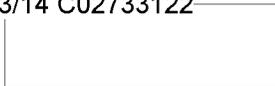




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**SUMMARY**

**USSR**

- 1. **USSR munitions production increased (page 3).**



3.3(h)(2)

**FAR EAST**

- 3. **Enemy armor contacted in Chinese Communist sector (page 4).**



3.3(h)(2)

- 5. **Communist China's railroad to Indochina reported completed (page 5).**

- 6. **Petroleum being shipped to Communist China from Indonesia (page 5).**

**NEAR EAST**



3.3(h)(2)

- 8. **UN Secretary-General Lie cautions Israel on its international policies (page 7).**

**EASTERN EUROPE**

- 9. **Anti-Communist resistance in Poland (page 7).**

**WESTERN EUROPE**



3.3(h)(2)

- 11. **Spanish Monarchists seek control of strike movement (page 9).**

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USSR

1. USSR munitions production increased:

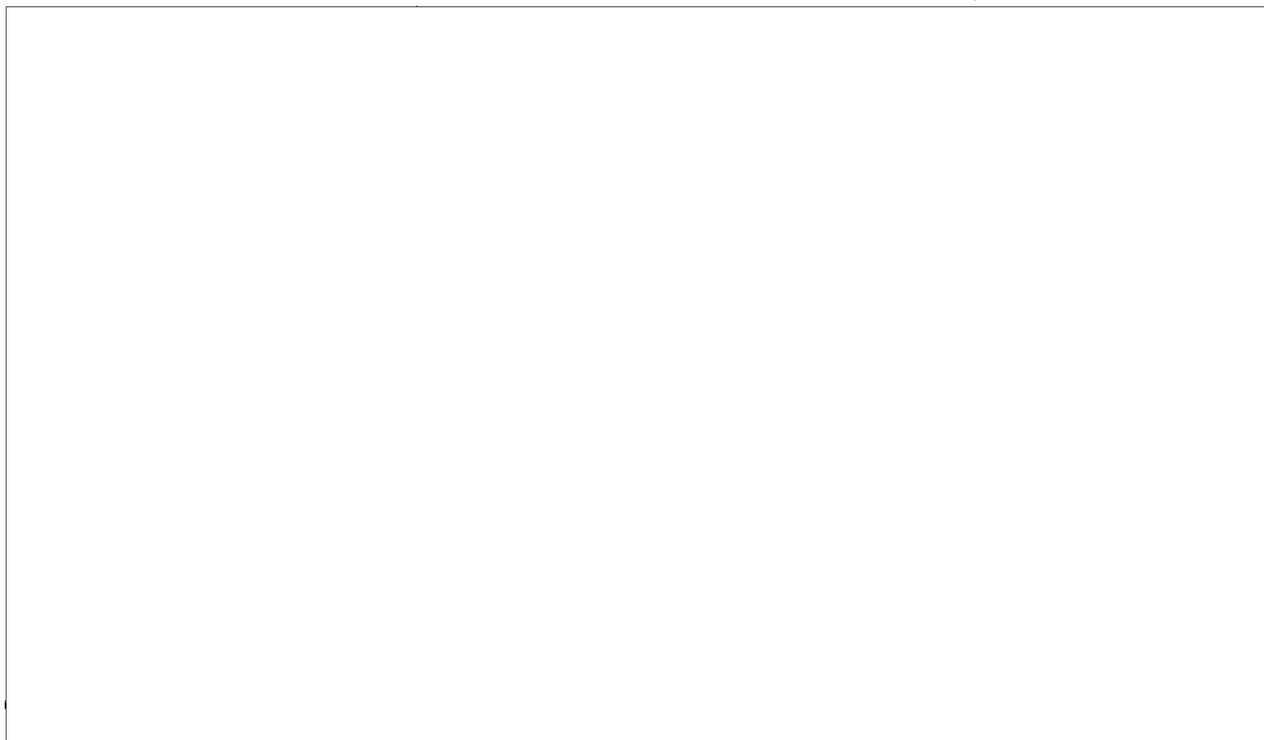
USSR



Comment: This wood-working trust in Irkutsk supplies packing for the major armaments plants between Lake Baikal and the Urals. The increase in production of special packing for munitions in the first quarter of 1951 is approximately 50 percent over production for the first quarter of 1950. Further increases are evidently planned, for an additional mill of this trust was preparing in late March to manufacture special packing for munitions.

