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1. The Political Science Group (PSG) is making an effort to maintain its position in the present Communist Government. The leading figures of the Political Science Group, listed according to rank, prestige and influence are:
  - a. LI Ken-yuan (李根源). A Yunnanese, the founder of the Political Science Group. He is now with the Communists, having attended the Chinese People's Political Consultative Conference (CPPCC) of September 1949.
  - b. CH'EN KI (陳儀). Recently shot in Taiwan on charges of Communist collaboration.
  - c. CHANG Ch'un, in Taiwan.
  - d. CHANG Chia-ao (張嘉璈). Brother of Carsun CHANG, a member of the Board of Directors of the Bank of China. He was a key figure in the going over of CNAC personnel and assets to the Communists. He is presently in Hong Kong, and has been confirmed by the Communists as a member of the board of the Bank of China.
2. Other PSG members are:
  - a. CH'EN Ch'ang-chao (蔣昌照). Former head of the National Resources Commission (NRC), responsible for the turning over to the Communists of 80 percent of NRC assets. Now Vice Chairman of the Communist Government Planning Board.
  - b. SUN Yuch-ch'ei (孫越崎). He replaced CH'EN Ch'ang-chao as head of the NRC prior to the fall of Peiping, and was Minister of Economic Affairs when the Nationalist Government was in Canton. He was also Managing Director of the Kansu Petroleum Company. He is the brother-in-law of WENG Wen-hao, whom he attempted to persuade to go to Peiping to join the new government. WENG is reported to have gone to France. SUN, is also a Vice Chairman of the Communist Government Planning Board.

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- c. WANG Shih-chieh and WU Te-ch'ien are in Taiwan.
3. All of the top ranking members of the PSG, with the exception of CHANG Ch'un, WU Te-ch'ien, and WANG Shih-chieh, are now working for the Chinese Communists, either directly or indirectly.
  4. Generally speaking, there has been a two-way division between China's principal banking interests: The South China interests of T. V. SOONG and H. H. KUNG, represented by the Central Bank, the Bank of China, the Bank of Communications and the Farmers' Bank; the North China interests dominated by the Political Science Group, represented by the Kincheng Bank (金城銀行), the Yen Yeh Bank (鹽業銀行), the Chung Nan Bank (中南銀行) and the Ta Lu Bank (大陸銀行). These banks established a joint clearing house and had interlocking directorates, in which members of the PSG had controlling interest. Of these four, the Kincheng Bank, whose manager is HSU Kuo-mou (徐國懋), is the most important. In the past, the Kincheng Bank has financed the Ta Kung Pao, the Chiu Ta Salt Company (久大鹽業公司) in Tientsin, and the largest caustic soda plant in China, in Nanking, and run by China's chemist, HOU Te-pang (侯德榜).
  5. HSU Kuo-mou, manager of the Kincheng Bank, has gone over to the Communists. After turning over the bank he went to Peiping, where he is said to have had a personal interview with CHOU En-lai. He then came to Hong Kong and supervised the transfer of bank assets to the Peoples' Government. He is now in Shanghai. He was at one time a professor at Nanking University and was well known to American missionary groups there. He studied at one time at Johns Hopkins University in Baltimore.
  6. The manager of the Chiu Ta Salt Company, LI Chu-ch'ien (李燭塵), was associated with the PSG, but was at the same time an active leftist. He attended the first session of the CPPC, and has gone over to the Communists. HOU Te-pang has also gone over to the Communists, and is running his caustic soda plant in Nanking under Communist direction. HOU has for some years been associated with the PSG.
  7. Another well-known member of the PSG is WU Chao-hung (吳兆洪), one time Secretary General of the Sino-American Joint War Production Board, and later Secretary General of the National Resources Commission. Under the direction of the then head of the NRC, CH'IEH Ch'ang-chao, WU turned over to the Communists the office records, documents and premises of the NRC office in Nanking.
  8. The Chief Manager of the Taiwan Light and Power Company has been associated with the PSG. He has been arrested by the Taiwan authorities on charges of spying for the Communists. In his confession he stated that he had been assured by the Communists that he would be appointed governor of Taiwan after its fall. This individual is now under further investigation.
  9. HSIUNG Shih-hui (熊式輝), one time governor of Kwangsi and first overall commander in Manchuria after VJ Day, is a member of the PSG. He is now in Hong Kong seeking an opportunity to go to the mainland.\*
  10. KUNG Hsueh-sui (龔學遂), was Commissioner of Industry in Kwangsi when HSIUNG was governor of that province. When HSIUNG went to Manchuria, KUNG was appointed mayor of Dairen but was never able to take over that post. KUNG later became mayor of Tsingtao and eventually went over to the Communists. KUNG has been associated with the PSG.\*\*

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