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## SERVICES DIVISION INDICATI NS JOURNAL

27 April 1955

1. General - Economic - Communications  
 (Info Date - Late 1954)

The Sachsenwerk Radeberg plant in East Germany is reported to be building mobile micro-wave radio relay stations for Communist China. Nine "lines" of nine stations each---a total of 81---are scheduled to be built. The estimated capacity of the plant, working on three shifts, is 21 stations permonth. The three-shift operation of the micro-wave assembly department (some 500 employees) is alleged to have started after the return from China of Gerhard Megla, a German specialist, in December 1954.

A test system installation of terminal and relay stations is supposed to have been finished about the end of January 1955.

S/COM Comment: Each line has a considered relay distance of approximately 300 miles and provides about 8 duplex voice channels and 48 telegraph channels. Unless retransmission takes place at the terminal points, the lines are not considered suitable for linking into systems of greater than 300-mile length. However, their mobility and rapid installation capability (4 hours) should render them of great value in supplementing existing facilities. In the event of bombing or other damage to the former, they would provide readily available alternate facilities for military communication.

Sources: Air. USAFE, ATI-106-55, 28 Jan 55, CONFIDENTIAL  
 RBS-2739-54, 30 Dec 54, CONFIDENTIAL  
 ATIC Bulletin, vol.III, no 49, 3 Dec 54, SECRET

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## SERVICES DIVISION INDICATIONS JOURNAL

27 April 1955

2. General - Economic - Rail Transportation  
 (Info Date - Jan-Apr 55)

S/TR Comment on the restrictions on rail transportation and shortage of rolling stock, noted in Journal items #1, 19 Apr 55 and #1, 15 Apr 55:

Information is now available indicating that restrictions on railway transport and shortages of freight cars, expected by the Chinese to last at least through April, began to develop in early January. Intercepts reveal that these shortages have occurred throughout all of China. In addition, an unpublicized railroad conference began on 27 April in Peking to discuss new transportation rules and freight rates.

Prior to January, there was no widespread railway shortage in the country. While the Ministry of Railways anticipated that possible shortages would occur in 1955 as a result of normal economic growth, there has been no previous evidence indicating that the recently reported transportation shortages would develop so rapidly. The Ministry, in an apparent attempt to alleviate future transportation difficulties, has accorded considerable increases in capital investment to the railways. These investments, while continuing the program of new line construction, are essentially devoted to increases of main trunk-line capacity and rolling stock inventories. It is not yet clear whether or not the Government's efforts will be sufficient during 1955, to meet the basic requirements of both the economy and the military. It may well be that the sudden appearance of railway transport shortages reflects temporarily disproportionate demands being placed upon the railways by the military.

In view of the normally intense utilization of the Chinese rail system, any large-scale military redeployment of men and/or materiel would cause a disruption of normal rail traffic and force the Railroad Ministry to establish a system of priorities for economic and military transport requirements. This may be the reason for calling the railway conference at this time.

(S/TR)

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