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THIS IS UNEVALUATED INFORMATION

1. Gypsum in Hunan. In 1948 at Pantangpu, across the river from Hsiangt'an (112-51, 27-54), there were 32 companies engaged in mining gypsum, which is used in the manufacture of cement, fertilizers and cosmetics. The two leading concerns, Yung An and Yung Li, operated 144 shafts between them. The total monthly output of gypsum from Pantangpu was 50,000 piculs, with 4,800 piculs of rock-salt as a by-product.
 2. After the Communist occupation, the local party committee confiscated the mines and operated them on a reduced scale, producing 20,000 piculs of gypsum per month. The Hsiangt'an Local Products Co., a subsidiary of the General Trading Co. of Central and South China, was buying the entire output and sending 9,000 piculs to the South China Industrial Co. of Canton, the remainder to Shanghai via Hankow.
 3. In the spring of 1952 it is proposed to reopen the derelict mines to increase output because of the greater demand for gypsum to make cement for coastal defense works.
 4. Metals in Hunan. Metal mining was controlled by the Metal Mining Bureau of Hunan, which was established in the autumn of 1950, subordinate to the Heavy Industry Department of the Central and South China Region. Director of the Bureau was HSU Tung (許東), formerly MAO Tse-tung's orderly, and deputy director was CH'ENG Ya (程煜), nephew of General CH'ENG Ch'ien, military commander at Ch'angsha. Quite a number of Soviet engineers and metallurgists were attached to the Bureau, and with their aid it was planned to increase the 1951 overall metal mining effort in Hunan by 21 percent over 1950.
 5. The Metal Mining Bureau has four branches in Hsinhua (111-23, 27-44), Hsien, Huang (109-06, 27-21) Hsien, Hungchiang (109-58, 27-10) Hsien and Ch'angning (99-36, 24-50) Hsien respectively.
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- a. Antimony. Hsinhua Hsien produces antimony. The quantity produced was not known, but all of it was going to the USSR and Czechoslovakia.
 - b. Mercury. Huang Hsien was well-known for its mercury, and the Soviet experts found that there was a large potential of good quality. Except for the vermilion powder which was used locally, Huang's entire output of mercury was being sent to the USSR.
 - c. Gold. Hungchiang Hsien was producing somewhat over 100 ounces of gold per day.
 - d. Silver, Aluminum. Ch'angning Hsien was producing 14 piculs a day of silver and an unknown quantity of aluminum.
6. Wolfram in Kiangsi. When the Communists occupied Kiangsi in 1949 they encouraged the reopening of the wolfram mines scattered along the Tayu mountains in 11 hsien of Kiangsi. For the first 12 months of Communist occupation Kiangsi mining was coordinated by LIU Ya-hsin, a mine manager who defected to the Communists. LIU was responsible to a Communist military superintendent, but personally had the entire technical direction of the concern. Most of the pits reopened, but no effort was made to increase output over the previous level.
 7. In the summer of 1950 the signing of the Sino-Soviet Trade Agreement bound China to export her whole production of wolfram ore to the USSR or as the Soviets might request. Soviet technicians arrived with modern mining machinery, and output began to rise. All wolfram mines in Kiangsi were nationalized and put under the Bureau of Metal Ore Mining, and LIU was replaced by FAN Jen-fu.
 8. The daily output of wolfram ore in Kiangsi during September 1951 was 510 tons. The breakdown by mines of this wolfram ore and of September 1951 tin ore output in Kiangsi are shown in Attachment A.
 9. After 1 October 1951 it was expected that output would increase by 3,000 tons every month, and that in the last quarter of 1951 altogether 24,000 tons would be produced. The target was to raise production to 40,000 tons monthly by June 1952. All the ore was to be shipped via the Kan River to Changshu (115-30, 28-04), and from there by rail to Shanghai. It was generally believed it would be shipped by sea from Shanghai to Vladivostok.
 10. Mine conditions were fairly good. Miners were paid 180 catties of rice per month and received one suit of Lenin uniform each year. Provincial Governor SHAO Shih-p'ing (邵式平) was visiting the mines once a month to encourage the staff.
 1. [] It is not clear whether the production increase each month is 3,000 greater than the previous month's output. From the statement that the target for June 1952 is 40,000 tons monthly this might be assumed. In this case the production figure of 24,000 tons probably refers to December 1951 rather than to the last quarter of 1951.

Encl. Attachment A. Output of Wolfram and Tin Ores.

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Attachment A

Output of Wolfram and Tin Ores

<u>Place</u>	<u>Mine</u>	<u>Method of Working</u>	<u>Payroll</u>	<u>Daily Output of Wolfram Ore in Tons</u>	<u>Daily Output of Tin Ore in Tons</u>
Tingnan (115-00, 24-40)	Kueiweishan (歸尾山)	Small machines	20,000	300	170
Tayu (114-22, 25-26)	Hsihuashan (西華山)	Large machines	20,000	80	40
Ch'iennan (114-26, 24-44)	Tachishan (大積山)	Manual	8,000	40	20
Anyuan (115-10, 25-00)	Yingfengshan (英峰山)	Manual	8,000	30	15
Nank'ang (114-52, 25-44)	Wutsanshan (武管山)	Manual	2,000	10	5
Hsingkuo (115-12, 26-26)	Huameishan (劃眉山)	Manual	1,000	5	2
Yutu (115-20, 26-02)	Paishan (白鷄山)	Manual	1,000	5	2
Kuangch'ang (116-16, 26-50)	K'uchushan (苦竹山)	Manual	10,000	40	20
Totals	8		70,000	510	274

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