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ANTIWASTE, ANTICORRUPTION, ANTIBUREAUCRACY

Promotion of Drive. New promotion methods still were being adopted to hold the interest and spur action in the Nation-wide drive of the Chinese Communists to wipe out corruption in public offices and private business. Hangchow announced (Feb. 22) that more than 80,000 workers, students, shopkeepers, and others listened to an "on-the-spot" broadcast of a confession and accusation rally at which 20,212 cases of corruption were reported, many by phone or messenger. Kunming reported (Feb. 23) that a local rally would be broadcast Feb. 24 at 7:30 p.m. Wuhan said (Feb. 21) that since setting up Post Office Box 170 for receiving accusations, Central and South China Deputy Chairman Teng Tzu-hui had received 734 reports, which he had handled personally or turned over to his staff. Wuhsi announced (Feb. 22) that the South Kiangsu People's Consultative Committee had set up Post Office Box 3 to receive accusations against businessmen who cheated in filling contracts for supplies for the Chinese Volunteers. The same radio said (Feb. 23) that since setting up a reception office and information box the South Kiangsu Supervisory Committee had received 169 reports, all of which had been investigated.

Taiyuan reported (Feb. 18) that the SHANSI JIH PAO had carried numerous letters from readers concerning the drive. Hangchow announced (Feb. 21) that the CHECHIANG JIH PAO had received a letter from the Hangchow Volunteer Medical Corps urging an intensification of the drive. Hofei reported (Feb. 21) that the local Youth Corps had sent a letter to Mao Tse-tung concerning progress made. Canton announced (Feb. 19) that the Canton Government had issued cards to be carried by anticorruption investigators, with all factories and stores obligated to assist bearers of the cards.

Canton said (Feb. 19) that the local Chungshan Library had enlarged its reading facilities in order to promote the drive, and had literature on the subject from all parts of China on display, as well as clerks to answer questions. Canton said (Feb. 2) that the Canton Austerity Committee had organized a liaison section to coordinate accusations against corrupt elements, and all accusations must in the future be handled through this office. The same radio said (Feb. 18) that local banks, including Chungkuo, Shanghai, Kuohua, Chungnan, Chincheng, and Yangcheng, had changed banking hours to 11-4:30 Monday through Friday, and 10-12:30 on Saturday, to coordinate with the anticorruption drive.

Mukden announced (Feb. 21) that as part of the drive workers in the Shu Yu-hai Brigade had carried out safety measures in the Anshan Colliery. Dairen said (Feb. 18) that two facts had been learned from the drive: If a factory worker owned a shop or was a former merchant he should be investigated thoroughly; and "by first getting hold of the tiger's tail, the tiger can easily be uncovered." Shanghai said (Feb. 21) that Tsinan had carried out the first stage of the "Five Anti's" campaign, inspection, and had obtained information on graft, tax evasion, speculation, cheating, and stealing of information, from 117 factories and business firms, showing loss to the Government of 117 billion yuan. Now it was time to approach the second stage: "Down with the propertied class." The same radio reported (Feb. 22) that in Amoy 46 street union anticorruption committees had been organized, with 80 percent of the people receiving indoctrination. Women had been especially urged to expose their husbands' corrupt acts, and Yu Chi-ying, a housewife on Tatung Road, had exposed her husband for tax evasion, answering his protest that he might have to go to prison by saying she willingly would go with him, "but could not permit the Government to be cheated." Hangchow reported (Feb. 18) that at a 3-day meeting of Chekiang cadres Party Secretary Kuan Cha declared that "State industries are a great source of corruption, and no effort should be spared to clean them out."

Yangchow asserted (Feb. 23) that the newspaper published by the North Kiangsu General Merchandise Company had forced several major corrupt elements to confess. When Secretary Yu Yang-chu refused to expose major corrupt element Hsu Ying because of his own misdeeds, some of the 24 propaganda workers and 96 reporters in the company exposed Yu through the newspaper, bringing the matter to the attention of the leading cadres. Wuhsi reported (Feb. 21) that in Soochow, where corrupt elements had been given until Feb. 27 to confess, several meetings had been called for an "exchange of experiences in tiger hunting." Nantung declared (Feb. 18) that, though 285 tigers had been arrested in the Nantung Special Administrative District, 29 of them large ones, "An all-out offensive, more raging than before; soon will be started." Wuhan announced (Feb. 22) that cadre Li Huan-chen had been called to the office of Party Secretary Teng Tzu-hui to "receive a commendation for his excellent work in making accusations against corrupt Government officials." Chungking reported (Feb. 19) that in Luhsien the Government assisted "noncorrupt merchants" in organizing workers emergency control committees "to take over the stores and factories of corrupt merchants." Peking said in numeral code (Feb. 20) that the Nanking Austerity Committee had persuaded wives of proprietors in the iron and steel machinery trade to "advise their husbands to confess."

Confessions and Accusations. Many reports of confessions and accusations were broadcast, but fewer details were given concerning confession and accusation rallies, especially the number of persons attending. Chinchow reported (Feb. 22) that Chien Ching-wen had accused his brother-in-law of tax evasion on 11 million yuan worth of drugs handled, and had urged his sister to confess to other tax evasions. Hangchow announced (Feb. 18) that at a rally in the Chinhua Special District, Chekiang, on Feb. 18 announcement was made of the capture of eight tigers and 33 corrupt elements. Hangchow reported (Feb. 22) that at a rally attended by 15,000, and broadcast locally, 30,000 accusations were made, bringing the total for the campaign to 110,000. Corrupt merchants Wang Te-fu, Tu Cheng, and Ma Ying-chai were arrested "upon the demand of the people," announcement was made that Kung Chi-tai, Shen Chen-ju, Chin Jih-hsiang, Chou Shi-lo, Li Kuei-seng, Chu Chia-ying, Ching Peng-fei, and Chang Pao-hung were being investigated, and Mayor Wu reported that the confession deadline for merchants had been extended 10 days.

Huainan announced (Feb. 19) that at a rally in the Huainan Mining Administration Hall, Shen Li-ping, director of the local reception center, confessed to minor corruption, but in the face of accusations increased the total of his corruption by several million yuan. Huainan said (Feb. 24) that the Mining Administration supply office held a rally Feb. 20 to accuse employees Han Yang-chu and Chang Wen-chu of receiving bribes and conniving with corrupt merchants to defraud the Government. Yangchow announced (Feb. 22) that the people of Chenchiapa, Nantung City, held a rally Feb. 18 to accuse grain merchants Yu Chi-fu, Hu Te-li, and Chai Wen-wei of conniving with the Grain Bureau to defraud the Government of 86,654 catties of grain. Wuhsi announced (Feb. 20) that at a rally in Soochow attended by 3,000 Li Ying-wei, Chu Chia-chien, and Yang Kan-shen were arrested; minor corrupt elements Chang Tung-yao, Chu Kung-pu, and others were pardoned after complete confessions; and Mayor Wang announced extension of the confession deadline to Feb. 25. The same radio said (Feb. 21) that at another Soochow rally Chang Li-neng, owner of the Yachou Pharmacy, confessed to corruption and was pardoned, while merchants Ling Shao-i and Ke Ping-yuen were given 2 days more to make complete confessions. Wuhsi announced (Feb. 23) that the South Kiangsu Supervisory Committee had received 169 reports of corruption, all of which had been processed.

Wuhan announced (Feb. 21) that 5,000 persons attended a rally in Nanchang Feb. 15 to hear merchants Shen Han-ping, Ma Ching-han, and Ling Ssu-chuan make full confessions and receive pardons "after exposing other corrupt elements." Canton announced (Feb. 18) that the Canton Women's League held a rally and organized teams to call on corrupt elements to urge that they confess. Sian reported (Feb. 22) that the local People's Consultative Council called a rally Feb. 21 "to urge the people to support the cadres" in the drive. Kunming reported (Feb. 18) that in Chaotung Hsien, Yunnan, all cadres had organized to urge corrupt elements to confess "and expiate their crimes by making accusations against other corrupt elements." Cadres in the Chaotung Food Bureau had intensified their attack on corrupt merchant Wang Wen-an "because he refuses to confess." Kunming announced (Feb. 20) that Cheng Hsiao-hua, manager of the Hung Chang Pipe and Electrical Supply Company, had been pardoned when he "made a complete confession and exposed others."

Chungking announced (Feb. 18) that accusation rallies were being held in all hsien of the Peipei area, eastern Szechwan, with merchants who had evaded confessions being "rounded up for punishment." A rally had been called for Feb. 20 for confessions and accusations from among military personnel in the Southwest Military District. Chungking reported (Feb. 19) that Luhsien merchants in 55 of the 72 trades had organized a team of 130 cadres to check on corrupt merchants, and that several corrupt elements had been arrested. Altogether, 1,100 cases of corruption, amounting to 28 billion yuan, had been reported in Luhsien. In southern Szechwan tiger-hunting teams had uncovered several corrupt elements who were "leftover Kuomintang employees and businessmen," while in western Szechwan several public employees engaged in corruption, "who were remnant Kuomintang workers," had been detected. Rallies had been held in Yaan and Tienchuan Hsien, Sikang, with a number of major corrupt elements exposed, while the drive had made progress in the national minority areas of Sikang and Yunnan.

