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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

CD NO.

25X1A

INFORMATION REPORT

China (Taiwan)

DATE DISTR.

20 Nov. 1951

SUBJECT

COUNTRY

PLACE **ACQUIRED** Possible Changes in Chinese Nationalist

NO. OF PAGES

Government Posts

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NO. OF ENCLS.

SUPPLEMENT TO

DATE OF REPORT NO. 25X1X INFO. NOT CHICKL

> CHIANG Kai-shek will probably remove CHOU Chih-jou as chief of the general staff in the near future for the following reasons:

- In the P. T. MAO affair, CHOU reported to CHIANG that MAO was mishandling funds. Without checking the facts, CHIANG made public charges against MAO which he later discovered were possibly not true. CHOU then told another Nationalist Government official that he was not responsible for CHIANG's charges against MAO. CHIANG heard about this and reprimanded CHOU.
- b. CHOU is now on bad terms with Admiral KUEI, SUN Li-jen, and KUO Chich'iao, head of the Ministry of National Defense.
- The dismissal of CHOU would afford an opportunity to strengthen the Nationalist position by appointing a more popular man as chief of the general staff. HSUEH Yueh, influential among such third force leaders as CHANG Fa-kuei, is a possible choice.

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An educated Chinese with no known political affiliations reports that the following rumor concerning possible changes in Nationalist posts is current emong high-ranking Nationalist Government officials: CHIANG Kai-shek will soon assume the position of premier, while remaining as president, and CH'EN Ch'eng will replace K. C. WU as governor of Taiwan. The rumor is probably groundless.



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