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## Services Reconnaissance Department

11th August 1944.

Conditions in Enemy Occupied Territories.

Summary No 4.

I Sumatra.II Siam.III French Indo-China.IV Hong Kong, Canton and

Macao &amp; Kwangtung. Part 17



Director .....

Asst. Director .....

Admin. Officer .....

Major Kneef

Lieut. Rycroft (at Brisbane 16/8)

Lieut.

S.10A

Officers pass personally

FILE  
Secret File

14/8/44  
Landed by Adv. 14/8

TOP SECRET

SUMMARY No. 4.

S.10A

CONDITIONS IN ENEMY OCCUPIED TERRITORIES

SUMMARY NO 4

11 AUG 44

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## SUMATRA

SUM/8/28.5.44.

### ADMINISTRATION.

#### FINANCE & CURRENCY.

##### Currency.

An escapee who was in Sumatra until February 1944 states that the Japanese Yen notes were used and exchanged at par with guilder notes.

#### POLICE & REGISTRATION.

It is stated by recent escapees that the police force in Sumatra functions very much as it did under Dutch Rule, except that the officers are Japanese. In Medan, the police force has been increased and is substantially larger than formerly, presumably because further trouble was expected as a result of the occupation of the country.

Eurasian officers were heard of, but had not been seen. Japanese officers carried pistol's and were a sword, as they did formerly. (Another source reports that some were armed with rifles, and others with only batons). Other ranks, carried a sword, as in former times. Some of the native personnel wore Japanese caps instead of the straw hat which was normally worn.

On the whole, the lower ranks were reported to assist the Japanese whole-hearted, because in the opinion of this source, the job meant their bread and butter.

##### Secret Police.

In January 1943 most members of the Secret Police were said to be South Indians who had worked previously on Japanese-owned rubber estates and had a knowledge of the Japanese language. The Japanese appear to have great trust in these Tamils and Telugus, and employed many of them in broadcasting work and on the railways.

Dr. Amif was mentioned as being a member of the Secret Police. He also had a private practice and lived on Beach Street.

##### Subjugation of the People.

A recent escapee reports that it was essential at all times for the local population to bow to Japanese sentries and officials. Should anyone omit to perform the function, he was slapped. This man had himself had his face slapped on three occasions for failing to bow.

#### PUBLIC HEALTH.

##### General.

It is reported by an escapee who was in Sumatra until March 1944, that there was an increase in ulcers, skin diseases and yaws, which would indicate a lack of nutrition. The absence of certain vitamins was probably due to a very poor supply of imported foodstuffs.



He reported a great shortage of medicines, and added that no attention was paid to the general health in the villages, where the people were left to look after themselves. Admission to hospital was possible only if the patient could pay.

Malaria was said to be spreading, and in Arnhemia two to three deaths occurred daily in March 1944, when escapee was there.

## P O L I T I C A L.

### POPULATION & COMMUNITIES.

#### Indians.

A source who left Sumatra in March 1944 saw British Indians in Medan working as chowkidars and milk sellers. He stated that the Japanese had seized all shops belonging to Indian cloth merchants. It is stated by another source that there was no evidence of Indians co-operating with the Japanese.

#### Germans.

The same source saw about 30 Germans in Medan, who were distinguished by their swastika arm-bands. They wore civilian clothes and were free to go as and where they pleased. Two Germans were seen in Deli by another source.

#### Eurasians.

It is stated by the above source that many Eurasians, men and women, were working in administrative offices of various kinds under the Japanese. They were obliged to wear a distinguishing arm-band (red Japanese symbol on a white ground) and their movements were reported to the Japanese.

#### Attitude of the People.

Conflicting reports have been received as to the attitude of the natives of Sumatra. Some agree that they are afraid of the Japanese yet were in favour of Japanese rule, others that they seemed to like the Japanese, who found them jobs and treated them well to gain their friendship; apparently with some success, as the natives are said to have co-operated with them. Many enlisted in the Army, some functioning as police.

Another source states that the natives were outwardly friendly to the Japanese, and that their real feeling towards Europeans was not favourable, and that when the news of the fall of Singapore reached Sumatra, the natives intended to slaughter all the Dutch residents there.

The general feeling of the people concerning the future was that the Allies in time would be victorious.

The Achinese in Sumatra are reported to hate the Japanese, and to have formed guerilla bands to fight them. It is said that the Japanese are engaged in subjugating the aborigines living in the mountain districts of Sumatra, and incurring heavy casualties in the process. Guerillas comprising Dutch and Chinese (?) Achinese are said to be co-operating with the aborigines.



POLITICAL PARTIES, ASSOCIATIONS, ETC.

Red Swastika Peace Committee.

Nothing is known of this organisation by a recent escapee, beyond having seen civilians (presumably Germans) wearing arm badges of white cloth with a red swastika on it.

E C O N O M I C

LABOUR.

General.

It is reported by an escapee that up to the time he left the country in March 1944 the Japanese were working hard on defence schemes, in some places both by day and night, and were forcing the natives to carry out the work. The Japanese frequently announced that unless the local population were prepared to work, and to work hard, they could not expect to be fed or obtain food; there was a certain amount of forced labour.

It was stated in a broadcast on April 5th that a road had been constructed between the East Coast Province and Atjeh, with the "free labour of 12,000 men."

MINING & METALS.

(b) The apparatus for extracting bauxite on Bintang is believed to have been thoroughly destroyed by the Dutch at the time of the invasion, but it was recognised that its reconstruction would not occasion a great deal of difficulty and it was no doubt promptly restored to its pre-war capacity of 400,000 tons and probably more.

The Dutch activity was limited to the extraction of bauxite, and no aluminium was produced at Bintang or elsewhere in the Netherlands East Indies. Plans were, however, afoot to erect the necessary plant on the Assahan river on the mainland of Sumatra, but, at the time of the invasion, no machinery had been delivered, nor had the buildings for the power plant, which was to operate the refinery, been erected. Activity had stopped at the building of houses for European power plant.

A Japanese broadcast in June 1942 stated that the Dutch had already installed generators and that the "gigantic" plant in the Assahan river was expected to be complete in about a year. The first part of the statement was incorrect, as can be seen from the foregoing remarks, and it is now certain that the claim that the project would be completed by about June 1943 was also incorrect, as it is quite clear from the present information that the whole affair is still in the blue print stage. The undertaking is a very large one to be considered so far from the Inner Zone. To illustrate the difficulties some of the distances involved are worth recording.

Pandjong Balei, the small port at the mouth of the Assahan river is about 70 miles from the site of the plant. Discharge facilities for cargo at the port are not in the first class. It is understood that the river itself is only navigable by lighters and small craft.

The railway cuts the river about 35 miles from its mouth at a point about 140 miles distant from Medan whose port Belawan would provide good facilities for the discharge of the machinery to be installed.



The nearest source of supply of cement for the ferro concrete is at Indaroeng, near Padang. By road from Padang to the point where the Assahan river leaves the Toba Lake is about 300 miles. It will be necessary to construct a road from this point to the site of the plant - length 10 miles.

Alternatively, cement could reach Belawan or Tandjong Balei by sea, north about or south about, involving a passage in both cases of hundreds of miles.

Any estimate of the time required to build the plant would necessarily be conjectural, as many factors are unknown, but it seems safe to say that the work could not be accomplished in anything less than two years, which means that no aluminium could be manufactured before February 1946.

