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CENTRAL INTELLIGENCE AGENCY

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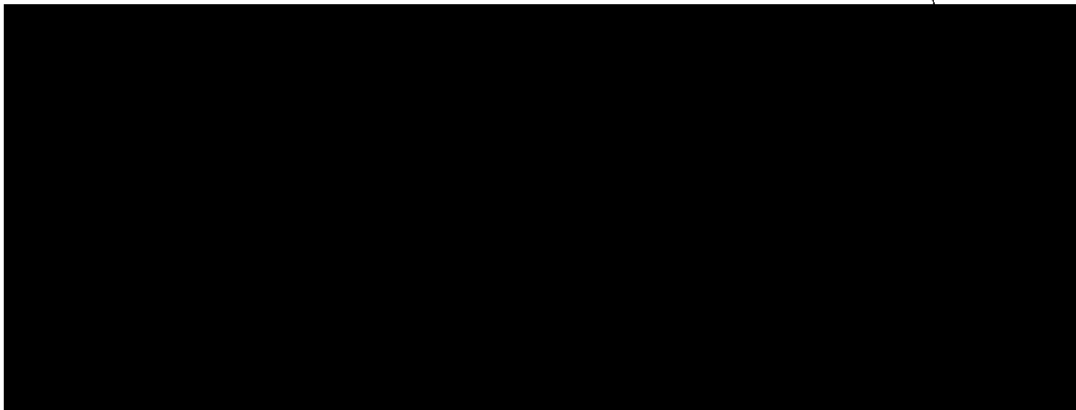
INFORMATION REPORT

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COUNTRY	China	REPORT NO.	[REDACTED]	25X1A
SUBJECT	Views of Mainland Chinese on the Communist Regime in Shanghai and on China's Relations with the USSR and Japan	DATE DISTR.	28 December 1953	
DATE OF INFO.	[REDACTED]	NO. OF PAGES	2	
PLACE ACQUIRED	[REDACTED]	REQUIREMENT NO.	RD	
	25X1C	REFERENCES		

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SOURCE:



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1. No city under Chinese Communist control has been as complicated for the Communists to govern as has Shanghai. The city in May 1953 was still affected by its many years of foreign influence. Until the Communists took it over, it was one of the leading cities of the world. While numerous industries still existed in May 1953, the Communists were having an extremely arduous time trying to change the thinking of Shanghai residents, including capitalists, who in the past had the greater part of China's wealth; those bureaucrats who were looking for a chance for quick wealth; and even the extremely destitute factory workers who, although they could not enjoy luxuries, harbored an adoration for the city which bound them to it. The Chinese who had settled in Shanghai saw the backwardness of their own country and had felt and enjoyed the benefits of Western civilization. The Communists, however, were essentially a country people who had been long in rural surroundings and lacked an understanding of freedom, the central interest of urban residents.

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2. When the Communists took over Shanghai they instituted several economic control measures only to find that the measures failed. They failed because the people had long been submissive to the colonialism of other powers. Generally speaking, it proved that the more ignorant the people, the harder it is to control them. For instance the rise in prices, following the Communist occupation of various areas, was more due to the uncooperative attitude of the people than to the capitalists. The progress of land reform was similarly slowed by popular opposition.
3. Soon after the Communists came into power, the Shanghai government instituted a policy of increasing wages for the factory workers, since the authorities had pinned their hopes on this group for support. Management warned the authorities that the rise was unreasonable, but it took a drop in production to prove they were right.
4. Communist China in May 1953 was taking a different course from the USSR; the progress of the revolution and surrounding conditions were different, and China would develop its own principles accordingly.
5. Japan must eventually enter into friendly relations with Communist China.

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