loan on the 2½% Customs Import surtax after the Silver \$30,000,000 loan of last summer is paid up. This first loan will not be paid up, however, until probably about the end of 1929, hence the Silver \$24,000,000 loan payments cannot begin until January 1930. In the meantime interest on the loan it is planned will be secured on the luxury surtax (luxury import items now being taxed at 5%) which gives an additional 2½% revenue on items classed as luxuries. Interest on the new loan is to be 8.4% per annum. As at first planned it was intended to secure the loan with some other revenue such as the Chekiang Province tobacco tax of 20% proposed but not yet agreed to by the tobacco companies. But since the American and other governments are protecting their nationals on cigarettes and tobacco at the strictly treaty rates and there is a likelihood of the proposed tobacco surtaxes not being collected this idea has had to be given up for the time being and the Nationalist authorities are casting about for some other type of more immediate revenue upon which to secure the loan, as the prospects of successful flotation are not particularly bright with only a 2½% surtax collectable two years or more hence as the security. Thus the plans for this loan are still in a formative stage and no subscription thereto has yet been made.

The holders of the Silver \$30,000,000 loan of last summer, secured on the current 2½% customs surtax, and the bankers who made advance toward this loan, are being paid interest and principal regularly.

The Nationalist Government of Hanking has decided to legalize opium traffic in order to secure revenue, and effective October 10 this legalization went into effect in Kiangsu Province. It is anticipated

that revenues of upward of Silver \$15,000,000 to \$20,000,000 will be realized from this source annually for the three year period during which this legalization is authorized.

Up to September the Nanking Government was receiving Silver \$4,000,000 monthly from Canton as a contribution by the Canton Government to the Central Government of Nanking. With the reorganization of the Nanking Government in September these remittances were stopped and Canton is now acting independently as to matters of finance. With General Tang Seng-chi in Central China also acting independently in the matter of revenues and disbursements and the same tendency apparent among all the other military factions of the Nationalist group, the financing of the Nanking Government will apparently be confined mainly to Kiangsu and Che-kiang Provinces, where likin, land taxes and salt revenues can be collected but which will be probably insufficient for the requirements of a group expecting to carry on a war campaign and at the same time to wield power among the disjointed Nationalist factions. It will therefore be of interest and importance to observe whether and what other means of financing may be resorted to by the Nanking Government in the immediate future.

Shantung Tariffs:

The northern generals in the Shantung area have undertaken to impose increased customs charges at Tsingtau at rates ranging from 4 to 20% on ordinary commodities and up to 30% on certain luxuries. The business communities there are protesting these illegal (or extra-treaty) taxes, but no news is yet available as to what action will be taken by the various foreign governments in this matter. It is quite possible that consular clearance similar to that now being given to tobacco and liquors in Shanghai may be instituted in Tsingtau, but certain complications arise in that the importations at that port are directly into Chinese territory whereas importations at Shanghai are made into the International Settlement or French Concession.

Labor Disturbances at Shanghai:

A strike has been in progress since October 1 in two factories of the British Cigarette Company in Postung, Shanghai, and the demands of the strikers as outlined in a lengthy communication made public during the week are significant in that the employers are asked to recognize and deal with the General Labor Association, formerly known as the General Labor Union. The company is willing to deal with a labor union of its own employees but holds that whether or not the Labor Association has the power to represent the employees of the company is a matter between the employees and the Association. Many of the demands are of the usual absurd sort, and the Labor Association stipulates that the matter of employment or discharge of workers must be entirely within its control. No settlement has been reached. This is the first manifestation of central labor organization control and agitation since April 12 when the communist labor control body here was squashed by Chiang Kai-shek's subordinates and the leaders executed.

Kidnapping, Extortion, Armed Robberies:

There has been much criticism of the Provisional Court, successor to the Mixed Court, in which all criminal and civil cases against Chinese are now tried in the International Settlement of Shanghai, because of its laxness in punishing criminals. Chinese criminals caught by the police of the International Settlement are tried in the Provisional Court under Chinese judges and auspices. Gangs of criminals, due to the light sentences being imposed by the Chinese judges of this court, find the foreign settlements of Shanghai a happy hunting ground, and armed robberies, burglary, kidnapping for ransom, and other means of criminal extortion have been increasing in recent months. It is alleged also that the court has been used for political ends, but it is not the purpose of this report to discuss the justification for these allegations, but to state the effect which the increasing crimes, which are chiefly against wealthy Chinese, are having on the community. Well to do Chinese living in the International Settlement of Shanghai are in constant fear of being personally kidnapped, or held up at the point of a gun, or having their children kidnapped and held for ransom. The criminal gangs operating in this way are possessed of very complete credit information on their prospective victims and reports have it that the gangs are well organized and have prepared lists of "people eligible to be kidnapped". Law abiding Chinese of means in the Settlement receive threatening letters demanding cash payments on threat of being killed, or their children kidnapped, or the children are first kidnapped and then the parents are informed that if they do not come through with a certain fixed sum the child will be killed. Parents frequently pay up rather than take any chances of losing their children and in the majority of cases the police are not even informed, so successful is the intimidation practiced by these gangs. Even the judges of the Provisional Court receive threatening letters, it is reported, with the result that criminals committing murders in the course of armed robberies get off with a two or three year sentence, while lesser crimes are punished by imprisonment for only a few months.

The effect that this state of affairs is having on the Chinese community is that persons of means are converting their floating assets into cash and are purchasing foreign securities, or are leaving the country, some going to Dairen, some to Japan, others to other points abroad, pending the development of better times in Shanghai and in China generally. Chinese of means are afraid to display anything of wealth for fear of being marked for the next assault. Owners of high grade motor cars in some instances have brought their cars back to the agents and have asked that the cars be put in dead storage.

Hitherto the foreign settlements or concessions have been places of refuge where law and order prevailed and where Chinese could feel reasonably secure from criminals and from extortion by military or political factions, but under the conditions which have resulted from the establishment of the Provisional Court this security no longer obtains. The effect on business in many lines is already apparent and unless the situation is corrected soon, it is quite likely that it will effect business and industry generally in the foreign areas of Shanghai in a serious way.

A move which has been made within the past week by the judicial department of the Nanking Government has been to replace the Chief Justice of the Provisional Court, Judge Lu, by a woman, Miss Soumi Cheng. Due to the fact that there has been objection raised to this by the Consular body of Shanghai, Miss Cheng has not yet taken office.

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

W. Calder

Shanghai

(City.)

China

(Country.)

Oct. 24, 1927.

(Date.)

Report for the week ended October 22, 1927.

Submitted by: A. Bland Calder

(Name.)

Trade Commissioner

(Title.)

PERSONNEL

<u>Appointees</u>	<u>Days on Duty</u>	<u>Cause of Absence</u>	<u>Duration of Absence</u>
A. Bland Calder	6	-	-
A. Viola Smith	5½	Annual Leave	1½
Granville O. Woodard	6	-	-

Employees

Evelyn Varley	6	-	-
Gladys H. Bulger	6	-	-
A. T. Giovannini	6	-	-
H. S. Carey	4	(Re-engaged for temporary work)	
Ann Dalmas	0	Illness	6

ACTIVITIES OF STAFF DURING WEEK

MR. CALDER:

My principal time and effort during the week was put on the monthly cable in connection with the preparation of which I made numerous outside calls and studied the situation carefully in order to emphasize outstanding features of the present situation. Besides the general material I prepared the information on lumber, iron and steel, machinery, real estate market, building and construction activity, dyestuffs, while Mr. Woodard and Mr. Carey rendered very effective help in getting together the information for the other commodity subjects covered. In conformity with discussions with Mr. Arnold during his recent visit to Shanghai we are endeavoring to cover more commodity subjects both in the monthly cable and in the monthly report.

I made a special effort to secure the building permit information included in the cable, making calls on the Municipal Councils of both the French Concession and the International Settlement.

I attended the weekly luncheon Board meeting of the American/Chamber of Commerce at which plans were discussed for presenting a petition to the Consul General to endeavor to secure the State Department's sanction to the importation of all American merchandise without payment of the 2½% surtax and 5% luxury tax, in other words to extend the State Department's present attitude on tobacco and liquors (now being cleared at strictly treaty rates without payment of the surtaxes) to all other commodities.

At the invitation of the Chairman of the Chinese-American Relations Committee of the Chamber I also attended a meeting of the members of that committee and several prominent Chinese bankers and business men on Saturday afternoon at which the serious situation facing Chinese residents of the International Settlement and French Concession in the matter of armed robberies and kidnappings (discussed in detail in last week's general report) was discussed at length.

In response to a telegram from Mr. Arnold transmitting the Bureau's instructions that it is desired that Mr. Woodard concentrate on the market for Pacific Coast products and for tobacco for the Food-stuffs Division, I addressed Mr. Arnold two or three communications on the effect which this will have on the operation of the Shanghai office provided no further assistance is given us, and on the assumption that the Bureau will grant our request to engage Mr. H. S. Carey's services for the balance of the fiscal year, I have re-engaged him provisionally for a few days pending the Bureau's reply to cable representations which Mr. Arnold will doubtless make from Peking. As to Mr. Woodard's activities, I have instructed him to put his entire time for the week ending October 29 on foodstuffs and tobacco investigation, preparing his first week's report on these subjects for the Bureau, at the end of which time I presume he will have a better idea as to how much time it will be necessary to devote to these subjects and what time there will be left to devote to the Monthly China Trade Report. Much depends upon how comprehensive a report the Bureau desires on these subjects. If one were to keep in touch with the tobacco situation and cover it comprehensively in detail, it could easily take the entire time of one person. We can only assume, therefore, that the Bureau does not require such comprehensive handling of the subject but after making several initial reports on tobacco, Mr. Woodard will presumably be obliged to put only part of his time on this subject, keeping in touch with the major issues.

I received a number of callers during the week, among whom were the following:

Mr. W. A. Adams, of Longfellow and Adams, called to discuss the Tom Thrift Society, established jointly by his company and Carl Crow under which they have begun a provision supply business, to foreigners locally, of food supplies (chiefly American). It appears that food profiteering is going on by the wholesalers and retailers of foodstuffs and this business was established for the purpose of enabling foreigners to secure their requirements at prices within reason. The Tom Thrift organization prints a catalog and received orders only by mail, but makes deliveries at once to residents in the foreign areas of Shanghai. The American and other importers of foodstuffs at the start off agreed to quote wholesale prices to the Tom Thrift people,

but as soon as the Chinese wholesalers heard of the new scheme they promptly threatened to boycott the American and other foreign importers of these food lines. These firms now hesitate to quote Tom Thrift and hence Tom Thrift has approached us for assistance in securing their own independent connections on the Pacific Coast. They feel that they can even go ahead and buy through jobbers in San Francisco the very foodstuffs lines which are represented here and which the importers now are afraid to quote them. I have discussed this situation with Mr. Crow, Mr. Longfellow and Mr. Adams all three within the past week.

Whether we assist Tom Thrift or not, these people will go ahead and endeavor to establish the connections on the Pacific Coast, and will doubtless make the connections successfully. Hence I see no point in refusing them assistance and on the occasion of Mr. Adams' call I introduced him to Mr. Woodard and we discussed the matter at some length, with the result or conclusion that Mr. Woodard will now go ahead and render such assistance as may be necessary in the way of securing connections, though I believe we should do it in just as quiet a way as possible in order not to incur the displeasure of those American companies engaged in this trade who fear their business will suffer if they do not obey the dictates of the ring of Chinese (Cantonese) wholesalers who control the present distribution in Shanghai.

Mr. J. W. Smith, Manager of the American Trading Company, called to inquire concerning the identity and standing of certain Chinese who have apparently, on behalf of the Nationalist Government, approached him and virtually attempted to intimidate him into giving over to them the Mint Machinery which the American Trading Company imported here some years ago for the Shanghai Mint, the contract never having been completed by the Chinese side of the deal. In addition to offering a sum much below what the American Trading Company feels it can accept for the machinery, these persons want several years time in which to make the payment.

Mr. F. M. Gibson, Far Eastern representative of the Bethlehem Steel Corporation, called on me with regard to general conditions in this country. Mr. Gibson, whom I knew very well in Japan, was en route to Tokyo from Manila, stopping only a day or two in Shanghai. I was able to put him into direct touch with a local company who has been requesting our assistance in securing direct contacts for the purchase of steel and some business may result from the introduction. The firm in question is Huntroyd & Co., 11 Boone Road, Shanghai. Full particulars are being forwarded separately to the Commercial Intelligence Division regarding this company.

MISS SMITH:

Investigational work done throughout the week to secure additional information upon reports in progress.

Callers:

Mr. H. W. Brooke, Fu Chung Corporation, regarding marketing of Del Monte Brand fruits.

Mr. D. B. Sparks, regarding agency for American manufacturers of neckties and cotton underwear. A trade opportunity was sent into the Bureau with the request that the Textile Division endeavor to secure suitable connections.

Mr. Robert Mishler, regarding liquidation of the Asia Motors, Federal Inc. U.S.A. and application for incorporation of G. A. Bashkiroff & Company of Harbin.

Mr. Hugo Reiss, formerly vice-president of Andersen, Meyer & Company, who has recently returned to China with a number of American agencies, called to secure information relative to incorporating his company under the China Trade Act.

Representative from the Hongkong & Shanghai Banking Corporation furnished with information concerning the whereabouts of the Oil Products Company.

Outside Calls:

Upon the invitation of Judge Soumay Tcheng, was conducted through the Shanghai District Court of Nantao, on Monday morning.

Mr. K. V. Dsung, Director of Finance of the Hangchow Municipal Government, Hangchow.

Attended Executive Staff Conference at the Consulate on Oct. 21.

Made three calls upon the U.S. District Attorney at the U. S. Court for China.

Returned several official calls during the week on various people.

China Trade Act:

Considerable time spent during the week in drafting up a set procedure forms which can be used as sample specimen forms by applicants inquiring with regard to documents to be filed for incorporation under

Report: China Trade Act. Also worked on China Trade Act Handbook Manual;
Submitted: as well as to card up information in Chinese Who's Who which was
started sometime ago upon suggestion of Mr. Arnold.

MR. WOODARD:

Assisted in the preparation of the Monthly Cable in connection with which made a number of calls, among them the following:

J. Spunt & Co.; Mr. T. M. Chang, Secretary of the Chinese Cotton Mill Owners Assn.; Mr. Ralph Sun, Manager of the Fau Fong Flour Mills; Mr. Komaroff, Komaroff & Co.; Mr. Kline, American Trading Company; Mr. Breen, David L. Moss Co.; Mr. Ewing, N. H. Ewing Co.; Mr. Pistere, National Aniline & Chemical Company.

In addition to the above, the greater part of two days was taken up in investigating the fresh grape import situation. Visited a number of native retail and wholesale shops as well as foreign import concerns and secured sufficient material to warrant replying to the cable from the San Francisco District Office requesting information on the import of fresh grapes. A more extensive report is in the process of preparation.

Callers:

Mr. Scanlon, Manager of the Sun Maid Raisin Co. to request certain material of a statistical nature which he utilizes in making a monthly report to the home office, but which he finds it somewhat difficult to obtain.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

REPORTS IN PROGRESS

Questionnaire No. 220 - "China's Code of Laws"	AVS
Trade List - "Advertising Agencies"	AVS
Trade List - "Reading & Reference List, China"	AVS
Questionnaire No. 212 - "Colorings for Foodstuffs"	GOW
Questionnaire No. 223 - "Highway Research Board"	ABC
"Revision of Lumber Trade Bulletin"	ABC
"Market for California Fresh Grapes"	GOW

REPORTS COMPLETED

None

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

November 14, 1927.
(Date.)

Report for the week ended 3 weeks ending November 12, 1927.

Submitted by: Granville Woodard
(Name.)

Assistant Trade Commissioner
(Title.)

PERSONNEL

Appointees	Days on Duty	Cause of Absence	Duration of Absence
A. Bland Calder	18		
A. Viola Smith	15 1/2	1 day Annual Leave 1 1/2 " (Monday, Wednesday, Tuesday afternoons of week ending Nov. 12, local Race Day holidays, as officially observed by Consulate and other organizations.	2 1/2
Granville Woodard	17 1/2	Race Day holiday	1
Employees			
Evelyn Varley	17 1/2	" " "	1
Gladys H. Bulger	17 1/2	" " "	1
A. P. Giovannini	17 1/2	" " "	1
H. S. Carey	14 1/2	" " " (Services terminated with Shanghai office on Nov. 9th)	1
Ann Dalmas	16	1 day - Nov. leave 2 half days, Race Day Holidays	2
S. Z. Yih	17 1/2	Race Day Holiday	1
Anselm Chuh	16 1/2	Leave of Absence	1

(For other Employees see Form 218 - Supplemental)

ACTIVITIES OF STAFF DURING WEEK

MR. CALDER:

Owing to great pressure of work during the last three weeks, Mr. Calder has not had an opportunity to write his weekly reports. He is now on a trip to South China, having left Sunday, November 13, and will submit a report covering weeks of October 29 to December 3.

MISS SMITH:

Callers during week ended October 29:

Hou Han Chow, regarding incorporation of Lam Trading Company, Federal Inc. U.S.A.

Michael R. Von Mullen, Executive Secretary, Pan Pacific Association, supplied with suggestions and information for establishing a Bulletin and for making up local programs.

Outside calls:

Madame Yada, wife of Japanese Consul General, official call.

O. D. Komaroff, several calls made during the week incident to adjusting trade complaint against Asiatic Selling Co.

Assisted in the arrangements made by the Pan Pacific Assn. at a tiffin arranged in honor of Admiral Mark L. Bristol on Tuesday, October 25. Prepared a circular letter to be dispatched to member firms, in order to revise approximately 250 old world directory reports.