The advantages of such a plan are very evident. Perhaps 50,000 tons of the Bintan bauxite is at present treated in Formosa, but the rest has to be transported to Japan itself. If it is supposed that 400,000 tons a year is now so transported to Japan, reduction to aluminium in Sumatra would reduce the tonnage to be carried to 19,000 tons only, and would also save labour and fuel consumption in Japan itself. The need for saving shipping space is, however, immediate, and the general trend of Japanese policy is to stop the diversion of current resources to schemes which will have only a distant return. It is supposed that the Japanese have been considering this scheme as a possibility since they first obtained possession of the Netherlands East Indies, if not even before the war began, and that a body of expert engineers must have been spending many months on the investigations on the spot before the plans received their final shape. The submission of estimates now does not, therefore, imply any new willingness to consider for reaching capital schemes in Sumatra. It should rather be assumed that the admission of estimates represents no more than the completion of a task which expertswere sent out many months before to fulfil. A decision whether or not to work on these plans is now to be started doubtless remains to be taken in Tokyo, and it is necessary to await evidence as to what decision is to be.

#### O I L.

##### Oil Objectives in Sumatra.

There are two oil objectives of major importance in Sumatra; the refineries and storage tanks at Palembang and at Pankalanbrandan and Pangkalansoesoe.

(a) Pladjoe and Soengei Gerong refineries at Palembang in Southern Sumatra (1,620 nautical miles from Colombo) are the largest refineries in the East Indies. They are supplied by pipeline from the oilfields of central and south Sumatra and contain the only cracking plants capable of dealing with Sumatra crude oil, and also contain plants equipped for the production of 100 octane aviation petrol.

The peace time yearly output of the two refineries was approximately five million long tons of refined products; the storage capacity amounted to approximately 700,000 long tons of crude oil and refined products.



850,000 tons per year.

(b) Pangkalanbrandan and Pangkalansoesoe refinery and oil storage in North Sumatra (1,110 nautical miles from Colombo).

In peace time the yearly output of the refinery at Pangkalanbrandan was approximately 850,000 long tons of refined products.

Crude oil was supplied by pipeline from the oilfields of North Sumatra.

Air photographs of 3rd August, showed that a large part of the refinery buildings were apparently intact, and it appeared probable that the refinery was operating on a small scale on that date.

Although the original refinery plant was almost certainly destroyed by the Dutch, topping plants (for the production of petrol (gasoline) and fuel oil from crude oil and other refinery plant may have been installed in the refinery buildings by the Japanese.

In peace time all shipments from North-Sumatra took place from Pangkalan Soesoe, situated eight miles north west of Pangkalan Brandan and connected to it by a pipeline.

The total peace time oil storage capacity of these two oil centres amounted to approximately 250,000 long tons of crude oil and refined products. Air photographs of 3rd August, 1943 showed that, owing to extensive demolition carried out by the Japanese, the available oil storage on that date amounted to only 50,000 tons. However it is possible that by the present time (April), 1944 the Japanese by repairing several of the large oil tanks have increased the storage capacity to approximately 100,000 long tons.

#### Bantau Oilfield.

Precise information as to what has been happening during the past 2 years in the oil fields and refineries in the N.E.I. has been so scarce that estimates of the Japanese oil position are subject to a wide margin of conjecture.

Particular interest is accordingly attached to two independent reports which have recently been received concerning activities in the important Bantau oilfield in N.E. Sumatra ;-

- (a) The first report is to the effect that in the early part of 1944 the port of Pangkalan Soesoe was in regular use by tankers of medium size which came in about every four days.

They loaded from pipe lines and it was common knowledge in the town that they were conveying petroleum spirit destined for aircraft. It was alleged that this fuel was being brought by pipe line from a locality "half an-hour away by rail". This clearly refers to Pangkalan Brandan Refinery to which the only railway from Soesoe leads. It is also stated that oil was also being moved from Pangkalan Brandan by road transport in drums to Medan.

- (b) In the information obtained from the second source it is stated categorically that there was considerable activity at Pangkalan Brandan Refinery; that the Japanese had erected a large diameter pipeline from Pangkalan Brandan to Belawan-Deli, the port of Medan, and also that oil was being moved by rail in tank wagons.



Previous to the above, the most recent information regarding activities in this area had been deduced from the aerial reconnaissance of August 1943. Although it was not possibly from the photographs to state with certainty details of any activity at Pangkalan Brandan, the general inference drawn, particularly from study of the extent of the repair of storage tanks, was that the refinery was working, at any rate in part.

The evidence from the above two sources suggests strongly that the Japanese are obtaining some output of aviation gasoline from this field and refinery, and the size and frequency of tankers referred to above suggests that the aviation gasoline shipments from Pangkalan Soesoe are between 100,000 and 200,000 tons p.s., apart from unknown shipments from Belawan-Deli.

The Rantau field is of particular importance to the Japanese owing to the high ration of aviation spirit in the crude. Japanese refining methods are expected to yield 21 per cent of aviation spirit, which, when leaded has an octane value of 88. The crude oil is moreover of such quality that the Japanese would have no difficulty in producing satisfactory aviation fuel with the simplest type of equipment.

Previous evidence that fuel oils of very low quality have been supplied from Rantau suggests that the Japanese have in fact put up a primitive type of "topping" plant at Brandan in place of the old refinery, which was demolished in February 1942.

According to expert opinion in London and Washington, it is believed that the Japanese should be obtaining a production rate of 149,000 tons of aviation spirit p.a. from this field by the end of 1943, representing 32 per cent of their total aviation spirit supplies.

It is not clear why the Japanese should trouble to build a pipe line to Medan (Belawan Deli) when satisfactory shipping facilities exist at Pangkalan Soesoe, and particularly as the evidence suggests that they have employed for the purpose high grade "casing" tubes which they should need here and elsewhere for drilling wells. It is possible that owing to the vulnerability of the ports in N.E. Sumatra to Allied attack they are anxious to duplicate their shipping facilities in this area. Moreover tankers other than very small ones could not load to capacity at Pangkalan Soesoe (prewar they loaded to 18-21 ft. draft) and might conventionally "top up" at Belawan Deli.

#### New System of payment in Oil Transactions.

A broadcast on April 22nd declared that all oil produced in a district and distributed to other districts will be pooled and paid for at a standard price "at the rate of  $\frac{1}{3}$  for ... guilders per kilo-litre". It is intended to promote oil production by enforcing this standard rate in all districts it was added.



Estimate of rate of Japanese production of crude oil & products as at 1st January 1944 from East Indian Archipelago.

Table I indicates in thousands of barrels per month. It in our opinion may be regarded as a reasonable assumption for the rate of crude oil production obtained by the Japanese during the end of 1943 or the beginning of 1944 from the oilfields in the East Indian Archipelago.

T A B L E I.

<u>Field.</u>	<u>Type of crude.</u>	<u>Rate of Production in 1000 bbl/month.</u>
Seria	Heavy Non Waxy (.H.N.W.)	500
Tarakan		300
Djambi		120
Mangoendjaja	Heavy Asphaltic (H.A.)	100
Seria		800
Talang kar	Light Waxy (L. .)	650
Kawengan		300
Djambi		1000
Rantau	Light Paraffinic (.L.P.)	500
Kroeka		10
Balikpapan		120
Ledol Nglobo, etc.		40
Geram		20
		4500

The heavy asphaltic oil (Seria H.N.W. Tarakan and Djambi H.A.) has been assumed to be produced at what may be considered a reasonable maximum rate, taking into account the withdrawals for 1942 and 1943 as estimated in B.P.M.'s previous memorandum on the subject of the 3rd July 1943. Practically all other fields are assumed to be producing at about 80 per cent of the maximum possible rate. The figures are extended from and partly modified from B.P.M.'s report of March 1942.

Exceptions are;

Rantau; Aerial photographs of Pangkalan Brandan and Pangkalan Soesoe did not show great activity and it seems therefore reasonable to suppose that this field is not being produced to such an extreme extent as has previously been assumed. The rate now assumed is approximately equal to prewar level and might even be considered on the high side in view of the activity seen in the above mentioned refinery and shipping area. Photographs of the Rantau field are not available to substantiate the above reasoning.

