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INFORMATION REPORT

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Chinese Communist Intelligence Activities in Lacao and Heng Kong

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YUAN Yao\*, head of the mace: Underground Activities Station of the South China Sub-Bureau, went to Ginton and obtained the approval of YEH Chien-ying and FANG Fang for the expansion of the Intelligence and Armed Activities Divisions\* of the macao unit. The Intelligence Division is to be increased by the addition of a fifth section under the leadership of CH'EN Ch'uan (Fb ) ). A fourth section, headed by LIU Yung-nien (F) x + ), is to be added to the Armed Activities Division. In both Divisions, the size of each section is to be increased from 11 to 15 members. The chiefs and deputy chiefs of both Divisions are to have pistols; each section in the Intelligence Division is to have two pistols. All members of the Armed Activities Division are to be issued pistole and 100 bullets, and the Division is to be equipped with ten sub-machine guis of new type. This plan is to take effect in January 1951.

- 2. On 7 December 1950 YUV Yeo called a meeting of his top-ranking associates to report to them the directives received from higher authorities and discuss the steps to be taken in connection with them. Among those who attended the meeting, which was held at the Nan Kuang Trading Company, were P'ENG Chao\*, 'In Fing-yuan\*, A'O Lin\*, OU Kuang (近光), LIANG P'ei\*, CHANG Ch'iang (泛红), CHENG L'uei (對全), FANG Shao-mia (乙紀尺), CHANG Wei-ya (泛红), and HUANG Chien-lung\*\*. Problems discussed included the follying:
  - Expansica of the Anti-America, Aid-to-Korea campaign in Macao.\*
  - nadical megaures to be taken against American, British and Kuomintang underground activities in macao, in an effort to wipe them out.
  - A special vitch to be kept on the activities of Kuomintang members in Merao, with special reference to their underground activities.
  - d. Gose observation of the measures taken by the macao Government and of the persons in authority favorable to anti-Communist activities in 48 C8 O . \*\*\*

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- e. Efforts to enlist the help of the personnel of the Macao Government in tracing the activities of Ausmintang and American agents.
- 3. LIANG Chih-chih\*\*\* is leader of the liaison section of the Macao Underground Activities Station and concurrently underground liaison officer for the Communists in Chungshan, the Kwangtung-Kwangsi Column, the Shihch'i Military Controll Commission (MCC), the hsien government of Chungshan, and the Pearl River Administrator's Office. He is manager of the Jih Hsin (H \*\*) Bank, a member of the board of directors of the Macao Chinese Chamber of Commerce, and president of the association of drygoods dealers. A businessman of long standing in Macao, LiANG has been a member of the Chinese Communist Party (CCP) for more than ten years. His bank has sorved as a limison and financial organ for the CCP in Chungshan, the former East River and Pearl River Columns, the Kwangtung-Kwangsi Column, and for the Underground Activities Station. He is in charge of the Chinese Communist businessmen's movement in Macao, and has received authority from the CCP to recruit Knominitang members and others to the Communist cause. LIAFG was a member of the group which made a tour of Aortheast China, and served as Macao representative at the People's Representatives' Conference in Chungshan haien. He as in close contact with K'O Lin, ChANG F'ei-ling\*\*\*\*, LIANG P'ei, HC Hsion\*, LLANC Cheang\*, KAO Chon-wu\*\*\*\*, MA Wan-ch'i\*\*\*\*, HUANG Chion-lung, CHEN Chih-chong\*, ChanG Ch'iang, HSIGH Tsai-shong\*\*\* and other Communists.
- 4. HUANG Cho-ju ( jul), also known as HUANG Ping ( jul), a young kwangtung woman who was born in Shanghai, was recently transferred to Hong Kong and Macao to do intelligence work for the Third International Far East Information Office\*\*. A graduate of the military intelligence achool at Chiamussu, she has worked in Tientsin, Peiping, Mukden and other northern cities, and was transferred to Canton in the fall of 1950. HUANG speaks English and Russian in addition to Mandarin, Cantonese, and the dislect of Swatow. For duties include contacting, at social gatherings and in places of recreation, American, British, Chinese and Portuguese officials and wealthy businessmen and high-ranking employees of foreign agencies, for the purpose of gaining information. In Hong Kong she stays in foreign hotels, but her mailing address is 123 Connaught Road, second floor.\*\*\*\*\*
- 5. LI Sung ( ), a Chinese physician in Hong Kong, is an underground agent for the Third International Far East Information Office. His centers of activity are his clinic in the East Asia Bank Building, and his residence at 7 Garden Terrace.\*\*\*\*\*\*
- 7. TSENG Shao ( A 2), also known as TSENG Hsin ( A 1), an intelligence staff officer of the Kwangtung-Kwangsi Column, has been sent to make as head of its make intelligence unit. He is a member of the CCP, and was trained in the War Staff Training Class of the Chinese Communist Military Academy in northern Shensi, after which he served as staff officer under TSENG Sheng. In Make his organization is concerned with enti-Communist

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activities of all sorts, and with the agencies maintained in Macao by mainland anti-Communist guerrilla units. he also watches the activities of gang leaders, military men, racketeers, wealthy individuals, and persons of local prominence. One of his missions is to induce Kuomintang military personnel and agents to defect to the Kwangtung-Kwangsi Column. TSENG maintains liaison with intelligence stations along the coast of Chungshan hsien. He keeps in secret contact with YUAN Yao, K'O Lin, P'ENG Chao, LIANG P'ei, KAO Chen-wu, LIANG Chih-chih, MA Wan-ch'i and KUO Hsin-chien.

8. HUA Chen-chung ( ), former deputy chief of staff of the Kuomintang Canton Pacification Command and also Commissioner of Civil Affairs of the Nationalist Kwangtung Provincial Government, finding himself neglected, out of work, and restricted in his movements after his defection to the Communists, proposed to YEH Chien-ying that he be assigned to do underground work in Hong Kong and Macao. This was approved, and he was sent to recruit Kuomintang personnel to the Communist cause, and to get information on their activities in Macao and Hong Kong. He accordingly let it be known that he was no longer associated with the Communists, and established himself in room 106 at the Hein Chia Pin ( ) Hotel. He travels frequently between Hong Kong and Macao, and is assisted by his kinsmar, KUAN Pici-tien ( ), who visits Canton to keep HUA in touch with the South China Sub-Bureau. In early becomber 1950 HUA was instructed by FANG Fang to extend his activities to cover American activities, especially those connected with mainland guerrillas.

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address of the New Democracy Publication Press.

olsce the Yac Lee Printing Company at this address, which was that of the hua Shang Pao in Hong Kong.

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Comment. The Hong Kong telephone directory for June 1949 lists Dr. LI Sung at both these addresses.

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