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Reference: Report No. 22 dated 1/22/45 entitled "The Three Youngs"
 Report No. 24 dated 1/22/45 entitled "The Three Youngs"
 Report No. 25 dated 1/22/45 entitled "The Three Youngs"
 Report No. 26 dated 1/22/45 entitled "The Three Youngs"
 Report No. 27 dated 1/22/45 entitled "The Three Youngs"

Source: Mr. Liang is also a member of the Three Youngs, and the three Youngs, from Yank, and Ming, and in Haining also. The Youngs intend to go to Chungking, and Liang said that Lt. Jack Young who was in Shanghai when they left last August is also back in Haining. At present, Mr. Liang is expecting a copy of his birth certificate from Atlantic City, New Jersey, and as soon as his citizenship is proven he intends to enlist in the United States Army.

The information here, given by Liang, is an elaboration of what was reported by Mr. Wong in the previous report on Shanghai. Opinions on various topics are those of the informant.

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Entering and leaving Shanghai: People from Free China who wish to visit Shanghai usually obtain a special permit (at Kiangpo etc.) which is good for from one to three months. Upon expiration of the permit, it is necessary to obtain a resident's certificate (居住证). Travelling permits and residence permits are not difficult to obtain -- it is merely a matter of money and connections. Merchants travelling between the occupied areas and Free China do not appear to find it difficult to do so.

AW BOON HAW: Aw Boon Haw (胡文虎), the "Tiger Balm King," went to Japan from Hongkong by special plane at the invitation of Tojo. Tojo expressed approval of Aw's plan to relieve the rice situation in South China and also promised that Aw could have, free of charge, as much as he wanted of the surplus rice stocks stored in Saigon and other French-Indo-China ports if he would assume responsibility for the transportation of the rice to China. The plan, however, came to nothing.

The Japanese in Hongkong seem anxious to have Aw's cooperation for he is well known in China for his philanthropic activities. His newspaper (新報) in Hongkong is sometimes allowed to voice criticism of a mild nature.

Coal: Shanghai also gets supplies of coal from the Lantouchan mines near Hanking.

Rice: The price of rice in the Hanking, Nushih, Wuhu, Soochow, etc. districts is usually cheaper than in Shanghai. Rice shipments enroute to Shanghai must pass many inspection stations--some controlled by Japanese, some by Chinese troops, and some by the Hanking Government. At each station, bribes must be paid or a part of the cargo given as levy. Thus the cost of the rice goes up the nearer it gets to Shanghai. Food prices are cheaper outside the Shanghai area because of the "shakedown" activities of the police, customs' inspectors, and the Japanese sentries on duty at the city limits.

Japanese Civilians in Shanghai: The Japanese Gendarmerie maintain strict control over the activities of Japanese civilians. Japanese civilians, for instance, are prohibited from patronizing the Hai Alai Auditorium or the Canidrome (dog racing). The Gendarmerie pay periodic visits to these places and arrest all Japanese found on the premises.

Military Situation in Shanghai: There do not appear to be very many Japanese troops in Shanghai. The Japanese Government has presented the Hanking Government with small quantities of out-moded tanks, airplanes, and field guns. Ammunition is scarce.

German: The German population in Shanghai appear to expect Germany's defeat in the near future. Many German firms have changed to Chinese ownership, while German residents in Shanghai began, some time ago, to liquidate their property and assets and to buy U. S. dollars.

Transportation: Due to the severe coal shortage in Shanghai, rail traffic has been greatly curtailed. Dining cars have been removed even on the popular Shanghai-Nanking run, while the number of passenger cars has also been cut down. It was announced that the train between Shanghai and Nancho would run only once a week. Trains are often many hours late. Guns and field pieces wrapped in burlap, etc. are sometimes seen in the open yards around the Shanghai North Station and are probably placed there preparatory to shipment elsewhere.

Russians: Russians in Japanese uniform and armed with revolvers and clubs guard the locomotive repair shops around the North Station. It is their work to search workers in the repair shops and to prevent the theft of tools and equipment. These Russian guards the repair shop workers have clashed more than once. There have been many deaths among the guards. They are very well paid. Chinese and Japanese soldiers and Germanic are such in evidence at the North Station in Shanghai.

Water Transportation. Small sized steam ships and motor launches ply the waterways in the Shanghai area, carrying foodstuffs and passengers. The Nantun-Shanghai run is popular. The boats usually dock alongside the Shanghai Bund the stretch running from the Customs' Building all along the Quai de France.