General:

A great amount of routine correspondence incident to both trade promotion and general work. Major part of week spent in completing a set of procedure forms to be used as specimen forms in China Trade Act work. Mimeographed copies will later be sent to the Bureau. Also considerable other detail work done on China Trade Act files, in an effort to get all cases brought up to date.

Investigational work done throughout the week to secure additional information on reports in progress.

Callers during week ended November 5:

J. L. Duff regarding annual report of Ruling Supply Company.

O. J. Todd, Pres., Essential Oil Products Company, regarding annual report of his company.

H. W. Brooks, Asst. Mgr., Fu Chung Corporation, re trade terms and definitions.

Robert Bryan, Jr., re incorporation under China Trade Act.

E. W. Shaw, Bureau of Markets, regarding survey undertaken on behalf of China Foundation of Peking to secure certain labor costs. Miss Smith arranged a conference between Mr. Shaw and a group of foreign and Chinese women who had previously served on such a survey, with the result that the prospects are good for Mr. Shaw securing the kind of assistance and cooperation which he desires.

R. W. Squires, re trade connections.

Mr. Barner, Hoyt & Company, re claim against De Cou, Laird & Co. of Seattle.

C. D. Komaroff, re trade complaint against Asiatic
Selling Co.

H. Poulsen, Comerford & Company, re standing of certain
American concerns in U.S.A.

Outside Calls:

Dr. Sellett, U.S. District Attorney, re Yangtze Rapid
Steamship Company.

American Consulate General, to secure data from their records.

Attended Executive Order Staff Conference held at the Con-
sulate on Friday.

(During week ended Nov. 5, prepared a circular letter to be despatched
General to numerous firms, in order to revise approximately 200 old World
Trade Directory Reports.

A great amount of routine correspondence incident to both trade
promotion work and China Trade Act matters was handled during the week.

Callers during week ended November 12:

Carroll Lunt, re list of American Exporters.

Miss Jacobsen, of U.S. Treasury Attache's office, re Hoyt
and Company, Federal Inc. U.S.A.

B. B. Sparks, re trade connections with Marshall Field & Co.

J. F. Malone, Cobb-Wynn Tobacco Company, re tobacco market.

Mr. Yee, re formation of trust companies under China Trade Act.

L. R. James, American Printing Company, re incorporation under
China Trade Act.

P. R. Meyer, E. D. Bush & Company, re China Trade Act matters.

V. P. Hueselgen and E. S. Osborn of Harvie, Cooke & Company,
re importation of American venser boxwood.

R. T. Bryan, re incorporation of China Paper Company.

G. C. Howard, Trade Commissioner to Manila, official call.

Outside calls:

U. S. Court for China, re China Trade Act matters.

Commercial Press, re China maps for Geographic Section of
Bureau.

MR. WOODARD:

I spent the greater part of the week ended October 29 in investigating the leaf tobacco and cigarette situation in connection with which I interviewed the following at their offices:

China Representatives of American Leaf Exporters:

A. C. Monk & Co.:

G. V. Monk, Special representative.

T. E. Fan, Manager.

S. Lee, Asst.

Tobacco Trading Co.:

Mr. Tuck, visiting official.

Mr. Freeman, China Manager.

Dibrell Bros. Inc.:

G. D. Happer, Manager.

P. H. Brown, Asst. Manager.

Universal Leaf Tobacco Co. of China, Inc.:

J. E. Covington, Manager.

International Tobacco Co.:

G. C. Shaw, Manager.

Famberton & Penn, Inc.:

Mr. Pattison, Manager.

Cigarette Concerns:

British-American Tobacco Co.:

A. Bassett, Director.

L. G. Cousins, "

Liggett & Myers Tobacco Co. (China) Ltd.:

C. B. Arthur, Managing Director.

Tobacco Products Corporation (China)

F. E. Liebetrau, Director.

China Merchants' Tobacco Co., Ltd.:

G. C. Shaw, Vice-pres.

Nanyang Brothers Tobacco Co.:

Mr. Shields.

The substance of the information gained from the above interviews was transmitted to the Bureau in a report dated October 29, entitled "Imports Leaf Tobacco and Cigarettes, Shanghai".

Also discussed the fresh fruit situation with the following firms more particularly in connection with imports of fresh grapes:

Mr. Monk of Slove & Co.
Mr. Frank of The California Fruit Store.
Mr. Zimmerman of W. I. Zimmerman Co.

Also visited a number of native retail and wholesale shops to secure information on the marketing of imported and native fresh grapes. The information will be included in a report under preparation.

Callers:

Mr. W. E. Dapb, special representative of the export department of The Quaker Oats Company, called in connection with certain import figures. I am attempting to secure these for him.

Mr. T. H. Chang, representing the Sino-German Indenting Company, called to request a West Coast flour connection. As it is newly organized, the status of this company is being investigated.

Mr. E. H. Daly, in charge of the Office Appliance Department of Dodwell & Co., Ltd., called to secure the addresses of certain American manufacturers of office equipment, which addresses we were able to supply him with from our file of trade directories.

Spent considerable time during the week ended November 5 in gathering material for a report which will trace more or less specifically the changes which have taken place in the marketing of foodstuffs in China during the past ten or fifteen years. This involved calls on several native wholesale and retail shops. I also had several extended interviews with resident foreign representatives of well known lines of foodstuffs. Also, contributed toward the compilation of the Monthly Report.

Callers:

Lt. R. P. Tichenor of the Supply Corps, United States Navy, called to secure information on Australian beef prices. I was able to place him in touch with a local firm in receipt of cabled advices as to the Melbourne and Sidney markets and he was thus able to secure the information he desired.

Mr. Watson of the Sun Maid Raisin Association's office, called to secure prices and statistics on certain export and import products, which information was supplied him.

Mr. Moss, special representative of The Goodyear Tire & Rubber Co., called to request certain trade list covering industrials in China, which lists were supplied him.

Mr. Brooks, of the Fu Chung Corporation, representatives of The California Packing Corporation, and we discussed the various aspects of the imported foodstuffs situation at considerable length.

During the week ended November 12, I continued my investigations along the lines of securing material for a report which will indicate changes which have taken place in the marketing of foodstuffs in China during recent years.

In connection with Mr. Calder's departure for South China, it was necessary to spend some time with him arranging to take over such current material as he had on hand. I also made several outside calls with him in connection with taking over the work of the office during his absence, among them the following:

Mr. C. H. French, Vice-Pres. and Treasurer of Andersen, Meyer & Co. and President of the American Chamber of Commerce.

Mr. Warren Manley, Secretary of the American Chamber of Commerce.

Mr. V. Meyer, Pres. & Gen. Mgr. of Andersen, Meyer & Co.

Mr. R. L. Larson of the Building and Engineering Department of Andersen, Meyer & Co., Shanghai.

Mr. F. J. Raven, Director of the American-Oriental Banking Corporation.

Mr. T. C. Britton, Director and Gen. Mgr. of the Asia Realty Co.

Mr. Geo. H. Scholsky, Associate Editor of the Far Eastern Review.

Mr. Hogg, Director, National City Bank of New York.

Mr. Calder and I met Mr. Howard when he arrived on the S.S. "President Lincoln" on November 10.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

Report for the week ended December 12, 1934.

Submitted by: Granville Woodard REPORTS IN PROGRESS Consul General, in absence of
(Name) (Title)

Questionnaire No. 220, "China's Code of Laws" AVS
 Trade List - "Advertising Agencies" AVS
 Trade List - "Reading & Reference List, China" AVS
 "Recent Changes in the Marketing of Foodstuffs in China" GW

A. Woodard

On official trip to South China

A. Viola

REPORTS COMPLETED

Granville Woodard

Economic Trade Note "Film Censorship" AVS

Letter report - "Motion Picture Ass'n of China" AVS

"Imports of Tobacco Leaf & Cigarettes, Shanghai" GW

"Imports of Apples into Shanghai" GW

Design for

Bridge H. Bridge

A. E. Cissner

H. A. Gentry

Ann Lathrop

H. A. Gentry

Ann Lathrop

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Ann Lathrop

Granville Woodard

Assistant Trade Commissioner

NOTE:

A. Prepared a circular letter which was sent out in an effort to secure data on Questionnaire No. 222, "Life Insurance Statistics".

Follow-up:Miss M. Gentry, from Customs Attaché office, re
Boys & Gentry, Federal Inv., U.S.A.Mr. J. E. Gentry, from Glass Company, furnished with
information regarding American glass case manufacturers.Mr. J. E. Gentry, re local agent for American Wire
Rope Company.

Mr. J. E. Gentry, re selling supply company's annual report.

Mr. J. E. Gentry, Industrial Secretary, U.S.A.,
furnished with industrial photographs on file in this office.Mr. J. E. Gentry, re incorporation of company
under Glass Trade Act.

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

November 21, 1927.
(Date.)

Report for the week ended November 19, 1927.

Submitted by: Granville Woodard, Assistant Trade Commissioner, in absence of
(Name.) Trade Commissioner. (Title.)

PERSONNEL

Appointees	Days on Duty	Cause of Absence	Duration of Absence
A. Bland Calder		On official trip to South China	
A. Viola Smith	5	Annual Leave	1
Granville Woodard	6		

Employees

Evelyn Varley	6		
Gladys H. Bulger	6		
A. T. Giovannini	6		
H. S. Carey	6	Re-engaged for temporary work on Monday, Nov. 14.	
Ann Dalmas	6		
S. Z. Yih	6		
Anselm Ching	6		

(For other Employees see Form 216 - Supplemental) Directory Report.

ACTIVITIES OF STAFF DURING WEEK

MISS SMITH:

Prepared a circular letter which was sent out in an effort to secure data on Questionnaire No. 222, "Life Insurance Statistics".
On Friday, November 18th, attended the fortnightly Staff Conference.
Called on the American Consulate General under the Executive Order.

Miss E. Jacobson, from Customs Attache office, re Hoyt & Company, Federal Inc., U.S.A.

The first four days of the week were taken up in gathering and preparing material for the monthly cable.
Mr. R. W. Gregg, Asia Glass Company, furnished with information regarding American show case manufacturers.
Mr. Y. F. Crone, re local agent for American Wire Fabrics Company.

gives over to trade inquiries and preparation of material I had gathered in connection with local tobacco conditions.
Mr. J. L. Duff, re Kaling Supply Company's Annual Report.

Miss E. Hinder, Industrial Secretary, Y.W.C.A., furnished with industrial photographs on file in this office. "Silver-branch" and arranging for the taking over of a shipment of fresh milk and
Mr. E. F. Faison, regarding incorporation of company request under China Trade Act.

of the San Francisco District Office. I am making a report to the San Francisco Office on the condition of the cargo on arrival and the disposition made of it.

Mr. H. F. Allman, Mr. Arthur F. Y. Lyn, and Mr. J. Y. Lin, re incorporation of China Pacific Steam Navigation Company.

Mr. E. G. Osborn, Harvie Cooke & Company re trade opportunity for plywood.

Mr. S. O. Richardson, Mr. R. H. Chapman and Mr. B. C. Sienkovitch, re American Asiatic Underwriters Annual Reporters.

Mr. A. T. Bryan, Mr. H. B. Gallon and Mr. L. Y. Chang, re incorporation of China Paper Company.

Outside Calls:

Major A. Hilton-Johnson, Commissioner General, Shanghai Municipal Council, to enlist his aid in a cost of living inquiry being handled by the Shanghai Bureau of Markets at the request of the China Foundation of Peking.

Mr. T. Sheng, Director, Bureau of Markets, and Mr. J. T. Chao, Statistician of Bureau of Markets, regarding cost of living inquiry.

Walford Paper Company, re World Trade Directory Report.

Mr. E. J. Cunningham, American Consul General, re incorporation of China Pacific Steam Navigation Company.

Dr. Geo. Sellet, re F. & M. Sater Tobacco Corporation reorganization.

On Friday, November 18th, attended the fortnightly Staff Conference held at the American Consulate General under the Executive Order.

MR. WOODARD:

The first four days of the week were taken up in gathering and preparing material for the monthly cable which was transmitted on Nov. 16 and 17. It was necessary to make a number of outside calls in connection with material for the monthly cable.

Friday was given over to trade inquiries and preparation of some material I had gathered in connection with local tobacco conditions. I also attended the Fortnightly Staff Conference held at the American Consulate General.

The entire day Saturday was taken up in meeting the S.S. "Silver-hazel" and arranging for the taking over of a shipment of fresh milk and fresh fruit carried as refrigerator cargo. This was done at the request of

of the San Francisco District office. I am making a report to the San Francisco office on the condition of the cargo on arrival and the disposition made of it.

Callers:

Mr. W. M. Lewis, representing W. B. Lewis & Sons, Inc., leaf tobacco dealers, of Danville, Virginia. Mr. Lewis is opening up an office in Shanghai and called to discuss general tobacco conditions.

Mr. J. F. Malone, Export Sales Manager of Cobb-Gwynn Tobacco Co., Inc., Richmond, Va.; Dixon-Duchan Tobacco Co., Inc., Mullins, S.C. and affiliated companies. Mr. Malone recently returned from the United States and called to discuss general tobacco conditions.

Mr. Felix P. Wiener, Director for the Orient of the Eveready Manufacturing Co., Broadway and 57th St., New York, called to discuss conditions relative to the sale of his products.

Mr. J. C. Lee of the Engineering Department of the Central China Commercial Co., called regarding certain information in connection with line hydrators which we were able to supply him from our catalog files.

Mr. A. H. Woltze, Export Manager of the Bear Brand Hosiery Co. of Chicago. Mr. Woltze is making a trip through Japan, China and Australia to appoint representatives in these areas. We are endeavoring to assist Mr. Woltze with an appointment of a Shanghai representative.

A representative of the Shun Chang Stone Pulverizing Works called regarding quotations on 100 ton lots of gypsum, which they anticipate using in manufacturing plaster of Paris. I turned the inquiry over to a local American firm.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

REPORTS IN PROGRESS

Questionnaire No. 220 - "China's Code of Laws"	AVS
(This is nearing completion)	
Questionnaire No. 222 - "Life Insurance Statistics"	AVS
Trade List - "Advertising Agencies"	AVS
Trade List - "Reading & Reference List China"	AVS
"Recent Changes in the Marketing of Foodstuffs in China"	
Questionnaire No. 223 - "Highway Research Board"	GW
"Revision of Lumber Trade Bulletin"	ABC
Questionnaire No. 212 - "Colorings for Foodstuffs"	ABC
	GW

WEEKLY REPORT.

- 4 -

(City)

(Country)

November 25, 1927.
(Date)

Report for the week ended November 25, 1927.

Submitted by: Granville Woodard **REPORTS COMPLETED** in absence of
(Name) (Title)

"Market for California Fresh Grapes" **GW**
(completed Nov. 2)

(File Number)

Appointments	Days on Duty	Character of Absence	Duration of Absence
A. Elmer Calder	On official trip to South China		
A. Viola Smith	5	Holiday - Thanksgiving Day	1
Granville Woodard	5	"	1

Granville Woodard
Assistant Trade Commissioner

Evelyn Vardley	1	"	2
B.			
Edgar E. Palmer	6	Holiday - Thanksgiving Day	1
A. P. Giovanni	5	"	1
H. S. Carey	5	"	1
Sam Holmes	5	"	1
E. J. Vih	5	"	1
Arnold Oak	5	"	1

(For other employees see Page 215 - Supplemental)

ACTIVITIES OF STAFF DURING WEEK

MARKETING

REMARKS

Mr. J. M. Chap, Statistician, Bureau of Markets, conducted extensive in connection with their part of living surveys.

Mr. Gibson, Robert Dollar Company, re information in connection with Merchant Marine Act.

Mr. Kenneth E. Ryan of the American Export Line Corporation, Vancouver, was in touch with Mr. R. H. Gilbert of the United States Department of Survey, Seattle & Company, in the hope of establishing a satisfactory connection between these two companies.

Mr. R. M. Irving, Special Representative, Shanghai Corporation of America, furnished with automobile registration.

Mr. Robert Barton, Miller International, re new Shanghai city directory.

WEEKLY REPORT.

Shanghai,

China.

November 26, 1927.

(City.)

(Country.)

(Date.)

Report for the week ended November 26, 1927.

Submitted by: Granville Woodard, Assistant Trade Commissioner, in absence of
(Name.) Trade Commissioner. (Title.)

PERSONNEL

Appointees	Days on Duty	Cause of Absence	Duration of Absence
A. Bland Calder	On official trip to South China		
A. Viola Smith	5	Holiday - Thanksgiving Day	1
Granville Woodard	5 $\frac{1}{2}$	"	$\frac{1}{2}$

Employees

Evelyn Varley	4	Monday - sick leave	2
Gladys H. Bulger	5	Holiday - Thanksgiving Day	1
A. T. Giovannini	5	"	1
H. S. Carey	5	"	1
Ann Dalmas	5	"	1
S. Z. Yih	5	"	1
Anselm Chuh	5	"	1

(For other Employees see Form 218 - Supplemental)

ACTIVITIES OF STAFF DURING WEEK

MISS SMITH:

Callers:

Mr. J. T. Chao, Statistician, Bureau of Markets, rendered assistance in connection with their cost of living survey.

Mr. Gibson, Robert Dollar Company, re information in connection with Merchant Marine Act.

Mr. Kenneth H. Boge of the American Export Door Corporation, Tacoma, put in touch with Mr. H. G. Osborn of the Lumber Department of Harvie, Cooke & Company, in the hopes of establishing a satisfactory connection between these two companies.

Mr. B. H. Lydon, Special Representative, Studebaker Corporation of America, furnished with automobile statistics.

Mr. Robert Gordon, Willow Pattern Press, re new Shanghai city directory.

Mr. P. H. Vanmeter, re activities of Yangtze Rapid Steamship Company.

Mr. P. A. Faison, local attorney, in connection with application for incorporation of two companies under China Trade Act.

Mr. J. L. Duff, re dissolution of Kuling Supply Company, Federal Inc., U.S.A.

