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SOURCE T'ai-p'ing-yang Jih-pao.

COMMUNIST CHINA SEEKS TO OFFSET MACAO'S RE-EXPORT BAN

[Summary: This report presents a resume of a lengthy article on Communist China's plans to counterbalance Macao's ban on the re-export of strategic raw materials arriving in the Portuguese colony. The article appeared in two installments in the Hanoi pro-KMT T'ai-ping-yang Jih-pao on 2 and 3 November 1952.

Numbers in parentheses refer to appended characters.]

The Macao government's announcement in September 1952 that it will impose new export control measures to prohibit the re-export of vital materials imported by local firms and factories resulted in continuous efforts of the Chinese Communists to insure a steady flow of strategic materials into Communist China from Macao.

The new regulation, effective 2 October, requires application for import permits, giving detailed information as to the source and intended use of the material, certification by the importer that the goods will not be re-exported, and systematic records from warehouses showing incoming and outgoing stock.

Communist trade agencies in Macao are doing their utmost to secure permits to import raw materials from Hong Kong and other sources. However, because they must guarantee that the raw materials will not be re-exported, they are, in the meantime, endeavoring to bring about conditions under which raw materials may again be shipped openly to Communist territory. Evidence of this attempt is most obvious in the verbal attacks which the Hong Kong pro-Communist press directed at the Macao government for "obeying US imperialist orders," and in the concurrent hike of prices in Canton on imported raw materials. The rubber stockpile in Canton, for example, has jumped in value from 3.8 million yuan to 4.65 million yuan since the new Macao regulation went into effect.

Another step Communist China has taken to secure a continuous supply of raw materials from Hong Kong and Macao is the establishment of collecting stations on certain small islands near Hong Kong and Macao. According to persons familiar with smuggling routes, since September 1952 when the new regulation



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was announced collecting stations have been set up at the following points: on several of the Wan-shan-ch'un-tao islands, on Nan-t'ou of Pao-an Hsien, on Wan-tzu (1) of Chung-shan Hsien, and on islands directly opposite Macao.

Macao's new export regulation constituted a heavy blow to Communist China. Prior to its implementation, according to persons in the import-export business, Communist China received 70 percent of all Macao's imports from Hong Kong. But Macao harbor control authorities report a sharp decline -- from a daily average of 300 tons down to 140 tons -- in raw material imports from Hong Kong since the new law was promulgated.

CHARACTERS

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