Workers Versus Employers. The organization of shop clerks in opposition to their employer merchants has continued, but has been expanded to take in other worker groups. Anshan announced (Feb. 18) that the Anshan Federation of Labor had called a meeting of 1,700 shop clerks Feb. 16, at which 42 clerks exposed corruption of their employers and attempts by the merchants to bribe them. Tiger-hunting teams of the Hangchang Iron Works, the Chienkuo Iron Works, the Hardware Trade, and nine other groups, challenged each other to an accusation contest. Dairen reported (Feb. 23) that, after hearing speeches by Chinese Volunteers from Korea, workers in the Dairen Railway Bureau had stepped up their drive. Shanghai announced (Feb. 18) that at a Techou rally Feb. 11 numerous workers mounted the platform to make accusations. Shanghai said (Feb. 20) that 2,000 workers in silk shops held a rally, heard a report that shop clerks in Shanghai had reported 246,000 cases of corruption, and listened to Mayor Chen I praise the workers for their part in the drive. Shanghai

reported (Feb. 21) that the Wuhsi Federation of Labor had held a rally of 2,000 workers Feb. 20 to promote the drive "among workers in all trades."

According to Hangchow (Feb. 18) transport workers in Wenchow held several rallies and organized committees to go after "local smugglers and corrupt merchants." Workers in the Hangchow machinery trades attended a rally to hear reports from Wang Yu-ching and Tang Chin-ming of the Yungli Machine Works that the various trade unions in the area had reported 4,330 cases of corruption. Hangchow announced (Feb. 19) that all Hangchow workers had organized 22 inspection teams and had made 50,000 accusations. The same radio said (Feb. 23) that in the Chekiang Transportation Company three tigers had been caught. Wuhsi announced (Feb. 19) that in Soochow the local government had issued a directive prohibiting merchants from closing their shops and demanding that they furnish pay and food regularly to their employees. Wuhsi (Feb. 21) quoted the SUNAN JIH PAO in attacking merchants for bribing cadres and calling upon the workers to intensify the drive. The paper reported that it had received letters from workers accusing shop owners of evading taxes and bribing cadres.

Canton announced (Feb. 18) that workers in local factories were preparing reports on tax evasion and cheating on labor and materials for the next rally. Clerks in the San Hsing Hotel accused the manager of evading taxes and bribing cadres. Canton said (Feb. 20) that the manager of the Chungnan Flour Mill confessed to cheating on Government contracts when faced by accusations from his workers, with his confession leading to other revelations of corruption. Taiyuan reported (Feb. 22) that the SHANSI JIH PAO carried articles on the "attack of the capitalist class on the working class," and exposed cheating in contracts for hospital beds by local metal factories. Kunming announced (Feb. 23) that families of workers in the Yunnan Electricity Bureau had joined in the anticorruption drive and sent in 30 accusation letters. Kunming said (Feb. 24) that Party Secretary Ma Chi-kung had called upon workers in Kunming power plants to expose their employers.

Dairen asserted (Feb. 21) that shop clerks in the area had intensified their drive after learning of cheating on Government food and supply contracts. Shanghai reported (Feb. 22) that in Nanking 140,000 letters had been sent in accusing merchants. In Tunchi City, Anhwei, 240 letters accusing merchants were received during the first 20 minutes of a rally, and "7 deceitful merchants" arrested on the spot. Hangchow reported (Feb. 19) that in Ningpo a five-point Government directive on tax evasions had "received the wide acclaim of the city's shop clerks." Hangchow said (Feb. 20) that in Hangchow 4,000 cases of law-breaking merchants had been exposed in 5 days. Kaifeng reported (Feb. 19) that in Fukou, Honan, a letter from shop clerks accused merchant Yen Yu-ling, owner of the Hochi Shoe Shop, of corruption, evasion of taxes, and the holding back of workers' wages.

Yangchow announced (Feb. 21) that the Nantung Shop Clerks Union had sent a letter to Mao Tse-tung expressing determination to make the anticorruption drive a success, and had issued a challenge to shop clerks in Tientsin to beat their record of 4,600 accusations. Wuhan reported (Feb. 22) that at a rally to accuse merchant Tung Chi-ching of fraud, clerks in 397 stores made accusations against their employers. Canton announced (Feb. 19) that the magazine KWANGCHOU KUNG JEN WEN I had issued a special edition "for the benefit of shop clerks engaged in the drive." Canton announced (Feb. 20) that local shop clerks had expressed their support of the arrest of corrupt merchant Chang Tung-ming, accused of evading taxes and threatening clerks who exposed him, and had made 3,000 accusations against merchants in 10 days. In Swatow the shop clerks made 33,900 accusations, more than 80 percent of those made by workers, and had "organized teams to convert other workers" to intensifying the drive. Canton announced (Feb. 24) that 50,000 local shop clerks had accepted the challenge of the Tientsin clerks. Shop clerks in the Western medicine trade accused Su Chung-chuan, assistant manager of the Huanan Pharmacy, of evading taxes, selling false drugs, and making excessive profits. He was arrested.

Chungking reported (Feb. 18) that clerks at a rally in Yueh Chi Hsien, northern Szechwan, accused merchant Liu Yung-chi of corruption amounting to 360 million yuan, leading to his arrest. Chungking said (Feb. 24) that in Kweiyang, Kweichow, the Austerity Committee had called upon shop clerks to accuse merchants, with the result that inspection teams were organized and the Chungnan Rubber Works was charged with defrauding the Government of 37,700 yuan on a contract to process 40 tires. Chungking reported (Feb. 24) that in Kunming 1,000 accusations have been made against merchants by shop clerks, and special tiger-hunting teams had been organized.

Shortcomings of the Drive. Mukden announced (Feb. 18) that the Sungchiang Party Committee had issued a statement calling on workers "not to decrease production during the drive," and outlining a procedure for assigning to definite cadres the responsibility for seeing that major projects are carried out on schedule. The TUNGPEH JIH PAO carried an article calling upon workers to "continue their production norm" during the drive. Mukden pointed out (Feb. 19) that "in spite of the efforts" spent in the anticorruption drive, Mukden Factories Number 106, 161, and 193 overfulfilled their January quotas. Dairen asserted (Feb. 23) that "cadres with rightist thoughts in the Dairen-Port Arthur Transport Bureau have overcome their errors in thinking and are intensifying the drive." Tsinan reported (Feb. 19) that the local Party Committee had ordered the arrest of corrupt elements, and at the same time called upon cadres to "increase their efforts in the antiwaste, anticorruption, anti-bureaucracy drive and not hesitate because of ideological misconceptions."

Hangchow announced (Feb. 18) that the Chekiang Austerity Committee had issued a directive pointing out that "production should not stop" in the course of the drive, and cited the "case of the Hangchow City Transport Company, which ceased operations" as a result of the drive, as well as the Chekiang General Merchandise Company and the Chekiang cooperative organizations, "which stopped taking soap from the Tungnan Soap Company because of the antiwaste, anticorruption, antibureaucracy drive, causing the latter to pile up an inventory of more than 10,000 bars of soap." Cadres in Chekiang Government offices were urged to intensify their efforts, "as many cadres thought their offices already were cleared of corrupt elements," though the Chekiang Department of Construction uncovered 38 cases of corruption involving 100 million yuan or more. In the Hangchow department stores 1,100 shop clerks signed the "Wu Fan Compact" to support the drive, "though many senior clerks held back for various reasons" prior to indoctrination. More than 250 workers attended the Construction Workers Union indoctrination class, where they were told to "overcome their hesitancy in exposing corrupt elements and to have no fear of their foremen." Hangchow said (Feb. 19) that the Chekiang Party Committee had called a meeting of cadres to plan the drive in publicly owned factories, where "workers claim there is no corruption," but actually "there is a great deal of it." The Chiahsing Party Committee called a meeting and told cadres "to overcome their hesitancy." Hangchow declared (Feb. 23) that prior to the Feb. 22 rally clerks who "thought that the drive had gone far enough" changed their minds. "They now know the tricks of the capitalists and are determined to wipe them out."

Hofei reported (Feb. 19) that Government organs in Anhwei held a meeting Feb. 15 at which cadres were "warned against taking a bureaucratic attitude and accepting the blandishments of capitalism." Huainan said (Feb. 18) that the local Party Committee "reorganized 150 cadres" Feb. 11, charged them with laxity, and "instructed them to correct their thinking and drop their bureaucratic and self-righteous attitude."

