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LEAGUE OF NATIONS.

Communicated to the
Council and Members
of the League.

C.352.M.209.1936.XI.
O.C.S.205(h).

Geneva, August 28th, 1936

TRAFFIC IN OPIUM AND DANGEROUS DRUGS

CLANDESTINE HEROIN AND PILL FACTORIES AND ILLICIT TRAFFIC
IN MORPHINE AND HEROIN DISCOVERED IN THE INTERNATIONAL
SETTLEMENT OF SHANGHAI BETWEEN APRIL 1st AND JUNE 30th, 1936.

REPORT COMMUNICATED BY THE SHANGHAI MUNICIPAL COUNCIL,
JULY 15th, 1936.

Note by the Secretary-General

In accordance with Article 23 of the Convention for Limiting the Manufacture and Regulating and Distribution of Narcotic Drugs of 1931, the Secretary-General has the honour to communicate to the parties to the Convention and to other States the attached report on the above-mentioned cases of clandestine manufacture and illicit traffic..

Part I. Result of Judicial Proceedings in connection with cases
of Illicit Manufacture of Drugs Previously Reported.

Discovery of a Clandestine Pill Factory at House 17,
Passage 2, Rue Chapsal, French Concession, Shanghai,
March 27, 1936. (See Document C.307.M.190.1936.XI
O.C.S.200(a) page 11, No.122).

Two Chinese were sentenced to fifteen years' imprisonment and deprived of civil rights for ten years, while one was sentenced to seven years' imprisonment and deprived of civil rights for seven years.

Part II. Reports on the Discovery of Clandestine Manufacture
of Narcotic Drugs.

Discovery of a Clandestine Pill factory at 813, North
Szechuen Road Extension, in Chinese Territory, Shanghai,
April 28, 1936.

2. Shanghai Municipal Police.

3. (a) Red Pills:- 1289 ozs. (36 kgs. 608 grs).
Heroin:- 40 ozs. (1 kg. 136 grs).

Equipment and ingredients used for the
manufacture of the pills.

5. Persons implicated:- Y. Fuchigami, Japanese
and two Chinese.

7. Sixty-six bags seized, containing red pills bore red and green wax-seals showing a circle with an "A" in the centre. There were no labels on the packet of heroin.
8. The Municipal Police raided a secret distributing base of opium substitutes at House 83, Lane 643, Yangtszepoo Road, and the raid resulted in the arrest of one trafficker and the seizure of one packet of red pills, weighing 9 ozs, (256 grammes). Acting on information of the latter another trafficker was apprehended the same day at House 30, Lane 315, Yunnan Road. Subsequent investigation made led to the raiding of No. 813, North Szechuen Road - a two storied building - where the clandestine drug factory was discovered and the persons referred to above were arrested. The raid was carried out with the assistance of the Japanese Consular Police and the Public Safety Bureau of the Municipality of Greater Shanghai. The former assisted, because the premises were occupied by a Japanese subject and the latter attended, because the house is located outside the Settlement limits, abutting North Szechuen Road, a Municipal Road. The factory was operated in a large room on the 2nd floor. Its equipment, which was procured locally, consisted of two pill making machines, one large pill drying cabinet with eight drawers, four of which were full of pills in the progress of drying; one large table, five sieves, one pill counting board, four pairs of scales and miscellaneous other articles. The ingredients included, in large quantities, red dye, gum tragacanth, starch, strychnine and cane sugar. The factory was in operation for about six months and produced about 100 kilogrammes of red pills per month. Three photographs taken of the factory are forwarded under separate cover, marked "A", (1).
9. Two traffickers were each sentenced to twelve years' imprisonment. Y. Fuchigami was detained by the Japanese Consular Court and is on remand. The two Chinese who were arrested in the factory together with the opium substitutes, equipment and ingredients were detained by the Public Safety Bureau and subsequently handed over to the Shanghai Woosung Military Garrison Headquarters for trial by military court.

