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CENTRAL INTELLIGENCE AGENCY

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SOURCE Hsing-tao Jih-pao.

HIGH PRICE OF WOLFRAM STIMULATES  
BLACK MARKET OPERATIONS IN KWANGTUNG

Hui-yang -- Reflecting the tense world situation, the price of wolfram ore has risen in the Hong Kong and Amoy areas. The eagerness of various foreign firms in Hong Kong to purchase wolfram ore has stimulated the growth of a black market. Since legal export of the ore is generally difficult, and the turnover is slight, smugglers are seizing every opportunity to obtain the ore for export. The Central People's government of the People's Republic of China has ruled that all mines producing wolfram, tin, antimony, and bismuth ores must market the ores at prices posted by the government and that all sales must be made through control stations set up by the Canton Office, Central and South China Nonferrous Metals Control Bureau. But in their eagerness to buy the ore, smugglers offer high prices, with the result that wolfram mines generally are selling their ores on the black market for undercover shipment to Hong Kong.

The wolfram-producing region extends from Hui-yang, Po-lo, Ho-yuan, Tzu-chin, Hai-feng, and Lu-feng hsien, in Tung Chiang Ch'u, to the upper reaches of the Han Chiang. In general, the ore is of high quality and that which is produced around T'an-kung-ch'ing, Shu-to-chu Ch'u, Hui-yang Hsien, is especially good. The ore deposits are rich in the mountains around Liang-hua Hsiang, Ch'i-hsing Ts'un, Ta-chou Hsiang, Kuan-yin Shan, P'ing-shan Hsiang, Pi-sung Ling, Yung-hu Hsiang, and Mao-tzu Feng.

Several days ago, Ma Ts'an and Yu Hsiung-chih were intercepted by Communist militia at Kao-sha Hsiang, Hai-feng Hsien, while attempting to smuggle 8 piculs of wolfram ore hidden in charcoal. Ma and Yu escaped and summoned 26 armed anti-Communists from the neighboring hills. This group, lead by Ma, retook the wolfram ore through force of arms. In the ensuing skirmish, the militia were soon defeated and three of their number, including Lu Wen, were wounded. Subsequently, the militia reported the incident to the Hai-feng Hsien People's government. The Hai-feng Municipal Bureau of Public Security promptly sent out a large force which surrounded the 28 armed anti-Communists and returned them in custody to Hai-feng City.

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The Chinese Communist South China Office of Maritime Customs acknowledges that the maintenance of the embargo in this eastern district is still lax. As a result, cattle, wolfram ore, and hog bristles are being illegally exported in quantity from the area around Hui-yang, Tung-kuan, and Pao-an, while small amounts of foreign goods are seeping into the area. The San-men Inspection Station has determined to tighten controls, to plug these leaks.

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