Puloeh Taboehan etc; With the exception of Rantau no production is assumed for any other field in the North Sumatra area because of the above mentioned interpretation of aerial photographs, which on the part of the fields covered showed no signs of activity.



Door; In view of the lack of information on the Doorri field no production has been assumed for this area.

Talana Asari: Under this heading all the fields previously exploited by the N.K.P.M. are comprised. They are assumed to produce at a rate slightly higher than the 20,000 barrels per day, which it is understood was available without drilling and as far as we know may be more than maintained without an excessive drilling programme.

Ledok, Nglobe, etc: In view of the information received which indicates activity in the refineries in E. Java it is assumed that the fields in this area produce at about 50% of their prewar capacity.

Balikpapan; The Balikpapan fields have again been brought up because photographs have shown that the refineries at Balikpapan have been partly reconstructed and it seems likely that the Japanese would therefore also attempt to bring the oilfields in that area into production again. The development of the Boela fields also shows that the enemy does not concentrate his activity only on the more prolific fields so that such fields as Louise, Moera and Anggana would most likely figure in his development plans.

Geram; Aerial photographs have shown that the Boela oilfields are being exploited and it is considered that by the end of 1943 the production developed by the Japanese may have reached about 100 metric tons per day.

In conclusion it may be mentioned that with the exception of the Boela oilfields, Poeloeh Pandjang and part of Paloeh Taboehand no aerial photographs on oilfields in the E.I. archipelago have been available for study so that the above figures are mostly based on surmises. No allowances, can, for instance, be made for new discoveries the probability of which may not be excluded. Such discoveries might, for instance, result in an extension of the known reserves of Seria M. or Djambi H.A. oil.

Details as regards the products obtainable from the production of crude oil indicated in Table I are given in the following Table:

T A B L E II.

	<u>1,000 bbls/month</u>	<u>Aviation Gasoline</u>	<u>Motor Gasoline</u>	<u>Fuel Oil</u>	<u>Residue Dumped</u>
Seria HW	500	-	-	500	-
Tarakan	300	-	-	300	-
Djambi HA	120	-	-	120	-
Meng.djaja	100	-	-	100	-
Seria LW	800	-	200	568	-
T.Akar	650	59	117	247	201
Kawengan	300	-	36	165	89



	<u>1,000 bbls/month</u>	<u>Aviation Gasoline</u>	<u>Motor Gasoline</u>	<u>Fuel Oil</u>	<u>RESIDUE Dumped</u>
Djembi LP	1000	160	400	390	-
Rantau	500	105	230	140	-
Kroeka	50	-	15	33	-
Balikip fields	120	6	22	58	30
Ledok Nglobo	40	-	13	25	-
Geram	20	-	2	17	-
	<u>4500</u>	<u>330</u>	<u>1035</u>	<u>2663</u>	<u>320</u>

In the pre war period considerable quantities of "Japanol" crude oil from Tarakan were shipped to Japan and most used for production of second grade lube oil.

As this type of crude contains from 20 to 30% of lube oil it is evident that the small quantity of 100,000 bbls. for 1943 and even the 500,000 bbls. for 1944 mentioned in Statement VI-I of E.O.C's memorandum of 9/16/43 can easily be made in Balikpapan from the Japanol produced in Tarakan without substantially interfering with the fuel oil position.

#### C O M M U N I C A T I O N S & T R A V E L.

##### SEA TRANSPORT & SHIPPING.

##### General.

The Chinese press (Kweilin) reports that the enemy is using sailing junks and steam launches for the purpose of transportation among the ports of Malaya, Borneo, Sumatra, Saigon and Bangkok. Steamers of over 1,000 tons are very rarely seen, but another source states that the oil tankers on the Pangkalan Soesoe-Singapore run appear to be converted merchantmen of medium-size possibly about 3,000 tons.

##### Wooden Ships.

It is reported by an escapee that wooden ships are made at Palembang, but no details are known.

##### ROADS, ROUTES & ROAD TRANSPORT.

##### Roads.

A road 6 metres broad and 83 kms. long connecting the East Coast Province with Atjeh on the Western coast has been opened to traffic, it was announced over the radio on April 5th. The road was begun in August last year, and completed 3 months ahead of schedule, at a cost of 400,000 guilders, with the free labour of 12,000 men.

##### NOTES ON TRAVEL.

##### Permits etc.

An escapee who left Malaya earlier in the year reports that before leaving Penang for Sumatra, he had to obtain a permit. This was a single sheet of paper on which were his photograph and the usual particulars in English and Japanese, giving nationality, age, occupation and description of the holder.



Again before leaving Sumatra for Penang, he had to obtain a similar permit, as the one from Penang to Sumatra did not cover the return journey.

He stated that it was necessary for Malays to have permits unless they were making a long journey in Sumatra or outside Sumatra; all other races had to carry permits at all times.

In order to obtain a permit from the Japanese authorities in Sumatra, he had to visit Medan on several occasions. He stated that the Japanese official whom he interviewed was truculent and insisted on a great many questions being answered.

It is stated by others who were in the country last October that passes and identity cards required in Sumatra are the same as those for Malaya. They have red, blue or green covers, but the significations of these colours, was not known. The card does not permit the holder to travel, however, unless a slip is attached showing destination and duration of stay. Travelling passes are issued by the police, but Identity cards are issued by the Pao Chia".

#### M I L I T A R Y.

##### ARMY OF OCCUPATION.

It was noticed by persons who were in Sumatra towards the end of last year that there were three barracks at Olehleh, near the harbour, which were full of Japanese soldiers. Also four or five large 4-storied barracks were seen at Kotaradya, 3 miles east of Olehleh harbour; these also were fully billeted with Japanese soldiers:

##### COAST DEFENCE.

##### Coast Watching.

Natives at Polo Kampo were under orders to hoist a red flag when enemy or unknown vessels were sighted, according to persons who were in Sumatra towards the end of last year.

#### P E R S O N N E L.

##### PRISONERS OF WAR.

One report, from an escapee who left Sumatra in February 1944, states that in Medan he saw a number of Indian Ps.W working as coolies and drivers of motor cars for Japanese officials and officials; they were dressed in their former uniforms.

At Kampong Salamat (22 miles from Medan) on the Brastaji road there was a camp for white prisoners, but the source was unable to say whether they were all Dutch. He had heard that European women were at Galang, which he believes is near Medan.

He related a fairly recent case of five natives bringing money and food for the European prisoners at Rengoeng Salamat, near Medan. As a result, two of these men were beheaded and the other three received terms of imprisonment up to 10 years.

Information from other persons present in the country until October 1943 states that no non-interned Ps.W were seen in Sumatra, but that Indian soldiers were reported to walk about the streets in groups of 10 to 20.



They wore khaki shorts and shirts, and arm badges 1" x 2" of white cloth with characters on it denoting "Indian". Europeans were made to work coolies, it was said, in batches of 6 to 7 under the superintendence of Japanese soldiers. Their nationality was not known, but they wore greenish shirts as previously worn by Dutch soldiers.

About 20 European prisoners were seen working as coolies at Balawan harbour under the supervision of a Japanese soldier:...

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A D M I N I S T R A T I O N

FINANCE & CURRENCY.

SIAM 130/5/44.

It is learned from a recent escapee that when he went from Malaya to TONGKAH (POKET) Island) to work for the Japanese in raising ships, his pay was raised to \$80.00 per mensem. The rate of \$ or ¥ 80.00 was paid as \$50.00 in Japanese issued Singapore Notes, and Bahts 30.00.

The Japanese issued Singapore Notes are still known as "RINGGIT" and are supposed to be the same value as the Straits Notes issued by the British Government, but no one will give level exchange, the Japanese issue being considered worthless.

The Japanese Notes are unnumbered and unsigned.

Source stated that the reason for wages being paid in two currencies is because of the Japanese issued dollar Notes are not accepted in Siam, or only at considerable discount.

ADMINISTRATION OF JUSTICE & COURTS OF LAW.