Yangchow reported (Feb. 18) that the North Kiangsu Administrative Office had charged its cadres with laxity because they "felt that the drive had gone on long enough with the arrest of a few tigers." They were organized and "told not to stop their tiger hunting without orders to that effect." Yangchow said (Feb. 21) that at a Nantung rally of shop clerks, "cashiers, accountants, and senior clerks, were called upon to join the drive." The same radio reported (Feb. 22) that the Huaiyin Party Committee called a cadre meeting Feb. 17, attacked the cadres' laxity, and urged them to "correct the errors of their thinking." Yangchow announced (Feb. 23) that the Yangchow branch, North Kiangsu Transport Company, held a rally to "overcome

the rightist thinking among the cadres and their complacency." Nantung reported (Feb. 24) the shop clerks' rally to urge senior clerks to join the drive, and mentioned the case of Yu Yu-ling, an old bookkeeper who "at first refused to accuse his employer because of past favors, but now has corrected his thinking and is making accusations."

Wuhan announced (Feb. 18) that 200 cadres had attended a rally called by the Party Committee, when "cadres were urged to overcome their hesitancy and remnant capitalistic thinking," and to "resist the blandishments of capitalists and fearlessly attack major corrupt elements." Wuhan said (Feb. 19) that shop clerks in Changsha had organized teams to "urge accountants and other senior clerks to make accusations." Canton asserted (Feb. 24) that in the textile mills workers were attacking the capitalists, and "senior workers who have rightist thoughts are being reformed."

Sian declared (Feb. 19) that several local cadres who "had been hesitant about making accusations have overcome their fears and are prepared to make accusations against merchants who bribed them." In Sinkiang the Government offices held a rally where "all cadres were called upon to change the error of their thinking that the drive has gone far enough and it is now time to relax." In the Tihua branch, People's Bank, several tigers recently were exposed. Sian reported (Feb. 20) that in Shensi Province a meeting of hsien committee secretaries was held, where cadres were told to "overcome their laxity." Sian said (Feb. 24) that the city government had announced lenient treatment for "law-breaking merchants in 21 stores and factories," and that "after hearing this news, people of industrial and commercial circles in Sian enthusiastically expressed their determination to support the five-anti's movement."

Chungking complained (Feb. 18) that peasants in Lungchang Hsien, Szechwan, were extravagant in their living habits, and that, "because of the laxity of local cadres," farmers were wasting hundreds of millions on feasting and celebrations. "Even the Farmers Association regularly holds feasts." The same radio said (Feb. 19) that in a number of hsien of Kweichow and northern Szechwan food was wasted during the spring festival and is regularly wasted at weddings. Kunming reported (Feb. 24) that the Yunnan Military District Party Committee called a meeting, when it was pointed out that "many offices are bureaucratic and not fully promoting the drive." Cadres were urged "not to pass over the drive lightly," and to take the lead in exposing tigers.

#### RESISTANCE TO DRIVE

Capitalist Infiltration. Peking in numeral code (Feb. 18) announced the arrest of Ti Hua-feng, engineer, and Mao Ching-pu, acting chief, of the production enterprise section, Anshan Government; Chang Tzu-ming, manager, Chienkuo Iron Works; Chang Shou-i, manager, Icheng Iron Works; and Wang Shih-shan, manager, Yushan Iron Works. All of these men were involved in the organized stealing of more than 10 billion yuan by the "Joint Production Office of the Private Smithy Trade of Anshan," an organization promoted by eight large iron works to crowd out small businesses and monopolize Government processing contracts. When the Bureau of Industries and Commerce set up the production enterprise section to distribute fairly processing contracts, the eight companies first won over Mao, then sent Ti, as well as other of their men, including Li Mao-shan, Ping Cheng-kang, and Ai Ping-kai, to work in the section. The men gradually won over other Government employees; Chang Tzu-ming alone won over 32, and 200 were said to be working for the group. They robbed the State on contracts, stole materials, forged seals and invoices, and evaded 300 million yuan in taxes. After the five-anti's drive started, the group regularly held secret meetings, disseminated rumors, tried to keep workers from reporting, and entered "mutual alliances" with the oath: "The head can be severed and blood can be sacrificed, but loyalty between friends must be preserved."

Shanghai announced (Feb. 18) that it had been learned Chang Kung-chao, a cadre in the Police Department, had served as an agent for the capitalists. He connived with corrupt merchant Wu Chin-yung to speculate with Government funds, made 20 million yuan speculating, and accepted 50 million in bribes. When Wu was in danger of arrest Chang offered to care for his family, and sent over a ton of coal and a tan of rice. Chang also spent a fortune wining and dining an actress. Another cadre, Li Chin-yung, began life as a gangster, but obtained a job in the Transport Bureau, where he regularly forged certificates to facilitate removal of Government property by corrupt merchants, and collected 90 million yuan in bribes. Shanghai announced (Feb. 23) that Ku Shu-chai, Nanking factory owner, had been arrested and his property confiscated. He infiltrated his cadres into the East China Department of Industry to defraud the Government. Hangchow reported (Feb. 19) that from Feb. 9 to 15 293 top grafters had been arrested in East China Government offices, all of them either "connected with capitalists or sent in by them to join Government organs so as to make illegal profits." The Taichou Party Committee called a meeting of cadres to inform them that "capitalist elements have tried to obstruct the drive in the higher Government offices here."

Yangchow announced (Feb. 23) that workers in State enterprises in northern Kiangsu "are ferreting out capitalist merchants who have infiltrated into State enterprises and formed groups with workers to defraud the Government." Wuhsi reported (Feb. 22) that Chou Feng-chien had been arrested and charged with aiding merchants to defraud the Government to the amount of 2.7 billion yuan. "He became a tool of the capitalists in their attack upon State enterprises and formed alliances with them." Canton announced (Feb. 21) that the Kwangtung branch, China Democratic League, had issued a directive abolishing the Chiang-hui branch and ordering the arrest of two officials, Ling Shu-yuen and Liu Ken-kuei, who "had become agents of capitalists."

Chungking announced (Feb. 19) that "crooked merchants who penetrated into State organs to steal Government economic information" and caused a loss of 3 billion yuan were being handled locally in Kweichow and western Szechwan. Kunming reported (Feb. 20) that in Yunnan capitalists were using every means to "sabotage the working class movement." Capitalist element Li Chang-jen had become head of the electrical trade; Chao Hua-pu, of the pipe trade; Wu Wen, of the hardware trade; and Hu Wen-an, of the food trade. Hu corrupted Chao Ching-tan, chairman of the Export-Import Trade Workers Union, by cutting him in as a 20-million-yuan partner. Shop owners were encouraged to prevent employees from joining unions, and to force their withdrawal when membership was discovered. The proprietor of the Yeh Hsing Company gave each clerk a receipt for a 5-million-yuan share as a "dummy partner." The proprietor of the Chiencheng Department Store gave his clerks "dummy managerships." The Chienkang Pharmacy cut down on food. Chu Lan-seng, owner of the Futai Uniform Company, created dissension among employees by spreading false rumors. Some shop owners turned their shops over to the clerks, then made accusations against the clerks. The owner of the Nanking Barber Shop made such an arrangement, then closed the shop, causing a huge loss, and blamed his employees. Some companies, like Kohsueh, extended working hours, and beatings of clerks were common as a way of obstructing the anticorruption drive. Kunming announced (Feb. 24) that Chao Te-kung had been arrested for corrupting cadres; evading taxes by infiltrating his friends into the Tax Bureau; and forming mutual alliances and refusing to confess. Kunming said (Feb. 19) that Yu Chi-ta, manager of the Yintai Lumber Company, had been arrested following the confession of a cadre, Chang Chung-heng, for bribing cadres, defrauding the Government, refusing to confess, and forming mutual alliances with corrupt cadres. Chungking announced (Feb. 22) that corrupt merchants Cheng Te-jui, Yu Chi-shan, Wang Yu-kuei, and Li Chi-chai had been arrested for conniving with cadres to sell Government machinery and supplies, and use official economic information to make speculative profits.

Shanghai related (Feb. 19) that when the China Communications Company sent Chen Yu-shen to Shanghai in June 1950 to buy supplies, "old corrupt merchant" Pan Pao-chia, manager of the Yuentung Steel Products Company, North Peking Road, got all his business by bribing Chen, and even sending his third daughter, Pan Yu-hsing, to stay with Pan while he was in Shanghai. When Chen returned in November Pan used the same tricks, and even got Chen to turn over Government money for business deals. Altogether Pan handled more than 200 billion in business for Chen, causing a loss to the Government of 50 billion yuan. Yangchow reported (Feb. 18) that Ku Hsieh-chi, corrupt Chantung contractor, wasted more than 300 million yuan in handling Government contracts, including the contract for work in the salt fields at Huaipai. He utilized the cadres' ignorance, feasted them, presented them with fountain pens, wrist watches, shoes, phonographs, candy, clocks, cigarettes, and other gifts, in order that he might cheat on labor and material and turn out substandard work.

