

CENTRAL INTELLIGENCE AGENCY

## REPORT

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and Chengtu. Throughout the cane sugar growing area in South China there were thousands of small refineries, operated by families or by small groups of people, numbering, in most cases, less than 10; these "family" refineries produced crude sugar for local use and for sale to the larger, more advanced, factories. Such small refineries would use but a few hundred pounds of sugar cane daily.

4. Prior to 1946 there were but a few large cane sugar refineries in China; [redacted] there were approximately 10 in all. These factories would each use, on the average, about one thousand tons of cane daily and would each produce between 100 and 150 tons of sugar per day from the cane. During World War II only about two new factories were built in Free China, both in Szechwan Province where they were located at Tzechung and at Naikiang. Both of these factories were comparatively small, producing about 50 tons of white sugar each per day; however, they were constructed primarily to be used for training personnel in their operation and for experimental work. Both the Tzechung and the Naikiang factories had comparatively modern equipment, power facilities were available and each was about the same in size. The sugar which was produced by them was sold on the local domestic market while the molasses derived as a by-product was used in the manufacture of alcohol.

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5. In addition to the Tzechung and the Naikiang refineries there were a large number, approximately 100, of small refineries in operation during the war in Szechwan Province. These small refineries produced but a very crude form of brown sugar only, using whatever power, including animals, that was available.

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6. Before World War II there was a large alcohol factory near Shanghai at Footung and another near Canton, both of which were closed during the war. [redacted]

[redacted] This factory used molasses from nearby sugar factories and produced approximately 10 thousand gallons of alcohol daily. There was also an alcohol factory established during the war at Kunming which was comparable in size and output to that located at Tzechung. The Kunming factory used molasses, sweet potatoes and grain for its alcohol. The quality of alcohol produced both at Kunming and Tzechun during the war was quite low. [redacted]

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