Passes and Permits.

It is reported from a fairly reliable source that he was informed by a Chinese friend who works as a clerk in the department of Japanese Military Affairs, that as from February 1st 1944, all foreign immigrants entering Siam for the first time, will have to hand over four photographs of themselves to the Siamese Immigration Authorities, instead of three as was formerly the case.

The additional photos will be handed over to the Department of Japanese Military Affairs.

P O L I T I C A L.

POLITICAL PARTIES & ASSOCIATIONS.

Indian Independence League.

From a radio message of April 23rd it is learnt that a local Indian merchant ISHAR SINGH has been appointed head of the Siamese section of the Indian Independence League.

O I L .

Makasan Oil Refinery.

It is reported from a source of unknown reliability that the set of buildings next to (east of) the Makasan locomotive repair shed are used for refining wood oil and coconut oil.

A Chinese contact who works in these refining buildings stated that there were approximately 300 to 400 Japanese employed there. During February source was informed that all production in this factory had stopped. The Chinese contact stated that he had heard that the authorities were considering moving either the locomotive repair shops, or the oil plant to the PETRIEW area.



The Government Refinery Bangkok.

Further evidence has been obtained of the removal of storage facilities from the Government refinery, BANGKOK. Between the end of December and early March the roofs had been removed from three storage godowns, two of 200 x 45 ft. and one of 110 x 80 ft.

Between the 8th and 20th January, a further three 15,000 gallon storage tanks were removed. In addition to 24 rail wagons, which have remained in the same position, there has been considerable movement and accumulation of rolling stock, especially between the following dates:-

<u>Date of cover.</u>	<u>Rolling Stock seen inside Refinery.</u>				
8.2.44	160	wagons,	7	coaches,	1 loco, 1 shunting engine
12.2.44	225	"	2	"	- 1 "
27.2.44	150	"	3	"	1 loco, - - -

The finding of one or two motor trucks in movement within the refinery perimeter, on four out of five covers, is an indication that road transport is fairly active, and as all vehicles noted have been on the road leading to the tin making and filling plant it seems impossible that a considerable turnover of packed petrol or kerosene may be in progress. Variation was observed in the size and arrangement of large stocks of, what appear to be oil drums. No indications have been observed in the actual distillation area which could be interpreted as refining activity, but such is still not excluded.

Small shipping movement at the jetty, of oil barges and a 210 foot motor vessel, possibly the SAMUI, together with truck movement on the road and apparent variation of drum piles indicate that some stocks of petroleum are being carried.

It is not known why some of the tanks and godowns are being dismantled, and moved. Perhaps they are needed at distilleries for making alcohol fuel.

Oil from Rubber.

The following is a broadcast of 15th May:

The Government is prepared to issue permits to the public to manufacture oil from para-rubber under the following conditions.

- (1) A permit must be obtained from the Fuel Department.
- (2) Permit holders must allow officials of the Fuel Department to visit their works at any hour of the day or night, and the permit will be cancelled if it is found that the rules and regulations governing its issue are not being obeyed.
- (3) The place at which any type of fuel is to be manufactured must be notified to the authorities.
- (4) Permits issued now will remain in force until December 31, and applications must be made for new permits by December.
- (5) All oil produced must be sold to the Fuel Department direct, at a price to be fixed by that Department.

SHIPBUILDING.



### SHIP--BUILDING.

It is reported from a source of unknown reliability that he was informed by a resident of RONPIBON that the Japanese had ordered the construction of a large number of wooden ships at BANDON. Each boat was to be capable of carrying 1,000 bags of rice. The boats were being constructed so that engines could be fitted, but those so far completed had not had engines installed.

The Japanese urgently required these boats for moving supplies from RANONG to BURMA.

Source was informed by Chinese carpenters that approximately 4,000 Chinese carpenters were employed on the construction of these boats. A large number of these carpenters had been imported from SWATOW, and were paid Ticals 7 to 8 a day.

Source was anchored a considerable distance away from the market wharf, where all boat building takes place and is unable to give any dimensions. The old market (TALAT KHAI) is enclosed and guarded by Japanese sentries.

A report, as yet unconfirmed, states that wooden ships are under construction in four yards in BANGKOK and that 16 are on the stocks, only one of which has been launched but which, as yet, no engine. This ship has been named the NICHITRAI MARU, and has SHONAN painted.

### COMMUNICATIONS.

It is reported that there are normally 4 or 5 small Siamese warships of the "TRAD" class, anchored during the night off POM PHRA CHULA CHOM KRAO and LAEN FA PHA. They leave their anchorage each morning and return in the evening.

During the air raid on February 10th, a Siamese warship was hit and sunk off LAEM FA PHA.

### RAILWAYS.

#### KRA ISTHMUS RAILWAY.

It is reported that RANONG Anchorage has become of importance recently due to the fact that the Kra Isthmus railway running from CHUMPORN on the East Coast to KHAO HUAGANG, on the WEST coast which is 17 miles North of RANONG, is now completed and in operation.

This line is said to be entirely in the hands of the Japanese Military authorities, and that stores and some personnel are taken on at CHUMPORN and then loaded onto lighters and country craft at KHAO HUAGANG and go down to the RANONG Anchorage, from there working their way up the coast to MERGUI, MOULMEIM and RANGOON.

### NOTES ON TRAVEL.

As already mentioned under "Railways", a recent escapee reports that the Bangkok express leaves HAAD YAI at 0700 Hours, arriving at BANGKOK at 0600 hours the following day. Passes of all passengers were examined at approximately 11.00 hours on the first day of the journey, (Probably at SURABHANI?). Only Siamese officials carried out this examination. There is no check of any kind on arrival in Bangkok.



At 0800 hours and 1700 hours the train stops and all passengers stand ~~to~~ attention in compliance with the rule of raising and lowering the National Flag.

ARMY OF OCCUPATION.

Japanese Transit Camp in the Lampang Area.

From a fairly reliable source who visited the district at the beginning of March, it is reported that at a point 13 kms from LAMPANG on the left hand side of the road (to the west) a Japanese military barracks area is situated close to the road.

At the side of the entrance to the barracks area there was a sign card with "Japanese Army Barracks No 63" in Chinese characters; this entrance was guarded by a Japanese sentry. Source estimates that in this barracks there were between 20 and 30 huts in lines of six, constructed of wood with thatched roofs. A Chinese contact told source that there were at times between 250 to 300 Japanese there.

Further along the road at a point 17 kms from Lampang source was told that there were approximately 100 Japanese living in a temple one km East of the road at this point.

Source was informed by a lorry driver friend of his who works for the Japanese, that the latter had a total of over 300 lorries running on the road from Lampang to the North.

The same man also stated that the old transit camp situated 3 kms west of the road at kms 21 had been abandoned by the Japanese, through fear or Allied bombing.

HAAD YAI AREA.

A recent escapee reports that Japanese troops occupy the HAAD YAI Railway Rest House in some strength.

At CHUMPORN a considerable number of Japanese troops were seen together with a fair sized concentration of Military trucks.

APPENDIX.

DO'S AND DONT'S FOR AGENTS.

A recent escapee gives the following hints:-

1. Everyone must wear a hat when appearing in a public place.
2. At 0800 hours, and at 1700 hours everyone must stand to attention if in any public places, in compliance with the regulations concerning the raising and lowering of the National Flag. This also applies to travellers by train (See "Notes on Travel")

Note:

Since this information which dates back to February/March it is thought that the times for the lowering and raising of the flag have been altered to one hour earlier both in the morning and evenings.



S I A M

SHIP BUILDING.

SIAM/10/13/6/44.

Wooden Shipbuilding at Bangkok.

The following report covering the period December 1943 to January 1944, from personal observation and enquiries amongst workmen employed in the shipyards concerned, has been received. Source's reliability is not stated.