Opposition by Businessmen. Anshan announced (Feb. 18) that at a business men's rally Yao Feng-chu, Lin Hsiang-shu, and Lin Ping-nan were arrested for refusal to confess. Chinchow reported (Feb. 24) that in Chenewu Hsien, Liaosi, 18 out of 20 factories "discharged 35 employees unreasonably." Several arrests were made following a protest by the Austerity Committee. Shanghai announced (Feb. 18) that merchant Chao Shu-ken of Tsinan had been imprisoned and ordered to pay 7 million yuan to the family of his clerk, who was forced by Chao to commit suicide following accusations of corruption. Shanghai said (Feb. 23) that in Soochow merchants Kao Ching-tzu, Kao Chien-hua, Kuo Ping-ni, and Tao Chi-ching were arrested for defrauding the Government, evading taxes, "beating up clerks, and refusing to confess."

Hangchow reported (Feb. 19) that Hen Pi-ju, manager of the Fuhua Silk Mills, had been charged with oppressing workers to prevent accusations. Foochow said (Feb. 18) that merchant Hu Pao-che had been sentenced to 12 years in prison for beating his clerk for attending rallies and making accusations, and ordered to pay 300,000 yuan in medical expenses. Hofei announced (Feb. 18) that Chao Tai-lung, worker in a local flour mill, had been exposed by a fellow worker, Hsiao Cheng, when he refused to confess to entering mutual alliances. Yangchow reported (Feb. 19) that merchant Wang Chien-yang refused to confess at a rally in Chiangpu Hsien, Kiangsu, thus "rousing the anger of the masses, who demanded his immediate arrest." Nantung reported (Feb. 24) that in Haimen, Kiangsu, Pan Wen-ping evaded taxes and bribed cadres, while Yao Shu-te, Chen Ching-hung, Chen Chi-liang, and Yang Shu-yung made incomplete confessions. According to Wuhsi (Feb. 19) Chang Yun-ching, owner of a soy sauce shop in Chenchiang, closed his shop and cut off the food and wages of his clerks. The Board of Trade handed over his shop to the clerks, who now are operating it. Wuhsi announced (Feb. 22) that in Changchow City Wang Ling-chi, Chang Cheng-shen, Chou Chung-chi, Wang Chia-chen, Chang Hsueh-chun, and Ku Chang-ting, shop owners, had been arrested for refusing to confess, preventing clerks from making accusations, and closing their shops without permission. Wuhsi said (Feb. 24) Government contractors had their property confiscated "upon the demand of the workers" because they overcharged the Government and exploited the workers.

Canton announced (Feb. 23) that in Haikou City, Hainan Island, 3,500 shop clerks held a rally to make accusations against merchants who were trying to obstruct the anticorruption drive. Chungking reported (Feb. 18) that many businessmen in Chungking had attempted to obstruct the drive by threatening their clerks and inspectors from the Austerity Committee, and had tried to evade confessions by saying they had done nothing wrong. Chungking said (Feb. 19) that inspection teams had exacted confessions from merchants totaling 74,000 and involving corruption amounting to 273 million yuan, 10.6 million by 21 firms in the automotive parts trade alone. However, in the course of the inspections numerous groups organized to obstruct the drive were unearthed. Kunming asserted (Feb. 19) that clerks in Kuchiu Hsien, Yunnan, had overcome the obstructionist tactics of the merchants. Yang Yu-mei, manager of the Wusan Gold Shop, threatened Wu Yao-wu, his clerk who exposed him, but his threats failed when the clerks turned their attack on him.

Kunming said (Feb. 24) that in the Chaotung Special District, Yunnan, merchant Yang Shao-ku, accused of a 100-million-yuan corruption and of dealing in opium, was arrested because he failed to confess and tried to corrupt cadres.

Defections by Officials. The Wuhan radio (Feb. 19) gave considerable attention to the dismissal of Wuhan Mayor Wu Te-feng, Vice Mayor Chu Ti-hsin, and Chairman Hsieh Pang-chi of the Supervisory Committee, for their "serious mistakes," especially in handling the case involving misappropriation of public funds at Wuhan Hospital Number 2. Li Hsien-nien, Hupeh Government Chairman, and Wang Jen-chung, Hupeh Vice Chairman, were named to the concurrent positions of Mayor and Vice Mayor, respectively, of Wuhan City. The Party Secretary called a meeting of Party cadres to explain the action, and the Wuhan radio broadcast several special commentaries on the affair. Wuhan announced (Feb. 20) that the deposed Mayor and Vice Mayor had "accepted responsibility for the consequences" of the mishandled hospital case. Wuhan reported (Feb. 21) that Hsieh Pang-chi and Chou Ti-hsin had called upon Chen Yuan-ping, Chen Chung-yun, and others, at their homes, and offered apologies and remuneration for their unjust charges of corruption at Wuhan Hospital Number 2.

Canton announced (Feb. 21) that in Chiangmen, Kwangtung, "where rightist thought in the city's Party organization was very serious," the Party authorities had started to clear out this rightist thought and "bourgeois corruption." Since "corrupt practices of dishonest merchants of the city in evading taxes, embezzling, and profiteering had been disregarded," dismissal had been ordered for the Mayor of Chiangmen, Li Kuo-ming, who also was concurrently city Party Committee Chairman. Several other department heads in the city government were ordered dismissed.

Wuhan announced (Feb. 18) that the Kwangtung Government had dismissed the Deputy Secretary General, Tso Hung-tao, who also was director of the staff office. Tso was described as an old cadre who engaged in revolution for 20 years, "but during all this time he failed to make a determined elimination of his bourgeois and landlord class thoughts." He was charged with refusing to dismiss a reported special agent because of their past relations; of allowing waste and extravagance among his staff; of spending large sums of money to repair dance halls and swimming pools; of wasting 1.2 billion yuan on office furniture, electric fans, and cinema equipment; and of being extravagant in his personal life, running his expenses to 10 million yuan. Wuhsi announced (Feb. 19) that Wu Chien-seng, deputy section chief in the Changchow, Kiangsu, Department of Health, and "an old Party member," had been discharged and was awaiting trial. He lived a life of luxury, issued licenses to unqualified doctors in return for bribes, refused to confess, and tried to prevent accusations.

Dairen announced (Feb. 23) that workers in the Chengli Company had exposed a ring of corrupt cadres, with three tigers arrested. Dairen reported (Feb. 21) that Hsieh Hao-lin, cadre in the Dairen Power Company Cooperative, had been arrested for corruption amounting to 12 million yuan and the forming of mutual alliances. Hangchow reported (Feb. 21) the arrest and expulsion from the Party of three cadres-- Li Chi-chung of the city Tax Bureau, Chiang Chung-lieh of the city Police Department, and Cheng Kuei-mao, police captain. Cheng obtained 10 million yuan through corruption and held three precinct meetings to form mutual alliances; and the others refused to make confessions. Kaifeng announced (Feb. 21) that in Chengchow, Honan, cadre Wang Chu-ching, who refused to confess, was arrested. Wang Keng-chieh, land reform cadre in Hsinyang Hsien, Honan, Chu 2, embezzled grain and other goods which he confiscated from the farmers. When he refused to confess he aroused "doubts in the minds of the farmers as to the success of the land reform program."

Huainan reported (Feb. 22) that Yang Mao-kuang, Huainan Peasants Association director, was dismissed for corruption, extravagance, bureaucracy, and the forming of mutual alliances. Huainan said (Feb. 23) that Kuo Cheng-jen, deputy chief of an engineering group and member of the local Austerity Committee, had been removed from both posts for "taking no interest in the movement against waste, corruption, and bureaucracy and for siding with corrupt elements." Yangchow quoted (Feb. 18) from a letter

written by Hu Chuan to her husband, Chang Ping-fu, charging that his confession of 58 million obtained by corruption while a Government warehouse keeper was incomplete, and declaring that if he did not confess all she would consider herself free from him. Nantung announced (Feb. 18) that cadre Kao En-ling of the Nantung branch, China Native Products Company, was arrested "upon the demand of the people," when he refused to confess to connivance with corrupt merchants. Wuhsi claimed (Feb. 20) that Chao Kuang, storekeeper with the SUNAN JIH PAO, received bribes from corrupt merchants Chang Chi-fan and Chu Wei-ming, and accepted entertainment costing 120 million yuan from Yen Hsu-chi, manager of the Yungta Paper Company, Changhai, and then formed mutual alliances with these corrupt merchants. Wu Wei-chou, accountant for the South Kiangsu Resist-America, Aid-Korea Association, was ordered expelled from the Party and held for trial when he refused to confess to embezzling 120 million yuan of the people's contributions, even though accused by 60 persons. Wuhsi said (Feb. 24) that Li Shu-ying of the People's Bank had been arrested for refusal to confess.