Discovery of a Clandestine Pill Factory at House 28, Lane 76 Amoy Road, International Settlement, Shanghai, May 4, 1936.

2. Shanghai Municipal Police.
3. (a) Red Pills:- 6ozs. (170 grammes).

Ingredients and utensils used for the manufacture of the pills.

(1) Kept in the Archives of the Secretariat.

4. An analysis of the pills seized found them to consist of a mixture of caffeine, cinchona alkaloids and morphine mixed with inert pill mass and colouring matter.

Amount present in each pill:-

Caffine.....	15.00	Millegrams.
Cinchona Alkaloids.....	1.00	"
Morphine Hydrochloride....	0.85	"

Ten of these pills contain one minimum medicinal dose of morphine hydrochloride.

5. The persons implicated were two Chinese.
7. The pills were wrapped in brown paper, which bore no identification marks.
8. Acting on information obtained from a Chinese pill trafficker (who was apprehended the same day on Burkill Road near the corner of Thibet Road for being in the possession of one parcel of red pills, weighing 6 ozs), the Municipal Police visited the above address and found evidence there indicating that it was used as a base for the manufacture of red pills. The utensils and ingredients included two pairs of scales, two sieves, one heating stove, one tin of dye, one packet of caffeine and heroin mixture, weighing 3.2 grams, and a few other articles. No pill making machine was used but the pills were rolled into shape with the palms of the hands. The utensils and ingredients were procured locally. It is estimated that between 10 and 15 kilogrammes of red pills were produced per month. The manufacture was carried on for about three months.
9. One of the Chinese was sentenced to twelve years' imprisonment; the other to six years' imprisonment.

Discovery of a Clandestine Pill Factory at House 1b, Lane 1310, Avenue Edward VII, International Settlement, Shanghai, June 12, 1936.

2. Shanghai Municipal Police.
3. (a) Red Pills:- 190 ozs. (5 kgs. 396 grs).
Equipment used for the manufacture of the pills.
5. Persons implicated:- Three Chinese, one of whom only is in custody.
7. Five of the packets, weighing 20 ozs, (568 grammes) bore chops indicating that the pills were brought into circulation under the name of "Happy Brand".
8. The factory was discovered during a raid on the premises, which were visited on the authority of a search warrant. It was located in the downstairs back room. Its equipment consisted of a pill

making machine, two pill drying trays, one charcoal heating stove and two pairs of scales. The factory was operated at the above address for about one month and produced a total of approximately 10 kilogrammes of pills.

9. One Chinese was sentenced to six years' imprisonment and deprived of civil rights for six years for assisting in the manufacture of narcotics.

Discovery of a Clandestine Pill Factory at No. 668 Chekiang Road, International Settlement, Shanghai, June 21, 1936.

2. Shanghai Municipal Police.

3. (a) Red Pills:- 92 ozs. (2 kgs. 613 grs).
Pill Mass:- 148 ozs. (4 kgs. 203 grs).

Equipment used for the manufacture of the pills.

5. Persons implicated:- Five Chinese.

7. There were no identification marks on the packets of pills.

8. The information leading to the discovery of the pill factory was obtained from a Chinese female, who was arrested the same day on Park Road near the corner of Avenue Road for being in possession of three paper bags of red pills, weighing 16 ozs. (455 grammes). The factory was located in an upstairs back room. Its equipment which was procured locally consisted of a pill making machine, one pill drying cabinet and several sieves. It has been in operation for about ten days prior to the raid and produced approximately five kilogrammes of red pills per day.

9. Two persons were each sentenced to seven years' and six months' imprisonment and deprived of civil rights for eight years; one was sentenced to five years' imprisonment and deprived of civil rights for five years. Two others are wanted on a circular order of arrest which is on file.

Discovery of an attempt to Manufacture Heroin illicitly at No. 42, Wuting Road, International Settlement, Shanghai, June 27, 1936.

2. Shanghai Municipal Police.

3. (b) Equipment used for the manufacture of drugs.