Air Transportation: Planes carrying passengers, who are almost entirely Chinese and Japanese Government officials or soldiers, fly between Nanking and Japan. These planes usually stop at Gannosu (?), Fukura (?) Island which is a few hours by train from Tokyo. These planes usually stop at the Hungjao airfield at Shanghai. There does not seem to be any regular service.

Economic Conditions: The waterworks, electric plants, etc. have not been moved elsewhere. The smuggling of goods between Free China and occupied China does not appear to be very difficult. The main thing is to be able to pay bribes and to have connections with the right quarters.

The people of Shanghai are mostly engaged in non-productive enterprises such as the hoarding of goods and playing the stock market. Office workers have been most hard hit by the high cost of living, earning much less than laborers, shop-keepers, etc. Many people have started to manufacture, on a small scale, products which formerly came from abroad such as soap, toothpaste, shirts, etc.

Finance: In August 1944, the official rate between the Central Reserve Bank-note and the military Yen was still pegged at 10 to 1. The Central Reserve Bank-note-Federal Reserve Bank-note (North China) rate was identical.

Among the banks in Shanghai are the Shanghai Commercial and Savings Bank, the Central Reserve Bank (which has taken over the new Bank of China building), the Hua Shing Commercial Bank, the Bank of East Asia, the Kinchen Banking Corporation, the Continental Bank, and the Kuo Hua Bank. The affairs of all foreign (British, American, Dutch) banks in Shanghai have been liquidated and the bank buildings now house Japanese Banks.

Native banks are prosperous and more numerous than before. They are, as in former days, mostly found along Ningpo Road.

Political: Every department of the banking government has a Japanese "chief advisor" who has, more or less, all the say. Japanese technical experts, advisors, etc., are plentiful throughout the banking government, and are most active in the military, financial, economic, and transportation affairs of the banking government. The whole of Shanghai is now under one administration. In August 1944, Wu Sung Kuo was the Secretary General of the First (International Settlement) and the Seventh (French Concession) District Administration. Foreign members (neutrals) of the staff of the former Shanghai Municipal Council, except for a few who were engaged in technical work and could not be replaced, have been discharged and replaced by Chinese. Even Japanese have been discharged. The Japanese, however, still retain key positions in the Shanghai Municipality Government either as advisors or technical experts.

Feeling of the Civilian Populace Towards Japanese: The people of Shanghai, of course, have little love for the Japanese. Most feel, however, that it is necessary for them to adapt themselves to the situation in order to earn a living or to keep alive and unharmed. Banking Government officials are generally looked upon as adventurers who are out for what they can get while they can get it. The majority of the officials in the banking government are anti-Japanese, but of course, dare not admit it. While outwardly submissive to the Japanese, the people in Shanghai are definitely anti-Japanese. They believe that there is something in the "Asia for the Asiatics" doctrine, but do not believe that Japan is really sincere and is to be trusted. If such a thing were necessary, the Chinese people in Shanghai would prefer British or American rule to domination by Japan.

Taxation in Shanghai: There are all sorts of new taxes, among which are the commodity sales tax (a 4% tax on all goods sold), the Restaurant and Hotel Bill tax (which starts with 15% on all restaurant and hotel bills which amount to less than \$150 and goes up to 40 or 50% depending on the size of the bill), and the amusement

Tax (40 or 50% on all theaters, dance, pari-mutuel, etc. tickets). Inspectors look over the books of shops, etc. every now and then and the shops take the taxes collected to the Finance Office of the local government. It is said that a goodly proportion of these taxes are used to buy Japanese war bonds. These taxes are gradually being extended to all of Occupied China.

Miscellaneous:

Price Regulation: Prices in Shanghai are regulated by a Price Control Committee. For instance, a guild petitions the committee for permission to raise the price of the commodity it deals in. The committee approves of the petition and the new price becomes official. Since all concerned welcome bribes, it is easy to raise prices.

Industries: There are many newly built concrete buildings and compounds in the North Szechuan Road and Yangtzepoo areas- the areas wherein the main bulk of the Japanese population is to be found. Spinning mills and cigarette-manufacturing plants are the principal industries.

Education: The study of the Japanese language is more or less compulsory in schools in Shanghai. Employees in the Customs, police, and local government must attend classes to study Japanese and those who do well are promoted or given a bonus. Schools and colleges in Shanghai possess an exceedingly low standard. Many hold classes for half a day only.