Mr. R. W. Squires, re trade connections with American manufacturers.

Mr. H. J. Brett, British Commercial Secretary, regarding trade report made by Mr. Julian Arnold.

Outside Calls:

Called upon Dr. George Sellett, United States District Attorney, United States Court for China, in company with Mr. J. W. Duff and Mr. J. A. Duff regarding dissolution of the Kuling Supply Company, Federal Inc. U.S.A.

Several calls made upon Mr. A. A. G. Toone, Building Surveyor of the Shanghai Municipal Council, to secure information re condemnation of certain cigarette factories. Investigation made upon the request of Mr. Woodard.

Commercial Development Company, re business activities and interest in American lines, to answer Bureau inquiry.

Mr. G. D. Litchfield, re representation of Chicago Portrait Company.

China Chemical & Drug Works, re World Trade Directory.

General:

An unusually large volume of routine work and telephone calls have been handled during the week, all of which have tended to distract attention from any concentrated efforts upon report writing.

MR. WOODARD:

A great deal of my time during the week was taken up by callers and requests for services by local American firms. I also spent some time on the monthly report, following out the Bureau's cabled instructions that it is definitely expected that this report will be continued. It is rather difficult to receive callers, follow up their interests in this market, supervise the compilation of a sixty page monthly report, reply to requests for services from local firms and to inquiries from firms in the United States, keep in touch with the constantly changing conditions as affecting the general conduct of business, as is necessary if a monthly cabled report of any significance is to be made, and in addition, follow out the Bureau's instructions in the matter of reporting on West Coast products.

Such time as was available to me during the week, which was chiefly after office hours, I spent in following up material which I expect to include in a report on the market for sardines, in connection with which I made calls on several Chinese provision dealers, department stores, and local import and export houses. I also followed up the shipments of fresh fruit that arrived on the S.S. Silverhasel and reported on their condition to the San Francisco office. To do this it was necessary not only to visit the Kerr Steamship Company's local agents, but the foreign importers and the native wholesalers as well. As the native shops are in widely scattered sections of the city this takes up considerable time. I utilized time after office hours in visiting native dealers.

Callers:

Mr. A. H. Woltze, Export Manager of the Bear Brand Hosiery Company, Chicago, called several times during the week in connection with his efforts to place his company's line with a local firm. I personally introduced Mr. Woltze to several organizations and spent some time with him in connection with his efforts to place his line of hosiery. The following firms were visited:

Oriental Trading Company

T. Saphiere

E. D. Bush & Co.

Paul I. Fagan & Co. of China

Sincere Co., Ltd.

Wing On Co.

Sun Sun Co., Ltd.,

Hall & Holts, Ltd.

Witeaway, Laidlaw & Co., Ltd.

Weeks & Co.

Before leaving, Mr. Woltze effected an arrangement with the Oriental Trading Company whereby they are to handle his line. Mr. Woltze was particularly fortunate in securing this connection inasmuch as the Oriental Trading Co. acts as purchaser for the two largest Chinese department stores in Shanghai and as such is able to book substantial orders with these concerns. Initial orders amounting to between \$2500 and \$3000 were placed. Mr. Woltze left Shanghai satisfied that his agency had been placed in good hands.

Mr. Jacob Rabinowitz, who is acting as a buyer for Walter G. Berger, 321 5th Ave., New York City, dealers in laces, called several times in connection with his becoming established in Shanghai. Mr. Rabinowitz is new in Shanghai and requested the assistance of this office in connection with the opening up of his business. I placed Mr. Rabinowitz in touch with the heads of several local concerns who were able to assist him in getting established.

Mr. Yasaku Oki, of the Shanghai staff of the South Manchuria Railway Co., called at this office on Thanksgiving Day in connection with an article which appeared in the North China Daily News and the China Press announcing the opening of two branch banks in Mukden. Mr. Oki's concern was as to the type of business which more particularly the National City Bank expected to do in Mukden, that is, whether or not the business would be that of ordinary banking or whether it was anticipated that they would be concerned with financing projects such as railways, industrials and the like. I ventured no opinion, referring him instead to Mr. Hogg of the National City Bank, Shanghai. I later saw Mr. Hogg in person and discussed the matter with him. He stated that the matter of establishing a branch bank in Mukden had been under consideration for some time but that such plans as were being projected were in the hands of the Harbin management. Further than that he had nothing significant to say in connection with the proposed opening. It seems that the concern of the South Manchuria Railway Company is in connection with such railway development as will take place in connection with the development of the harbour of Hulutao which, of course, would react directly to the disadvantage of the South Manchuria R.R. inasmuch as it would attract a great amount of produce which now moves by way of Dairen.

Mr. Kenneth H. Boge of the American Export Door Co., Tacoma, Washington, en route to Sweden, called in connection with market possibilities for doors and plywood. Miss Smith handled this caller's interests.

Mr. Kai Hansen, The East Asiatic Company, Ltd., who called in connection with a lumber survey in which this office had previously interested itself on behalf of the American seller.

Representatives of several local firms also called during the week to request services of various kinds.

I also interested myself during the week in the condemnation proceedings now being undertaken by the Shanghai Municipal Council which affects Chinese cigarette factories located in the settlement. These proceedings are of concern to local representatives of American leaf organizations for should some of the cigarette factories be compelled to give up the premises they now occupy, they would be forced out of business and would therefore be unable to take up the orders to which they have committed themselves. Miss Smith was able, through her contacts in the Shanghai Municipal Council, to follow up this matter for me and has submitted a very complete memorandum on the situation which I will utilize in following this matter through on behalf of local representatives of American leaf concerns.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

Report for the week ended November 10, 1937

Submitted by: Mr. Frank Golder

REPORTS IN PROGRESS

Questionnaire No. 220 "China's Code of Laws"	AVS
Questionnaire No. 222 "Life Insurance Statistics"	AVS
Questionnaire "Tourist Expenditures"	AVS
Trade List - "Advertising Agencies"	AVS
Trade List - "Reading & Reference List on China"	AVS
Questionnaire No. 223 "Highway Research Board"	ABC
"Revision of Lumber Trade Bulletin"	ABC
Questionnaire No. 212 "Colorings for Foodstuffs"	GW
"Recent Changes in the Marketing of Foodstuffs in China"	GW
"Market for Sardines in China"	GW

REPORTS COMPLETED

N11

Granville Woodard
Assistant Trade Commissioner

Considerable time spent at both the American Consulate and the U.S. Court for China and very much time was during the week incident to investigations of cases under our review. A number of matters connected with China trade are active and under consideration. (Continued)

Two important cases are reported upon in "The Journal of Commerce" and "The Exporter", in connection with which a number of articles on various subjects and active publications and proposals were made. (Continued)

Had several talks with Mr. C. A. Huntington of the Advertising Department of Standard Oil Company, who was visiting China in the interests of his company. Assisted Mr. Huntington in effecting an arrangement whereby the firm of 1937, Inc., Shanghai, will handle a part of the China advertising program of the Standard Oil Company for 1938. (Continued)

Had several calls on the supply agent, personnel of the British Consulate and on other representatives of Standard Oil Company, in the furtherance of this company's interests in this matter. (Continued)

Mr. Frank Golder
Trade Commissioner

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

December 19, 1927
(Date.)

Report for the week ended December 10, 1927

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

OFFICE ACTIVITIES

A. Attendance in Office.

Personnel	Days at Office	Days out of Office	Calls Handled Rec'd.	Made	Hours Over-time	Comments
A. Bland Calder, T.C.	12	4	-	2	-	Returned from trip to Hongkong, Friday P.M.
A. Viola Smith, A.T.C.	5 1/2	1 1/2	8	7	-	Dec. 6 Annual Leave
Granville Woodard, T.C.	6	-	5	4	3	
Total	12 1/2	5 1/2	13	13	3	

B. Material Forwarded to Bureau.

Personnel	Letters Sent		Special		Reports Submitted		W. T. C.	
	Bureau	Outside	No.	Pages	No.	Pages	No.	No.
A. Bland Calder, T.C.	2	7	-	-	-	-	-	-
A. Viola Smith, A.T.C.	3	9	-	-	1	1	1	5
Granville Woodard, T.C.	2	22	1	7	-	-	-	-
	7	38	1	7	1	1	1	5

C. Principal Office Activities.

Returned from South China trip Friday noon and spent balance of week chiefly in administrative matters. (Calder)

Considerable time spent at both the American Consulate and the U.S. Court for China and many other calls made during the week incident to investigations of China Trade Act matters. A number of callers received re China Trade Act matters and trade opportunities. (Smith)

Made investigations and completed report on "The Market for California Canned Asparagus", in connection with which a number of calls on foreign importers and native wholesalers and provisioners were made. (Woodard)

Had several talks with Mr. G. A. Huntington of the Advertising Department of General Motors (Japan), who was visiting China in the interests of his company. Assisted Mr. Huntington in effecting an arrangement whereby the firm of Carl Crow, Inc., Shanghai, will handle a part of the China advertising program of the General Motors for 1928. (Woodard)

Made several calls on the Supply Dept. personnel of the British Defense Forces on behalf of the representative of Fleischman's Yeast Co. in the furtherance of this company's interests in this market. (Woodard)

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

December 6, 1927.
(Date.)

Report for the week ended December 3, 1927.

Submitted by: Granville Woodard, Assistant Trade Commissioner, in absence of
(Name.) Trade Commissioner. (Title.)

PERSONNEL

Appointees	Days on Duty	Cause of Absence	Duration of Absence
A. Blain Calder	6	On official trip to South China	-
A. Viola Smith	6	-	-
Granville Woodard	6	Party Commissioner of Customs, reporting statistical reports of the Shanghai Branch of Customs.	-

Employees

Evelyn Varley	6	Information received in the activities of the Yangtze Rapid	-
A. T. Giovannini	6	U.S.A. working in cooperation with the American	-
Gladys H. Bulger	6	U.S. District Attorney	-
H. S. Carey	6	-	-
Ann Dalmas	6	attended an economic conference being held	-
S. E. With	6	discussed reports of trade statistics and trade stagnation.	-
Anselm Chuh	6	-	-

(For other Employees see Form 218 - Supplemental) On Friday afternoon, attended the fortnightly Shanghai Staff Conference. The discussion of plans for the new Government Building in Shanghai for which \$17,000,000 has been allotted.

ACTIVITIES OF STAFF DURING WEEK

MISS SMITH: Federal Inc. U.S.A., regarding 1926 corporate income tax returns.

Callers:

Mr. J. E. Gold and Allan Isaacson of the Oriental Motor Company, Federal Inc. U.S.A., re Annual Report and Income Tax Return.

Mr. Hugo Reiss, Mr. W. T. Findley and Mr. H. E. Fricks, re incorporation of Hugo Reiss, Federal Inc., U.S.A.

Mr. W. D. Bommer, re market for used automobiles and parts.

Mr. William P. Hunt, newly appointed agent for the U. S. Shipping Board - official call.

Mr. Clarence Noble, General Fireproofing Company, assisted with reference to difficulty which he has been having with his Shanghai representative.

Mr. V. Fong Lam, Manager, Kiangnan Docks & Engineering Works, re mortgages held by them on Yangtze Rapid Steamship Company's vessels.

Outside Calls:

Mr. H. S. Waterman, American Consul; Mr. M. R. Nicholson, Treasury Attache; Mr. George Sellett, U. S. District Attorney; Mr. Lansing W. Hoyt, re activities of Yangtze Rapid Steamship Company, Federal Inc., U.S.A.

Mr. D. E. Sparks, re trade connections.

Mr. Geo. J. McCarthy, Passenger Agent, Robert Dollar Company; Mr. O. Giese, Manager American Express; Manager Thos. Cook's & Co.; Mr. S. R. Brown, sub-manager, National City Bank; Mr. D. Yui, Asst. Manager, National City Company; regarding tourist expenditures and immigrant remittances.

Mr. W. E. Myers, Deputy Commissioner of Customs, regarding statistical reports of the Shanghai Bureau of Markets.

A number of calls were made during the week in an effort to unearth confidential information relative to the activities of the Yangtze Rapid Steamship Company, Federal Inc. U.S.A. working in conjunction with the American Consulate and the U. S. District Attorney.

On Wednesday afternoon, attended an economic conference being held under certain Christian auspices, and was able to inject into the meeting some practical discussion regarding trade statistics and trade stagnation.

On Friday afternoon, attended the fortnightly Consular Staff Conference under the Executive Order, at which time considerable time was devoted to the discussion of plans for the new Government Building in Shanghai for which \$750,000 has been allotted by the Buildings Commission.

Mr. Arthur Morris, Hoyt & Company, Federal Inc. U.S.S., regarding 1926 Corporate Income Tax Returns.

MR. WOODARD:

The monthly report, consisting of sixty pages, completed in time to catch the Seattle boat leaving on December 3rd, took up a portion of my time during the week. In addition, I gathered material for and completed a report on "The Market for Canned Sardines in China", in connection with which I made the following calls:

Mr. S. C. Kingsbury of Cornell Exec. Co.
Mr. C. J. Kelley and Mr. J. E. Ellis of Getz Bros. & Co.
Mr. H. V. Brooke of Fu Chung Corporation.
Mr. E. A. Meyerink, of Paul I. Fagan & Co.
Mr. H. J. Zimmerman of Zimmerman Company.
Mr. C. Komaroff of C. D. Komaroff Co.
Mr. L. O. Kwok, Oriental Trading Co.
Mr. L. S. Ling, A. T. Gillespie Co.

I also called on several of the larger native wholesalers.

On Tuesday, November 29th, at the invitation of Mr. C. B. Weiss, I was a guest at a dinner given at the Majestic Hotel by the United States Steel Products Co. in honor of Mr. W. T. Corbett, Manager of the Rail Department in the New York office, at which the following were in attendance:

W. T. Corbett, United States Steel Products Co., New York.
Stirling Fessenden, Attorney and Counsellor at Law, Chairman,
 Shanghai Municipal Council.
K. Fukushima, Manager Mitsui Bussan Kaisha.
T. Furutsu, Director-General, Japanese Cotton Mill Owners'
 Association.
A. Hamafusa, Metals & Machinery Dept., Mitsubishi Shoji Kaisha, Ltd.
H. Kato, Assistant Japanese Commercial Attache.
F. L. Robins, Special Representative, Parke Davis & Co.
T. Saito, Manager Nippon Yusen Kaisha.
T. Sakurazawa, Manager, Mitsubishi Shoji Kaisha.
A. H. Schumacher, Equitable Eastern Banking Corporation.
H. C. Stocker, Shanghai Conservancy Board.
Chester Weiss, United States Steel Products Company, Shanghai.
K. Tsuchiya, Manager, Mitsui Bank, Ltd.

On Friday, December 3rd, at the invitation of Mr. Furutsu, Director-General of the Japanese Cotton Mill Owners' Association, I attended a dinner given in honor of Mr. W. T. Corbett, at which the following were also guests:

W. T. Corbett, United States Steel Products Co., New York office.
Stirling Fessenden, Chairman Shanghai Municipal Council.
Chester Weiss, United States Steel Products Co.
F. L. Robins, Parke Davis & Co.
H. Kato, Assistant Japanese Commercial Attache.
H. Sugimoto, Mitsui Bussan Kaisha.
T. Saito, Manager, Nippon Yusen Kaisha.
T. Sakurazawa, Manager, Mitsubishi Shoji Kaisha.
K. Sato, Mitsui Bank, Ltd.
T. Furutsu, Japanese Cotton Millowners' Association.

Mr. Corbett, who is visiting the Far East and other areas in the interests of his company, left for Hongkong and Manila on December 3rd.

On Thursday, I had tiffin with Mr. William F. Hunt, recently appointed Shanghai agent for the United States Shipping Board, Merchant Fleet Corporation, and Mr. Alfred W. Parry, Jr., Vice President, Tampa Inter-Ocean S.S. Co., New York. Mr. Parry is touring the Far East in the interests of his company's activities and is particularly interested in the North China situation with reference to the future schedules and ports of call of his ships on the Far East Route. I was able to outline to him the North China situation, more particularly the Tientsin area.

Callers:

Mr. H. Kato, Assistant Japanese Commercial Attache, called in connection with the representations now being made by the various Chambers of Commerce through the Shanghai General

Chamber of Commerce to the Consular body, regarding the trade mark situation in China and the attempts of the Nationalists to establish a separate trade mark Bureau in Shanghai.

Mr. Paul E. Wright, Far Eastern Representative of the Chicago Daily News, recently returned from North China and Manchuria, called to secure information and statistics regarding the trade situation.

Mr. A. M. Vogel, Manager, Export Department of Windsor & Co. (a German firm), 2 Cant n Road, Shanghai, called in connection with the prospective visit of their General Manager, Mr. Steinhauer, to the United States during the coming spring. This firm is interested in securing further connections on the West Coast for their export products. Their program as yet is more or less tentative so that nothing definite in the way of alignments or connections is possible at this time.

Mr. C. W. Noble, representing the General Fireproofing Co., called in connection with his concern over difficulties which have arisen in connection with his relations with their local representatives, The Office Appliance Co. The differences which had arisen were apparently satisfactorily adjusted, according to Mr. Noble's later statements.

On Friday afternoon, I attended the fortnightly Consular Staff Conference at the Consulate General at which time the plans for the new Federal Building in Shanghai were discussed.

ALL OTHER MEMBERS OF THE STAFF WERE ENGAGED IN THEIR USUAL DUTIES.

