

## Provisional Government in Peiping Takes Over Customs in North China

Wang Ke-min, Chairman of the Administrative Commission of the new Provisional Government in Peiping announced Dec. 16 that the Government had taken over the Customs administration in Chinwangtao and Tientsin, where "the Customs commissioners and their staffs have accepted the direction of the new Government." "Regarding the loans secured on the Customs," Mr. Wang stated, "the Provisional Government will naturally deal with them in a fair and just manner."

For the present all the personnel, including about 500 employees of the offices at Tientsin and Chinwangtao, are being taken over under the new management; the Peking government, it was understood according to *Domei*, would seek a fair and equitable settlement of foreign bonds secured by customs revenue, and retain the present tariffs for the time being. However, "unfair and objectionable" tariff rates on some items of merchandise are to be revised shortly, it was indicated.

Claiming sovereign rights in China, the new Government will shortly launch negotiations on the matter with the Administration of the Maritime Customs. While the Government, according to the press reports, does not intend for the present to change the Customs tariffs, these will be revised downwards in the near future. According to a *Domei* message from Tokyo the principle of the open door and equal opportunity will be strictly followed and full deference will be paid to the interests of all foreign Powers.

The Customs rates, raised for the specific purpose of checking the inflow of Nippon-made goods, will be reduced, Tokyo papers said. No preferential treatment will, however, be accorded to any nation.

No changes will be made in the organization and staff of the Customs offices in Tientsin, Chinwangtao, Tangku, Shanhai-kwan and other points in North China, the reports emphasized.

### Five-Barred Flag Hoisted Over Tientsin Custom House

The five-barred flag of the "Provisional Government of the Republic of China" has been hoisted over the Customs House in Tientsin following the assumption of control of the Customs administration there by the new regime. A semi-official Japanese source predicts a great revival in trade in North China because "special trade" will now be liquidated.

Semi-official Japanese dispatches from Peiping said Nipponese officials have been conducting negotiations with the Shanghai office of the Chinese Customs regarding the possibility of depositing surplus Customs revenue in the Shanghai branch of the Yokohama Specie Bank and that, "when this materializes, it is assumed that British influence in the area would be diminished."

### Customs Duty on Many Goods to Be Cut in North China

For the avowed purpose of "ensuring adequate food supplies and accelerating the economic rehabilitation" of North China, the Provisional Government at Peiping Dec. 18 decided to slash by a half the import duty on a vast range of items. Included among the goods to be affected by the new ruling will be marine products, zinc, rice and other cereals, petroleum, cement, sugar and paper.

### Telegraph and Telephone Directors Refuse to Hand Over

Messrs. Wang Jo-hsi and Chang Tzu-chi, respectively Directors of the Telegraph and Telephone Offices in Tientsin, have steadfastly refused to hand over their offices to the Japanese, according to a message received in Tientsin Dec. 18 from Tientsin.

### Recognition of New China Government by Foreign Power Forecast

De jure recognition of the new Provisional Government at Peiping by a "certain foreign power" was considered probable in the near future, a *Domei* message from Peiping Dec. 19.

### Terauchi Urges Support for Peiping Government

Wholehearted support for the newly-established Provisional Government at Peiping was urged in a proclamation issued by Gen. Count Hsiaoichi Terauchi, Commander-in-Chief of the Japanese forces in North China, at Tientsin Dec. 17.

### Kalgan Body Greeted New Regime at Peiping

Felicitations on the "spontaneous creation" of a new regime in North China were sent from Kalgan Dec. 16 by the newly-established Federated Commission for Mongolia to the Provisional Government of Peiping. The message expressed hope that the two commissions would co-operate in achieving their common objectives.

### Autonomous Anti-Communist Administration Ready to Disband

Chi Tsung-mo, Chief Executive of the East Hopei Autonomous Anti-Communist Administration, informed the new Government Dec. 15 that his administration was ready to disband, because of the similarity between the policies pursued by the East Hopei Administration in the past two years and the policies announced by the new regime.

### North China Relief Program Started by New Government

Measures for the relief of war-stricken areas in North China, where 90 per cent of the population is comprised of farmers, are

being taken by the new Provisional Government, in Peiping Dec. 17.

The program includes purchases of raw cotton, civil engineering works, distribution of seeds, and opening of pawnshops, and agricultural warehouses.

A *Domei* message from Tokyo Dec. 7 stated that 50,000,000 Oriental Development Company, a concern, had started a relief program for farmers who the war and floods in North China. Funds will be company for the rehabilitation of Chinese in the area.

Recommendations for widespread economic development in China, with special reference to a program for North China, including increase in production capacity, encouragement of commerce, and tariff revisions, have been made by the Office of Commerce and Industry to government officials, a Japan's principal industrial stated Dec. 10.

### Tokyo Iron Company to Open Offices in Peiping

The Japan Iron Manufacturing Company will open offices in Peiping, it was announced Dec. 19. The company, capitalized at Yen 359,821,000, is a semi-official concern.

