

INTELLFORM 27

CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

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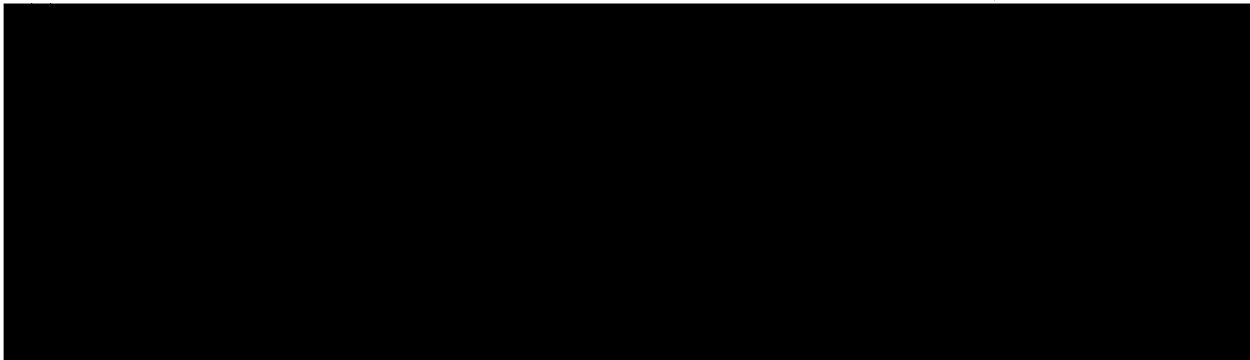
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SUBJECT General Conditions in Yunnan Province

NO. OF ENCLS. (LISTED BELOW)

SUPPLEMENT TO REPORT NO.

25X1A



25X1A

1. General SHEN Kung is not in Kunming. There have been various rumors regarding his whereabouts. According to one report SHEN was killed by guerrillas along the Yunnan-Indochina border; another said he had gone to Tibet with his troops; and still another said he was fighting in Yunnan.
2. There are about 200,000 Chinese Communist troops along the Yunnan-Kuangsi-Indochina border and about 20,000 Chinese Communist troops serving with the Viet Minh forces in Indochina. Between January and March 1951, arms, food, and other provisions were being sent southward through Kunming for use of the large Chinese border garrison and possibly for Viet Minh forces also.
3. There are only a few troops in Kunming. Their arms consist of old weapons formerly belonging to the Nationalists. No Soviet weapons are in evidence, and fewer than twenty Soviets appear in the streets of Kunming. A few commercial planes but no military planes fly over the city.
4. The guerrillas in Yunnan have either been liquidated or are keeping quiet, and, as a result, the province is very peaceful. However, there are about ten "native divisions" in southern Yunnan, totaling about 90,000 men, who are opposed to the Communists but lack the means to make an offensive against them. The Communists do not attack them because of the wildness of the mountain area and the danger from the malaria swamps where they live.
5. The people in general do not know what is going on in the outside world and receive their information only through gossip. Owners of radio sets are warned not to turn on the Voice of America, and several who did were missing soon afterward. Some families are required to keep their street doors open so that soldiers can go in immediately when making searches.
6. The price of rice in Kunming is about U.S. \$5.50 per picul.
7. LI Han,*** chairman of the Yunnan Military District, is under surveillance by the Communists and is restricted to the city of Kunming. His provincial forces are all gone.

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8. General LUNG Yun****, a member of the central government in Peiping, is back in Kunming as a semi-hostage or captive. LUNG's third son was suspected of being a guerrilla and was killed in 1950 along with his wife, children, and some other relatives.

25X1A * [REDACTED] CHEN Keng attended a conference at Peiping at which MAO Tse-tung's talks with Stalin were discussed, and returned to Yunnan on 25 April.

25X1A ** [REDACTED] Comment. That is, divisions composed of members of various non-Chinese tribes in the area.

25X1A *** [REDACTED] Comment. LU Han has been reported previously as being under Communist surveillance. A news broadcast from Paris, dated 2 May, from Chinese Nationalist sources, stated that both LU Han and LUNG Yun were victims of the Communist purge.

25X1A **** [REDACTED] Comment. According to information available to this office, LUNG Yun made a trip to Peiping in early February.

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