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25X1

- In early February 1952 the Chinese Communists conscripted 2,000 laborers to construct a highway from Paoshan (99-09, 25-07) to Chenk'ang (99-25, 24-07). This stretch of road was completed in April, and work was begun on a section from Chenk'ang to Kuokan (2654/2413).<sup>1</sup> When the entire road is completed, it will lead directly to the Burma border, by-passing Lungling (98-42, 24-34) and Mangshih (98-35, 24-27). This route to Burma will be more convenient.<sup>1</sup>
- The China-Burma road was opened to traffic in April 1952, after having been closed for a long period.
- In January Chinese Communist authorities in T'engch'ung (98-29, 25-01), Yungp'ing (99-34, 25-25), and Lungling were increasing efforts to collect taxes in kind and were mobilizing 10,000 civilian workers to repair the Paoshan-Myitkyina highway. HSU Sung-lin (1776/2646/2651) and LIANG Chin-shan (2733/6855/1472) were supervising the work.
- In the mountains behind Wanting (97-54, 20-15)<sup>2</sup> the Communists constructed machine-gun posts and four trenches and kept a constant guard there. Early in January six local residents were discovered trying to enter Chiuku (0046/6253) from Wanting surreptitiously at night. Four were shot and two arrested.
- In Chiuku and Muchieh only a few Burmese policemen were stationed to maintain order and no national defense units were posted. As a result, members of WANG Yu-wei's (3769/2589/3634)<sup>2</sup> Peace Preservation Division, which is part of LI Mi's forces, and members of local secret societies such as Ta Hung Shan (1129/3163/1472), Pao Ping T'ang (2128/0393/1016), and San I T'ang (0005/5030/1016) were plundering the urban areas. All of these people were armed.
- WANG Yu-wei keeps a share of the money which he allows his men to extort from the local merchants. The following taxes were being levied by WANG's troops in Chiuku and Muchieh:

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- 2 -

25X1

Gasoline, tire tubes, vehicle parts	30 percent
Tobacco	20 percent
Vermicelli	10 percent
Sundries	5 percent
Cotton	30 guilders (sic) per bale

7. On 29 April five truckloads of cotton arrived in Lashio from Mandalay. These trucks were soon to proceed to Chiuku. Although customs fees on this cotton had been paid, troop units under WANG's command forced the importers to pay them thirty dollars per bale.
8. In early January men from WANG's investigation office tried to extort 1,500 guilders from a truck dealer in Chiuku. In the absence of the manager, LI Shao-chou (2621/1421/5297) refused to pay the extortion. That night two soldiers of the investigation office kidnapped LI and strangled him. Because of dangerous and unfavorable business conditions merchants in Wanting, Chiuku, and Muchieh have moved to Mangyu and Lashio.
9. Members of WANG'S investigation office and members of the local secret societies hate each other because of rivalry. On 4 February when the chief of the investigation office went to Chiuku on business, he was detained by the Ta Hung Shan.
10. When WANG Yu-wei took office, he reorganized the 1 and 2 Battalions of the special service units and the 13 and 19 detachments, in addition to a commando unit totalling about 400 men. These poorly disciplined troops were scattered along the Lashio-Chiuku highway and were at Kueihai and Mangyu. WANG Ch'ing-shu (3769/7230/2579), commander of the 1 Special Service Battalion, eliminated his regimental commander by trumping up charges against him because he did not divide the profits from his speculations with WANG. WANG also robbed and killed an opium trafficker. In January, WANG Ch'ing-shu was being detained by WANG Yu-wei for disobeying orders.
11. Because of friction between WANG Yu-wei and WU Kuo-ts'ai (0702/0948/2624), the 19 Detachment under WU was disbanded and about 40 of his men were either buried alive or shot.
12. YEN Ming (0917/2494), the commander of a commando unit, was detained by Burmese detectives when he went to Mandalay for a basketball contest. His troops were scattered between Mangyu and Muchieh.

25X1 1.  Comment. Kuokan is unlocated, but presumably it lies on a direct line from Chenk'ang to the nearest point on the Burma border. The new route, from Paoshan through Chenk'ang to the border, does not, apparently, decrease the distance. However, since the exact line of the border is under dispute and the territory is mountainous, these other considerations might make the new road more convenient.

25X1 2.  Comment.  recent Chinese Communist troop movements around  
25X1 Wanting.