### Wang Keh-min's Family Reaches Peiping

Completing a circuitous journey from Shanghai, Wang Keh-min, Chairman of the Executive Committee of the new Provisional Government of the Republic of China, arrived in Peiping Dec. 18 by plane.

### Seven Hundred Bandit Troops Surrender in North China

A Japanese message from Shihchiachwang Dec. 16 said that 700 bandit troops under Chang Chien-tang who had been active in southern Hopei Province surrendered Dec. 15 to Japanese forces.

### Japanese Forces in Shansi Now on Defensive

A *Reuter* message from Tientsin Dec. 18 said that observers in North China expressed the belief that Japanese forces in Shansi are now on the defensive. The Japanese military spokesman admitted that the Japanese forces in Shansi are insufficient to take the half of the province. Meanwhile, attacks by Chinese columns on the Peiping-Hankow Railway up to twenty miles of Peiping were said to be frequent.

Observers expressed the opinion that it will be impossible for the Japanese to drive even as far as the Yellow River. Peiping-Hankow lines without leaving their right flank exposed. The Chinese are reported to have destroyed 20 miles of the railway south of Changteh. The fact that the Japanese troops had been withdrawn from North China in the past two months was taken to indicate that no big drive is at present envisaged.

### Yangchow Falls into Japanese Hands

Japanese occupation of Yangchow, salt production center on the northern bank of the Yangtze River opposite Chingkiang, Kiangsu provincial capital, was admitted in Chinese military Dec. 17.

### Tientsin Merchant Says Prospects for Business in North China Are Excellent

David Benz, writing in the Shanghai *Evening Post* Dec. 18, stated that he considered the prospects for business in North China excellent. Retail stores and amusement places, particularly well patronized. From what he could see, Wu Pei-fu appeared to be the choice of the Chinese for proposed autonomous government.

### Scope of Japan's Aims in China Widened Result of Fall of Nanking

"Due to the fall of Nanking" the views of leading financiers, businessmen and industrialists concerning Japan's aims in China have undergone a change, the semi-official *Japan Times* (Tokyo) declared. Hitherto the scope of Japan's aims has been confined to North China, "but now they apparently believe that plans must be made for covering the whole of North, Central and South China," a *Reuter* message from Hankow Dec. 16 stated.

### Chinese See Japan Attempting to Cover the Whole of China

The establishment of the so-called "Provisional Government of the Republic of China" in Peiping is arousing great resentment in Chinese circles, who interpret it as "definitive proof that Japan is determined to conquer the whole of China," a *Reuter* message from Hankow Dec. 16 stated.

Inasmuch as the bogus regime in Peiping has been set up in a city now under the occupation of invaders, the Chinese will absolutely refuse to recognize its existence both from moral and factual standpoints, the Hankow *Ta Kung Pao* declared editorial Dec. 18.

## Japanese Objective Now Is to Capture Hangchow

Hangchow, the beautiful capital of Chekiang province, became the objective of war this week. Gunfire was audible in the morning of Dec. 20, following the occupation of Chingchow by the Japanese columns. Meanwhile, the Japanese were pushing northwards from the Yangtze River along the Tientsin-Pukow Railway by three routes. The Japanese advanced along the railway, the right wing along the Yangtze and the left wing along the Hwaiyang road. The Japanese in Hangchow, threatened by a flanking movement by the Japanese, were withdrawn to Changpaoling early in the week.

Japanese airplanes made a sudden appearance over Hangchow, Chekiang, at 9 a.m. Dec. 17. Later, they appeared over Ningpu, on the southern bank of the Chientang River, in the vicinity of the railway station. Another Japanese airplane was shot down near Ningpu, in Chuki district, 40 miles south of Hangchow. More than 10 bombs were dropped, four of which hit the city.

Japanese launches, 1,000 Japanese troops at Kashing, and Japanese troops at Shimenwan and Tsungteh, north of Hangchow, are reported to be advancing towards the Shanghai-Hangchow-Ningpo Railway. Japanese troops northeast of Hangchow, *Kuo Min* says, were however successfully checked by the Chinese.

A drive southwards from Shihkiakiao, south of Wuhing, the salt production center in northern Chekiang, a detachment of Japanese was attacked by Chinese troops at Tsingshan Dec. 15. *Kuo Min* reports that the Japanese were repulsed northwards with heavy casualties, leaving a large quantity of arms and ammunition.

### Solemn Rites for War Dead Conducted at Nanking

Solemn services for Japanese soldiers, sailors and journalists in action were conducted at the Ming Palace airfield in Nanking Dec. 18. Column on column of soldiers and bluejackets in uniform, high military and naval officers officiated at the services.

Foreign residents of Nanking, who remained in the city throughout the siege, are safe, a spokesman of the Japanese Embassy announced early this week. Included among the foreigners were Germans, two Russians and one Briton. Japanese troops were also reported to have come through the city.

