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COUNTRY

Indoor na/hong kong/Lacao

SUBJECT De

Democratic Republic of Vietnam Purchases through Long Kong and Macac

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PLACE ACQUIRED

INFO.

DATE OF 25X1A

RETURN TO CIA

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SUPPLEMENT TO REPORT NO.

- In May 1950 Nguyen Chi Trung (YUAN Chin-chung M. E. ) was sent from Indochina to Hong Kong as a liaison officer and purchasing agent. Le built up an organization of about thirty persons who discharged certain intelligence tasks but concentrated on the purchase of military stores for what is now known as the Democratic Republic of Vietnam (DRV). However, it became gradually more difficult to carry on these activities in long mong, and the entire organization moved to Macao in April 1951.
- 2. Their chief source of military supplies was surplus stores of the American Army in Japan, which had been shipped back to dumps in the Philippines. In addition to arms these dumps were said to contain a quantity of explosives and communications equipment. To get the business started, the Chinese Communists released selected Japanese prisoners of war who were sent back to Japan to start arms traffic to the DRV.
- 3. On 13 June 1950 the mong Kong organization effected its first large transaction by acquiring 14,000 carbines, with 500 rounds of ammunition per carbine, at a cost of HK \$300 per jun. The partner (sio) in this deal was an american businessman in the Philippines, called him-meng-la-shihl. The consignment was smuggled from the Philippines in a landing craft which machored in international waters and discharged into small boats which carried the cargo to a steamer at La An mill<sup>2</sup>, hong mong, from where it was carried to a port in Kwangtung Province.
- 4. Between January and march 1951 Nguyen's group, using a fictitious commercial firm as a cover, bought large quantities of medical and communications supplies, and some gasoline. They also obtained some rubber from Singapore for transshipment to Communist China. After their removal to make the group had some success in obtaining metals.
- b. Various routes have been used for transporting goods to the DVR. Some cargoes were shipped ;egally from hong aong to Thailand and thence by Panamanian ships to Indochina. Others went illegally by direct motorboat to Haiphong. A small

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part went by road through Awangtung Province via Chinhsien (100-37, 21-58) and Tunghsing (107-58, 21-53) to mangchieh (mon Cay), but this traffic was slight because the road is of recent construction. In June 1951 the bulk of the material for the LVR was being sent from macho to Haik'ou (110-20, 20-03) and thence by motorboat to Yulin, where it is delivered to steamers of unknown registry which come, two or three at a time, and anchor outside Yulin Harbor. Arms and ammunition constitute the greater part of these cargoes, with small quantities of rice and cereals.

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- Comment. This name was received Au-men-la-sze, but with Shinese characters which are romanized as above. The individual could not be i entified from available records.

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- 2. Comment. The anciorage would be in Tolo Harbor. Ma An Hill is in the New Territories at approximately 114-13, 22-25.

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