5. Persons implicated:- Six Chinese.

8. Acting on information, the Municipal Police raided the above dwelling house and discovered there evidence indicating that it was about to be used for the manufacture of morphine or heroin.

No drugs were seized, but three persons who were arrested during the raid admitted that they intended, together with three others not in custody, to manufacture heroin at the above address. The equipment, most of which was new and still packed in cases when seized, was that used in a manufacturing laboratory. The equipment was moved into the above address two days prior to the raid. Subsequent enquiries ascertained that prior to moving into the above address, the gang had operated at 384, Medhurst Road and at 677 Changping Road, International Settlement. The equipment included apparatus for vacuum filtration, glass vacuum filtration flasks, Buchner funnels, scales and miscellaneous articles. The chemicals consisted of alcohol, hydrochloric acid, ether and soda ash. When in operation, the approximate productive capacity of the above factory is estimated at twenty-five kilogrammes per month.

9. Three persons were still on remand at the end of June, 1936. Circular Order of Arrest is on file against the three others concerned in the case.

B. NEW CASES OF SEIZURES.

MORPHINE.

Seizure of Crude Morphine Base at 218, Burkill Road, International Settlement, Shanghai, June 24, 1936.

2. Shanghai Municipal Police.
3. (a) Crude Morphine Base:- 249 ozs. (7 kgs. 72 grs).
4. The morphine was of Chinese origin and was sent to Shanghai from Loochow, Szechuen, through the post.
5. Persons implicated were two Chinese, who were arrested.
6. After purchasing the morphine at Szechuen, one of the accused had it concealed in 53 rolls of grass cloth, which he sent through the post in his own name to Tseu Kao Jiao, Shanghai, care of the Wong Hoong Chi. Transportation Agency, House 5, Lane 107, Honan Road. On arrival he took delivery of the rolls of grass cloth containing morphine and transported same to the above address, where they were seized.
7. The name of the manufacturer of the morphine base is not known. Each roll of grass cloth had a cavity hollowed in the centre, which contained a packet of morphine base, weighing approximately nine ozs. Labels attached to each roll of grass cloth indicated that the cloth was manufactured by Loong Tsang Tsaung Yoong Cloth Factory, Szechuen. Sample of label is forwarded herewith. (1)

(1) Kept in the archives of the Secretariat.

8. The rolls of grass cloth containing the morphine base were seized on a warrant during a raid on the premises.
9. The two accused were each sentenced to ten years' imprisonment and deprived of civil rights for ten years.

HEROIN.

Illicit Traffic in Heroin at No. 21, Race Course Road, International Settlement, Shanghai, April 24, 1936.

2. Shanghai Municipal Police.
3. (a) Heroin: $1\frac{1}{4}$ ozs. (36 grammes).
5. Persons implicated: (1) Kin Sei Koku; (2) Kan Kei Su; (3) Kan Zee Kei, Koreans, and one Chinese.
7. There were no identification marks on labels.
8. The defendants were engaged in the retail sale of heroin and were arrested following the sale of drugs to a Chinese policeman on plain clothes duty.
9. Two of the Koreans were each sentenced to fifteen days detention; the third was acquitted. The Chinese was sentenced to six years' imprisonment and deprived of civil rights for six years for aiding and abetting in the sale of narcotics.

Illicit Traffic in Heroin at House 11, Lane 24, Tamsui Road, International Settlement, Shanghai, June 3, 1936.

2. Shanghai Municipal Police.
3. (a) Heroin 25 ozs. (710 grammes)
5. The persons implicated were four Chinese.
7. The heroin was wrapped in white paper, bound with a white string, and a lead seal, indicating that the heroin was manufactured by a certain "B" Co., which letters were imprinted on the lead. The place of manufacture is unknown.
8. The defendants were arrested following negotiations carried on with them, by a Chinese detective for the purchase of the heroin seized.
9. Three were each sentenced to twelve years' imprisonment and deprived of civil rights for twelve years; the fourth was sentenced to six years' imprisonment and deprived of civil rights for six years.