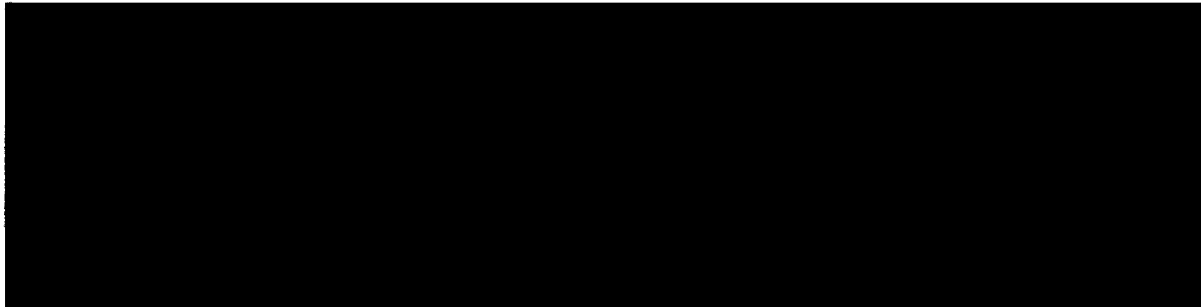


COUNTRY: Malaya (China)
 SUBJECT: Construction of Rubber Mills in Canton by TAN Kah Kee
 PLACE: 25X1A
 ACQUIRED: [REDACTED]
 DATE OF: 25X1A
 25X1A
 DATE DISR: 11 OCT 50
 NO. OF PAGES: 2
 NO. OF ENCLS. (LISTED BELOW):
 SUPPLEMENT TO REPORT NO. [REDACTED]

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1. TAN Kah Kee,* who is believed to have supplied quantities of rubber to the USSR, has gone to Canton at the request of MAO Tse-tung because many rubber exporters have been reluctant to continue supplying rubber for the USSR.
2. TAN has begun to construct mills in Canton to process crude rubber for eventual shipment to the USSR. TAN's oldest son, TAN Kok Kheng ** is remaining in Singapore to expedite shipments of Malayan and Sumatran rubber from Singapore to Hong Kong. TAN's son-in-law, CHAN Seng Poh, will re-export the rubber from Hong Kong to Canton, where it will be milled in the plants TAN is now constructing.
3. TAN's wife left Singapore on 24 August 1950 on the S.S. CANTON for Hong Kong where it is believed she will supply TAN with funds. She is authorized to sign checks in excess of (Hong Kong) \$100,000 against her husband's account.
4. TAN's rubber syndicate is now planting thousands of rubber trees on Hainan Island.***

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 * [REDACTED] Comment. TAN Kah Kee left Singapore for an extended tour of China about May, 1950. He was reported to have arrived in Shanghai on 12 August 1950 in the course of his China tour.

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 ** [REDACTED] Comment. [REDACTED] reported that TAN Kok Kheng, also known as TAN Kuo Keng, will direct the Chinese Communist affairs of TAN Kah Kee and K. C. LEE during their absence from Singapore. [REDACTED] reported that almost every month, more than 2,500 tons of crude rubber are smuggled from Indonesia to Singapore and Penang where it is exported by TAN Kok Kheng and K. C. LEE. [REDACTED] reported that TAN Lark Sye has taken over the Crepetex rubber factory in Senai, Johore, which is owned by TAN Kok Kheng. [REDACTED] also reported on the interests of TAN Kok Kheng.

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 *** [REDACTED] Comment. Six to seven years normally would be required before production of rubber from these trees would begin.

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CENTRAL INTELLIGENCE AGENCY [REDACTED]

- 2 -

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[REDACTED] Comment. According to Source, some of this rubber milled in Canton will be sent to a special factory to be made into diving suits for use by the Chinese Communists when they make landings throughout Southeast Asia.

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See [REDACTED]

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