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Chief, CSS

3 January 1956

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Weekly Indications Report

The following items, reported by S/TR, reveal an unusual intensification of highway and railroad construction in China. It is felt that the reported build-up, with its strategic implications for the Communist Chinese transport system, bears watching as a significant long-range indication of Communist Chinese intentions.

a. On 29 December Peiping announced completion of the Five-Year Plan goals for the building and restoration of highways. The accomplishment of these targets two years ahead of schedule indicates either a gross error in planning or a special priority being attached to the fulfillment of the program. As concerns the latter, there is no firm basis in available intelligence which would suggest why particular importance would be attached to this road building program, especially in areas as remote as Tibet. The major part of the road building program has been concentrated on border areas, i.e., in West China, South China and Southeast China. Completion of this program will further enhance the Communist position of force in these areas both as concerns the local population as well as bordering nations.

b. On 22 December the Minister of Railways reported that work is scheduled to begin on the construction of the Neikiang-Kunming line and on the Szechwan-Kweichow line, both of which were originally scheduled for the second Five-Year Plan. This brings to three the total number of rail lines started under the First Five-Year Plan, which were originally scheduled for the Second Five Year Plan. The third line which has been started more than two years ahead of schedule is the Paotou/Lanchow line. The completion of these three projects will provide a through north-south trunk line extending from the Trans-Siberian south through Paotou, Lanchow, Chungking, and Kuming to Haiphong and the developing port of Kwangchowwan in South China.

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