

FEB 15 1952
 INTER-OFFICE FAX 18

CENTRAL INTELLIGENCE AGENCY

CLASSIFICATION **SECRET/CONTROL - U.S. OFFICIALS ONLY**
 SECURITY INFORMATION

25X1

INFORMATION REPORT

REPORT

CD NO.

COUNTRY **China**

DATE DISTR. **26 Aug. 1952**

SUBJECT **Taxation of Traveling Traders in Canton**

NO. OF PAGES **2**

DATE OF INFO. **25X1**

NO. OF ENCLS. (LISTED BELOW)

PLACE ACQUIRED **25X1**

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1

1. In early May 1952 the Traveling Traders Association (TTA) notified its members in Canton by mail that all taxes due should be submitted to the revenue office by 15 May. After that date business would once again be carried on as before the five anti's movement and normal regular taxes would continue to be paid.
2. For traveling merchants who operate outside their domestic zone, i.e., to Hong Kong and Macao, regular taxes means:
 - a. Import Tax. This tax depends entirely on the goods involved and ranges from 25 percent to 200 percent.
 - b. Export Tax. JMP 69,000 for every JMP 1,000,000 worth of goods (6.9 percent).
 - c. House Tax. Traders who are householders also pay this tax. Taxes on rooms and flats are paid by the owner of the building and not by the tenant.
3. Taxes paid by the man-in-the-street are:
 - a. Consumption Tax. JMP 6,000 for every JMP 30,000 worth of food consumed (20 percent).
 - b. Drinks Tax. JMP 2,000 on every JMP 10,000 (20 percent).
 - c. Amusement Tax. On Russian films, 15 percent; on Cantonese or Mandarin films imported from Hong Kong, 75 percent.

CLASSIFICATION **SECRET/CONTROL - U.S. OFFICIALS ONLY**

STATE	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	NSRB		DISTRIBUTION				
ARMY	<input checked="" type="checkbox"/>	AIR	<input checked="" type="checkbox"/>	FBI						

SECRET/CONTROL - U.S. OFFICIALS ONLY

25X1

- 2 -



- d. Purchase and Sales Taxes. The buyer pays a purchase tax on the total value of the commodity purchased. The seller pays a sales tax on the balance after deduction of the purchase tax. The revenue office can and does demand from shops payment in advance of the sales tax. The advance payment may cover one month or more or even a season. Whatever the period, the amount is calculated from the actual sales made during the immediately preceding period.

SECRET/CONTROL - U.S. OFFICIALS ONLY