REPORTS IN PROGRESS

Questionnaire No. 220 "China's Code of Law"	AVS
Questionnaire No. 222 "Life Insurance Statistics"	AVS
Questionnaire No. 223 "Highway Research Board"	ABC
Questionnaire No. 212 "Colorings for Foodstuffs"	GW
Trade List "Advertising Agencies"	AVS
Trade List "Reading & Reference List on China"	AVS
"Revision of Lumber Trade Bulletin"	ABC
"Recent Changes in the Marketing of Foodstuffs in China"	GW

REPORTS COMPLETED

Canned "Market for Sardines in China"	GW
Questionnaire on "Tourist Expenditures and Immigrant Expenditures", submitted to Peking for inclusion in their Bureau report.	AVS

Granville Woodard, Assistant Trade Con-

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

December 19, 1927
(Date.)

Report for the week ended December 10, 1927

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

OFFICE ACTIVITIES

A. Attendance in Office.

Personnel	Days at Office	Days out of Office	Calls Handled		Hours Over-time	Comments
			Rec'd.	Made		
A. Bland Calder, T.C.	12	4	-	2	-	Returned from trip to Hongkong, Friday P.M.
A. Viola Smith, A.T.C.	5	1	8	7	-	Dec. 6 Annual Leave
Granville Woodard, T.C.	6	-	5	4	3	
Total	12	5	13	13	3	

B. Material Forwarded to Bureau.

Personnel	Letters Sent		Special		Reports Submitted			
	Bureau	Outside	No.	Pages	R. & T.		T. C.	W. T. C.
					No.	Pages	No.	No.
A. Bland Calder, T.C.	2	7	-	-	-	-	-	-
A. Viola Smith, A.T.C.	3	9	+	+	1	1	1	5
Granville Woodard, T.C.	2	22	1	7	-	-	-	-
	7	36	1	7	1	1	1	5

C. Principal Office Activities.

Returned from South China trip Friday noon and spent balance of week chiefly in administrative matters. (Calder)

Considerable time spent at both the American Consulate and the U.S. Court for China and many other calls made during the week incident to investigations of China Trade Act matters. A number of callers received re China Trade Act matters and trade opportunities. (Smith)

Made investigations and completed report on "The Market for California Canned Asparagus", in connection with which a number of calls on foreign importers and native wholesalers and provisioners were made. (Woodard)

Had several talks with Mr. G. A. Huntington of the Advertising Department of General Motors (Japan), who was visiting China in the interests of his company. Assisted Mr. Huntington in effecting an arrangement whereby the firm of Carl Crow, Inc., Shanghai, will handle a part of the China advertising program of the General Motors for 1928. (Woodard)

Made several calls on the Supply Dept. personnel of the British Defense Forces on behalf of the representative of Fleischman's Yeast Co. in the furtherance of this company's interests in this market. (Woodard)

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

December 21, 1927.
(Date.)

Report for the week ended December 17, 1927.

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

OFFICE ACTIVITIES

A. Attendance in Office

Personnel	Days at Office	Days out of Office	Calls Handled		Hours Over-time	Comments
			Rec'd.	Made		
A. Bland Calder, T.C.	6	-	15	4	3	
A. Viola Smith, A.T.C.	6	-	5	6	-	
Granville Woodard, A.T.C.	6	-	3	9	-	
Total	18	-	23	19	3	

B. Material Forwarded to Bureau

Personnel	Letters Sent		Special		E.&T.		T. O.		W.T.C.	
	Bureau	Outside	No.	Pages	No.	Pages	No.	Pages	No.	Pages
A. Bland Calder, T.C.	3	13	1	10	-	-	1	-	-	-
A. Viola Smith, T.C.	6	7	-	-	-	-	-	-	-	-
Granville Woodard, A.T.C.	2	4	2	21	-	-	-	-	-	-
Total	11	24	3	31	-	-	1	-	-	-

C. Principal Office Activities

Got out report on South China business and general situation on basis of trip completed December 9. (Calder)

Submitted to Bureau by cable and letter important proposition from large British corporation to take over representation for the whole of China for General Motors. (Calder)

Spent most of one morning giving automotive information and specific trade advice to representative of Firestone Tire & Rubber Co. in connection with new agency and distribution plans being considered. (Calder)

Practically half of the week spent in calls at the United States Court for China and the American Consulate General regarding China Trade Act cases that are pending for one reason or another. Routine work and work on questionnaire 220 completed the week. (Smith)

Prepared and forwarded to the Chief of the Foodstuffs Division, proposed program for Foodstuffs and Tobacco. Also prepared and forwarded report on "1927 China Trade in Foodstuffs and Outlook for 1928". Investigated and reported to the Chief, Foodstuffs Division, present status of the China agency of the California Packing Corporation. (Woodard)

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

December 20, 1927.
(Date.)

Report for the week ended December 17, 1927.

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

ECONOMIC SECTION

The customs returns of the port of Shanghai, the largest port figuring in China's foreign trade, fell off (net) 22½% for the eleven months ended November 30, 1927. Import collections declined 28½%, exports 9%, tonnage dues 7½% and transit dues 1%, while coast trade collections at Shanghai showed an increase of 11-3/4% over the same period of 1926.

The most significant development of the week was the announcement by the Nanking Nationalist Government of a severance of relations with Soviet Russia, and the notification to Soviet Consuls in Nationalist territory to get out of China by Wednesday, December 21. This is apparently a direct result of the recent communist uprising in Canton, similar disturbances being feared in the Nanking Government's territory. It is an out and out repudiation of Russian Soviet influence and is the clearest out move the Nationalists have yet made to define to the world their political color. The question uppermost in the minds of foreign observers of the China turmoil in the past year has been that as to whether China would develop permanently along Soviet Communist lines or upon lines of democracy similar to those we foster in the United States. China has spent the past year or so absorbing communistic dogma and hatred toward western nations generally, and all the trouble cannot be swept away by one such move as this, but it is the most encouraging thing which the Nationalists have done and augurs for better relations between the various Nationalist groups and the United States, Great Britain, Japan and other countries.

Illegal (or extra-treaty) taxation continues to be a serious problem with foreign (including American) business houses in China today, especially as there appears to be a tendency on the part of the Chinese governmental agencies developing these tax schemes to dicker and bargain with the importers or manufacturers in certain classes of trade and industry to give preferential treatment to this or that group or combination. Just how serious this situation is likely to prove can only be learned with future developments.

Import and export trade activity is greatly reduced at present due to the incidence of Chinese New Year on January 23. Chinese banks are tightening credit facilities at this time and business generally is expected to be quiet until after the China New Year settlements.

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

December 29, 1927.
(Date.)

Report for the week ended December 24, 1927.

Submitted by: A. Bland Calder Trade Commissioner
(Name.) (Title.)

OFFICE ACTIVITIES

A. Attendance in Office

Personnel		Days at Office	Days Out of Office	Calls Handled		Hours Over Time	Comments
				Rec'd.	Made		
A. Bland Calder,	T.C.	6	-	4	3	5	
A. Viola Smith	A.T.C.	6	-	2	6	-	
Granville Woodard	A.T.C.	6	-	2	12	-	
Total		18	-	8	21	5	

B. Material Forwarded to Bureau

Personnel		Letters Sent		Special No. Pages	Reports Submitted			
		Bureau	Outside		E. & T. No. Pages	T. O. No.	W. T. D. No.	
A. Bland Calder,	T.C.	2	52	-	-	1	-	-
A. Viola Smith,	A.T.C.	12	12	2	73	2	-	-
Granville Woodard	A.T.C.	1	3	1	9	1	-	-
		5	67	3	82	4	1	-

C. Principal Office Activities

At the invitation of the Chairman of the Chinese-American relations committee of the American Chamber of Commerce, I attended a dinner given on Dec. 20 by this Committee at the American Club to a group of the more prominent members of the Chinese Bankers Association. Heads of American banking houses were also present. Interesting discussions took place and in response to queries put by the President of the Chamber certain of the Chinese bankers expressed themselves as favorably inclined to the idea of China inviting an international commission to work in cooperation with Chinese in devising a uniform taxation scheme and general financial habilitation for China. The time did not appear ripe, however, at present for such a plan to be worked out. (Calder).

My time was chiefly taken up with administrative work and lining up material for the December monthly report which we are endeavoring to shape up as a sort of annual survey for 1927. (Calder).

Miss Smith compiled and sent in to the Bureau a Trade List of revised, list of "American Firms in Shanghai". (Smith)

Made a number of calls relative to China Trade Act work and several for data relative to material being worked up in reports. Principal activities during week confined to finishing up reports as above noted. (Smith)

Investigated and completed a report on the China Canned Fruit Market. Investigated current wheat and flour conditions and reported by wire to the Bureau future sales outlook for foreign wheat and flour. (Woodard)

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

SHANGHAI FILE CO.

Shanghai, (City.) China, (Country.) Jan. 10, 1928 (Date.)

Report for the week ended December 31, 1927.

Submitted by: A. Bland Calder (Name.) Trade Commissioner (Title.)

OFFICE ACTIVITIES

A. Attendance in Office

Personnel		Days at Office	Days Out of Office	Calls Handled		Hours Over-Time	Comments
				Rec'd.	Made		
A. Bland Calder,	T.C.	4	2	5	10	10	(Local Christmas holidays - 2 days)
A. Viola Smith,	A.T.C.	4	2	5	11		
Granville Woodard,	A.T.C.	4	2	2	7		
Total		12	6	12	28	10	

B. Material Forwarded to Bureau

Personnel		Letters Sent		Special		Reports Submitted			
		Bureau	Outside	No.	Pages	E. & T. No.	T. O. No.	W. T. D. No.	
A. Bland Calder,	T.C.	5	50	-	-	-	-	-	
A. Viola Smith,	A.T.C.	7	14	1	67	5	18	1	
Granville Woodard,	A.T.C.	3	3	-	-	-	-	1	
		15	47	1	67	5	18	2	

C. Principal Office Activities

Mainly occupied in lining up material for Monthly Report for December-January, which is to be in the nature of an annual survey of trade conditions in China. Outside calls were made principally in this connection. Also devoted time to a variety of administrative matters and miscellaneous service locally and to Peking office. Worked on clearing up numerous snags and accumulated odd situations and to re-organization of work, assigning additional commodities to Miss Smith and Mr. Woodard to handle. (Calder)

Concerned myself with following up requests for connections on behalf of West Coast concerns, including such items as dried fruits and canned milk. Also devoted some time to the preparation of material for use in the January Monthly Report. (Woodard)

Major portion of Miss Smith's time during the week given over to final preparation of a special 67 page report on China's Code of Laws; and in addition to clearing away a mass of routine matters in an effort to have as clear a slate as possible on January 1, 1928. (Smith)

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai,

(City.)

China,

(Country.)

Jan. 11, 1928.

(Date.)

Report for the week ended January 7, 1928

Submitted by: A. Bland Calder

(Name.)

Trade Commissioner

(Title.)

OFFICE ACTIVITIES

A. Attendance in Office

Personnel		Days		Calls Handled		Hours Over-Time	Comments
		Days at Office	Out of Office	Rec'd.	Made		
A. Bland Calder,	T.C.	5	1	5	6	10	New Year holiday
A. Viola Smith,	A.T.C.	4½	1½	5	6		" " "
Granville Woodard	A.T.C.	5	1	2	10		(Annual Leave New Year holiday
Total		14½	3½	12	22	10	

B. Material Forwarded to Bureau

Personnel		Letters Sent		Special No.	Pages	Reports Submitted	
		Bureau	Outside			E. & T. T. O. No.	W. T. D. No.
A. Bland Calder	T.C.	15	32				
A. Viola Smith	A.T.C.	-	27				
Granville Woodard	A.T.C.	3	4				
		18	63				

C. Principal Office Activities

By way of preliminary preparation for departure to the United States continued re-organization of work and more equitable division of load of duty, assigning main responsibility for getting out December-January monthly report (to be issued January 21) to Woodard, and assigning further commodity work and accumulated inquiries to Miss Smith. Attended Chamber of Commerce Board Luncheon Friday, also fortnightly meeting at Consulate General; gave letters of introduction to William Golding and G.D. Litchfield to Bureau and certain district offices, reporting credit information direct in connection therewith; spent some time assisting Firestone tire representative with advice on methods of handling distribution through prospective new local connections; and made a confidential report to Commercial Attache at Peking on certain aspects of road development schemes in China, besides performing several minor services for Peking office locally. Continued work on clearing up various accumulated snags and inquiries. (Calder)

Considerable time spent during the week clearing away routine trade promotion work which had been passed on to me by Mr. Calder for attention prior to his departure for America. The majority of my time spent in conference at the American Consulate General regarding an inquiry which is being made into the operations of the Yangtze Rapid Steamship Company. (Smith)

Interested myself in following up trade inquiries and also conducted certain investigations preliminary to a report on the dried fruit market. Also spent some time in connection with securing and revising material for the monthly report which is to be in the nature of an annual survey. Secured certain material of interest in connection with the piece goods trade. (Woodard)

A. Bland Calder, Trade Commissioner.

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

January 16, 1928.
(Date.)

Report for the week ended January 14, 1928

Submitted by: A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

OFFICE ACTIVITIES

A. Attendance in Office

Personnel		Days at Office	Days Out of Office	Calls Handled		Hours Over-Time	Comments
				Rec'd.	Made		
A. Bland Calder	T.C.	6	-	13	10	-	
A. Viola Smith	T.C.	6	-	9	14	4	
Granville Woodard	A.T.C.	6	-	7	12	-	
Total		18		29	36	4	

B. Material Forwarded to Bureau

Personnel		Letters Sent		Special		E. & T.		Reports Submitted	
		Bureau	Outside	No.	Pages	No.	Pages	T. O. No.	W. T. D. No.
A. Bland Calder	T.C.	13	23	1	3	1	2	-	-
A. Viola Smith	T.C.	4	11	-	-	-	-	1	1
Granville Woodard	A.T.C.	4	8	-	-	1	4	-	-
		21	42	1	3	2	6	1	1

C. Principal Office Activities

Made several calls on local automotive dealers for material for quarterly survey. Received a number of callers requiring various services, among whom were D. H. Buchanan, M.A., Research Associate in Economic History, Bureau of International Research, Harvard University, whom I placed in touch with local contacts who could aid him in his studies of the China situation; also Mr. T. B. Chang, representing Montgomery Ward & Co. Both of these gentlemen brought letters of introduction from Dr. Klein and I gave them some little time and attention. On Thursday evening, Mrs. Calder and I entertained Mr. Chang, Mr. Pei Tsu Yee, Manager of the Bank of China, Mr. T. K. Ho, Dean, College of Commerce, Kwang Hua University, Mr. Geo. Sokolsky, prominent American newspaper man, and Miss Smith of this office, at our home. Exceedingly interesting discussions of the Chinese political situation took place. Also gave attention, on behalf of Mr. Arnold at Peking, to the matter of securing services of an American engineer for the Hai Ho Conservancy Board, Tientsin, interviewing Mr. G. G. Stroebe, American engineer on the Yangtze River Commission, in this connection. (Calder)

The greater portion of my time was given over to China Trade Act work, which is unusually heavy at this time, owing to filing of Annual Reports. Aside from this, companies in Shanghai have become considerably interested and active in the matter of applying for incorporation under this act. On the Trade Promotion side of the work, I was able to put W. D. Bonner in touch with Mr. Phillips, the Far Eastern Manager of the General Motors Co. at Osaka, which may later result in concrete business. Received the gratifying news on Friday, the thirteenth, that I had been elevated to the rank of Trade Commissioner, Class 3. (Smith).

My time devoted largely to the preparation of the monthly report. Made some investigations into the dried fruit market and also spent some time with Mr.

A. P. Fredrickson of Agner & Fredrickson Co., Seattle foodstuffs exporters, in connection with their interests in this market. (Woodard)

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai,

China,

February 9, 1928.

(City.)

(Country.)

(Date.)

Report for the week ended February 4, 1928.

Submitted by: A. Bland Calder Trade Commissioner

(Name.)

(Title.)

OFFICE ACTIVITIES

A. Attendance in Office

Personnel		Days at Office	Days Out of Office	Calls Handled		Over-Time	Comments
				Rec'd.	Made		
A. Bland Calder	T.C.	6	-	6	5	-	Attended to reports on Szechuan
A. Viola Smith	T.C.	-	6	-	-	-	Went to Peking to see Mr. Arnold
Granville Woodard	A.T.C.	6	-	4	9	-	Attended to reports on Szechuan
Total		12	6	10	14	-	

B. Material Forwarded to Bureau

Personnel		Letters Sent		Special No.	Pages	E. & T. No. Pages		T. O. No.		W. T. D. No.
		Bureau	Outside			No.	Pages	No.	Pages	
A. Bland Calder	T.C.	5	18	-	-	1	2	1	-	-
A. Viola Smith	T.C.	2	3	-	-	-	-	-	-	-
Granville Woodard	A.T.C.	3	15	-	-	-	-	-	-	-
Total		10	36	-	-	1	2	1	-	-

C. Principal Office Activities

Spent some time with Mr. Roy Service of the National Committee, Y.M.C.A. discussing road construction situation in Szechuan Province, West China, whence he has just returned. I gave him extra copies of the material sent us by the Bureau on highway construction. Mr. Service is submitting to Mr. Arnold in Peking material which Mr. Arnold will use in answering highways questionnaire. Mr. Service has close contact with Szechuan officials interested in road building. (Calder)

Was guest of honor at Friday luncheon of Board of Directors of American Chamber of Commerce and made a short talk on our activities and took part in a discussion in regard to our activities in bringing in new competition to China at this time. Reported this fully to the Commercial Attache at Peking. (Calder)

Prepared monthly report of Shanghai office activities, worked up a general reply to an insecticide questionnaire from Gotham Advertising Co., checked over with Mr. Carey a considerable number of his replies to trade inquiries and gave supplementary treatment as necessary and did a considerable amount of clearing up of miscellaneous odds and ends preparatory to my departure. (Calder)

Mr. Carey has remained on this week to clear up work which he could not finish prior to January 31, which date terminated his services so far as our payroll is concerned. We naturally greatly appreciate his willingness to do so as he has put in a good deal of overtime effort steadily during the few months he has been in this office and has taken no leave of absence. (Calder)

Miss Smith having undergone a tonsil operation was away from the office during the entire week on sick leave. Notwithstanding this fact, however, she gave attention to numerous urgent matters at her home during the end of the week, while her throat was recuperating.