Kunming announced (Feb. 18) that Tu Mi, Chief Justice of the People's Court, Yenching Hsien, Yunnan, and Hu Mei-fu, a hsien cadre, were arrested at a rally because they refused to confess. In Chinping "all major corrupt elements who refused to confess are being investigated." Li Wen-hsueh, section chief in the Finance Bureau, "an opium smoker and a rumormonger," was discharged because he opposed the anticorruption drive.

#### CASES OF CORRUPTION

Injury to War Effort. Considerable reaction to charges that merchants and contractors had cheated on materials and delivered faulty equipment to Chinese Volunteers was received from all parts of China. Chinchow declared (Feb. 20) that people of all circles had issued statements supporting severe punishment for the businessmen who cheated on contracts for Chinese Volunteers. Workers, students, veterans, and farmers had accused the merchants of being "saboteurs of the war effort." Chinchow repeated (Feb. 22-23) that the broad masses were "greatly aroused" by the article in the Peking PEOPLE'S DAILY about the faulty supplies, and were demanding severe punishment for these corrupt merchants. Hofei announced (Feb. 21) that a wounded veteran in a local hospital had issued a statement supporting the Government's action in meting out severe punishment. Yangchow announced (Feb. 18) that a letter had been received from the North Kiangsu Farmers Association demanding punishment of Wu Peng-lin, Yangchow, who sold imitation drugs to the People's Volunteer Army. Wuhan said (Feb. 23) that students, workers, servicemen, and others in the Central and South China region had written letters supporting the action of the Government in meting out punishment.

Taiyuan reported (Feb. 19) that the SHANSI JIH PAO had reprinted the PEOPLE'S DAILY editorial concerning cheating on goods designed for the Korean front. Sian said (Feb. 18) that wounded veterans in Sian hospitals had warned cadres to be on guard against other corrupt merchants making supplies for the Volunteers. Sian added (Feb. 19) that various local groups had issued statements supporting the Government's attack on the cheating contractors. Chungking announced (Feb. 24) that letters were coming in from people of all circles supporting the Government stand on punishing the culprits. Kunming reported (Feb. 24) that local workers had made public a letter supporting the Government in plans to severely punish the cheating contractors.

New charges also were broadcast. Peking said in numeral code (Feb. 19) that crooked merchants from 40 iron foundries in Tientsin, headed by Yan Hung-chang, cheated on labor and materials in the manufacture of iron spades, "affecting adversely the needs at the front." Peking added in numeral code (Feb. 23) that in Kirin the privately-owned Tung Hsin Building and Contracting Works, managed by Wang Jen-fa, used rotten wood in making articles for the Chinese Volunteers, "which seriously undermined the Chinese Volunteers in action." The firm overreported the price on the wood needed by 870,000 yuan, cheated the State out of 22 cubic

meters of wood, and robbed the Government of 70 million yuan on the contract. In addition, the quality of the articles was so poor that they broke down at the front, "thereby increasing the difficulties of the Chinese Volunteers, both in military transport and in action." In another case Lee Yen-shuan "penetrated into" the Hsin Sheng Auto Repair Works, Mukden, and stole auto parts and gasoline destined for the front. In the winter of 1950, in addition to stealing parts and gasoline, he used inferior parts and patchwork, "thus seriously hindering the military transport mission of the Chinese Volunteers." Le Fang-tien and Chia Chung-i, managers of the Van Li Rubber Works, Mukden, stole several billion yuan worth of raw rubber when making solid tires for use by the Volunteers. Most of the tires, in addition, "were not in conformity with specifications," and all these "illegal and profiteering crimes did incalculable damage on the Korean front."

Chinchow reported (Feb. 21) that Li Hung-chu, after seeing that the press carried stories on cheating on Government contracts in other parts of China, charged merchant Chi I-chun with cheating on contracts to make Army quilts. Shanghai announced (Feb. 20) that last July Chang Fu-chu, a contractor in Chenchiang, Kiangsu, contracted to build a hospital for wounded veterans, guaranteeing that "the building would not leak for one year." One portion of the structure caved in in less than 2 months, killing one Volunteer and injuring six. Chang was arrested. Shanghai reported (Feb. 21) the arrest of Chien Yao-ting, owner of the Aiho Iron Works, Nanking, and confiscation of his property. Chien cheated on labor and materials, and delayed delivery, on a contract to supply metal beds for Army hospitals in East China. On a contract to supply 400 beds to a hospital in Shan-tung at a cost of 140 million yuan, he still has delivered only 100. However, this did not prevent him from taking an Army deposit of 190 million yuan on a new deal to supply several hundreds for another hospital. Shanghai said (Feb. 23) that merchants Yang Wen-ta and Cheng Chung-chai adulterated biscuits in fulfilling an Army contract to supply the Chinese Volunteers. "The biscuits started to rot before they were loaded, and when the men at the front received them they were a crumbling mess."

Wuhsi announced (Feb. 20) the arrest of Chang Tung-hsing, owner of the Tunghsing Construction Company. After contracting to build an Army hospital he bribed Government inspectors and used substandard materials, with the result that the building collapsed Mar. 21, 1951, killing and injuring wounded veterans. The SUNAN JIH PAO carried an editorial on this case, castigating Chang, who "dared to build shoddy buildings which caused the Government a loss of money and cost the lives of brave Chinese Volunteers, who escaped from the fiery hell of Korea to meet their death at home." Cadres were warned against "this new attack of the capitalists upon the ranks of the Volunteers," and all were urged to consider "the love and protection of the Volunteers" as part of the anticorruption drive.

Wuhan promised (Feb. 23) "severe punitive action" against (Li Yun-ching), manager of the Hu Hua Cotton Factory, indicted for using "old and unprocessed cotton" in making first aid kits, causing infection in the wounds of (Wu Yin-kang), Chinese Volunteer convalescing in Wuhan. Canton reported (Feb. 24) the arrest of Su Chung-chuan, assistant manager of the Huanan Pharmacy, following accusations by clerks in the Western medicine trade and his refusal to confess. He, with several others, was accused of selling "false drugs" to the Chinese Volunteers. Sian said (Feb. 23) that Cheng Tao-chi had been arrested in Sian for cheating in fulfilling contracts for Army uniforms. Chungking reported (Feb. 23) that a local leather works owner cheated on labor and material in making tents, artillery covers, and so forth, for the Chinese Volunteers and for the People's Liberation Army making the march to Tibet. Many of the tents and covers molded and rotted. Another contractor substituted old sacks for new ones, and a bandage factory used old and dirty cotton in first aid kits.

Canton quoted (Feb. 21) from a NANFANG JIH PAO report that letters from people in Chiangmen City accused officials of the Resist-America, Aid-Korea Association of embezzling 120 million yuan which businessmen had contributed for the purchase of hand grenades; 50 million contributed for purchase of winter clothing for refugees; and of placing Hsieh Nan in the Chiangmen Tax Bureau to expedite their corrupt operations and enable them to make 10,000 Hong Kong dollars on prohibited exports. Peking announced in numeral code (Feb. 22) that of the 182,857,241,030 yuan handled by the Resist-America, Aid-Korea General Association for comforting soldiers in Korea, 33,683,413,116 went directly to the General Association, while the remainder was handled through banks, which turned the money over to the General Association. The data will not be available for the funds handled by the banks, but for the smaller amount the figures all are to be published locally, with names of units and persons donating. "If the figures are not complete or show discrepancy with those on the receipts, the donors at various places may immediately notify the General Association, so they may be thoroughly checked." The totals that went through the banks will be published for each locality.

Hangchow claimed (Feb. 20) that on Feb. 21, 1951, the Hangchow Chiakou Power Plant was "bombed by enemy planes," leaving the area without light. Merchant Chin Hao-jen took this opportunity to monopolize the kerosene trade, causing the price to rise from 170,000 to 520,000 yuan per tin.

Big Tigers Captured. Peking devoted considerable space in numeral code (Feb. 21) to outlining in detail corruption by contractors for equipment and material in connection with the Huai River harnessing project. These contractors were said to have appointed "inside spies" who penetrated into the inside organization of the project to organize corruption blocs. Sun Ying-tsai, manager of the Li Sheng trading firm of Tsinan, enlisted the support of Chao Tsu-i, assistant engineer for the purchase of instruments, and Chen Chin-lin, deputy engineer for examining and receiving instruments, and turned over faulty and inferior instruments for an "illegal profit" of 380 million yuan. As a result the water marks are inaccurate, "thus seriously and adversely affecting the prosecution of the Huai River harnessing project." Lee Han-min of Shanghai supplied the project with faulty motors and other equipment to rob the Government of 600 million yuan. Nine Lumber firms of Nanking, including Yi Ta, Ching Cheng, and Tai Cheng, sold poor quality and faulty lumber to the Huai River project. Tai Yun-ksiao, official of Yi Ta, corrupted Chao Chung-hsiu, purchasing agent for the project, and his staff, and robbed the State of 200 million yuan. Hsieh Shu-mo, engineer of the North Kiangsu Water Conservancy Bureau, an employee of the Kuomintang regime, worked his way into the Canal Engineering Bureau of the Huai River project and connived with 10 building and contracting firms of Yangchow, including Wang Tien Chi and Wei Ta. He accepted materials for building sluices, 80 percent of which were inferior, and received 100 million yuan in bribes from the contractors, who "considered only their own profit, and undermined in this manner the Huai River harnessing project, devoid of any conscience." Hofel said (Feb. 21) that all the culprits in the Huai River corruption cases had been arrested.