Japanese Shipping: Japanese destroyers and an occasional cruiser are sometimes moored at the wharf in front of the Japanese Consulate (at the mouth of Soochow Creek). Japanese military transports often unload at Waisue Wharf.

Some Members of the Nanking Government:

Chow Fu-Hai: Chow Fu-Hai (周佛海), Minister of Finance and Vice-President of the Executive Yuan, was in former days, one of Generalissimo Chiang's trusted secretaries. He is a former newspaper and was the editor and publisher of the New Life Magazine (the Generalissimo was behind it). Chow is the governor of the Central Reserve Bank. He is also the commander of the Revenue Guards.

Lin Pak-Sheng: Lin Pak-Sheng (林柏生) is the Minister of Publicity, Commander-in-Chief of the Chinese Youth and Juvenile Corps (青少年團), the China Model Youth Corps (青年團), and also, among other things, President of the China Film Corporation.

He is a graduate of Lingnam University, Cantonese, and is a Cantonese newspaper editor of the Chung Hua Daily News (中華日報) which was first published in Hongkong and is now the official newspaper of the Nanking Government. When he first joined the Government and was in Hongkong, he was the victim of an assassination attempt (a heavy knife or hatchet was used). When in school, he was looked upon as very brilliant.

Chen Chun-hui: Chen Chun-hui (陳君惠) is Minister of Reconstruction, Minister of Economics (he also took over the Ministry of Food when the former Minister Lu Pao-heng was arrested for malpractices). He is a Cantonese and also a graduate of Lingnam University. He is supposed to be one of the most capable and hard working men in the Nanking Government.

Some other members of the Nanking Government are: Wen Tsung-yao, President of the Judicial Yuan; Chen Kung-po (陳公博), a Cantonese who is an old revolutionary and once published the Revolutionary Critic, the well-known magazine during the early days of the Republic; Mei Sze-ping, Minister of Interior; Ting Kieh-chuen, Minister of Social Welfare, who is said to be the gangster type; General Pao Men-yueh, Minister of War; Dr. Chu Min-yi, Minister of Foreign Affairs.

Governors of provinces in the occupied areas are: Chen Chun (陳履) Governor of Kiangsu and former Minister of Interior of the Nanking Government; Chen Chun-pu (陳春浦), Governor of Kwangtung and former Secretary of the Executive Yuan; Hsiao Kuan-ta and Yang Kwei-yi.

Outstanding Personalities in Shanghai:

Klaus Bahmert, a German who was formerly a professor at the University of Hawaii is said to have left Hawaii with the F.B.I. at his heels. He was in Russia for many years and is considered an authority on Russian politics and affairs. In Shanghai he is the editor of the "Twentieth Century", a monthly magazine subsidized by the German Government.

N. Nakano and T. Nakano are Canadian born Japanese. N. Nakano is the editor of the Shanghai Times, while T. Nakano is night editor.

Tang Leang-li: Tang Leang-li (湯良禮) is a Java-born Chinese who studied in England and Europe. He was at the head of the now defunct International Board of Publicity of the Nanking Government's Ministry of Publicity. He is a well known writer of political books among which are "The Life of Tang Ching-wei", "The Inner Story of the Chinese Revolution", etc. In former days he was editor and publisher of the China Today Series, one of which was called "The Puppet State of Manchuria". He is one of the few Chinese who are well known in the West.

Conrado Uy is a Filipino who is editor of the Shanghai Times Weekly (which is now a monthly).

David Zentner is presumably a British subject who is the Day editor for the "Shanghai Evening Post".

C.B. Brown is an American also on the "Shanghai Evening Post". He was interned for a while but was later set free.

John or Jack Johannason, presumably British, is the business manager of the "Shanghai Evening Post".

(Dick) Ishiwata is a Japanese who is said to have been born in Japan but who was educated in the United States. He may have been in the Missouri School of Journalism. He is the head of the English Department, Lomei News Agency, and also broadcasts on the radio.

Feng Chieh: Feng Chieh (馮 節), a Cantonese and one of Lin Pak-Seng's men, was formerly head of the Ministry of Publicity's branch in Shanghai. He is now the general manager of the China Film Corporation.

Su Cheng-Teh: Su Cheng-Teh (蘇 成 德) is a Cantonese who is Chief of Police in the Shanghai First District (International Settlement).

Lo Ying: Lo Ying is Chief of Police in the Fourth District (Nantao and Chapel).

Some of the business men whose names are constantly mentioned in Shanghai newspapers and are connected with local politics are Wen Lan-Teng, Yuan Li-Teng, and Li Sze-Hao, etc.