During the week, Miss Smith had the pleasure of learning that through introduction contacts made for W. H. Lukens, Manager of Foreign Sales of the R.M. Hollingshead Co., Camden, N.J., two agency arrangements were made. The "Whiz" Fly Fume has been placed with the Oriental Trading Co. and their automotive products with the Standard Products Co. The latter company will cover the trade generally, and be identified as the agents of the company with the Shanghai Horse Bazaar, retaining the privilege of sub-distributors. The amount of concrete dollars and cents business to result from these agencies will be reported at a later date.

Spent considerable time in connection with securing quotations on Soya Bean Cake on behalf of the San Francisco District Office. Sent a letter report to the Bureau on the "China Market for Pickles and Salad Dressing". Attempted to contact the San Francisco office representative of the Almond Growers Exchange with a local firm but was unsuccessful in so doing due primarily to the cheap price at which Chinese almonds are offered. Sales of imported almonds are insufficient to interest local foodstuffs importers. Also spent some time on Bureau and trade inquiries. (Woodard)

A. Bland Calder
Trade Commissioner

WEEKLY REPORT.

Shanghai,

China,

February 9, 1928.

(City.)

(Country.)

(Date.)

Report for the week ended **January 28, 1928.**

Submitted by: **A. Bland Calder**

Trade Commissioner

(Name.)

(Title.)

OFFICE ACTIVITIES

A. Attendance in Office

Personnel		Days at Office	Days Out of Office	Calls Handled		Hours Over-Time	Comments
				Rec'd.	Made		
A. Bland Calder,	T.C.	5	3	3	8	- 3	Chinese New Year
A. Viola Smith,	T.C.	2	4	8	-	-	Do (holidays
							1 day sick leave
Granville Woodard	A.T.C.	5	3	3	3	- 3	Chinese N.Y. holiday
Total		8	10	14	11		

B. Material Forwarded to Bureau

Personnel		Letters Sent		Special		E. & T.		T. O.		W. T. D.	
		Bureau	Outside	No.	Pages	No.	Pages	No.		No.	
A. Bland Calder,	T.C.	5	14	1	3	-	-	-	-	-	-
A. Viola Smith	T.C.	8	18	-	-	1	1	1	-	2	-
Granville Woodard	A.T.C.	5	5	-	-	-	-	-	-	-	-
Total		18	37	1	3	1	1	1	-	2	-

C. Principal Office Activities

Chinese New Year fell on January 23 and all business houses, banks, Consulates, including the American Consulate General, were closed for four days, Monday to Thursday, inclusive. However, we worked Thursday, Friday and Saturday in order to insure the monthly report for January (102 pages) being completed and forwarded on time Saturday.

I prepared the quarterly automotive survey, making necessary calls for the information, and handled miscellaneous calls and routine work as usual. Gave some special attention to Mr. Howard S. Reed who spent some time in research work in the office. I also did some work on the Fourth World Automotive Census for China but am obliged to turn this over to Miss Smith to complete as the figures from all sources will not be in hand before my departure. I spent some time combing over our budget position and on reporting on same to the Bureau and to Mr. Arnold. (Calder)

During the two working days of the week handled a considerable mass of routine administrative work incident to China Trade Act matters as well as trade promotion work. (Smith)

Thursday and Friday spent in completing the monthly report for mailing. (Woodard)

My time during the week was largely taken up by the monthly report and the monthly report. Investigated and reported by cable on the wheat situation. Investigated and reported by cable A. Bland Calder of the Nationalist Trade Commissioner

WEEKLY REPORT.

Shanghai,
(City.)

China,
(Country.)

Feb. 3, 1928.
(Date.)

Report for the week ended

January 21, 1928

Submitted by:

A. Bland Calder
(Name.)

Trade Commissioner
(Title.)

OFFICE ACTIVITIES

A. Attendance in Office

Personnel		Days at Office	Days Out of Office	Calls Handled		Hours Over-Time	Comments
				Rec'd.	Made		
A. Bland Calder,	T.C.	6	-	6	12	-	
A. Viola Smith,	T.C.	5½	½	8	15	-	1 day Sick leave
Granville Woodard,	A.T.C.	6	-	5	8	-	
Total		17½	½	19	35		

B. Material Forwarded to Bureau

Personnel		Letters Sent		Special		E. & T.		T. O.		W. T. D.	
		Bureau	Outside	No.	Pages	No.	Pages	No.		No.	
A. Bland Calder,	T.C.	3	13	1	6	-	-	-	-	-	-
A. Viola Smith,	T.C.	6	25	-	-	1	2	-	-	2	-
Granville Woodard,	A.T.C.	2	8	-	-	-	-	-	-	-	-
Total		11	46	1	6	1	2	-	-	2	-

C. Principal Office Activities

Spent considerable time during the week at the request of Mr. Arnold in assisting Mr. Howard S. Reed, naturalist, representing two or three zoological and botanical societies in getting free entry and accommodations for twenty-seven dogs, sporting rifles and ammunition, and arranging transportation for same to Saigon, French Indo-China. Gave Mr. Sweetland, editor of the Shanghai Times, and representing the Chicago Daily News as China reporter, an interview outlining principal features of China Automotive situation for special cable to Chicago Daily News, at that paper's cabled request. Mr. Sweetland promised to give credit to the Department of Commerce. Called at Consulate for regular fortnightly Conference Friday but Consul General could not meet other representatives due to being occupied with a meeting in his capacity as Dean of Consular Body. Prepared material for Monthly Report and cable, calling on Chinese and foreign bankers, the Shanghai Municipal Council, and local firms for certain of the information contained therein. Messrs. Woodard and Carey also contributed substantially to the cable and did the bulk of work on Monthly Report. I cleared up numerous snags in connection with accounts and other outstanding matters. (Calder)

Upon the instruction of Mr. Calder, who is preparing to leave Shanghai, all incoming inquiry work has been turned over to me for attention, Mr. Calder being desirous of concentrating the remainder of his time on urgent matters demanding his attention. The great part of the week has been given over to clearing away an accumulation of trade inquiries. (Smith)

My time during the week was largely taken up by the monthly cable and the monthly report. Investigated and reported by cable on the wheat and flour situation. Investigated and reported by cable on the status of the new tobacco tax measures promulgated by the Nationalist Government. Request for a soya bean

quotation from the San Francisco office also took up some time as did a request from the Manila office to interest a local firm in the shipment of one hundred live rabbits to the Bureau of Science, Philippine Government. (Woodard)

A. Bland Calder
Trade Commissioner

WEEKLY REPORT

Received during the week definite confirmation of the sale of 3000.
 of apparatus to the firm Comptoir d'Exportation, (City) Peking, (Country) China, (Date) October 7, 1929.
 and Trading Co., Seattle, Washington, for the sale of a system of trade
 administration and contact work I instituted from the Peking office last
 week. The dollar amount of this initial order amount to \$2

Report for the week ended

A. Bland Calder

Acting Commercial Attache.

Submitted by:

11-0306 GPO

(Name)

(Title)

2. Mr. Varater carried on OFFICE ACTIVITIES, investigated and
 draughted replies for twenty trade enquiries, one questionnaire and three

A. Attendance in Office

Personnel	Days at Office	Days Out of Office	Calls Handled		Hours Over-time	Comments
			Rec'd	Made		
Julian Arnold, C.A.,	Local-letters	-	- 9	-	-	On Itinerary in U. S.
A. Bland Calder, A.C.A.,	6	-	4	8	8	-

B. Material Forwarded to Bureau

Personnel	Letters Sent		Special		Reports Submitted		
	Bureau	Outside	No.	Pages	E.&T.	T.O.	W.T.D.
Julian Arnold, C.A.,	-	-	-	-	-	-	-
A. Bland Calder, A.C.A.,	4	4	1	16	1	-	-

(Local letters written - 36)

C. Principal Office Activities

1. Called on Mr. J. J. Mantell, adviser to Railway Ministry of Nanking Government now visiting Peking, for information on railways and check on data already compiled for answers to Questionnaire No. 277 on which I am now working; completed 16 page Special Report on Chiao-Tsi Railway; prepared usual weekly report & weekly cable; cleared up a mass of local correspondence; conferred with Mr. Chester Rowell, editor, of Fresno, California, visiting China temporarily before proceeding to Japan to act as publicity manager for the Institute of Pacific Relations at Kyoto and supplied him certain information and reference material; conferred at length with Mr. J. B. Lippincott, prominent engineer of Los Angeles, who brought letter of introduction from Mr. Clarence Matson of the Los Angeles Chamber of Commerce, and who is visiting China preparatory to attending World's Engineering Conference at Tokyo, supplied him copies of some of our report material and placed reference works at his disposal; attended a reception given by the American Minister to numerous prominent visitors to Peking; followed up Mr. Perry's visit regarding Caterpillar tractors by inviting in for a conference Mr. C. S. Liu, China Northern Company, and initiating with him an approach to the subject of Tientsin-Peking Highway, which if we are successful in carrying it through, should result in a good connection for the sale of tractors, as well as augmented automotive sales in Peking and Tientsin. Am explaining this situation separately. I called also with Mr. Kao on a number of local provision dealers, at Professor Crocheron's request for information on delivered costs of certain California products, to supplement material secured by Prof. Crocheron when he was here and duly transmitted to him at Shanghai a report of my findings.

2. We received during the week definite confirmation of the sale of 5000. tons of gypsum to the firm Comptoir Charles Ley, (Belgian) by the West Coast Lumber and Trading Co., Seattle, as a direct result of the system of trade circularization and contact work I instituted from the Peking office last spring. The DOLLARS AND CENTS RESULTS of this initial order amount to C\$ 40,000. with prospects for a considerable amount of business to follow, in this and other products. Documentary evidence will be forwarded to the Bureau shortly. (Calder)

3. Mr. Venator carried on routine correspondence, investigated and draughted replies for twenty trade enquiries, one questionnaire and three Bureau inquiries.

Letters to Bureau	1
Letters to Outside	16
Local letters	9

A. Bland Calder,
Acting Commercial Attache.

Canned Fried Mandarin Fish.

- " SHRIMP.
- " Peach Jam.
- " Pineapple (From Chinese canneries at Singapore)
- " Tender Bamboo Shoots
- " Apples
- " Chinese pickles made of bamboo shoots and mushrooms with soy sauce.
- " Watermelon.
- " Roast pork
- " Duck with mushrooms
- " Chicken with mushroom.
- " Roast Beef
- " Roast Mutton
- " Oiled Brinjals. (Don't ask me what this is.)

Here are some prices of Chinese canned goods:

The Tai Kong Canned Goods Company, which has recently moved its factory from Tsingtao to Tainan, the capital of Shantung Province, and which retails and wholesales its products in its own store at Tainan, besides making distribution from that point to other cities of North China, quoted the following retail prices off the shelves of their Tainan shop; This company is also established at Shanghai and has a cannery there.

Canned peaches	1. lb -	30¢ Mex.	Del Monte brands of the same
" grapes	"	23¢ "	size, of course highly superior
" pears	"	25¢ "	product, in the same shop were
" cherries	"	25¢ "	priced at prices from 73¢ to 90¢
			Mex.

These prices we found obtained also at Tsingtao, the American product costing 2½ to 3 times as much as the Chinese.

At Tientsin there appear to be three canning companies that I have heard of so far.

Three Star Canning Co.
Wu Ti Canning Co.,
Kuang Ta & Co., Tientsin.

Kuang Ta & Co.

The last named company is producing a label which in color scheme is an infringement of the California Packing Company's Del Monte Brand labels. At least that name appears on these labels. The name may be of a fictitious company. We shall check up on this. We shall also try to see these factories during our visit at Tientsin.

I attach hereto tables showing imports into Tientsin of canned, dried and Fresh fruits, by source, in recent years, and some photographs of modern fruit sales methods in Peking taken by Assistant Trade Commissioner Robison while scouting about with me.

A. Bland Calder
Assistant Commercial Attache.

IMPORTS OF FOODSTUFFS

	<u>1927</u>		<u>1926</u>		<u>1925</u>	
	picul - value		picul - value		picul - value	
Canned Asparagus						
Imported into China	4,624	111,895	5,400	116,314	6,334	133,447
Imported from U. S.	4,393	106,072	5,254	113,009	6,132	128,651
Imported into Tientsin	1,276	31,207	657	13,719	1,990	41,392
Imported into Tientsin	792	4,513	357	1,459	392	1,921
Canned Fruits - Table & Pie						
Imported into China	28,366	432,067	24,040	347,925	18,467	252,274
Imported from U. S.	14,523	265,953	11,506	205,347	9,244	147,580
Imported into Tientsin	2,604	46,354	1,104	20,073	792	13,309
Currants & Raisins						
Imported into China	30,007	509,303	27,812	412,073	19,989	328,697
Imported from U. S.	29,385	443,524	33,202	455,393	22,341	317,986
Imported into Tientsin	1,538	28,074	1,370	19,172	1,031	10,840
Apples - fresh						
Imported into China	56,164	563,394	72,852	715,852	46,229	425,057
Imported from U. S.	7,293	89,525	19,099	204,879	10,527	107,629
Imported into Tientsin	3,489	36,240	1,631	19,988	1,053	13,277
Fruits, Fresh, Dried or Preserved - N.O.S.						
Imported into China	286,485	1,583,563	215,207	1,105,503	212,732	1,314,148
Imported from U. S.	5,621	106,995	10,513	126,930	3,625	66,213
Imported into Tientsin	33,373	179,227	23,629	117,758	6,896	23,987
Lemons - Fresh						
Imported into China	3,500	123,966	4,327	127,952	3,202	97,883
Imported from U. S.	3,490	124,015	4,209	126,041	3,106	96,523
Imported into Tientsin	207	6,352	121	3,246	121	4,329
Oranges, Fresh						
Imported into China	269,844	1,976,268	307,638	1,867,412	209,879	1,283,652
Imported from U. S.	24,268	400,744	25,941	371,130	12,467	188,514
Imported into Tientsin	5,593	46,437	6,873	56,791	1,551	16,303
Orange Peel in Bulk						
Imported into China	2,312	40,566	1,422	16,831	1,983	30,864
Imported from U. S.	-	-	4	193	2	58
Imported into Tientsin	1,010	15,988	288	3,303	627	9,499

WEEKLY REPORT

Chinese last week, these two organizations and the Mayor of Peking and the Governor of Hopei Province. Peking China October 22, 1929.
 (City) (Country) (Date)
 foreign office on Wednesday evening 1929 to 7 to which a number of local people of prominence, foreign and Chinese were also invited and which the
 Report for the week ended October 19, 1929.

Submitted by: A. Bland Calder Acting Commercial Attache.
 (Name) (Title)

11-9302 GPO

OFFICE ACTIVITIES

A. Attendance in Office

On short notice Mr. Wei Lou Heng, China's premier actor, for Wednesday evening at the Peking Bankers Association, personally arranged for a theatrical performance, engaging an entire troupe and summoning from Tientsin the entire Malolo party and a number of prominent local persons. I assisted the Chinese hosts in arranging the seating and in other preliminaries. On Thursday afternoon, Mr. Wei Lou Heng, on a tour of official calls which they made in formal attire to the American press associations, etc. Thursday afternoon, Mr. Wei Lou Heng, entertained the Malolo party at tea at his Peking home. The Chinese were so overwhelmingly friendly in their reception of the Malolo party and

B. Material Forwarded to Bureau

that I decided to ask at San Francisco a new release which would be useful there in view of the fact that the good will mission was an entire success. Letters Sent Special Reports Submitted
 Bureau Outside No. Pages E. & T. T.O. W.E.D.
 Personnel
 Julian Arnold, C.A., 4 5
 A. Bland Calder, A.C.A., 4 5
 (Local letters written - 17)

C. Principal Office Activities

1. Trip to Tientsin. On Sunday evening October 13 I went to Tientsin and put in Monday and part of Tuesday there mainly securing information for the Monthly Cable.

2. Relations with Consulate General. At Tientsin on Monday had extended discussion by previous arrangement with American Consul General Guess on the subject of his objections to alleged duplication of the Consulate General's trade promotional, commercial reporting, and other "commercial" work. Am reporting this separately.

3. Apple Trade Promotion. At Tientsin also investigated apple inquiry by radio from Seattle office, calling on the firm of J. Prihoda & Co., and arranged to wire for preliminary price information in connection with this firm's desire to import delicious apples from Seattle.