Anshan announced (Feb. 18) that Wang Chu-kang, cadre in the city Transport Division, had been removed and arrested for illegally taking 100 million yuan. Dairen reported that Yang Wen-chu, "a former secret agent," confessed to corruption involving a few hundred thousand yuan, but in the face of the evidence raised the figure to 10 million, and finally confessed to 12 cases involving 800,000 suchin pi (Soviet gold currency). Dairen said (Feb. 21) that Li Kang-nien, Dairen Power Plant official, had been arrested for embezzling 224 million yuan worth of Government property. Chinchow reported (Feb. 21) that contractor Wei Kuo-hua connived with Tu Kung-lin, foreman for the construction of memorials to heroes Chang Shih-i and Liang Shih-ying, to defraud the Government of 180 million yuan. Chinchow said (Feb. 24) that a merchant in the textile industry made 800 million on illegal profits in business deals with the Government, at a public loss of 2 billion yuan worth of cotton.

Tsinan announced (Feb. 18) the arrest of Chiang Ming-shan, a China Petroleum Company official, "who used to work for a company which sold supplies to the American imperialists when the latter were in Tsingtao." He sold gasoline to corrupt merchants, embezzling more than 500 million yuan worth of Government property. Shanghai reported (Feb. 18) the arrest of Chuang Tzu-chin, proprietor of the Tzu-chin Hardware Store, 868 Peking Road East, Changhai, who organized hardware merchants of Shanghai to get a monopoly on the business. He systematically defrauded Government buyers, robbing the Government of 170 million yuan on one deal, when he substituted old pipe for new. On another metal parts contract 98 percent of the deliveries were imitations. Shanghai said (Feb. 23) that Hua Chien-chung, owner of a Shanghai steel mill, increased the capitalization of his business from 3,500 yuan in 1949 to 2.67 million at present, and evaded 7 billion yuan worth of taxes. In Tsingtao Li Chi-chai and Wang Yung-ching organized a textile supply company to steal and sell Government property, defrauding the Government of one billion yuan.

Hangchow reported (Feb. 19) that Wu Chang-chien, cadre in charge of buying lumber in Chuchou, Chekiang, was guilty of corruption amounting to 141 million. Another cadre, Lo Tzu-ying, caused the Government to lose 150 million yuan through his use of false documents. Hangchow said (Feb. 20) that Hua Pao-ching, owner of the Tahua Hardware Company, Ningpo, embezzled Government property valued at 150 million by bribing cadres in the Armed Forces. "He greatly endangered national security and must be punished." The same radio reported (Feb. 21) that Communist Party cadre Chai Wen-chien of Hangchow had "refused to confess" to corruption amounting to 310 million yuan. Hangchow reported (Feb. 23) that Chang Hung-hsing of the Hangchow Kuangchi Hospital connived with gangsters to organize the "blood trade" as "agents of the imperialists." He even forced sick people to take spoiled blood, killing them. He bought blood from Chou Hsien-hung for 180,000 yuan and sold it to sick persons for 500,000 yuan.

Huainan reported (Feb. 21) that city Government cadre Chao Hsiung-kuo defrauded the Government of 130 million on a gunny sack deal. Cadre Wang Chin-hua wasted 150 million yuan worth of Government property, but confessed only to such matters as accepting an electric light bulb and an overcoat. Big Tiger Chiu Pao-tang, Haianan said (Feb. 22), who was purchasing agent of the Huainan Coal Mining Administration, was arrested for embezzling Government property worth 670 million. Yangchow announced (Feb. 21) that Hsieh Chien-chai and Yeh Chung-kuang bribed 10 cadres and defrauded the Government of 869 million yuan in taxes. The same radio said (Feb. 22) that (Liu Tsi-liang), head of the Chiangtu Hsien Court, Kiangsu, under the Kuomintang, and later section chief in the Kiangsu branch, People's Bank, secretly connived with merchants to steal economic information, making a profit of 768 million yuan in a year at the cost of the Government. Yangchow said (Feb. 23) that Liang Hsiao-yung of the North Kiangsu Water Conservancy Bureau "undermined construction," embezzling Government property worth 570 million yuan. Yangchow reported (Feb. 24) that merchant Li Han-kuei, Huainan, was arrested for defrauding the Government of 100 million yuan; Yen Wei-cheng bribed cadres, cheated on Government contracts, and made 100 to 200 percent on Government purchases; and Chu Pao-ching sold false drugs and evaded 60 million in taxes. Wuhsi reported (Feb. 24) that 15 firms in Changchow evaded taxes of more than 100 million each. Kao Ching-lin, head of the Textile Trade Association, evaded taxes by keeping no books to show his operations. Nantung announced (Feb. 22) the arrest of Shih Chung-yuen of the city Tax Bureau for causing the Government to lose 150 million yuan in tax collections.

Wuhan announced (Feb. 22) that Yu Hao-an had been arrested for corrupting 50 cadres and defrauding the Government of 1.5 billion yuan. Other merchants, Chang Su-lin and Cheng Tao-shan, corrupted cadres and defrauded the Government to the amount of 1.5 billion yuan. Canton reported (Feb. 19) that Ting Ching-wen, manager of the local Huanan Pharmacy, North Wuhan Road, charged 50 percent profit instead of the legal 10 percent, evaded taxes, sold false drugs to the Military Commission, and caused a Government loss of 500 million yuan. Canton said (Feb. 20) that merchant Lo Yin-jung had been arrested for bribing cadres and cheating on contracts at a cost to the Government of 300 million yuan. In 99 trades of Canton the 30,600 cases of

corruption included 200 involving more than 100 million yuan. Owners of the Dyestuff Import-Export Company made bribes amounting to 12,500 dollars in U.S. currency; Chen I-fu of the Chenyi Flour Mills gave 300 wrist watches as bribes; and Chu Chao-hsien evaded 2 billion in taxes in 1950, and illegally sent 400,000 dollars, Hong Kong currency, out of the country.

Chungking announced (Feb. 19) that in Chengtu herb shop proprietor Chuan Shih-i paid one bribe of 308.82 million yuan, while Chang Han-ching paid one of more than 100 million; Chao Yung-yeh caused the Government to lose 3 billion by delays in fulfilling his contract; Liu Shen-ting obtained inside information on price fluctuations, at a cost to the Government of 850 million; and Lu Chien-ting caused a Government loss of 200 million by stealing property in transit. In Chintang, Szechwan, Chao I-cheng openly embezzled 200,000 catties of rice; in Wanhsien merchant Wu Hung-lo evaded 800 million in taxes; merchant Ke Ti-liang of Yunnan evaded 250 million yuan in taxes; in Kweichow Tung Yang-ching wasted 300 million yuan in Government assets; and in eastern Szechwan Yen Wu-chu caused a Government loss of 150 million yuan by diluting tung oil sold to the Government. Chungking reported (Feb. 20) that Tan Hsien-chang, Ipin Hsien, Szechwan, evaded 160 million in taxes "by conniving with remnant Kuomintang employees." Chang Chi-yung, "former Kuomintang employee" in the Southwest Transport Company, caused the Government to lose 60 billion by selling public property and conniving with corrupt merchants. Merchant Hsiao Chi-kang stole 118 machines from the Government, turning his two-machine shop into a good-sized factory.

Kunming reported (Feb. 18) that Tung Shen, manager of an export-import company, used Government funds for speculation, failed to deliver on contracts, and bribed cadres in the cotton and textile trades, causing the Government to lose 450 million yuan. In addition he was 437 days late in delivery on one contract, at a loss to the Government of 1.15 billion. He bribed Ho Kuo-wei, section chief in the Kunming Customs Office, to permit him to deal in gold and foreign currencies, handling in one case 15,000 U.S. dollars. Kunming said (Feb. 20) that Chang Hou, manager of the Kunming United Construction Company and chairman of the Construction Trades Association, defrauded to the amount of 9.6 million on a 53 million contract for an Army hospital; embezzled 58 million yuan; stole 145 barrels of cement worth 40 million; made 16 bribes amounting to 127 million; and caused the Government to lose more than 2 billion yuan.

