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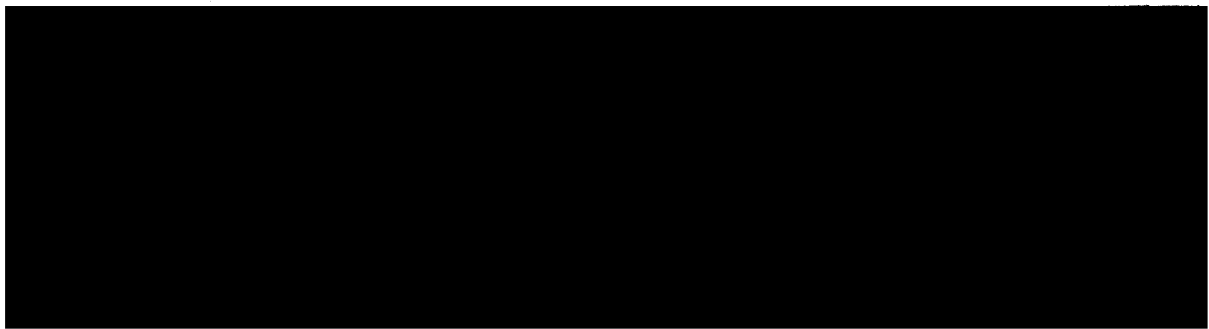
INFORMATION REPORT CD NO. CONFIDENTIAL

COUNTRY Thailand/China
SUBJECT Rice Shipments to China

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1. In 1949, the export of Thai rice was strictly controlled by the Thai Government and the UN Rice Organization. Even at this time, however, merchants were able to send rice to Chinese Communist territories by contacting representatives of foreign powers in Thailand.* In these cases, the for- signers were responsible for clearing the export permit, and guaranteed to the Ministry of Commerce the safe arrival of the shipment at the pre- scribed destination.
2. In almost all of the rice deals, the buyer charters the whole ship. This enables the ship to reach its destination more speedily and with fewer com- plications. Bills of lading are arranged at Bangkok or Srirang Harbor, and need not be changed during the trip.
3. In 1950 the government lifted the export control of rice. Now, according to Ministry of Commerce regulations, any individual possessing US dollars or British pounds may buy rice for export to Chinese Communist territories. The Thai Government pays no attention to merchants buying rice with US and British currency, and does not concern itself with the destination of the rice.
4. There are Communist agencies at Hong Kong to transship imported Thai rice to the Chinese mainland. However, arrangements for the export of rice from Thailand to Communist China are usually handled by the Portuguese Legation, as the Portuguese are best able to facilitate the entry of rice into China. Most of the shipments go through the Portuguese port of Macao.
5. The Chinese Communist Government has put considerable pressure on the Portuguese authorities at Macao to grant permission for large scale im- portation of rice into China. The Portuguese are collaborating with the Chinese Communists in order to make a profit and to retain control of their colony. The British, primarily concerned with maintaining their established interests in the area, have been instrumental in running the Nationalist blockade into Macao using the excuse that they are "helping the famine ridden Chinese population of Macao."

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CENTRAL INTELLIGENCE AGENCY

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- 6. The Southeast Asia Trading Company, Ltd., ships the largest amount of rice to Macao. The biggest shareholder of this company is Lhee ben (LI Ben)** who at present owns four large rice mills and has rented ten other small mills. He is also director of the Siam Rice Trading Co., Ltd.
- 7. The Chinese Communists have sent representatives to Bangkok to urge local rice merchants to send their representatives to Hong Kong to draw up agreements. It is believed that Lhee Ben was one of the merchants contacted.
- 8. The second largest company shipping rice to Macao is the Chamru Co., Ltd., directed by Tiengsieng Kanasutr. This company is mainly instrumental in selling export permits as Tiengsieng has considerable influence among high ranking government officials. Furthermore, he is able to buy half his rice with pounds or dollars.

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████████████████████ For previous information on rice shipments to Communist China see ██████████

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** See ██████████

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