

Oct. 12, 1940.

Dear Hall:-

Here are some notes on your outline. You are right to try a positive summary, though the showing is rather bad. I feel fairly confident of my statements except where specifically qualified: e. g., rice tax is simply by merchants' report. The item on Japanese merchants' transportation privileges is from the Wuhu area, and I believe it to be well substantiated. Qualified friends insist that all communications save the post are directly run by Japanese bosses.

There will be in my house for a few days a copy of the "Nanking Japanese Chamber of Commerce and Labor Journal" for June 15th. last, containing a revised ^{list} of regulations for shipments in and out. My Japanese is not too good, but I believe I am making no error and am giving you all that is important. If you want to check, send for the paper to use a day or two.

- I. Articles the Shipment of Which Out or In Is Absolutely Prohibited.
 1. Weapons of war, explosives, and the like. (Bureau)
 2. Powder and constituent chemicals (except with permit from Minerals)
 3. Opium (save with permit from Suppression Bureau).
 4. Other articles for military use may in case of necessity be added.
- II. Articles Which May Be Shipped Out or In Only With Receipts for Commodity and Salt Taxes.
 1. Matches. 2. Cement. 3. Cotton Cloth. 4. Tobacco.
 5. Cold Drinks. 6. Sake. 7. Alcohol. 8. Salt.
- III. Articles Which May Be Shipped to Shanghai Only with Permits from Specified Military and Naval Offices. Beans
 1. Metals and Ores. 2. Rice, Wheat, Wheat Flour. 3. Hemp (Ramie).
 4. Cattle, Pigs, Sheep. 5. Empty Bottles. 6. Bricks.
- IV. Articles Which May Be Shipped to Shanghai Only with Permits from Another String of Specified Military and Naval Offices.
 1. Eggs and Manufactures from Them. 2. Pig Bristles. 3. Feathers.
 4. Pigs' Intestines. 5. Tung Oil. 6. Tea. 7. Cocoons.
 8. Raw Silk and Silk Waste. 9. Leaf Tobacco. 10. Leather and Hides.
 11. Cotton and Cotton Waste.
- V. Articles Which May Be Shipped from Shanghai to Occupied Areas Only with Permits from Specified Military and Naval Offices.
 1. Metals, including Used Metals. 2. Machinery. 3. Oils and Gasoline. 4. Lumber. 5. Soap. 6. Matches. 7. Candles.
 8. Salt. 9. Tobacco. 10. Edible Oils. 11. Cotton Cloth.
 12. Feathers and Feather Products. 13. Rayon. 14. Sugar.

This stuff may be familiar to you, and certainly should be to Shanghai. But I have never seen the full layout of this aspect of the controls.

Herewith copy of "Pacific Affairs".

Off to Shanghai for a week's teaching.