Corrupt Businessmen. Cases of some of the smaller tigers are interesting. Shanghai announced (Feb. 19) that among 300 stores handling chemical materials the volume of sales not reported for taxes amounted to several hundred billion yuan. Peking said in numeral code (Feb. 18) that 155 cases of tax evasion had been reported by the Shanghai Tax Bureau. Shanghai said (Feb. 21) that in Hangchow 50,000 cases had been reported involving illegal activities of capitalists. According to Tsinan (Feb. 19), 137 "top grafters" had been arrested in Tsingtao. Huainan reported (Feb. 18) that 81 "top grafters" had been reported in the area up to Feb. 15. Huainan announced (Feb. 23) that merchants Shou Kun-jen, Chu Chung-te, and Cheng Hua-cheng had been arrested because of bribery, tax evasion, and hoarding.

Tsinan (Feb. 18) carried a commentary demanding severe punishment for Chang Chung-ming, manager of the Tsingtao branch, China Tobacco Company, "who utilized his position to make a fortune for himself." Shanghai said (Feb. 22) that in Weifang, Shantung, farm implement makers cheated to such an extent that many of their implements "rapidly fell apart." Wuhsi announced (Feb. 22) the arrest of contractor Mei Yu-ching, whose steam boilers built for the Government were so defective that they exploded, "causing several deaths." Yangchow announced (Feb. 19) the "house arrest" of Tai Fu-chien, who bribed cadres and dealt in gold, and merchants Yu Shao-chi and Cheng I-ho, who bribed cadres and evaded 70 million yuan worth of taxes. All live in Jukao, Kiangsu. Also arrested were Wang Hung-pi of Yangchow, who corrupted 20 cadres, and Chu Yung-hua and Kuo Fang, who cheated on construction contracts. Yangchow reported (Feb. 20) that Hua Chi-keng, manager of the Hua Techang Rice Mill, embezzled 54,000

catties of rice while doing processing work for the North Kiangsu Grain Bureau. The Hsinseng Mills cheated on 23 out of 28 contracts, and embezzled 50,000 catties of beans, 10 percent of the entire supply, while processing for the China Food Company. The Changfeng Mills, while processing 140,000 catties of beans, stole 5,400 catties and 816 catties of oil, and diluted bean oil with cheap sesame and peanut oil. The Hochi Rice Mills mixed good rice with bad, causing the Government to lose 19 million yuan.

Wuhan announced (Feb. 23) the arrest of Li Yung-kuei, who bankrupted the State-owned Nanchang Soap Works, took it over when it was reorganized, accepted deposits on soap orders, and used the money for speculation. Wuhan reported (Feb. 24) that Chen Chieh, plaster merchant of Shenhsien, Honan, connived with city government cadre Yu Chi-ming to lower the price of plaster being produced by refugees. By buying at depressed prices he made 200 million yuan on 800,000 catties of plaster. Kunming reported (Feb. 19) that Chou Pao-ching, manager of the Tachung Flour Mill, bribed Chen Yun-pu, Grain Bureau cadre, to defraud the Government by cheating on grain weights. Chu Lan-seng, manager of the Tali Construction Company, was accused of 20 cases of corruption in connection with Government contracts. Kunming announced (Feb. 23) that Li Shi-ming, a merchant who connived with cadres in the People's Bank to defraud the Government, had been arrested.

Government Officials. Chinchow reported (Feb. 18) that Lu Chiu-nan, Liaosi Industry Department, joined merchant Wang Yu-ying in buying up rotten eggs to sell to the Government. Of the first 300,000 eggs they handled, 290,000 were rotten, with a loss to the Government of 120 million yuan. Dairen announced (Feb. 18) that cadre Chang Kuo-chü of the Tungli Company had been apprehended in Tientsin, 28 hours after fleeing from Dairen. He had sold Government gasoline and formed a mutual alliance with Shanghai merchant Wang Chi-tao, who paid him a bribe of 24 million yuan in 1951 when Chang was sent to Shanghai to buy auto parts.

Kaifeng reported (Feb. 20) that Han Tao-lin, village head man in Iyang Hsien, Honan, embezzled relief funds and patriotic contributions of the farmers. Wang Chin-sheng, village cadre in the Loyang area, has been arrested for regularly stealing the farmers' grain and taking 23 farm implements. Hangchow announced (Feb. 20) that Ma Cheng-lieh, cadre in charge of handicraft production, had been discharged and arrested for lending Government funds to merchants at a high rate of interest for speculation. He also accepted as bribes two wrist watches, three Parker pens, clothes, and food, and connived with his wife, Hu Chien, to bribe those who sought to expose him. Ho Jung-te, cadre in charge of the Shangkuan office of the Hangchow Gas and Electric Supply Co., and former owner of the Huatung Electrical Supply Co., was arrested for making 60 million yuan by selling lumber in Shanghai when it was badly needed in Hangchow.

Huainan announced (Feb. 19) that Chao Chung-chieh, Huainan City Government cadre, had been removed for accepting bribes to become the agent of corrupt merchants. In the Huachung Mining Area many tigers captured were "Kuomintang leftover employees who were not reformed and have continued their corrupt ways." Among them were Chai Yu-hsing and Cheng Kuo-ching, who put stones in workers' flour and held back workers' wages. Huainan reported (Feb. 20) that in the Payi Shan area cadre Meng Te-ching used Government sugar and flour for speculation, and adulterated goods for his personal profit. In the area 17 tigers had been accused of corruption of at least 10 million yuan each, all of them "leftover employees who have not reformed their thought." Huainan said (Feb. 24) that in the Chunchiang Colliery 41 tigers had been tracked down. One cadre took a 10 million yuan bribe to allow corrupt merchants to take 100 million yuan worth of property, and cadres had been selling Government property, "from gunny sacks to mining equipment."

Wuhsi reported (Feb. 20) that Yeh Jih-ju, former business agent of the Sunan People's Radio Station, allowed corrupt merchants to take 60 million yuan worth of property, and he, himself, took 10 million yuan. In the South Kiangsu Administrative Office, Chang Kung-yao embezzled 6 million yuan from the office staff's food account. According to Canton (Feb. 18) Chou Te-jen, Youth Corps cadre in charge of land reform in Ihuang Hsien, Kwangtung, embezzled a wrist watch, five shirts, a towel, two suits, and four cartons of cigarettes which he confiscated from landlords. He was ordered to make a public apology and return the stolen goods.

Kunming announced (Feb. 19) that the Yuchi branch, Yunnan Trading Company, had found that Chu Kuo-chen was guilty of corruption involving 9 million yuan. Kunming reported (Feb. 20) that merchant Wang Tzu-ching became manager of the uniform shop of the Public Safety Bureau, where he connived with cadre Wu Chang-chiang to steal 13 bolts of cloth. All together he stole 70 bolts. He was able to fulfill a contract to make uniforms for the Railway Bureau at no expense to himself. While in charge of the uniform shop he drugged his workers with opium and made women workers his concubines.

#### ECONOMIC WEAKNESSES

Drought Dangers. Shanghai reported (Feb. 20) that the East China Military and Administrative Committee held an administrative meeting Feb. 19 and issued a directive on spring cultivation and drought control. Part of the directive read as follows:

During the movement against waste, corruption, and bureaucracy, the various top-level People's Governments should appoint definite numbers of able cadres to lead the people in spring cultivation and production. Chu, hsiang, and village People's Governments, especially, should concentrate their efforts on leading in this work, and temporarily discontinue the movement against waste, corruption and bureaucracy until completion of the spring sowing and cultivation. (Shanghai, East China Regional, Feb. 20)

Sian reported (Feb. 21) that the Northwest Military and Administrative Committee met, issued a directive for a vigorous campaign to "prevent and control drought," and set up a special "Production and Drought Prevention Committee." The directive included a phrase saying that the anticorruption campaign "will not be carried out until spring cultivation is completed."

Hangchow announced (Feb. 23) that farmers in Chuchow were "intensifying their reconstruction of the irrigation system because of drought damages last year." Taiyuan (Feb. 18) quoted the SHANSI JIH PAO on an emergency drought-prevention program which called for spring planting without waiting for rain, and "urged that potatoes be planted." Taiyuan said (Feb. 22) that following a snowfall Feb. 13-14 in Ishih Hsien, Shansi, farmers were busy piling snow on 10,000 mou of land. Chinchow announced (Feb. 20) that cadres in Liaochung had called a meeting to discuss a drought-prevention program. Mukden said (Feb. 23) that in Harbin a meeting was held with teachers, scientists, and officials present from all of Sungkiang Province to discuss prevention of drought. In Antung, and in all Liaotung Province, rural cadres were organizing farmers to do drought-prevention work. In Sungkiang Province, also, a meeting of rural cadres was planned. Chungking announced (Feb. 22) that in Kweichow and western Szechwan farmers had been "ordered to build and repair their irrigation systems."