In late December 1943, source went by launch from TARPRAGHAN landing stage to a point just short of RAMA VI bridge and back on the MENAM CHAO PHYA river, and observed the construction of wooden boats at the following points:-

At SAM PHYA, approximately 400 yards north of BANGHAMPLOO klong on the east bank of the river, he observed 3 ships on the stocks, 1 of which was nearly completed, the other 2 being half completed. A fourth ship was launched and was lying off the yard.

Source estimates the length of these boats to be between 40/50 metres and approximately 15/18 feet high when seen on the stocks.

At another yard, 100 yards south of the Government Power Station at SAMSEN on the east bank of the river, source saw 3 boats on the stocks of varying stages of construction, but none of them were anything like finished. He describes them as being similar to those mentioned above in size and above.

During late January Source boarded a launch at TANON TOK and proceeded down stream to PAKLAT, and on this trip he saw other boats of similar size and shape to those mentioned above, under construction at the following places.

Immediately opposite TANON TOK on the west bank of the river, just south of a large klong he observed 5 boats on the stocks, all of which appeared to be nearly completed.

Almost adjacent to Government Rice Mill No .8 on the west bank of the river, he observed another yard with 5 boats under construction.

Source states that all the above mentioned boats appeared to be constructed of teak.

Source heard that it took 4/5 months to complete each wooden ship. No details available regarding engines but the one referred to as launched was not fitted with engines.

During the middle of January, 1944, source was informed by a carpenter friend, of his who works at one of the wooden shipbuilding yards in BANGKOK, that the Japanese had ordered the construction of 100 wooden boats in BANGKOK during 1943.

His friends told Source that by January 1944, 8 of these boats had been completed and were on the run carrying rice from BANGKOK to SINGAPORE.

He told Source that these boats were between 40/50 feet in length and 10/18 feet high when on the stocks. They are fitted with Chinese type sails, two hand operated derricks, and were all made of teak, and capable of carrying 300 bags of rice.



Source's friend told him that at the yard at which he was working work was being carried out on 24 hours a day in shifts, and employed 300 to 400 men.

In early January, when passing through the BANGNAMPLOO area, Source himself observed 3 boats under construction in a yard on the south side of BANGNAMPLOO klong.

#### Shipwrights.

It is reported that one of the main sources of skilled shipwrights in Canton, where a shipwrights recruiting office was set up in 1942. It has already sent 1,500 overseas. At the same time it is trying to meet the demand for shipwright labour in Bangkok and Saigon. It hopes to supply 50 shipwright to Bangkok, but there appear to be difficulties about transport.

Recruiting of shipwrights is also taking place at SWATOW for service in Bangkok. This seems to be no small undertaking. One of the main difficulties is the cost of maintaining recruits while they are waiting for transport to carry them to their posts.

#### C O M M U N I C A T I O N S.

##### SEA TRANSPORT & SHIPPING.

Source saw a few junks from TRENGGANU at PAKPANANG, but states that very few do the trip now as compared with peace time. When in Siamese waters they are required to fly the Siamese flag.

##### RAILWAYS.

##### Rail Travel Between Malaya and Siam.

A fairly reliable source states that there is no passenger traffic from Malaya to Siam. Permission may be obtained to proceed as far as PADANG BESAR station, which town is on the border, between PERLIS and SIAM, but no person from Malaya may proceed further.

Travel from Siam into Malaya required the permission of the Japanese Military Police and a bribe is usually necessary.

On the Malaya side of the border, trains use coal for fuel, but on the Siam side they use wood.

##### PRISONERS OF WAR.

The following are the reports of three fairly reliable sources recently out of Siam :-

1. Source neither saw nor heard of any Ps.O.W. being stationed at any of the following towns, which he visited on the dates mentioned:-

(a)	PAKNAMPHO	-	December 15th, 1943.
(b)	PITSANULOKE	-	December 16/17th, 1943
(c)	KHORAT	-	February 26th, 1944
(d)	USON	-	February 27th, 1944.
2. Source was in the following towns on the dates specified and neither saw nor heard of any Ps. o W. stationed there:-

(a)	LAMPANG	-	March 5/7th, 1944
(b)	PAKNAMPHO	-	March 8/13th, 1944
(c)	LOPBURI	-	March 13/15th, 1944.



3. On January 11th, Source saw some 40 white Ps.o.w. unloading rails at a siding in BANPONG Station. They were wearing miscellaneous clothing and some were without footwear, but Source states that they looked reasonably healthy and were not duly thin. The Psow. were guarded by 4/5 Japanese who were armed.

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3. On January 11th, Source saw some 40 white Ps.o.w. unloading rails at a siding in BANPONG Station. They were wearing miscellaneous clothing and some were without footwear, but Source states that they looked reasonably healthy and were not duly thin. The Psow. were guarded by 4/5 Japanese who were armed.

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FRENCH INDO-CHINA

POLICE AND REGISTRATION.

FIC/10/1/6/44.

In the February 28th issue of the KUNG IN Daily of KWANG-CHOW-WAN the following notice appeared:-

"Owners of radio sets are hereby notified that within the French Territories reception from British, American, or CHUNKING Broadcasting Stations is strictly forbidden. Law breakers are liable to punishment. Radio sets found in possession of such law-breakers shall be confiscated. Imprisonment shall be inflicted upon those who spread news to disturb peace and order".

GENERAL POLITICAL SITUATION.

At the end of April it was reliably reported that the French and Japanese Governments had met in HANOI to revise the protocol of the agreement defining the relations between the two countries. Last year it was merely renewed. It is not known what new concessions the Japanese want.

Relations between SIAM and INDO-CHINA have improved, owing to the many visits between the Indo-Chinese and Siamese officers on either side of the border. The latest visit was that of the Siamese Governor of BATTEMBANG to the French Resident of SIEM REAP.

POLITICAL PARTIES & ASSOCIATIONS.

An ungraded report states that the Chinese Sea Union which has branches both in MACAO and KWANG-CHOW-WAN is a Guild of ship-workers, and with this as its cover provides shipping intelligence to a parent body in FREE CHINA. Communication between MACAO and KWANG-CHOW-WAN and FREE CHINA is by secret radio.

This Union is understood to be the one which had a branch in HONG KONG and was responsible for embarking on an anti-British policy, and encouraged dock-workers to strike in 1925. Nothing, however, is known of its activities since the beginning of hostilities.

SHIP BUILDING.

A report dated 15.3.44 states that there is a shipbuilding yard located 13 kms S.E. of SAIGON, about 30 metres from the SAIGON River in the old SOCONY, TEXACO and A.P.C. storage building.

The Chief Engineer is said to be a Japanese, and 400 Chinese and 800 Annamites are employed. Wages of foremen are 300 piastres per month and of workmen 80 piastres per month.

Source gives the following details of the ships built in this yard:-

Dimensions - 16 x 6 metres.  
Masts - Three: fore and aft 7 metres, centre 11 metres high.

Capacity - 300 tons.

Power - 2 auxiliary motors in stern.

Source estimates that the output is two ships daily, but this estimate must be treated with reserve.



SEA TRANSPORT & SHIPPING.

Intelligence relating to the movements of Japanese merchants shipping received over the last few months shows that SAIGON is the most important port between FORMOSA and SINGAPORE from the point of view of number of ships calling. According to French sources, the number of ocean-going merchant vessels in this port during the months October to December 1943 was never less than 5 on any single day, and averaged:

In October	over 12	in port at one time
" November "	10	" " " "
" December "	8	" " " "

In January the number of ships using the port was said to average about 7 a day. Indications are that this volume of traffic at least is still being maintained. The decline over the period October to January is interesting.

The volume of shipping using CAP ST. JACQUES is even greater since this is the assembly point for all ships coming from the South Seas and convoys for North and South leave constantly. Recent intelligence seems to show that convoys leaving average about one a day.