4. Malolo Cruise of San Francisco Chamber. On Tuesday afternoon I met the special train at Tientsin conveying from Chinwangtao to Peking the S. S. Malolo Cruise party of representative Americans travelling under the auspices of the San Francisco Chamber of Commerce and completed the journey to Peking with the party, conferring at length with the heads of the cruise, Messrs. C. C. Moore, and Robert Newton Lynch and presenting to the party on behalf of the Chinese Chamber of Commerce and the Chinese Bankers Association, Peking, invitations for functions held in their honor. As a result of my contact work with the

Chinese last week, these two organizations and the Mayor of Peking and the Governor of Hopei Province tendered a reception and tea party at the old foreign office on Wednesday evening 5.30 to 7 to which a number of local people of prominence, foreign and Chinese were also invited and which the members of the Malolo party, 350 strong, attended en masse. For Mr. Moore and Mr. Lynch I arranged a dinner party which they wished to give as hosts to certain of their Chinese hosts, passing the invitations to the Chinese. One of these Mr. Chow Tso Min, President of the Kinchong Banking Corporation, and head of the Peking Bankers Association, personally arranged for a theatrical performance, engaging an entire theatre and summoning from Tientsin on short notice Mr. Mei Lan Fang, China's premier actor, for Wednesday evening at which he entertained the entire Malolo party and a number of prominent local persons. I assisted the Chinese hosts in arranging the seating and in other preliminaries. On the second day of the visit of the Malolo party at the request of Messrs. C. C. Moore and R. H. Lynch I accompanied them on a round of official calls which they made in formal attire to pay their respects to their Chinese hosts, the American Minister, representatives of American press associations, etc. Thursday afternoon, Mr. Mei Lan Fang, the actor, entertained the Malolo party at tea at his Peking home. The Chinese were so overwhelmingly friendly in their reception of the Malolo party and there were so many evidences that the good will mission was an entire success that I radioed to Ash at San Francisco a news release which would be doubtless useful there in view of the tremendous interest of San Francisco and California generally in this cruise, which is part of an extended effort sponsored by many responsible Californians to overcome the ill will created in Oriental countries in past years as a result of various activities of individuals and editors in favor of Japanese and Oriental exclusion, etc. During the brief stay of the Malolo party I carried on telegraphic correspondence with our Shanghai office in connection with the engagements for the party at Shanghai, conversed at length with several members of the party on conditions in China, besides aiding the heads of the party to some extent in their shopping and sight seeing, and attending all the official functions in their honor. This is the first large party ever to attempt to "make" Peking for only a two day stop. Most cruise parties stay here four or five full days.

5. Inspection of Export Commodities by Chinese Authorities. Was requested by Mr. Denby, Second Secretary of Legation to assist him in running down through our files the basis for an alleged mis-statement by a Chinese official to the effect that these Bureau's of Inspection were inceptioned at the instance of the U. S. Dept. of Agriculture. Discussed this with him and am to have a further conference on the subject next week.

6. Monthly Cable. Despite the fact that the greater part of my time was given up to the Malolo cruise we were able to get out the first ten sections of our monthly cable on time on Thursday, the balance following on Friday.

7. Mailing List. At the request of the American Association of Tientsin verbally through one of its officers, I prepared on my return a mailing list of about 75 names of prominent educators, business men, bankers, and others who have more than casual or ordinary interest in the Far East which the Association desires to circularize from time to time.

8. Railway Investigation. During the week I managed to get in two or three hours with Mr. J. J. Mantell advisor to the Chinese Government Ministry of Railways securing certain information of use in answering questionnaires on the subject on which I am working.

9. Highway Improvement and Developmental Plans. I continued my work of contact with Chinese on this situation which I have explained in separate correspondence, giving them further stimulation, and a meeting at which a number of prominent officials will be present is being arranged for next week at which my contacts desire my presence with moving pictures on highways and road construction and to discuss the plan for opening up and maintaining existing highways and building new ones under a taxation scheme which will be based on small tax on individual trips, the volume of revenue to come from a volume of traffic. (Calder)

10. Mr. Venator as a result of mail and telephone contact with certain of our friends in Tientsin prepared several of the commodity sections and entire export section of the Monthly cable assisted in entertaining the Malolo cruise party, attending the various functions held, besides handling a mass of correspondence and several local callers.

Letters to Bureau	2
Local letters	27

(Venator)

A. Bland Calder,
Acting Commercial Attache.

WEEKLY REPORT

Peking China November 25, 1929.
(City) (Country) (Date)

Report for the week ended November 23, 1929.

Submitted by: A. Bland Calder Acting Commercial Attache
(Name) (Title)

11-5305 GPO

OFFICE ACTIVITIES

A. Attendance in Office

Personnel	Days at Office	Out of Office	Calls Handled Rec'd	Made	Hours over-time	Comments
Julian Arnold, C. A.,						On Itinerary in U. S.
A. Bland Calder, A. C. A.,	6		8	4		

B. Material Forwarded to Bureau

Personnel	Letters Sent Bureau Outside	Special No.	Pages	Reports Submitted E. & T.	T. O.	W. T. D.
Julian Arnold, C. A.,	1					
A. Bland Calder, A. C. A.,	5	21				

(Local letters written - 50)

C. Principal Office Activities

1. I received several callers during the week including

Mr. H. C. Chang, of the Great Pacific Trading Company, Tientsin, on whose behalf I submitted trade opportunities to the Bureau.

Mr. Geo. W. Fuller, of the firm of Fuller & McLintock, Engineers, New York City, who is visiting China after attending the World Engineering Conference at Tokyo and to whom I gave reference material concerning China, conferring with him at length on miscellaneous subjects in which he is interested.

Mr. A. C. Lee, Manager of the China Continental Commerce Company, of Tientsin; and Mr. Paul Han, of Paul Motors, Ltd., who called to discuss with me the matter of taking over agency rights in North China for the Whippet and Willys Overland lines of automotive vehicles.

Mr. H. M. Young, of the China Foreign Corporation, Tientsin, called on me to secure information on motor bus and highway developments in Shansi Province and to discuss with me the general automotive sales outlook in North China. His company has just formed a subsidiary organization to take over General Motors representation for North China and he personally will assume charge of the new organization and devote his exclusive time to it. I loaned him copies of my reports on conditions in Shansi.

Mr. H. M. Fox, British Commercial Attache, called to discuss with me the matter of exchange of publications and I have agreed to give him a copy of commerce reports regularly in exchange for the "Board of Trade Journal and Commercial Gazette".

Another caller during the week was Mr. Robert E. Stevenson, who is desirous of marketing Chinese cricket gourds in the United States. As a result of this interview ^{I made} an attempt at a semi-humorous report and submitted same to the "Fortnightly". I also attended two or three farewell functions for the American Minister, J. V. A. MacLurray, during the week, handled a mass of correspondence, conferred with the Second Secretary of the Legation on two subjects on which my reaction was desired and shaped up the lead for our monthly cable.

2. On Saturday afternoon I entertained a number of local Chinese from the Geological Survey, the Peking-Hankow Railway, and local Chinese banks, and a number of local Americans at tea, and exhibited moving pictures of agricultural developments, highways, and of parachutes in use (Irving Air Glute films.) (Calder)

3. Mr. Venator went to Tientsin during the week to secure information for our November monthly cable and did the bulk of the preparation on his return. He also made several calls in Tientsin in connection with trade promotional work in hand. He also prepared the following correspondence and report of material:

Letters to Bureau	4
" " Firms in U. S.	6
Trade note - 1 of 1 page	
Local letters	1
Notes on export trade for Nov. 1 monthly Report.	

(Venator)

ABC/HCC.

AMERICAN LEGATION
OFFICE OF COMMERCIAL ATTACHÉ
PEKING
(TELEPHONE 376 E. O.)

PEKING Mar. 5. 1930.

Dear Sir:

Herewith copy of my belated report on my Shanghai trip. After perusing please return for my personal files. Am not supplying the Shanghai office with a copy, as there is nothing it doesn't know or needs to know about this report. I merely wanted you to see the references to yourself therein.

Sincerely,
Asle

Since the establishment of the Nanking Government having done so prior to this occasion.

During the period January 27 to January 31, at Shanghai I had an opportunity to renew a number of old business contacts and absorb a great deal of helpful background on the business and governmental situation which is useful to me in the work. I also prepared a summary of the political and military situation in China and other material for the February 1 Monthly China Trade Report. As guest of Admiral McVay, I attended a luncheon party on Tuesday January 28 on board the flagship of the Asiatic fleet given to the Minister's staff. On the following day I attended a luncheon on the flagship to which heads of American Government departments represented in Shanghai including the American Consul General and the Judge of the American Court were invited by Admiral McVay. After this event the entire party proceeded to the Dollar wharf to meet the New Minister arriving on the President Grant.

In company with Miss Smith (Mr. Williams being absent in Shanghai) I greeted the New Minister on the board the Steamer on behalf of our China organization and accompanied the party to his hotel and was present during his reception of newspaper men and numerous distinguished callers. I also arranged to have Messrs. Woodard and Robison meet the Minister the same afternoon, and after Mr. Williams' return from Hankow I arranged a breakfast party for the purpose of having him meet and talk with the the Minister.

The same evening the Minister invited the immediate

REPORT

Peking
(City)

China
(Country)

March 3, 1930.
(Date)

Report for the week ended Period January 24 to February 9, inclusive.

Submitted by: A. Bland Calder
(Name) Acting Commercial Attache.
(Title)

11-9366 GPO

Activities on trip to Shanghai

At the request of the State Department through the Bureau I went to Shanghai with the American Charge d'Affaires, Mr. Mahlon F. Perkins, the Naval Attache, Commander C. O. Hartigan, and the Military Attache, Major John Magruder, to meet the new American Minister, Mr. Nelson Trusler Johnson, for the purpose of accompanying him to Hankow for his official presentation of credentials to the head of the Chinese Government, General Chiang Kai-shek. Left Peking January 23, 5.20 p.m. arrived Shanghai January 26, Sunday, 4. p.m. It was the desire of the State Department that Mr. Johnson be accompanied by his staff, as it was thought this would be an especially friendly gesture to China, no ministers of other large powers sending new emissaries to China since the establishment of the Nanking Government having done so prior to this occasion.

During the period January 27 to January 31, at Shanghai I had an opportunity to renew a number of old business contacts and absorb a great deal of helpful background on the business and governmental situation which is useful to me in the work. I also prepared a summary of the political and military situation in China and other material for the February 1 Monthly China Trade Report. As guest of Admiral McVay, I attended a luncheon party on Tuesday January 28 on board the flagship of the Asiatic fleet given to the Minister's staff. On the following day I attended a luncheon on the flagship to which heads of American Government departments represented in Shanghai including the American Consul General and the Judge of the American Court were invited by Admiral McVay. After this event the entire party proceeded to the Dollar wharf to meet the New Minister arriving on the President Grant.

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members of his staff as previously mentioned and, including Mr. Howard Bucknell to dinner, following which a long discussion of the China situation ensued until after midnight, during which the Minister directed many questions to each member and asked opinions on many situations. Considerable time was spent in discussing the pros and cons of the advisability of moving the Legation to Hanking and as to how it would affect the work of each Attache present. The next evening we members of the Minister's staff invited him to a dinner and theatre party.

On Friday evening January 31 the Minister's party left for Hanking, arriving there at 7 Saturday morning February 1. good roads and highway economic publicity campaign which I have proposed that the minister. At 8.30 a.m. we were formally received by the Minister of Foreign Affairs at his residence. At ten o'clock at the official reception hall the Minister presented his credentials to General Chiang Kai-shek, who was attended by a group of civil and military officials. Following the Minister's presentation of credentials, he presented each member of his staff in person to General Chiang. going through a difficult period with the Chinese Government in connection. On the following day I accompanied the Minister with other members of his staff to an official ceremony at which the Minister laid a wreath on the tomb of Sun Yat Sen. Also attended an official reception given by the American Consul for the Minister, and a formal official dinner party given by the Minister of Foreign Affairs to the Minister, at which were present high officials of the Hanking Government including Mr. Sun Fo and Dr. Wang Chang-mei. Mr. corps for the Chinese Government, giving him information on conditions in North China; with returning to Shanghai on Monday February 3, I had a busy four days prior to my departure for Peking. I was a guest at a dinner given the Committee of Thirty to the Minister at which he outlined the American policy and methods in vogue in Washington in dealing with the China situation and listened to many opinions and comments voiced by businessmen and missionaries comprising this group. I was also tendered a small luncheon party by Mr. C. H. French, Treasurer of Andersen, Meyer & Co., and former President of the American Chamber of Commerce of Shanghai, at which Professor Gibbons of Princeton University was also present. The latter is making a study of the China situation following his attendance at the Kyoto Conference and many angles commercial and other, of American-Chinese relations were discussed on this occasion. Through Miss Smith I also received an invitation to a small luncheon party from Mr. Lionel Curtis, a British delegate to the Kyoto Conference, who was instrumental in securing the services of Mr. Justice Feetham of the Supreme Court of South Africa, for the Shanghai Municipal Council to assist that body in its attempts to find a means of bringing its administration of the International Settlement into some approach of consonance with Chinese Nationalist demands for its reversion to complete Chinese control, a move which at this time, if taken, would doubtless jeopardize foreign, including American, property values and to commercial functioning severely. It is the burning issue in Shanghai at the moment. Mr. Curtis gave the luncheon for Judge Feetham in order to give the latter an opportunity to meet and discuss some

of the issues with local Americans. Miss Smith, Mr. Morris Harris, Associated Press representative, and Mr. J. B. Powell, editor and publisher of the China Weekly Review, were also present.

At Shanghai I called on the Claude - Neon Light Co., a Corporation under the China trade act and discussed Tientsin agency proposition on behalf of contacts there who are eager to handle the distribution of this product for North China.

I also discussed at length with Mr. Carl Crow, American publisher of the Shanghai Evening News the question of a good roads and Highway economics publicity campaign which I have proposed that the automotive distributors undertake in order to stimulate and keep alive a highway consciousness among the Chinese people, particularly officialdom, through the Chinese press.

I had lengthy conferences also with Mr. Ernest B. Price, President of China Airways, Fed. Inc., U.S.A., whose company is going through a difficult period with the Chinese Government in connection with its franchise for exclusive air mail and passenger transport over three routes in China; with Capt. C. T. Hutchins, U.S.N. retired, now manager of the department of Andersen, Meyer & Co. handling aeronautical products and munitions, and formerly Naval Attache in Peking; with Capt. F. N. Shoemaker, representing the Aviation Corporation and the Harriman Bank interests in connection with his proposals for developing military air corps for the Chinese Government, giving him information on conditions in North China; with Mr. Earl F. Baskay, pilot and aviation salesman for L. E. Gale & Co. of Hankow; with Mr. J. J. Mantell, American Advisor to the Chinese Government Ministry of Railways who had just completed his labors and was leaving for the United States, and who allowed me to have a confidential copy of his final report and survey to the Ministry on the railway situation in China.

I had numerous shorter talks with other contacts, spent some time with each member of the Shanghai office discussing various features of the work, and in collaboration with Mr. Williams prepared a radio to the Bureau on the matter of handling the budget situation developing out of Mr. O'Hare's appointment.

I was very glad of this opportunity to visit Shanghai as it enabled me after fourteen months absence from that city to secure much information helpful to my work besides enabling me to establish very cordial contact with the New American Minister which I believe will result beneficially to our working relations with the Legation and consular offices. Having been informed that Mr. Johnson was in part, at least, responsible for the establishment of the present competitive consular commercial department, I was somewhat dubious as to his attitude toward us and our work but so far as my observations to date can reveal, the indications are very encouraging.

I left Shanghai February 7, 9. a.m. by rail for Peking,
arriving back at my post at 2. p.m. Sunday, February 9.

A. Bland Calder,
Acting Commercial Attache.

ABC/HCC.

WEEKLY REPORT

Report for the week ended March 8, 1930.
 Submitted by: A. Bland Calder Assistant Commercial Attache.
 11-9366 GPO

OFFICE ACTIVITIES

A. Attendance in Office

Personnel	Days at Office	Days Out of Office	Calls Handled Rec'd	Calls Handled Made	Hours Over-time	Comments
Julian Arnold, C.A.,	-	-	-	-	-	En Route to China
A. Bland Calder, A.C.A.,	6	-	9	3	-	-
Louis O. Venster, Sec'y to C.A.,	6	-	2	2	-	-

B. Material Forwarded to Bureau

Personnel	Letters Sent		Special No. Pages	Reports Submitted		
	Bureau	Outside		E. & F.	T.O.	W.T.D.
A. Bland Calder, A.C.A.,	5	5	-	-	-	-
L.O. Venster, Sec'y to C.A.,	-	17	-	-	-	-

(Local letters written: ABC.-26; LCV.-2)

C. Principal Office Activities

1. Attention to routine reports and correspondence and to the situations outlined in other sections of this report occupied my time during the week. (Calder)

2. Callers.

Callers received during the week included the following:

H. V. Wilcox, Ph.D. Staff Writer, Country Gentleman, on a trip through several Far Eastern countries for information for articles he is writing for the above publication called twice during the week and was given considerable time in discussion of the Chinese situation from numerous angles, as well as reference material on population and other subjects.

J. H. Fort, Vice President, Magoel Motors Corp., called in once or twice in connection with situation described elsewhere in this report.

H. J. Timberley, Editor of the Journal of the Society of Chinese and American Engineers, called to endeavor to secure statistics and other data in connection with material in course of preparation for his publication.

Mr. C. S. Liu, China Northern Corporation, in connection with Fageol Motors and Caterpillar Tractor agency propositions, as described in Trade Promotional Section, and at an approximate price of \$1800. as

Mr. T. F. Liu, Tientsin Manager, China Northern Corporation, to discuss Fageol Motors agency for Manchuria.

Mr. Grover Clark, China International Famine Relief Commission, leaving shortly for the United States, called to secure copies of our Monthly Report. I gave him January and February issues after securing from him a signed statement that the material would not be used for any publicity or re-published.

Mr. Phil, a small Russian trader in Tientsin, called with reference to securing our permission to act as a sales agent to book orders for some sample portable phonographs shortly arriving, sent by the manufacturer at our suggestion. (ABC.)

3. Drafting of replies to routine inquiries and preliminary work in preparation of yearly "Dollars and Cents results" report took most of the week. Remainder spent in other routine matters. (LCV.)

TRADE PROMOTIONAL ACTIVITIES.

Assistance to Fageol Motors Corporation: On Sunday I drove Mr. J. H. Fort, Vice President, outside the city for a distance of about 40 miles to give him some impressions of the condition of roads in this vicinity. On Monday, following preliminary plans which I arranged last week, Mr. C. S. Liu, General Manager, China Northern Corporation, was host to Mr. Fort at a luncheon at which were present Mr. C. T. Wu, President of the Salt Bank, Mr. S. P. Wang, Manager of the Peking branch, Dr. Y. P. Tsur, and several other Chinese interested in motor transportation, and myself. Mr. Fort brought numerous photographs showing the various types of equipment put out by his company, and talked informally about motor transportation conditions in various parts of the Far East, and in the United States.

