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Entering and Larving and half from the Free China who wish to visit Shanghai usually obtain the permit (at Mingo etc.) which is note for from one to three to the boundary to obtain a resident's certificate (at Mingo experiment of the permit it is mecanary to obtain a resident's certificate (at Mingo experiment) are in the permit and resident's certificate difficult to obtain a it is merely a matter of money and connections. Morehants traveling between the compiled areas and free China do not appear to this it difficult to do not

as been hat; Aw Boon has ( \$1 \$\frac{1}{2} \hat{1} \ha

The Japanese in Hongkong seem annious to have Av's cooperation for he is well known in China for his phil attropic activities. His newspaper (\* 5 ) in Hongkong is sometimes allowed to voice criticism of a mild nature.

Coal: Shanghai also gets supplies of each from the mantoushan mines near kanking.

Rice: The price of rice in the Banking, Jusin, Juhu, Soochow, etc. districts is usually cheaper than in changhal. Rice chipments enroute to Shanghal must pass many inspection stations—some controlled by Japanese, some by Chinese troops, and some by the Ranking Government; it each station, bribes must be paid or a part of the cargo given as lavy. Thus the cost of the rice goes up the nearer it gets to Shanghal. Food prices are cheaper outside the Shanghal area because of the "shakedow" activities of the police, c customs's inspectors, and the Japanese contries on duty at the city limits.

Japanese Civilians in than hai: 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.

illitary Situation in Changhai: There us not appear to be very many Japanese troops in Shanghai. The Japanese Government has presented the Eanking Government with small quantities of out-moded tanks, sirplanes, and field guns. Immunition is starce,



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Germans: The German population in chargh a appear to expect Germany's defeat in the near future, and terman firms have changed to Chinese ownership, while derive residents in handhal becau, some time also, to illustrate their property such assets and to buy U. S. dollars.

Transportation: one to the severy coal shortage in Changhai, rail traffic has been greatly curtailed. Jining cars have been removed even on the popular Changhai-Ranking run, while the number of passenger cars has also been cut down. It was amounted that the train between Shanghai and dangeher would run early once a week. Trains are often many hours late. Guns and field pieces wrapped in burlap, etc. are cometians soon in the even yards around the Changhai north Station and are probably placed there preparatory to shipment elsewhere. else:/here.

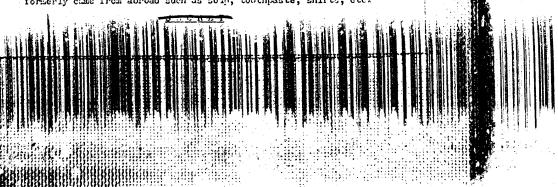
Russians: Russians in Japanese uniform and armed with revolvers and clubs guard the locomotive repair shops around the North Station. It is their work to search workers in the repair shops and to prevent the their of tools and equipment. These aussian guards the the remair shop workers have clashed more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

Tater Transportation. Small sized steam ships and motor launches ply the saterways in the Shanghai are., carrying foodstuffs and passengers. The lantum shanghai rum is popular. The boats usually dock alongside the Shanghai bund-the stretch running from the Customs' Building all along the curi we France.

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

Sconomic Conditions: The vaternorks, electric plants, etc. have not been moved elsewhere. The smulling of goods letween 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 enter-prises such as the hoursing of goods and playing the stock market. Office workers have been most hard hit by the high cost of living, e earning much less than laborers, shop-kespers, atc. — wany people have started to manufacture, on a small acule, products which formerly came from abroad such as such, toothpaste, shirts, etc.



O Linklich Martinian Litellice

rinance: In angues 1984, the official may betreen the Central Reserve Bank-note and the military Yen was still perged at 16 to 1. The Central Reserve Bank-note-Federal Reserve Pank-note (North China) rate

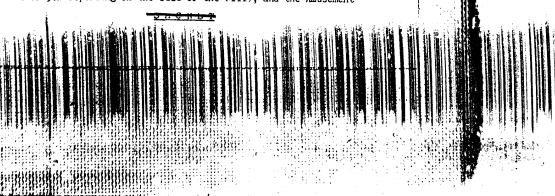
Sank, the Central Reserve Bank (which has taken over the new Bank of china building), the Hua shing Conserved Bank, the Eank of ast Isia, the Kincheng Ranking Corporation, the Continental Bank, and the Kuo Hua Bank. The affairs of all receipt (british, merican, sutch) banks in shanghai have been tiquishted and the bank buildings may been Japanese Busk. no / house Japanese Blanks.

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

Political: Every department of the manking movermment has a Japanese "chief advisor" who has, more or less, and the say. Japanese Technical experts, advisors, etc., are plentiful throughout the sanking dovernment, and are most active in the military, financial, economic, and transportation affairs of the stanking dovernment. The whols of Charlesi is now under one administration. In August 1944, the Sun, kao was the Secretary General of the First(International Settlement) and the Leventh(French Concession) district administration Foreign members (neutrals) of the staff of the former changhal Municipal Council, except for a faw sho were engaged in technical work and could not be replaced, have been discharged and replaced by Chinese. Even Japanese have been discharged and replaced by Chinese. Even Japanese have been discharged. The Japanese, however, still retain key positions in the changhal municipality Government either as advisors of technical experts.