As many as 33 ships have been reported in the area on a single day. The average in January was 14 per day. Available figures do not show the same decline in volume of shipping over the period October to January as was observed in the case of SAIGON, but 14 U.S.A.A.F. photo-reconnaissance on 8th April showed only 10 ships (including 3 tankers) with an aggregate tonnage of about 53,300 tons. A report received before the raid on 2nd April but after the reconnaissance of 8th April, stated that GANHRAI BAY and not CAP ST. JACQUES was to be used as the convoy assembly point. The former is however, only 25 kilometres from the latter.

It is too early yet to discover whether the raid on SAIGON together with the previous raid on CAP ST. JACQUES is likely to cause important changes in Japanese shipping plans. A decision to abandon CAP ST. JACQUES as a convoy assembly point and abandonment or partial disuse of SAIGON would cause serious dislocation of the present routing of Japanese shipping between the North, and SINGAPORE, since no intermediate port nearer than MANILA would be free from Allied attack.

Two French ships were sunk by submarine off the coast of INDO-CHINA on April 29th. One was the oiler "Cahure" which sank in a few minutes with all hands, the other the merchantman "Song Ciang" which sank in half an hour, all the crew being saved.

The merchantman was carrying badly needed rice to TONKIN and ANNAM. Both ships were to return to SAIGON with coal from TONKIN.



SEA TRANSPORT & SHIPPING.

A report dated 17.1.44 states that shipping from HONGKONG, MACAO to KWANG CHOW WAN within the last 2 months, has been sharply curtailed. One boat every 10 to 14 days is considered good and the average tonnage of the ships is small, 40/50 tons.

Previous to October 1943 there were many ships calling in KWANG CHOW WAN from HONG KONG and MACAO. Two of these ships have been sunk by Allied aircraft in the harbour at Fort BAYARD and two have been sunk outside NOUCHAU Island in the territory of KWANG CHOW WAN and HONGKONG, and between KWANG CHOW WAN and HAIPHONG.

There were reliable reports that large sailing junks are being equipped with motors (sometimes 3 motors to the junk) burning charcoal gas for fuel to carry goods from KWANG CHOW WAN to HONGKONG. It is also reported that these junks are forbidden to call at MACAO but must carry goods direct to HONGKONG. In this report it is stated that these junks are armed with machine-guns and carry look-outs for Allied aircraft. It is planned that immediately an Allied aircraft is sighted the motors will be stopped and the junks proceed under sails as a disguise.

The shipping from INDO-CHINA to KWANG CHOW WAN is at a standstill. There has been no boat calling into KWANG CHOW WAN from TOURANE for over 2 months. One ship sunk in the harbour of FORT BAYARD was refloated after months of labour but was immediately sunk, a second time on one of the last Allied raids made on KWANG CHOW WAN (about the middle of October). At that time the former HONGKONG Typhoon Tug, the "HENRY KESWICK" was also sunk.

Japanese warships are often reported outside NOUCHAU Island but do not enter the harbour.

The Japanese merchant shipping coming into KWANG CHOW WAN after the Japanese occupation of the territory consisted of one Portuguese flagship, the "WING WAH", two French flagships, the "JEAN DUPUIS" and the "FRANCOIS CRANIER" and some Japanese flagships, the "SHIRAGONI MARU" the former British flagship "FATSHAN" and the "CEUK SHAN YUEN". The "WING WAH" was sunk by submarine action in the Straits of HAINAN. The "SHIRAGONI MARU" and the former "FATSHAN" were reported sunk North of HONGKONG by Allied aircraft and the "CEUK SHAN YUEN" was bombed and sunk in HAIPHONG. The "FRANCOIS CRANIER" was once machine-gunned by Allied aircraft immediately outside the KWANG CHOW WAN harbour but proceeded under its own power to HAIPHONG. This ship has not called in KWANG CHOW WAN since this incident. The "JEAN DUPUIS" is reported now in TOURANE. Several small motor ships of 40-50 tons registry have been used in HONGKONG-KWANG CHOW WAN route, but a number of these small ships have also been sunk by Allied aircraft in or near KWANG CHOW WAN.

After KWANG CHOW WAN had been occupied by Japanese troops coming in from SUKAI some reinforcements were brought into KWANG CHOW WAN by Naval units- destroyers and cruisers - but the supplies to the Japanese troops were transported to KWANG CHOW WAN by the Japanese flagships mentioned above.



FRENCH INDO-CHINA

SHIP-BUILDING

FIC/11/15/6/44

A report of doubtful reliability states that there is a ship-yard for building wooden ships at KEP, 12 miles S.E. of KAMPOT. This yard was opened in March this year. The manager is said to be a Chinese. The ships turned out are of the small barge type, 20 feet long by 8 feet beam, output being about 3 per month.

The above source states that there is another boat-building yard on the Western side of the HAIPHONG to KIEN AN road, where the road reaches the river. Eight to ten ships are said to be on the stocks at the same time, and take ten days to build.

I N T E L L I G E N C E .

A report of unknown reliability, dated 26.3.44, states that the Japanese Intelligence H.Q. at NHATRANG is located at 83, Marten Street, the premises being previously occupied by a firm called PHO LUI.

The H.Q. is split up into three departments as follows:-

- (a) One department commanded by a Chinese from KIANGSI. This man is now registered as a Japanese. His name is LIANG HAN CHUNG. Actively: counter-espionage.
- (b) A second department is commanded by a Japanese, who sends men to villages in the interior to buy copper and silver coins. Sub-source stated that these were purchased at piastres 700 and 800 per kilo.
- (c) A third department commanded by a Formosan, controls all business within the area MORACK/TUTHOA/ NINH HOA/ CAMBANH.

The H.Q. has a name-plate on the outside wall which translates as follows:-

"Head of the BAKAYA Organisation. Special Service Organisation."



HONG KONG, CANTON, MACAO & KWANGTUNG

H.K./9/27/5/44

LOCAL ADMINISTRATION.

HONG KONG.

An enemy broadcast of May 2nd, states that the importance of Hong Kong as a vital link between continental China and the Southern Regions, both from the commercial and military points of view, will daily grow. The Governor of Hong Kong in a statement pointed out that the administration which was set up more than two years ago concentrated its efforts on the promotion of peace and order and the welfare of the 800,000 inhabitants.

POLICE AND REGISTRATION.

HONG KONG.

Enemy Documents.

At Appendix "A" in a translation of an enemy pass which was obtained by a Chinese woman (native of WAIYEUNG District) in SHATAUKOK (North of Hong Kong), for the purpose of carrying goods between Hong Kong and Free China.. She states.

"A Chinese man of my acquaintance got the pass for me, he told me that he was doing secret work for the Japanese and that the pass was similar to those carried by Chinese doing work for the Japanese in Free China. I always found the pass very effective, even when martial law was declared. I myself was never asked to do any work for the Japanese. The pass is now expired and I have no further use for it."

Comment by Source:

This form of pass has not been seen before, no evidence is available in support of the woman's statement that the pass is issued by or connected with the Japanese Intelligence Service.

S. KWANGTUNG PROVINCE.

Certificates.

At Appendix "B" are translations of the following certificates:-

Cholera Inoculation Certificate issued by the CHUNGSAI District Police Office.

Good citizen Certificates issued by the SUNWUI Magistrate.

Cholera, Bacteria Examining Certificate issued by the Bacteriological Institute.

Exit Permits to MACAO.

A reliable source states that to acquire a permit to travel to Macao by passenger boat it is necessary to have a Ration Card issued by the District Bureau. The common practice for merchants who want one of these permits is to acquire it by means of tea money. Sub-source claims to have paid Yen 150 and says that merchants often pay more.



SECRET SERVICE, COUNTER-ESPIONAGE.

HONGKONG.