Mr. Fort for the agency for Manchurian territory provided the info. Mr. C. S. Liu has been trying for some months, with our assistance, to contact with an American manufacturer making a tractor truck or truck and trailer equipment which could haul up to 10 tons for grain transportation work in Manchuria over frozen ground in winter, as feeder to a railway terminus. Mr. Kao, Managing Director of the Peking-Hankow Railway is the interested party desiring to get this equipment. Mr. Kao originally specified equipment the motive unit of which was not to cost more than \$1500. None of the catalogs or prices we have been able to secure as a result of representations made direct and through the Bureau to various truck manufacturers were anywhere near that figure.

Vice President of Fageol Motors is personally acquainted and

Mr. Fort, however, exhibited pictures at this luncheon of an outfit which just fits in with what Mr. Liu has been trying to run down, and at an approximate price of \$1500. ex factory, Oakland. It is a six wheeled truck pulling a six wheeled trailer (the trailer of course costs extra), or can be put out as a shortened chassis tractor-truck pulling a four wheeled semi-trailer, (all four wheels in rear of semi-trailer). Mr. Liu secured approximate price and other material from Mr. Fort on this equipment, and was so enthusiastic that he went straight to Tientsin to see the railway people on the possibilities of selling this equipment. The railway is in the market for 6 to 8 outfits as a trial proposition, so Mr. Liu states, if suitable equipment at a satisfactory price can be secured. The limit capacity of the equipment Mr. Fort described is 8 tons, however, but Mr. Liu believes it will serve the purpose satisfactorily.

On Mr. Liu's return from Tientsin I arranged an appointment for him to meet Mr. Fort again and discuss the situation, which has worked out in such a way that Mr. Fort, after going to Tientsin and discussing the situation with Mr. T. F. Liu, Manager of the Tientsin office of China Northern Corporation, is now negotiating with this concern to turn over the agency for Manchuria for Pageol equipment. This will be on the condition that China Northern Corporation opens an office in Mukden, however, which the directors may not be willing to do at this time.

the road improvement campaign. (ABC.)

China Northern Corporation would prefer to have the agency for North China and Manchuria, but Mr. Fort had already made definite arrangements assigning North China to the Commercial Traders Association, Tientsin. It was my suggestion that Mr. Liu's company endeavor to work out some co-operative arrangement with Commercial Traders, and Mr. Fort talked to the latter concern on the subject, finding them willing, but Mr. T. F. Liu believes such an arrangement would not be feasible, and since the particular business in hand is for Manchuria, preferred to put in a bid with Mr. Fort for the agency for Manchurian territory provided the initial business for 6 or 8 sets of equipment can be closed at once. Mr. T. F. Liu came up from Tientsin to Peking to discuss this situation with Mr. Liu and me on Saturday.

This re-opens the interest of the China Northern Corporation in a truck agency which they had about decided to forsake. Should the agency arrangement for Manchuria for Pageol go through, the company may be then disposed to take on some other line for North China territory, for which several manufacturers are seeking a connection. (ABC.)

Efforts on Behalf of Caterpillar Tractor Co.: As Mr. J. H. Fort, Vice President of Pageol Motors is personally acquainted and

friendly with the heads of the Caterpillar Tractor Co., he volunteered after a general discussion of the usefulness of modern road equipment at the luncheon above mentioned, and listening to the plans we have for stimulating a road construction program, ~~to wire the Caterpillar~~ people direct urging them to ship out equipment for demonstration as recommended in my radio and letter to that corporation. This was done through our San Francisco office. On March 5 Mr. C. S. Liu, China Northern Corporation received a cablegram from the Caterpillar Tractor Co., stating that a Caterpillar "thirty" and two of their men would arrive in Tientsin in accordance with my suggestions about the middle of May, at which time definite arrangements for placing the agency might be taken up. Thus, our constant follow up of this situation in past months has resulted in definite steps being taken by the Caterpillar people to enter this field. I feel confident that the demonstrations which will be put on will so impress provincial and municipal officials that definite sales will follow. It is expected that the provincial authorities will go ahead with restoration of roads in North China when it is shown how cheaply it can be done with modern equipment, and that truck and car sales will undoubtedly increase as a result of our creative work on this subject. At the luncheon above mentioned Mr. C. F. Fu assured all present that the Ta Kung Pao, which is the most progressive daily newspaper in North China, owned by him, would give full publicity and assistance to the project at the proper time to advance the road improvement campaign. (ABC.) Far East. (ABC.)

DIRECT DOLLARS AND CENTS RESULTS. None to report during week.

Service to E. E. Baird, manufacturers sales agent. It will be noted that in my weekly report for week ended December 28, 1929, I mentioned that I had given an entire morning to Mr. E. E. Baird, representing various American manufacturers, advising him on marketing channels, etc. Subsequent to this occasion he went to Tientsin and called on various of the firms I had suggested to him as possible agents or sales channels. He now reports to me by letter from Shanghai that at Tientsin he accomplished, the following results from the contacts to which I directed him:

<u>Tientsin Company</u>	<u>American Manufacturer</u>	<u>Item</u>
Shang Tai Ye & Co.	James S. Kirk & Co., Chicago	Sale of soap.
Chung Yuen & Co., Ltd.	Continental Chandelier Co., Cleveland, Ohio.	Sale of lighting fixtures.
Department Store.	Underwood Battery Co., Cleveland, Ohio.	Sale of Penlite and Flashlight Batteries.
China Radio Corporation	" " "	Sale of Penlites & #6 Dry Cells.
Manufacturers Sales Agency	" " "	Sale of Flashlight cases and batteries.

Mr. Baird also states that he has agreed to protect Manufacturers Sales Agency, Tientsin (Mr. Thos. I. Miller, Prop.) as agents for this district until December 31, 1930, on Flashlight cases and batteries as manufactured by the Underwood Battery Co., of Cleveland, except as regards sale to Chang Yuen Department Store.

He has agreed also to protect China Radio Corporation Tientsin as agents, for six months until August 31, 1930, for No. 6 dry cells only, as manufactured by the Underwood Battery Co. of Cleveland.

Mr. Baird does not mention the amount of money involved in the above sales and agency connections established for definite periods. Since I did not actually introduce Mr. Baird to the concerns in question but merely advised him that they were the logical outlet for some of his lines and since I gave him general background as to marketing conditions we can claim the business at least as indirect dollars and cents results of our efforts, since he was saved considerable time and effort by being able to go direct to interested firms as recommended by us. The Bureau may handle the matter as it sees fit as to securing letters from the manufacturers concerned. If letters are obtainable from them acknowledging our assistance in the matter, the orders in question could be credited to direct dollars and cents results effort. Mr. Baird has now left Shanghai and gone on to Manila and other parts of the Far East. (ABC.)

DIRECT DOLLARS AND CENTS RESULTS: None to report during week.

A. Bland Calder,
Assistant Commercial Attache.

ABC/HCC.

WEEKLY REPORT

Report for the week ended September 28, 1929. Peking, China September 30, 1929.
 (City) (Country) (Date)

Submitted by: A. Bland Calder Acting Commercial Attache.
 (Name) (Title)

11-6306 GPO

OFFICE ACTIVITIESA. Attendance in Office

Personnel	Days at Office	Days Out of Office	Calls Handled Rec'd	Matters Made	Over-time	Comments
Julean Arnold, C.A.						On Itinerary in U.S.
A. Bland Calder, A.C.A.	6	11	6	10		

B. Material Forwarded to Bureau

Personnel	Letters Sent		Special No. Pages	Reports Submitted		
	Bureau	Outside		E. & T.	T.O.	W.T.D.
Julean Arnold, C.A.						
A. Bland Calder, A.C.A.	5	7		1	3	

(Local letters written - 16)

C. Principal Office Activities

Visit of H. L. Perry, Caterpillar Tractor Co. I spent a considerable part of the week with Mr. H. L. Perry of the Caterpillar Tractor Co., San Leandro, California, now making a survey of conditions in China to determine whether and where the opportunities may exist for developing the market for his company's road making and maintenance equipment. In order that he might meet some local representative Chinese I invited several contacts to a tea party on Friday in order that they might see his motion pictures of work on dirt road construction with Caterpillar equipment in the United States. I was obliged to get the party together on such short notice due to the shortness of Mr. Perry's stay that only about half the persons invited were able to attend. Those present were Mr. C. S. Liu, former Director General of Chinese Government Railways and now General Manager China Northern Company; Mr. Chow Tao Min, President, Kinsheng Banking Corporation; Mr. C. T. Wu, President, Salt Industrial Bank, Mr. Liu Yen Chi, Chief of the Public Works Department of the Peking Municipality, and Mr. Chu, his assistant. I had also invited the Mayor of Peking and the Head of the Octroi Tax Bureau and one or two other Chinese bankers, and called with Mr. Perry in person on most of these contacts during the week, to present the invitation in person. I was particularly desirous of having the Mayor see the pictures, as he appears to be a progressive individual, who, though he has been in office only two months and a half, has done a great deal toward putting the Peking streets and roads leading out of the city into good shape. The Mayor will be interested in seeing these moving pictures on Mr. Perry's return from South China. I omitted from my last week's report the fact that I had met Mr. Perry in Tientsin that week and put him in touch with one or two contacts there who may later take on his agency.

2. Procedure for Importation of Arms and Ammunition to China (Confidential)

At the Legation's request I discussed during the week with Mr. R. E. Gilleland, Manager of Andersen, Meyer & Co., Tientsin, the question of procedure for importation of American arms and ammunition to China. The Department of State has expressed its willingness to permit exportation of American guns and ammunition so long as it is for the Central Government it recognizes in China. The Department of State stipulated that the procedure for carrying on this trade would be that the Chinese Government must through its Minister in Washington present the application for export permit. However Andersen, Meyer & Co., here pointed out that if such procedure is required the Chinese Government Ministries concerned in arms purchases would not care to be bothered by going through this red tape but would simply buy its munitions from Germany or other European countries where such stipulations are not required.

3. For example, the Ministry of War at Nanking, on concluding a contract for the purchase, from an American firm, of certain war equipment, would not want to be annoyed with the procedure of requesting the foreign office of its own Government to take up the matter with the Department of State through the Minister in Washington. At times none too friendly relations obtain between the various Ministries of the Government, and the importers claim the business would be lost to European suppliers if the United States Government were to insist on a procedure involving so much red tape.

4. On going over this matter with Mr. Gilleland some weeks ago it appeared to me that the State Department would doubtless be agreeable to a slight change in the procedure so long as the principles surrounding its policy toward the Chinese Government were not affected. Hence I suggested that the Legation communicate with the Department of State asking that Department's approval of a plan whereby the American Legation here on being given evidence (say through the American Consulate at Nanking or Shanghai) that some department of the Nanking Government had issued a huchao for war equipment or munitions, could notify the Department of State direct, thus satisfying the Department that the Huchao had been issued by the Nanking Government, and enabling the American company to go ahead with the business without fear that the Department of State would refuse to issue an export permit or release.

5. The Department of State has replied expressing its willingness to acquiesce in this procedure but has requested certain further details of the procedure which I have now outlined to the Legation after conferring with Mr. Gilleland, and which the Legation has wired to the Department of State.

6. The Department of State also wished to be informed what departments of the Nanking Government would be issuing such huchaos.

7. The procedure now suggested is that when the Departments of War or Navy of the Nanking Government issue huchaos, the portion of the huchao which is turned over, on conclusion of the contract, by the Ministry to the American firm, may then be shown to the American Consul, say at Nanking or Shanghai, by the American firm, and the Consul can then check the matter up with the Custom house, locally, as to whether the document is authentic and as to whether the Custom House will honor the huchao on arrival of the goods and will pass them through. Upon being thus satisfied by the Customs, the American Consul can then inform the Legation, the Legation can in turn inform the

Department of State, and the American Company can proceed with the order. The American Company's head office or connections in the United States, however, will doubtless be required still to apply to the Department of State for release or export permit before actual shipment of the goods.

8. The outline of this procedure has now been cabled by the Legation to the Department of State with information that so far as can be contemplated in advance, no other Ministries than the Nanking Ministries of War and Navy will be issuing such huchao.

(Note: When the Ministry issues the huchao, it is torn or cut in two across the chop or seal, one half being given to the importer and the other half to the Custom House at the port at which the goods are to be entered. The Customs on receiving the portion of the huchao from the Ministry, keeps it on file, until the other half is presented by the importing house. The two halves must match. If the importing firm desires to make doubly sure, after being given a huchao by the Ministry, it can go to the customs inspector of the port, compare the two halves of the huchao, and the Customs will "chop" or visa the importers portion, if so desired, which amounts to recognition of its authenticity. Thus, by having the American Consul at the port of entry make this check the Legation could be assured that the huchao had been issued and was in order.)

9. We are now awaiting the State Department's reply to these suggestions and, if approved, American firms will be about as well off as to procedure in the matter of arms imports to China as are the suppliers of other countries. Andersen, Meyer & Co., naturally do not want to broadcast this information or advertise to the world that they contemplate going after this type of business, as they do not want to stir up a lot of competition, hence have requested me to keep the matter confidential. CONFIDENTIAL.

10. Motion Picture Distribution. During the week we loaned our films on Agriculture and Road Construction to the Peking Union Medical College Department of Religious and Social Work for exhibition to students and families.

11. Assistant Trade Commissioner Robison. Mr. Robison recovered sufficiently from his illness to proceed with his work at Tientsin, and left Peking on Monday for several days investigation there and return to Shanghai.

12. American Tourists. There appear to be an unusual number of small parties of American tourists in Peking at the present time, no less than thirty or forty are officers and families of either the Army or Navy from Manila. I had a conversation during the week with two or three representatives of American Tourist agencies such as Raymond Whitcomb, American Express, four such companies being represented in a delegation which was invited to Japan by the Japanese Government which desires to expand its tourist facilities and to campaign for an increased flow of American tourist traffic to that country. The delegation after covering Japan pretty thoroughly are visiting China to study the situation here, as they claim it will be difficult for them to sell a Japan cruise without including China, and they wish to line up the facilities offered here, prospects for continued stability, alternative side trips in case of disturbances, and other questions. The delegation spent the week in Peking and proceeded to Manchuria and Korea on their return to the United States.

13. The "Malolo" cruise of about 350 California business men and tourists will be the first big cruise to visit Peking this season. The ship will discharge its passengers at Chinwangtao for a five days visit to Peking about the middle of October.

14. Mr. Hene May, President, Gats Bros., Co., was one of our important visitors during the week. He is very much interested in Prof. Crocheron's visit but apparently not in sympathy with its purposes since he takes the position that the exporters are doing all that is possible in developing Far Eastern markets for California products and that there is no solution for the huge overproduction in California. I spent a good deal of time with him discussing various angles of the California situation. Mr. May is on a trip through all Oriental countries and will probably visit all the points being covered by the Crocheron party. After completing a trip around the world he states he plans to return to the Far East to give personal supervision to his branches. (Calder)

15. Mr. Venator handled routine correspondence and other routine matters during the week. Gave some time to reports for the monthly trade report and to the preparation of Economic and Trade Notes, etc., the subject material for which was gathered during a trip to Tientsin last week. (Venator)

Local letters 4
Letters outside 5
Letters to Bureau 3
Economic & Trade Notes 4 - 12 pages.

Some of the foreign loans may not equitably and legally be repudiated is open to question. As Mr. Willoughby states in his "Foreign Rights and Interests in China" (revised edition) "So far as public opinion in China can be definitely determined it would appear that the Chinese are and have been in favor of repaying all loans actually received through loans irrespective of the manner in which their proceeds were spent. Chinese public opinion has not favored A. Bland Calder, Acting Commercial Attache, created by these loans or other agreements." This attitude will meet with the sympathy, I believe, of all people sincerely interested in the steady advancement of China to stable solvent government. It being understood of course that the repudiation of "special rights and incidental obligations" do not refer to essential financial security of the loan.

The latest compilation of outstanding Secured Foreign Loans (January 1, 1929) is that of S. Komi and J. P. Baylin. In that compilation, the loans are divided according to specific revenue pledged as a primary security.

CHINA DEBT SITUATION

Present situation (as of July 1st 1929)

Although many studies have been made of China's debts both secured and inadequately secured, all figures are to some extent approximate as regards the so-called "unsecured" debts. Further, Nanking has announced a policy of scrutinizing all debts, loans etc. with a view to consolidation when, "only such foreign loans that are not injurious to China's political and economic interests shall be given recognition". As the repudiation by China of any foreign debt or loan on such grounds will undoubtedly give rise to most serious international controversy, it is not practical at the moment at least to consider any scaling down of these. If there have been contracted any foreign loans which from the point of view of the present government may be deemed injurious or disadvantageous politically or economically it is nevertheless a question to be seriously considered by China, having in mind the status of her international credit, whether repudiation is a wise policy or justified in the premises in view of the more or less empirical position of all Chinese Governments in the past ten or twelve years. Whether the political claims appertaining to some of the foreign loans may not equitably and legally be repudiated is less open to question. As Dr. Willoughby states in his "Foreign Rights and Interests in China" (revised edition) "So far as public opinion in China can be definitely determined it would appear that the Chinese are and have been in favor of repaying all moneys actually received through loans irrespective of the manner in which their proceeds were spent. Chinese public opinion has not favored, however, the continued recognition of the special rights and incidental obligations created by these loans or other agreements." This attitude will meet with the sympathy, I believe, of all people sincerely interested in the steady advancement of China to stable solvent government, it being understood of course that the repudiation of "special rights and incidental obligations" do not refer to essential financial security of the loan.

The latest compilation of outstanding Secured Foreign Loans (January 1, 1929) is that of E. Kann and J. R. Baylin. In that compilation, the loans are divided according to specific revenue pledged as a primary security.

