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COUNTER INTELLIGENCE CORPS
MILAN DETACHMENT, ZONE 3
APO 512, U.S. ARMY

Ref.No., 370-1.

23 November 1946.

SUMMARY OF INFORMATION.-

SUBJECT: Yugoslav Commercial Activity.

1. Reliable Yugoslav informants of this office have reported to this Agent that Ernesto BRAIDER (BREIDER), signaled as a Yugoslav commercial agent in report of 5 November 1946, Subject: Yugoslav Commercial Activity, has contacted Yugoslav elements in Milan in an attempt to purchase a great quantity of automatic arms.

2. In an attempt to determine more about the situation this Agent planted Luka CELOVIC through this Agent's informant to take part in the negotiations.

3. CELOVIC found that BRAIDER was frantically searching to negotiate for the purchase of about 3,000 automatic arms, light machine guns, Thompson sub-machine guns, German Schneis-sers, Italian Berettas and automatic pistols and ammunition. Discreet probing by CELOVIC resulted in an admittance by BRAIDER that arms were destined for India. Later BRAIDER changed his story and said that the arms were actually for a new Fascist organization.

4. On 21 November 1946, BRAIDER requested to have the arms delivered at either Genoa or Trieste using as a cover Allied transportation. (BRAIDER actually believes that the arms and transport are to be bought from Polish II Corps personnel who are about to leave for the U.K.).

5. On 22 November 1946, BRAIDER stated that he would go to Trieste to receive additional instructions and money for the purchases of two Polish military trucks to transport the arms to Trieste and from there into Yugoslavia.

6. BRAIDER stated that he had 30,000,000 lire at his disposition in Milan but that he needed an additional 30,000,000 lire to purchase the two trucks and additional arms.

7. In the evening of 22 November 1946, BRAIDER left for Trieste to receive additional funds and instructions.

Agent's Notes.-

It is certain that BRAIDER is a commercial agent for the TITO government. It is also certain that the destination of the arms is not India, nor are they meant to be delivered to neo-Fascists. It is the opinion of this officer that the arms are either meant for delivery to the Yugoslav Armed Forces or to Albanian and Greek partisans elements now fighting Greek government troops in Macedonia. The investigation is continuing

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to determine other parties involved in this transaction. Its is also requested that higher headquarters make plans to see the trap through. It may prove interesting and impertant to discever the destination of the arms in Trieste.

Nicholas A. NATSIOS,
Special Agent, CIC,

APPROVED:

M. A. TONINI,
Major, MI,
Supervising Agent

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