### Japanese "Killers" Relate Experiences

Japanese "killers" on the Shanghai front have been interviewed, says the *Tokyo Nichi Nichi*. Sub-Lieutenant Noda concluded a wager when they were sent to the Shanghai front to whom could stab 100 Chinese soldiers. Everything was going nicely, the men reported, but in the battle around Purple Mountain the Japanese were so immersed in the blood and thunder of the fighting that they unconsciously passed the hundred mark. Noda claimed 115 kills and Mukai claiming 106. In an interview the *Nichi Nichi* correspondent, Mukai asserted that the only Japanese soldier who was killed was that the edge of his Samurai sword was broken at the helmeted heads of Chinese soldiers.

### Many Chinese Allegedly Deserted at Nanking

During the Japanese attack on Nanking large numbers of Chinese soldiers lost their uniforms and deserted against the Japanese, a foreign correspondent reported (according to *Domei*).

### Empty Shell, Old Splendor Gone, Japanese Correspondent Says

Japanese structures and historic landmarks still standing in Nanking are being destroyed by the shock of battle, but with the fall of the city and government evaporated, Nanking today is a shadow of its former self—"the capital of China," according to a correspondent of the *Shanghai Daily*, who inspected the city following the Japanese occupation.

### Chinese Soldiers Active in Nanking, Japanese Allege

Chinese soldiers in plain clothes are still hiding in Nanking, a Japanese spokesman alleged Dec. 19.

### Natural Planes Allegedly Destroy 13 Chinese Craft Beyond Nanking

Japanese airplanes, grounded at the Chuhsien airfield northwest of Nanking, were successfully bombed by Japanese naval aircraft, according to an official statement by a Japanese naval spokesman.

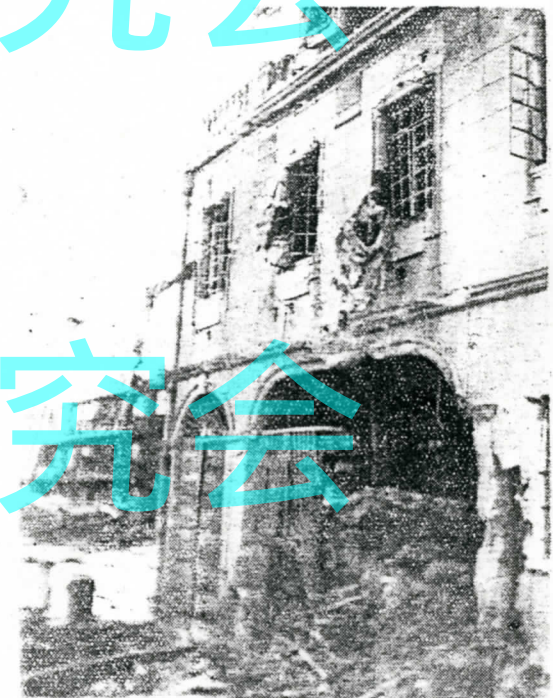
## Neither Britain Nor the U. S. Will Recognize Peiping "Provisional Government"

Foreign Secretary Eden gave assurances in the House of Commons Dec. 21 that no sort of recognition would be given to the "provisional government" installed in Peiping. He said the British Government would continue to recognize the Central Government of China.

The New York *Times* in an editorial Dec. 21 stated: "There is no reason whatever to believe that foreign nations will extend to the puppet government south of the Great Wall of China, recognition which they deliberately withheld from the puppet government of Manchukuo." "There is also no reason to believe," the *Times* proceeded, "that foreign nations will sanction loans to the new 'independent' China."

### Chungking Mandate Warns Against Any Participation in Bogus Regimes

The National Government issued a Mandate from Chungking Dec. 20 that any person in regions under illegal Japanese military occupation, who willingly adheres to the enemy and participates in any bogus organization, is to be arrested and severely punished by the Military Affairs Commission in accordance with the Regulations governing the Punishment of Traitors.



Ruins of the Chinese Customs House on the Shanghai Bund at the intersection of the French Concession and Chinese City (Nantao).

## Peiping Provisional Government "Requests" Appointment of Japanese Advisers

The newly-organized Provisional Government at Peiping has approached the Japanese Government with a request to recommend Japanese advisers on industrial, financial, diplomatic, cultural and other matters, a *Domei* message stated.

### Chinese Build New Defence Line on Yangtze

With the abandonment of their positions at Siennumiao, 7 miles east of Yangchow, and Chuhsien, 37 miles north-west of Pukow on the Tientsin-Pukow Railway in eastern Anhwei, the Chinese troops are building a new defence line on the northern bank of the Yangtze River, a *Kuo Min* message from Hsueh Dec. 21 stated.

### Son of Chiang Kai-shek Leads Mongols?

Commander Chiang Ching-kuo, son of Generalissimo Chiang Kai-shek, is at the head of 100,000 crack Mongolian troops which he has been organizing and training since his return to China from Moscow this summer, according to a Chinese report this week.