

COUNTRY China

DATE DISTR. 17 JAN 50

SUBJECT Conditions in Shanghai under Chinese Communist Control

NO. OF PAGES 2

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25X1A PLACE ACQUIRED China, [redacted]

NO. OF ENCLS. (LISTED BELOW)

25X1A DATE OF INFO. [redacted]

SUPPLEMENT TO REPORT NO.

5X1X [redacted]

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25X1X SOURCE [redacted]

Labor

1. As has been frequently reported the Communists have singled out the laboring classes as their most likely source of reliable support. During the fall all unions in Shanghai have been reorganized, and many new unions have been organized, so that they will head up into one federation of Shanghai labor unions to be called the Shanghai General Labor Union, and to be formally inaugurated on 7 February 1950, when other associations of unions will be abolished.

Christian Groups

2. Communist propaganda is also being uttered in meetings of directors of philanthropic and charitable institutions. The same line of vile diatribes against the United States as appears regularly in the Communist press is heard over and over again in these meetings. Some of the most vociferous and authoritative advocates of the Party line are American returned students.
3. It has become clear that the Communists intend to take over all such organizations to serve the ends of the new regime. There is a small minority of well-trained and disciplined key people in each organization who are taking over important posts, eliminating those who are not correct according to purely political standards. Competent observers predict that these philanthropical and charitable institutions will be unrecognizable as to activities and programs within two years.
4. All directors of these institutions are urged to study Leninism and Marxism and MAO's New Democracy. Study groups within the institutions have been formed for discussions of these principles, where inevitably answers according to the Party line have the last word.
5. Chinese staff members of the institutions are urged to attend frequent lectures and are now being organized into groups to study the Russian language. The Communists have had considerable success winning over staff members, although there is some evidence of grave doubt about the whole program of the Communists on the part of some individuals. There is, however, no positive opposition, no courage or willingness in those not

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Next Review Date: 2008

Document No. [redacted]  
No Change in Class. [redacted]  
 Declassified  
Class. Changed To: TS S C  
Auth: NR 73-2  
Date: 21 JAN 1979

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- 2 -

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convinced, to try to stem the tide.

6. Individuals who show independence of thought by raising embarrassing questions are labeled not correct and begin to lose influence; eventually they will be dropped. The General Secretary of the National YWCA, who recently resigned, was replaced by a YWCA worker who has been taking a leading part in Communist politics, was a delegate to the Chinese People's Political Consultative Conference, and a member of the East China Military and Political Commission.

Businessmen

7. Although there is less inclination on the part of businessmen to accept the propaganda of the Communists, most businessmen in Shanghai are playing an opportunist hand, hoping for a world-wide war to create demand and eventually to eliminate the Communist system of business control. So far they indicate little willingness to make any contribution on behalf of those opposed to the Communist regime.

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