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"Kuomintang's Resolutions Rouse Hopes" by Randall
Gould - Chungking (By Radio)

AMERICAN EDITION



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Kuomintang's Resolutions Rouse Hopes

By RANDALL GOULD

CHUNGKING (By Radio)—Foreigners with a business interest in China hope that there is solid significance in the so-called "policy encouraging foreign investments" which has been laid down by the Central Executive Committee and Supervisory Committee of the Kuomintang. Coupled with another resolution passed at the same time and having to do with industrial reconstruction it may indicate a trend heartening to those who would like to work with China for mutual economic benefits.

Industrial Development

The second named resolution largely deals with Government planning about industrial development of the future. Its final article reads, "In order to speed up the completion of the industrial reconstruction plan foreign capital and technical cooperation shall be welcome."

The other resolution put teeth into this sentiment. It first recalls that Dr. Sun Yat Sen's plan for advancing Chinese industry welcomed international cooperation, then says that to show a spirit of close collaboration with friendly powers certain important things are to be done.

First, all restrictions applying to Chinese-foreign enterprises are to be revised. Hereafter there is to be no fixed restriction on the ratio of foreign capital investment in joint enterprise. In such companies the chairman of the board of directors must be a Chinese but the general manager need not. Aliens may, under sanction of Chinese law, finance their own enterprises in China. Private individuals may negotiate foreign loans for their enterprises, although the Government must approve. At an early date the Government is to determine which categories of state enterprises may accept foreign investments and which may seek foreign loans—the negotiations for such loans for state enterprises being centralized.

Lending Will Be Regulated

The resolution explains that realization of this program should not be delayed "now that victory is in sight." And, of course, it is the end of the war which will be the crucial test in this as in many other measures.

An editorial in the National Herald expresses the belief that post-

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war foreign lending will be considerably regulated by controls of foreign governments. It suggests to foreign friends that they look upon participation in China's future development more from an angle of service than that of profit, adding, "While under the laws of our country foreign nationals will have the right to establish and operate industrial enterprises it would seem to us that the spirit of the United Nations can best be expressed in the form of the contribution of technical and technological assistance in developing Chinese industries."

SEP Can Be Printed

One small, but perhaps significant, test of the Chinese attitude toward foreign enterprise may be found in our own effort to establish a Free China edition of the Shanghai Evening Post and Mercury. A brief survey of the local field by the Messrs. Opper, Carson and myself indicate that such a paper can be printed here in weekly tabloid form comparable to the American Edition (though less slickly turned out) and that there is real need for this modest venture. At least two printing outfits seem able to publish our paper with hand-set type. There is a shortage of newsprint but it can be had, though it is expensive. Only one English-language daily is published here—the National Herald, formerly the Hankow Herald. It does not issue on Sunday. We could fill the vacant day and provide at least two major features—an intelligently suggested epitome of week's world news and a special service of American news.

The American news now available is much sparser than we had thought. One American Press Assn. brings in a service but it includes a great many foreign datelines. Moreover, not all the items brought in are made available to the public except in the form of mimeographed reports, which are issued to local private subscribers but cannot have wide circulation. Free China is short of reading matter anyway and we have met with a great deal of encouragement from those who heard of our project before we ever arrived.

Waiting for License

For the moment we are awaiting official action on the matter of license under the press law. This seems simple but a wartime additional provision would limit the number of newspapers during this period of emergency, and no accounting seems to be taken of the question of which language is used or whether a paper is merely emigrating from elsewhere in China and was previously registered—as was the case with ourselves in Shanghai.

However, our Chinese official friends seem to be sincerely searching for the loophole which can always be found, and although our project hardly adds up to a "heavy industry" we believe it will prove one of the first demonstrations of China's desire to welcome her foreign friends wherever they can find a place to serve. We have made clear that it is not our intention to specialize on views but on news—and news of the sort foreigners and English-reading Chinese would like to get.

Conditions Depressing

A depressing picture of the conditions in present-day Shanghai is brought out by Chinese who have recently escaped from this invaded area. Things are so bad in the city, it seems, that the Japanese themselves cannot fail to face the facts and their present regulations make it relatively easy for Chinese to get away. Anyone who can make some showing of being a "businessman" is given a travel permit which he can use in an effort to restore some degree of prosperity to the occupied territory, but which he secretly uses to get away.

The condition of the masses is most miserable, with rice so high in price as to be completely out of the reach of thousands who must abandon their accustomed staple and subsist on millet or other cheaper grains. The Japanese themselves seem to be having a thin time and their nerves are kept on edge by continued terrorism, not so much in the way of individual assassinations now as of deadly blows whenever there are public gatherings.

For example, when the Japanese had a double seven (July 7th)