An ungraded report dated April 5th, states that Li Yung of the Self-Protection Corps in Tai-O, Hong Kong, has at his command more than 2,000 fishermen. His duty is to report to the Japanese Navy any Allied submarine and planes encountered at sea. His reward is unrestricted import into Hong Kong of foodstuffs and the salvage of telegraph cables. Many of the cables thus salvaged are being sold in Macao at \$60.00 Macao Currency or \$2,160 N.C. per picul.

Comments: An independent source states that the salvage of telegraph cables must have been mistaken for mine-cables laid by the British Forces before the fall of Hong Kong. A large quantity of these cables were salvaged. They were stored in the Godowns of the former Cable & Wireless Company Limited and a huge pile has been accumulated.

MACAO.

A very reliable source states that the Japanese are now investigating into Allied espionage organisations in Macao. BRAGA, Reuter's correspondent, is believed to be closely watched. The same applied to a number of Portuguese doctors suspected of working for the British Government.

The same informant states that a Japanese trading firm, called the Sanyo Company, is believed to be working for the Japanese Army.

Comments. It has been definitely established that the firm Sanyo Company above referred to is in fact known as Sanjio Sujihara, the Manager of which is a Japanese named Nakamura. This man first came from Canton in October 1943.

To all appearances, this firm never functioned at all. There was only a Young Chinese named Wong who was practically left in entire charge of the office.

The Manager (Nakamura) first came from Canton in October 1943 and rented the ground floor of 35 Rua Hospital as the offices of the Sanjio Sujihara firm. The landlord of these premises, resided on the second floor while the first floor was occupied by two Portuguese Doctors who moved into this flat at the beginning of October 1943.

Callers on the Portuguese Doctors occupying the first floor were carefully noted by Nakamura, and this tends to substantiate the report that several Portuguese medical practitioners in Macao are being watched by the Japanese.

In November 1943, Nakamura went to Canton and had not returned to Macao when informant left in January 1944. His Chinese assistant Wong was heard to say that his master was last heard of in Java and was unable to return owing to scar city of ships.

The firm supposedly deals in flooring timber.

In the opinion of informant, the Sanjio Sujihara Firm must be regarded as a cover shop for espionage.

Braga, referred to in the above report, is believed to be Jack Braga; he is known to be collecting information for some Allied formation, but other reports state that he is the author of a number of anti-British articles published in an English newspaper in Macao. In normal life, he works in the Macao Water Works. He has always been in Macao.



MACAO.

Portuguese Mission to Timor.

An ungraded report states that Silva Costa, Secretary General to the Governor of Macao, left Macao on the evening of March 5th, for Hong Kong where he will take a special plane to Portuguese Timor via Formosa. His mission is to investigate the condition prevailing in Timor on instructions from Lisbon. It is known in Macao that refugees who left Timor for Australia reported to Lisbon of atrocities and ill-treatment meted out to Portuguese nationals in Timor by the Japanese occupation Army. Lisbon made representations to Tokyo (to the Japanese Ambassador who denied the charge), and Tokyo agreed to allow Portugal to send a representative to investigate - hence Costa's trip. Telegraph communication between Timor and Macao and Lisbon had been broken ever since the occupation of the Japanese Army.

SHIPBUILDING.

HONG KONG.

According to a reliable report dated March 28th, four "F" class small-size military transport ships are being built in the Kowloon Docks. They are twin-screw vessels driven by two diesel engines.

The numbers by which the vessels are now designated and their positions in the dockyard on March 24th were:-

F-18 Under construction in No. 3 Dock.  
F-19)  
F-20) Under construction near Hunghom Ferry Pier.  
F-21)

Nos. F-18 and F-19 are partly completed, and it is expected that they will be ready for work on the slips by April 15th.

Work on the other 2 vessels has been intensified also, but there is a shortage of labour despite the borrowing of several tens (?) of workmen from the Zunan (or Tsunan) Shipyard. Several tens of engineering troops of the Army Keibi-Tai have been sent to the dockyard to speed up the work.

Although the Japanese are increasing the number of workers, they still suffer from shortage of materials. At the moment, they have only six diesel engines, being short of two. There is also a great scarcity of engine parts, and iron plates. Recently 1,000 iron plates arrived from Hantang, Hupeh province, these plates are for the above four vessels. The enemy is now collecting iron lamp posts from the streets and other scrap and melting it in the Casting Workshop.

Comment: The above ships were referred to in Report No.8 of May 1941.

Cargo Ships.

A reliable report dated March 24th, states that four iron cargo ships are under construction in Kowloon Dockyards.

Kwong Hip Lung Shipyard.

It is fairly reliably reported that in January there were 4 small motor boats under construction here. The Japanese are building this type of vessel for transporting food and army supplies between Formosa and Hainan Island.



Bailey's Shipyard and Kin Sun Shipyard.

A fairly reliable source states that engine-driven sailing vessels are being built at these two shipyards. The output, however, is small. The Kin Sun Shipyard has so far completed only four such vessels.

WOODEN SHIPS.

The following resume of wooden ships launched in the occupied countries given some indications of the progress of the wooden ship building programme in these areas. The tonnages are 100-250.

<u>Hong Kong.</u>	Nansyu Maru	April 1943, the first.
	Hoku Maru	- ? -
	Itate Maru	August 1943 } But then without
	Yamada	August 1943 } engines.
	Date	- ? -
	Arao	January 13th, 1944.
<u>Canton.</u>	Canton Maru No. 1	September 12th, 1943
	Canton Maru No. 2	October 24th, 1943.
	Canton Maru No. 3	Keel laid October 24th, 1943
	Canton Maru No. 4 & 5.	Under construction in Nov. 1943

Another reliable source gives the following resume of wooden ships under construction :-

6-8 under construction including the Kasyo Maru - March 1944.

No. 2 Shipyard. There are two wooden ships under construction here. They are expected to be finished by mid-day/

Dai-Nippon Dockyard. (previously known as the Kwong-Hip-Loong Yard)

Four wooden fishing type motor vessels are under construction here. One of these vessels is expected to be completed by the end of April, another by the end of May, and the remaining two in June.

A-King Shipway.

Two wooden launches described as similar to the former British Water Police launches, are under construction and expected to be completed during April.

Fukui Building Yard.

Two wooden cargo vessels described as being of the fishing type were completed in January and source saw them anchored off the building yard.

MACAO.

According to a fairly reliable source 60,000 lineal feet of teakwood has been purchased and all ship workers have been summoned by the Japanese in Macao to build motor junks.

PRISONERS OF WAR.

HONG KONG.

Internees.

The following report from a reliable source :-



"Owing to the suspension of the Parcel Post Service I have been unable to send any parcels from Macao to internees in Hong Kong, since obtaining authority for this expenditure. I have now arranged for the International Red Cross in Hong Kong to purchase and distribute to them whatever they require to the limit allowed by the authorities. I expect the first delivery to have been made by this time."

Prisoners working in Macao.

Another report dated 21st April states that just outside his house are men chopping wood. They are prisoners from across the road. All the old trees in the public woods, etc. are losing their large limbs, they are brought here in carts pulled by the prisoners. The refuge across the road also has a prison section. These men get two bowls of gruel a day and they chop thick logs of wood.

APPENDIX "C"

REGULATIONS FOR THE CENSUS-TAKING IN HONG KONG.  
NOTIFICATION NO. 3.

Beginning on March 1st and ending on the 12th, the Third Census will be taken simultaneously (throughout the whole territory). It is required that all merchants and people shall understand the regulations given hereunder and observe them completely.

1. All people who have resident quarters and tenants in an Administrative Area shall, within the period from February 21st to the 25th, enter all the required particulars required in the census-form to be distributed by the District Affairs Bureau or the District Service Bureau, after which the census-form shall be handed to the census-officer between the period of March 1st to the 5th for forwarding to the Director of the District Affairs Bureau or to the chief of the District Service Bureau.

The person responsible for making out the report is the chief tenant or his representative.