Feelih: of the tivilian Populace Towards Japanese: The people of Shanghal, of course, that it is necessary for them to adapt themselves to the situation in order to earn a living or to keep alive and unharmed. Eanking Government officials are generally looked upon as adventurers sho are out for what they can get while they can get it. The majority of the officials in the Sanking to the year get it. The majority of the officials in the Sanking to the Japanese, the Japanese, the people in Shanghai are definitely antiapanese. They believe that there is something in the "asia for the maiatics" doctrine, but do not believe that Japan is really sincere and is to be trusted. If such a thang were necessary, the Chinese people in Shanghai would prefer British or merican rule to domination by Japan.

Taxition in Sharwhai: There are all sorts of new taxes, among which are the commodity sales tax( a 40 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 250 and goes up to 40 or 50% depending on the size of the bill), and the Amusement



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Tax (40 or 50% on all thatmers, dame, pari-muteul, etc. tickets).
Imprectors look over the books of shop, etc. every now and then and the shops take the taxes follected to the Finance Office of the local government. It is said that a goodly proportion of these taxes are used to buy Japanese are monds. These taxes are gradually being extended to all of Occupied China.

## Miscellanecus:

Price Regulation: Prices in changinal 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 Yan tzepoo areas the areas wherein the main bulk of the Japanese population is to be found. Spinning mills and digarette-manufacturing plants are the principal industries.

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

Japanesa arships: Japanese destroyers and an occasional cruiser are sometimes moured at the wheri in front of the Japanese Consulate (at the mouth of bouchow Creek). Japanese military transports often unload at taysice tharf.

come sembers of the Eanking Coverment:

Chow Fu-Hai: Chow Fu-Hai (1917), Linister of Finance and Vice-President of the Executive Yuan, was in former days, one of Generalissimo Chinng'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

Lin Pak-Sheng: Lin Pak-heng(本格生) is the intater of Publicity, Commander-in-Chief of the C. inese Youth and Juvenile Corps (十月), the China Model Youth Corps (十月), and also, among other things, President of the China Film Corporation.

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SUPER-MENTICE REPORT OF COMMENT A

He is a graduate of linguam University, and tune, and is a Cartoness it was editor of the Chang Hau Maily here ( ' ' ' ' ' ' ' ' ) which was first published in Hongkon, and is not the official newspaper of the Manking Government. Here he first pulsed any Ching-ei and was in Hongkon, he has the virtue of an accassination attempt (a heavy knife or hatchet has used). Here in school, he was looked upon as very brilliant.

Chen Chun-Hai: Chen Chun-Hai (M. Z & ) is minister of meconstruction, minister of meconstruction, minister of meconstructions (he also took over the ministry of Food when the former inhister-Au Pao-Renj- was arrested for malpractices), he is a Cantonene and also a graduate of Lingman throwersity. He is supposed to be one of the most capable and hard working men in the marking Government.

Some other members of the Manking Covernment Government are: Men. Tsung-Yao, Pre itent of the Judicial Yuang then Kung-Po (Ph. 1212). a Cantonese who is an old revolutio ary and once published the kevolutionary Critic, the well-known magazine during the early days of the depublic; Mei Sze-Ping, kinister of Interior; Ting Ech-Chuen, kinister of Social Teliare, who is said to be the gangster type; General Pao Men-Yuch, Minister of Tar; Dr. Chu Min-Yi, Minister of Foreign Mairs.

Cutstandin: Personalities in :hanchai:

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

No takano and Tourstone are Canadian born Japanese. N. Makano is the editor of the champhai Times, while T. Makano is night editor.

Tany: learn-L1: Tang learn-li ( ) is a Java-born Chinese who studied in Lagland and arrope. He was at the head of the now defunct International Board of Publicity of the Nanking Government's Einistry of Publicity. He is a well known writer of political books among which are "The Life of Jang Ching-Wei", The Inner Story of the Chinese Revolution", etc. In former days he was editor and publisher of the China foddy Series, one of which was editor and publisher of the China foddy Series, one of which was editor and publisher of the China foddy Series, one of which was editor and publisher of the China foddy Series, one of which was editor and publisher of the China foddy Series, one of which was editor and publisher of the China foddy Series, one of which was editor and publisher of the China foddy Series, one of which was editors.

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SUPPLEMENTARY REPORT OF SHARRIFF

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Conrade Uy is a Mailipine who is editor of the Shanghai Times leekly ( high is now a monthly).

Dayid Zenther is presumably a British subject who is the Day editor for the "Shanghai evening Post".

 $\underline{C.B.}$  Brown is an imerican also on the "Janushai levening post". He was interned for a while but was latter set free.

John or Jack Johannason, presumably writish, is the business manager of the "Shanghai wening out".

(Dick) Ichiwata is a Japanese who is said to have been born in Japan but who has concerted in the United States. He may have been in the Missouri School of Journalism. He is the head of the Emplish Department, women News Agency, and also broadcasts on the radio.

From Chich: Feng Chich ( ) p ), a funtonese and one of lin Pak-Branc's men, was formerly head of the Ministry of Publicity's branch in Shaughai. He is now the general manager of the China Film Corporation.

Su Cheng-Teh: Su Cheng-Teh (蘇南德) is a Cantonese who is Chief of Police in the Shanghai Pilet District (International Settlement).

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

Some of the business men whose names are constantly mentioned in shanghai Newspapers and are connected with local politics are ken lan-Teng, Muan Li-Teng, and M Sze-Hao, etc.