<u>MARITIME CUSTOMS REVENUE</u>	<u>SERVICE 1929</u>	<u>OVERDUE</u>
£38,385,283.	£4,115,561.	nil
U.S. \$46,138,600.	U.S. \$3,453,354.	nil

(The latter comprises French & Belgian Boxer Indemnity loans)

<u>SALT REVENUES</u>	<u>SERVICE 1929</u>	<u>OVERDUE</u>
£12,970,947.	£1,067,227	£718,059 C
Yen 36,764,600.	Yen 5,262,288	Yen 23,999,900 C
		6,534,200 I

<u>RAILWAY PROPERTIES & INCOME</u>	<u>SERVICE 1929</u>	<u>OVERDUE</u>
£18,460,246	£1,840,036	£3,829,171 C
Fr. Fcs. 56,132,500	Fcs. 8,076,754	Fcs. 6,801,000 C
B. Fcs. 137,743,000	B. Fcs. 34,568,040	B. Fcs. 50,000,000 C
Yen 61,037,000	Yen 4,165,687	Yen 3,960,000 C
D. GlDs. 30,750,000	GlDs. 6,262,248	GlDs. 10,000,000 C
		5,313,774 I

Recapitulation in silver dollars using exchange rate as follows:
 £ at 12.00, F. Fcs. at .10, B. Fcs. at .07, Yen at 1.10, U.S. \$ at 2.50, D. GlDs. at 1.00.

<u>CAP. OUTSTANDING</u>	<u>SERVICE 1929</u>	<u>OVERDUE</u>
General \$771,702,320	\$76,855,257	\$ 35,686,598 C
Railway \$334,668,912	\$36,152,372	19,128,940 I
		60,886,152 C
		45,080,240 I
Total \$1,106,371,232	\$113,007,629	\$ 96,576,750 C
		64,209,180 I
Overdue and unpaid capital and interest		\$160,785,930.

The nationality of the defaults is roughly:

	Capital \$	Interest \$
British	18,000,000	11,000,000
Japanese	30,000,000	14,000,000
Belgian	4,000,000	2,000,000
French	15,000,000	14,000,000
Dutch	10,000,000	5,000,000
American	1,000,000	2,000,000
Miscellaneous	18,000,000	16,000,000

Japan	572,618	572,618
Russia	1,000,745	1,000,745
United States	572,618	572,618
Total defaulted portion	1,575,381	1,575,381

While Miscellaneous includes certain German issued loans the present position of which is not wholly clear. It is noted in China yet it is a definite non-cancelable charge on the Customs. Three different loans and it is noteworthy that, none of the Customs loans are in default and that all the Salt loans are in default. To arrive at the total charges on the Customs it is necessary to take into consideration the Boxer Indemnities and the domestic loans some of which are secured on a portion of the indemnities.

Totals of domestic loans charges secured on customs stood on July 1st; amount issued \$425,000,000, outstanding \$375,000,000. Other secured loans were; amount issued \$40,000,000 outstanding \$31,000,000.- against the Rolled Tobacco Tax; amount issued \$10,000,000, outstanding \$9,500,000. against stamp tax all China, issued \$6,000,000 against Municipal Taxes, outstanding \$4,500,000. This makes the total of secured domestic loans issued \$481,000,000 outstanding \$420,500,000. Of these the old Peking Administration issued (all against Customs) \$127,000,000, outstanding \$110,000,000 and Hanking (1927 to July 1, 1929) issued \$354,000,000, outstanding \$310,500,000 of which \$265,380,000 is on the Customs and \$31,060,000 against the Rolled Tobacco Tax. The Boxer Indemnities though in part cancelled and in part remitted are still except for the cancelled portions an actual charge on the Customs though they may be treated as domestic charges in so far as they are "remitted". Boxer charges are now (exclusive of the cancelled German and Austrian shares) as follows:

	1929-31	1932-40	1941-45	1946-7-
Annual Charges	1,752	14,087	1,752	
Total retained	13,614	16,168	1,752	

RETAINED PORTION

The figures for the retained foreign and domestic debts and the total retained portion are as follows:

	1929-31	1932-40	1941-45	1946-7-
Portugal	1,752	14,087	1,752	
Sweden, Norway, Spain)	2,862	4,081		
International				
Total retained	13,614	16,168	1,752	

REMITTED PORTION

It is very difficult to estimate the remitted portion of the Boxer charges but it is roughly estimated as follows:

	1929-31	1932-40	1941-45	1946-7-
Belgium	168,557	198,984		
Italy	215,077	310,533	1215,077	
Netherlands	6,368	9,178		
France	571,798	825,572	571,798	1571,798
Great Britain	413,128	596,481	413,128	
Japan	272,816	393,897	272,816	
Russia	1,058,745	1,528,635	365,445	
United States	273,618	395,055	111,024	
Total remitted portion	12,680,107	14,158,335	11,949,288	1571,798

While the remitted portion ceases to be a foreign charge in that the money is not remitted abroad but is retained in China yet it is a definite non-cancellable charge on the Customs. Three different loans and two small issues of treasury notes are now being served from the Russian, French and Belgian indemnities by special arrangement with the relative countries - the 7th year loan with \$38,250,000 outstanding, the 12th year 8% treasury bonds \$3,500,000 and the 13th year 6% treasury bonds \$700,000 on the Russian, the 1926 5% Gold Loan US\$41,326,200 on the French and the 6% Gold Loan of 1928 U.S. \$4,812,400 on the Belgian.

Treating all Indemnity charges - except the cancelled ones - as foreign the total foreign charges on the Customs are approximately \$1,127,500,000 and the domestic charges \$332,500,000 or a total on the Customs of 1,460,000,000. Other secured Domestic Loans are \$45,000,000 making a total of secured domestic loans of \$377,500,000 exclusive of the domestic charges on the Russian, French and Belgian Indemnities, those being included in the foreign charges. Other "so-called secured" foreign loans outstanding are \$196,000,000. against the Salt Revenues and \$334,700,000 railway loans. While these are listed as "secured" the security is in most cases very doubtful or even non-operative some \$96,000,000 capital and \$64,000,000 interest being overdue and in default. Assuming, however, that the security ultimately can be effective the total secured foreign claims outstanding amount to \$1,658,000,000. Add to this the secured domestic loans and the total "secured" debt is \$2,036,000,000 of which the Customs debts \$1,460,000,000 and \$31,000,000 against the Rolled Tobacco Tax may be considered fully secured. With reference to the foreign debt the usual method of calculating the Boxer Indemnities has been followed, namely taking the total of the annuities. If instead the present worth is taken some \$300,000 must be deducted from the total of foreign customs charges, making the figure \$1,358,000,000 and the total customs charges foreign and domestic \$1,736,000,000.

The figures for the unsecured foreign and domestic debts and claims are very difficult to arrive at but it has been officially estimated that the total unsecured debt is \$1,085,000,000. to which must be added \$400,000,000 arrears of interest excluding compound interest and commissions making a total of unsecured debts with interest \$1,485,000,000. This makes the total Central Government debt \$3,221,000,000. It is very difficult to estimate the proportion of the unsecured debt due to foreigners but it is roughly estimated at \$800,000,000 including interest to July 1, 1929 or somewhat over half the total estimate of unsecured.

It seems hardly possible that these have since increased to \$80,000,000 per annum. Miscellaneous Revenue is budgeted at \$12,000,000, details not given. Assuming this figure however and estimating Wine and Tobacco taxes at \$20,000,000 (Rolled Tobacco Tax alone requires \$14,000,000 p.a.) and leaving out other, the estimated revenues are as follows:-

Customs.....	\$192,000,000
Salt.....	1,300,000
Wine.....	22,000,000
Stamp.....	1,000,000
Recapitulation (Round Figures)	
Foreign Charges on Customs including "Present Worth" Indemnities.....	\$ 827,500,000
Foreign charges on Salt Revenues nominally secured.....	196,000,000
Civil Foreign charges on Railway Properties and Income nominally secured.....	334,500,000
"Secured" foreign debts.....	\$1,356,000,000
Domestic Charges on Customs less charged on Russian Indemnity.....	338,000,000
Other Domestic "Secured" charges.....	45,000,000
Total "Secured" charges.....	\$1,736,000,000
Est. Unsecured foreign debts.....	800,000,000
Est. Unsecured domestic debts.....	685,000,000
Total Est. National Government debt.....	\$3,221,000,000

This is not a stupendous debt if one divides it by 400,000,000, the estimated population of China, but this favorite device of some statistician for shedding sunshine on the situation does not bring the problem any nearer to the realm of practical affairs. For this problem it is a question of how much revenue actually reaches the Central Government and how much further taxation direct and in direct is effectively practicable. Domestic secured loan charges are \$200,000,000. Expenditure may be estimated as follows:-

The present National Taxes are the Customs, Salt, Wine and Tobacco and Stamps. Owing to the fact that the Government does not publish the amount of revenue from the increased Customs dues it is not possible to give the total customs revenue. It is estimated by the Minister of Finance in his 1929 budget as \$192,000,000. This figure will be commented on later but for the moment will be accepted as correct. The salt revenues though budgeted as \$116,000,000 actually is bringing in only about \$400,000 per month or \$4,800,000 p. a. Likin is given as \$76,000,000 but this is not a national revenue but a provincial revenue as was evidenced at the 1925/1926 Customs Conference, the Chinese Government asking for increased Customs rates to cover the amount they should refund the provinces when likin should be abolished. Wine and Tobacco Taxes are estimated as \$47,000,000 and the stamp tax at \$13,000,000 but the Commission for the Readjustment of finance estimated in 1925 that from these two sources the Government did not actually receive more than \$1,250,000 annually. It seems hardly possible that these have since increased to \$60,000,000 per annum. Miscellaneous Revenue is budgeted at \$12,000,000, details not given. Accepting this figure however and estimating Wine and Tobacco taxes at \$20,000,000 (Rolled Tobacco Tax loans require \$14,000,000 p.a.) and leaving out likin, the estimated revenues are as follows:-

Customs.....	\$192,000,000
Salt.....	5,000,000
Wine & Tobacco.....	20,000,000
Stamp Taxes.....	1,000,000
Miscellaneous.....	<u>12,000,000</u>
Total.....	<u>\$230,000,000</u>

Budgeted Expenditures for 1929 are Party Expenses and Civil Expenditure just over \$112,000,000 Military Expenses \$192,000,000 (on the assumption that the Army will be cut down to 50 divisions or about half the present size). The army has not been cut down in spite of a disbandment loan issued last spring for \$50,000,000; on the other hand the army seems to largely exist off the local communities and it is doubtful if the Central Government actually remits to the army even the figure budgeted. Losses thru provincial withholding of revenues is given as \$41,000,000 and miscellaneous expenses \$18,000,000. Loan service charges are estimated at \$156,000,000. This figure is difficult to reconcile even though obviously the unsecured debts are not considered. The loan service charges for secured domestic loans alone are \$115,000,000 and the "secured" foreign loans call for \$105,000,000 to which must be added \$35,000,000 p.a. (increasing in 1932 to \$50,000,000) for Boxer Indemnity charges. Even leaving out the Salt and Railway so-called secured loans the foreign charges are \$85,000,000. Add the domestic secured loan charges and the total for foreign and domestic secured loan charges are \$200,000,000. Expenditure then may be estimated as follows:-

Party & Civil Expenses.....	\$112,000,000
Military	192,000,000
Local retentions.....	41,000,000
Loan Services.....	200,000,000
Miscellaneous.....	<u>18,000,000</u>
	\$563,000,000
Deduct estimated income.....	<u>230,000,000</u>
Annual deficit.....	<u>\$333,000,000</u>

The estimated annual expenditure of the Peking Central Government in 1925 (Commission for Readjustment of Finance) was \$60,000,000 exclusive of Provincial Military expenses which on the basis of the 1929 budget may be taken as \$180,000,000 making a total of \$240,000,000 for administrative expenses and army or some \$64,000,000 less than the 1929 budget.

If the unsecured debts, the "Salt" debts and railway debts are taken into consideration another \$180,000,000 p.a. is needed for interest and amortization. The total deficit is therefore over \$400,000,000 per annum. This may seem somewhat academic but unless it is contemplated that these debts will finally and absolutely be

defaulted the interest must be considered as piling up at the rate of about \$230,000,000 per annum disregarding compound interest.

What is the solution? An effective economical government in actual control of both collections and expenditures able and willing to reduce the enormous military expense which is far in excess of the budgeted figure when one takes into consideration the levies, extortions, irregular taxes and destruction imposed on a helpless country side and the losses caused to trade and transportation. In the words of Padoux in his first pamphlet on the Financial Reconstruction of China, "The reduction of the army, no disbandment of the superfluous soldiery is worth being undertaken so long as the Tachans, Civil Governors, or other such provincial chiefs can defy the orders of the Government, seize the revenue, and recruit fresh troops at their own will. Neither can the finances of the Government be put on a sound basis if the proceeds of Government taxation continue being appropriated by the local military or civil authorities." To be sure he also states that in his opinion all Chinese taxes, national, provincial and local, does not exceed \$1.20 per capita. That figure is doubtless far too low but though the addition of \$1.00 per annum would not seem excessive and would clear off the deficit, as long as the conditions he pictures continue no amount of increased taxes will help. In fact, the increased Customs duties have probably done harm apart from any adverse effect on trade as they have increased the borrowing power without beneficial constructive results. It is said that "Time cures all evils" and at present "Time" seems the only if somewhat dubious hope - especially dubious in view of the other old "saw", "Procrastination is the Thief of Time".

WEEKLY REPORT.

COPY FOR PEKING OFFICE

SHANGHAI
(City.)

CHINA
(Country.)

April 8, 1927
(Date.)

Report for the week ended April 3, 1927

Submitted by: A. BLAND CALDER
(Name.)

Trade Commissioner
(Title.)

PERSONNEL

APPOINTEES	Day on Duty	Cause of Absence	Duration of Absence
Julean Arnold	6	---	---
A. Bland Calder	6	---	---
A. Viola Smith	6	---	---
<u>EMPLOYEES</u>			
Evelyn Varley	6	---	---
Verne Leary	6	---	---
Millard Arnold	4	Services terminated Mar. 25th (4 days' accrued leave)	
Henrietta McKeen	5	Illness	1 day
Gladys H. Bulger	6	---	---
S. Z. Yih	6	---	---
Anselm Chuh	6	---	---
(For other Employees see Form 218 Supplemental)			

ACTIVITIES OF STAFF DURING WEEK

MR. ARNOLD:

Tariff Valuations Revision. I called upon the Nationalist Commissioner of Foreign Affairs to ascertain the likelihood of the resumption of the tariff valuations revision work. He stated that for the present, at least, it was temporarily suspended and that what will be done later has not yet been decided. I am under the impression, however, that the Nationalist Government will not take kindly to the idea of carrying on the work of the Commission as at present constituted.

Liquidation of Russo-Asiatic Bank: I called on the liquidator of the Russo-Asiatic Bank. This work is now under the direction of the Nationalist Government, but apparently will proceed pretty much as already started, except that the British liquidator is replaced by a Chinese. A full report on the subject is being sent separately.

Charts and Graphs for Special Exhibits. I have been directing the making of a number of charts and graphs, illustrative of Chinese American Trade, for use in our office here and for exhibition purposes in connection with the work of the office.

Material for Commerce Year Book. I have been compiling during the week the material called for by the Bureau covering China for the special foreign trade articles for the Commerce Year Book.

ACTIVITIES OF STAFF DURING WEEK--Continued

MR. ARNOLD:

Trip to Hongkong It has been two years since I visited South China. Since Mr. Watson closed the office our furniture has been stored with Andersen, Meyer & Co., at Hongkong. The company wishes to make some other arrangements in regard to this furniture. Furthermore, the question of reopening the Canton Office is one that needs to be considered at this time, and so I am leaving at the end of this week for a brief visit to Canton and Hongkong.

Discontinuation of Commercial Department of U. S. Consulate General. In conversation with Consul General Gauss, he informed me that he has decided to discontinue the commercial department of his Consulate General. Although he could not say so, yet it appears quite likely that this comes as a result of orders from Washington.

MR. CALDER:

On Sunday, March 27th, I assisted in evacuating a number of medical and hospital missionary friends from West Gate Section of Chinese City to safe places within the International Settlement, and later in the day helped transport Nanking refugees and effects from dock to American Women's Club.

Besides assisting Mr. Arnold in the preparation of the Weekly Cable to Bureau on the local situation by making several outside calls for information, and spending some time both with Miss McKeen and Mr. Arnold on the subject of budget expenditures and savings effected this year, I made estimates, assembled the material for and prepared the Cable giving the China Automotive census figures as of January 1, 1927, making such local calls as necessary to secure the Shanghai figures. I also did some preliminary work on the quarterly automotive survey. Some time was also spent on the local postal congestion situation, which I am reporting separately.

MISS SMITH:

Necessary routine work, especially that pertaining to China Trade Act matters, was handled during the week.

Dr. J. W. Ridgeway, of Hankow, called and wished to find a location for himself and family. I assisted in securing housing accommodations for them. Mr. Karl Muhler, a Finnish refugee from Hankow, was given assistance in the matter of clothing through the American Women's Club.

Many outside calls were made during the week, incident to Red Cross Relief work and other local assistance to the Nanking refugees and those from Hankow. Every boat of refugees was met personally by Miss Smith, accompanied by a representative from the American Consulate. The names of refugees were secured, which

-3-

MISS SMITH:

in turn were wired to the Department of State by the American Consul. Miss Smith made arrangements to have refugees taken to central points of distribution from which they were fed, clothed and housed.

ALL OTHER MEMBERS OF THE STAFF were engaged in their usual duties.

REPORTS COMPLETED

Commercial Intelligence Division's Inquiry for List of
Importers and Dealers in Second-Hand Clothing.....AVS

HM

A. Bland Balder,
Trade Commissioner.