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CENTRAL INTELLIGENCE AGENCY REPORT NO.

INFORMATION REPORT

CD NO.

COUNTRY   Malaya/China

SUBJECT   Reported Financing of Food Supplies for SS HAI
HSUAN By Singapore Branch of the Bank of China

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SUPPLEMENT TO
REPORT NO.

The SS HAI HSUAN reportedly obtains supplies of foodstuffs from a firm in
the Telok Ayer Market which receives payment from the Singapore branch of
the Bank of China.

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The legal department of the Bank of China demanded a
retraction of this report by the Chung Shing Jit Pao which published the
information on 19 July 1951. TAN Kok Chor, managing director of the paper
and Singapore Kuomintang (KMT) leader, gave orders to disregard the notice.
The Chung Shing Jit Pao is no longer indebted to the Bank of China, although
it still owes money to the Kwangtung Provincial Bank, the manager of which
is friendly to the pro-KMT publication.

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reported that the Singapore branch of the
Bank of China is losing money at the rate of (Straits) $20,000 a month,
and is paying the crew of the SS HAI HSUAN a total of $2,000 monthly.

The SS HAI HSUAN, which has been anchored in Singapore for the past
19 months, is believed to be a Chinese Communist communication center.
The vessel was recently surveyed for seaworthiness and was declared in
good condition although there was thick marine growth under the hull.
At this time the ship's radio was reported to be in continual use.
British authorities indicated during May 1950 that it is doubtful if
Singapore emergency regulations are broad enough to permit seizure of
the ship; however recent reports suggest that passage of legislation
permitting the Singapore Government to seal the transmitters of ships
at anchor in Singapore harbor might be aimed at the HAI HSUAN.

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