The making of false reports will incur the penalties provided by the regulations governing the census-taking, of that the rationing of rice to all the families will be stopped.

People who on former occasions have intentionally or carelessly given untrue particulars to the authorities should take this opportunity to correct their mistakes, and in this instance only, they will not be prosecuted.

2. All the people who have residential quarters and tenants in an administrative area shall, on March 12th, beginning at 8 a.m., follow the direction of the Director of the District Affairs Bureau or the chief of the District Service Bureau and line up in front of their living premises, (boat people shall line up in the places to be pointed out to them by the District chiefs), and there await the orders, interrogation and examination of the census officers.



Even after the examination is over, unless such orders have been given, the people shall not leave the places where they are assembled; people who will be prevented by public duties or some other unavoidable affairs to be present at the assembly shall obtain through the District chiefs a permit of absence from the Director of the District Affairs Bureau before Mar 31st. Japanese nationals shall apply for their permits of absence direct from the Director of the District Affairs Bureau.

3. Beggining on Feb. 20th and ending on Mar. 31st permits for changing of abodes will not be issued.

Dated February 19, 1944.  
Governor's Department.  
Occupied Territory of H/Kong.

APPENDIX "C"

"WHAT INHABITANTS OUGHT TO KNOW ABOUT  
THE FAILING OF THE CENSUS FORM."

1. They shall fill in the following nine particulars to:-  
Place of abode. Relation (see 2). Name, Age, Sex.  
Occupation, Nationality, Family members, Number of persons and No. of the rice-rationing ticket. Nothing is to be written in the space reserved for remarks.
2. Relationship means the relationship of the head of the household to the other members of the household.
3. The age must be calculated accurately and must be written in Chinese characters. (Abbreviated characters are not allowed).
4. Occupations: the present occupation shall be entered.
5. After all the particulars have been filled in, all the vacant spaces in the census-form should be crossed out with slanting lines over each of which the chief tenant's seal should be stamped.
6. Names of members of the family who are temporarily away from Hong Kong during the period of the census-taking must also be entered in.
7. Names of persons who are absent because of public duties, imprisonment, illness.....etc., must also be entered in. Moreover, "permit of absence from census-taking" must also be applied for for those persons before March 10th from the District Bureau, otherwise their absence would not be in order.
8. Names of persons who have obtained permits to leave Hong Kong but are still here must also be entered in, and they must be lined up with the rest of the household to be examined by the census officer.

Comment:

It should be noted that there are discrepancies in final dates for application of absence permits.



HONG KONG, CANTON, MACAO & KWANTUNG.

H.K./8/15/6/44  
SECRET SERVICE, COUNTER ESPIONAGE, ETC.

CANTON.

Puppet Intelligence Organisation.

It is reliably reported that an important Puppet Intelligence Organisation is based on Fatshan, the full title of the office being "2nd Section of the Canton Pacification Administration Bureau, Investigation Unit".

The following is the main nominal outline of this organisation:

Fatshan Office.

Head of the Fatshan Office and in charge of 1st Department for sending agents into Free China, Wai-Hung.

In charge of 2nd Department for sending agents into Free China, Woo Kwai-Cho.

Sub-Offices.

Kaukong	In charge	-	Woo Cheuk-Pan
Lishui	"	"	- Chan Tat-Yuen
Kunviu	"	"	- Chiu Yin-Pak
Lotsun	"	"	- Yau Lut-ng
Tsztung	"	"	- Lo Ping.
Tancho	"	"	- Tse Wah-Fung
Kunshan	"	"	- Po, Sai-Lum
Kupo	"	"	- Kong Pik-luk
Chiknai	"	"	- Po Yee.

The Assassination of the Puppet Civil Governor of Canton and concurrently Commander of the Pacification Units of the Canton area, on April 4th, in Canton, is confirmed by agent.

It is rumoured in Canton that he was killed either by the agents of the Chunking Government or by Lie- Foo-Kwan, one of the senior officers of the 20th Puppet Division which forms part of the Pacification Units of the Canton Area, whose interests suffered due to action by Chan Yu-Cho (previously referred to as Chen Yao Tsu).

A fairly reliable report dated May 5th states that the Japanese in Canton have sent over 100 people as their agents. These agents are sent out under the guise of shoemakers and modern girls.

SHIP BUILDING.

WOODEN SHIPS.

It is reliably reported that on May 9th, a conference was held by important Japanese firms engaged in the wooden ship-building.

At this conference it was decided that priority should be given to the acquisition of working machinery, no decision could be taken on the solution of the many other problems which face this and other firms attempting to carry out the Japanese wooden ship-building policy.



SHIPBUILDING (continued)

One of the main sources of supply of skilled shipwrights in Canton, where a shipwright recruiting office was set up in 1942. It has already sent 1,500 overseas. At the moment it is trying to meet the demand for shipwright labour in Bangkok and Saigon. It hopes to supply 50 shipwrights to Bangkok, but there appear to be difficulties about transport. 50 expert technicians are being sent from Japan apparently to Saigon.

Recruiting of shipwrights is also taking place in Swatow, for service in Bangkok. This seems to be no small undertaking. One of the difficulties is the cost of maintaining recruits while waiting for transport to carry them to their posto.

Auxiliary Wooden Vessels.

It is fairly reliable reported that in the Fook Tin Shipbuilding Yard, located in Nam Wah Tung road facing Siu Kong road Honan, Canton, at present two wooden steamers of several hundred tons capacity are nearing completion.

This yard has 8 motor-operated machines of various types used in the manufacture of ship-engines. Permanent workers are 70/80 and daily workers over 200.

Shipbuilding in Kowloon Docks.

A reliable report of March 24th, states that four iron cargo ships are under construction on the four building slipways at Hung Hom.

Two of these ships have half their hull plates in position and progress is very slow.

The other two vessels have only their keels and frames in position and work has been suspended.

Shipbuilding and Training of Seaman.

According to a broadcast of May 9th, shipbuilding and the training of seaman in Hong Kong are steadily increasing. The two new buildings of the Hong Kong Seamen's Institute on the south coast have been completed and hundreds of Chinese are being trained. Applicants from Canton, Macao, Kwangchow, Swatow, etc.,

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SECTION III (a)

APPENDIX "B"

	POINTS TO NOTE	
	1. This certificate will take no effect unless the Workshop Manager's seal is on.	
BACK COVER:	2. It should always be carried.	
	3. In case of damage or loss, report it to the Workshop Manager at once for another one.	
	4. It should be returned to the workshop Manager when you leave the position	
FoldingLine:		



FRONT COVER

IDENTITY CARD

No.3596

Place of Birth. Shuntak, Kwangtung.  
Present abode. 161, Sai Yee Street,  
2nd floor, Kowloon.  
Belonging to. Concave Plate Sub-Sec.,  
1st Printing Section.  
HO WAI CHUNG.  
Age 20 years.  
Certified the above-named is a worker of the  
Hong-Kong Printing Works.  
Showa 18th year 4th month 1st day.  
Under the control of Governor's  
Office H.K. Occupied Territories.  
Workshop Manager, H.K. PRINTING WORKS.

INSIDE

Photo



APPENDIX "C".

FRONT  
COVER

: IDENTITY CARD :

WHITE

BACK  
COVER

(POINTS TO NOTE)

1. This certificate must always be carried with you.
2. If asked for, it should be produced
3. In case of loss, it should be reported to the Head.
4. It should be returned when quitting off from your office.

RED

INSIDE

WORKS NO.35  
IDENTITY CARD  
Name. Barisheff.  
Age. 19 years.  
Office. Workshop Assistant.  
Certified the above-named.  
is an employee.  
Show-wa 19th yr. 3rd mon. 7th d.  
RIKUKAWASONO IRON WORKS. H.K.  
Workshop Manager's seal.

WHITE

PHOTO

WHITE