Shortages and Waste. Yangchow announced (Feb. 20) that in northern Kiangsu during the past 2 years cotton and rice production "almost reached the prewar level," and in some localities "topped the prewar level." Foochow reported (Feb. 24) that the peasants in Fukien Province are "overcoming the shortage of plow oxen" by exchanging manual labor for the use of oxen. Foochow said (Feb. 23) that in Chinssu Hsiang, Haicheng, Fukien, about 30 percent of the peasants were short of food "as a result of paying back old debts." They have been encouraged to raise hogs, chickens and

ducks, and make charcoal. "The difficulty in procuring seed has been solved." In the Lunchi Special District, Fukien, a directive was issued urging the farmers to take measures to control wheat rust. Mukden claimed (Feb. 22) that the fight against the hoof and mouth disease is "making rapid progress" in Sungkiang Province.

Chungking said (Feb. 18) that the Bureau of Inspection, Northwest Military Control Commission, had issued a statement pointing out the "great waste of forest lumber in the area." Mukden announced (Feb. 22) that lumber transport workers in Liaosi Province have launched a campaign to speed up the delivery of lumber.

Peking announced in numeral code (Feb. 23) that the Ministry of Light Industry had issued a directive Feb. 20 setting up regulations for inspection of military supplies "for the security of health among the Chinese Volunteers and the People's Liberation Army." Kaifeng admitted (Feb. 20) that because the democratic and financial management systems of cooperatives in Loyang Hsien, Honan, had not been perfected, "serious corruption and wastefulness were found everywhere among basic-level cooperatives." Shanghai (Feb. 21) broadcast a list of market quotations for important cities in East China. Prices were similar in most cities, but in Nanking cotton yarn was quoted at 7.6 million yuan, in Foochow 8.7 million; fine cloth, Nanking 290,000, Foochow 322,600; flour, Nanking 76,500 yuan, Foochow 103,000; salt, Nanking 109,000 yuan, Foochow 125,000. In Hangchow new rice was listed at 115,000 yuan, Foochow 134,100; edible oil, Hangchow 495,000, Foochow 650,000. On the other hand, soap was listed at 246,000 yuan in Nanking, 222,000 in Foochow; matches at 213,000 in Nanking, 181,000 in Foochow; and newsprint 455,000 in Nanking, 336,000 in Foochow.

#### IDEOLOGICAL ADJUSTMENT

Yangchow announced (Feb. 19) that in Yencheng Hsien, Kiangsu, rallies were held to "correct the rightist thought" within Government agencies. "Signs of complacency" still exist in the People's Bank and the Tax Bureau, and cadres in the Foodstuffs Company and the cooperatives "must give more study to ideological education." The same radio announced (Feb. 22) that in the Public Safety Bureau, Nantung city, where there were "signs of lethargy," a rally was held to "criticize rightist thoughts," and reform groups were started.

Kaifeng asserted (Feb. 19) that in Wanglo Village, Palitiao Hsiang, Chu 2, Chengyen Hsien, Honan, political power had been in the hands of the local despot, Wang Shao-yuan. "The political awakening of the masses in the village remains low, and middle and poor peasants cannot unite together." A local victim of Wang did not dare to talk, indicating that the village "must start anew in mobilizing the masses for promotion of the democratic movement." Canton announced (Feb. 18) that by the end of January more than 300 hsiang in the Chaoshan Special District had "successfully wiped out local despots," confiscating 280,000 catties of grain and 200 guns. Women in Hsinfeng Hsien, Kiangsi, had organized to oppose local despots. At a recent rally one-third of those present were women. Chungking said (Feb. 22) that "because of rightist thought among cadres," the struggle against landlords' habits had no results in Fengchieh, Wushan, Chengkou, and Chichiang Hsien, eastern Szechwan.

Sian said (Feb. 20) that workers in the office of the TIHUA JIH PAO held a celebration in honor of their contract to print "Mao Tse-tung's Selected Works."

#### LAND REFORM

Kaifeng announced (Feb. 21) that the Party Committee of Luyi Hsien, Honan, issued a commendation to cadremen Hsia Chi-chai for his work in the land reform reinvestigation program. The same radio said (Feb. 19) that in Minchih Hsien, Honan, 701 chu and hsiang land reform cadres held a 10-day meeting for reexamination work, studied documents, and "uprooted the haughty and self-conceited attitude of cadres." Cadres were urged to carry through the policy of "relying on poor peasants, uniting middle peasants, and neutralizing rich peasants." Wuhan announced (Feb. 24) that in the 12 hsiang of Heng Hsien, Kwangsi, cadres had been sent into the villages to "explain the program to the people," and to organize farmers' associations.

Chungking reported (Feb. 24) that land reform reinvestigation work was being carried out in 20 hsien of northern Szechwan, where land reform cadres were leading the farmers in spring planting. Peking said in numeral code (Feb. 22) that the 3,000 intellectuals who received revolutionary training in the land reform movement in western Szechwan were of the "unanimous opinion that these several months of training in practical revolutionary work were more profitable than 10 years of learning from books." The majority of the intellectuals were from landlord, bourgeois, and petty bourgeois families, and lacked understanding of the fact that "land reform was a violent class struggle." They thought that the landlords would agree when they understood the principles, argued in defense of the vices of landlords, and "had a despicable attitude toward peasants." Kunming reported that in Yuchi Hsien, Yunnan, cadres realized that 91 farmers were not included in the work, "and immediately organized them for action." The same radio said (Feb. 19) that in Paoshan Hsien, Yunnan, land reform was being successfully carried out and farmers' associations organized. Kunming said (Feb. 20) that in Huaning Hsiang the program was being successfully carried out "with the reform in thinking of the peasants who sympathized with the landlords." These peasants became "enthusiastic supporters following indoctrination."

Wuhan declared (Feb. 23) that Pei Meng-fei, Honan Party official and land reform chairman, had discovered following a careful scrutiny of reinvestigation reports that in the Huangchuan region the movement had been carried out "only in an assumed form." He said that "because of the complacency and lackadaisical attitude of old and new cadres," the poor peasants had remained unorganized and their demands ignored. Wuhan asserted (Feb. 24) that in Kwangsi Province the Government had issued a directive demanding the arrest and confiscation of property of all landlords obstructing the land reform program. Arrested landlords could regain their liberty only by "correcting the error of their thinking" and seeking an agreement with the peasants. Kunming admitted (Feb. 23) that in Chiangyuen Hsien, Yunnan, cadres were receiving indoctrination "in order to help them overcome their administrative difficulties." Many cadres were "unable to withstand the onslaught of the lawless landlords," but had begun to succeed following a "correction in the errors of their thinking."

Mukden announced (Feb. 19) that in Liaotung Province two groups of model farmers had been organized to visit State-operated farms, where they pledged to improve their working methods, use new farming implements, and "operate tractor-combines for future farming."

#### NATIONAL MINORITIES

Chungking announced (Feb. 21) that at a conference of the Nationality Affairs Commission of the Northwest Military and Administrative Committee, "as a result of heated discussion," conclusions were reached to establish the "democratic political power of minority nationalities, to practice widely and earnestly the regional autonomy of the minority nationalities, and to establish democratic coalition governments of the minority nationalities on the basis of the systems of nationality concentration and the People's Congress." Chungking said (Feb. 18) that in Kweichow the Miao Autonomous Government had made headway, with the establishment of a Miao middle school and five new primary schools.

Peking announced in a home service broadcast (Feb. 21) that in Tsinghai Province the I and Tibetan autonomous districts had been set up, with a mass rally of 70,000 Tibetans, the People's Liberation Army, and local Tibetan troops. Sian announced (Feb. 22) that in Ningsia Province the People's Bank had allocated 750 million yuan to 716 minority families for the purchase of 800 farming tools.

## MISCELLANEOUS

Local Government Changes. Foochow announced (Feb. 19) that where land reform had been completed in Fukien, the areas of the chu and hsiang were being reduced "so as to facilitate the people's control of their political power, foster good relations between the Government and the people, and increase the number of basic organizations of the people's political power to the maximum." The number of chu in the Province was increased from 494 to 614.

Debt to the Soviet. Dairen asserted (Feb. 23) that public health in the Dairen-Port Arthur area had made great progress "because of Soviet help and solicitude." Much help had been given by the Russians in hospital administration and pharmacology. In addition, Soviet technique had prevented the spread of bubonic plague in Mukden in 1946, and of smallpox in Dairen in 1949, when 20,000 units of serum were received from the USSR. Mukden announced (Feb. 21) that the reading of Russian-language books, and translations of Leninism, Marxism, and children's works had increased greatly in the area.

Physical Exercises. Kunming announced (Feb. 20) that, starting Feb. 21, the Kunming radio would carry the morning exercise program daily at 8:30.