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*For Facts*

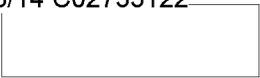


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CHINA

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FAR EAST

3. Enemy armor contacted in Chinese Communist sector:

KOREA

CINCFE Telecon  
1 May 51  
SECRET

A CINCFE telecon of 1 May reported that five enemy tanks attacked six miles northeast of Seoul and that UN aircraft observed seventeen more in enemy rear areas.

Comment: Although there have been almost continuous air sightings of enemy armor since January, scarcely any ground contacts have been reported during this period. This tank contact is reported in the sector occupied by the Chinese Communist 3rd Army Group, previously reported as having received armored support in Manchuria. Two major North Korean armored units are also known to be located in western North Korea.

An 11 April Far East Command analysis of enemy tank sightings revealed 82 sightings in western Korea south of Pyongyang for the period from 16 March to 10 April. In the light of previous experience indicating that air sightings fail to account for more than 50 percent of actual armored strength, this same analysis estimated that the enemy may have at least 150 to 175 tanks for future employment along the more favorable west coast road net.

4. Manchurian arsenals produce aerial bombs:

CHINA



in late March Manchurian arsenals were ordered to increase the production of aerial bombs of 50, 120, 250, 500 and 1,000 pounds.

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Comment: The Mukden Arsenal, and probably a few others in Manchuria, are believed to be capable of producing bombs up to 1,000 pounds. This evidence of increased bomb production ties in with recent reports of increased numbers and training activity of Chinese Communist Air Force light bombers.

5. Communist China's railroad to Indochina reported completed:

CHINA  
INDOCHINA

US Cons Gen Hong Kong 30 Apr 51  
CONFIDENTIAL

An untested source has informed the US Consul General in Hong Kong that the railroad from Laipin (in Kwangsi province) to the Indochina border at Chennankuan has been completed by using rails taken from a section of another line in Kweichow province. The source alleges that the line from Nanning to the Indochina border is the same narrow gauge that is used in Indochina railroads.

Comment: This line was previously reported scheduled for completion by the end of April.

3.3(h)(2)

the Communists had to tear up another line to complete this new one to the Indochina border. This is the only report, however, which indicates that a section of the line is narrow gauge. If true, this would necessitate transshipping at Nanning.

6. Petroleum being shipped to Communist China from Indonesia:

CHINA  
INDONESIA

US Cons Gen Hong Kong 5 Apr 51  
CONFIDENTIAL

The US Consul General in Hong Kong reports that the tightening of Singapore's export regulations have led to an organized movement of goods from Singapore to Indonesia for transshipment to Hong Kong, Macao, or directly to Communist China. The Consul General states that, although the trade is not large as yet, operations may become larger in scale. He mentions in particular the movement of petroleum products via this route, and says that mounting evidence indicates that considerable finance is available to make possible a steady flow of petroleum to Macao from Indonesia.

- 5 -

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3.5(c)

Comment: US officials in Singapore and Hong Kong have been reporting information (which they evaluate as probably true) concerning the planned delivery of a large quantity of motor gasoline or crude oil to Macao, possibly from Indonesia.

[redacted]

3.3(h)(2)

NEAR EAST

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8. UN Secretary-General Lie cautions Israel on its international policies:

ISRAEL  
US

US Emb Tel Aviv  
30 Apr 51  
SECRET

According to the US Ambassador in Tel Aviv, UN Secretary-General Lie has discussed with Israeli Foreign Minister Sharett the present unsatisfactory situation in the Middle East.

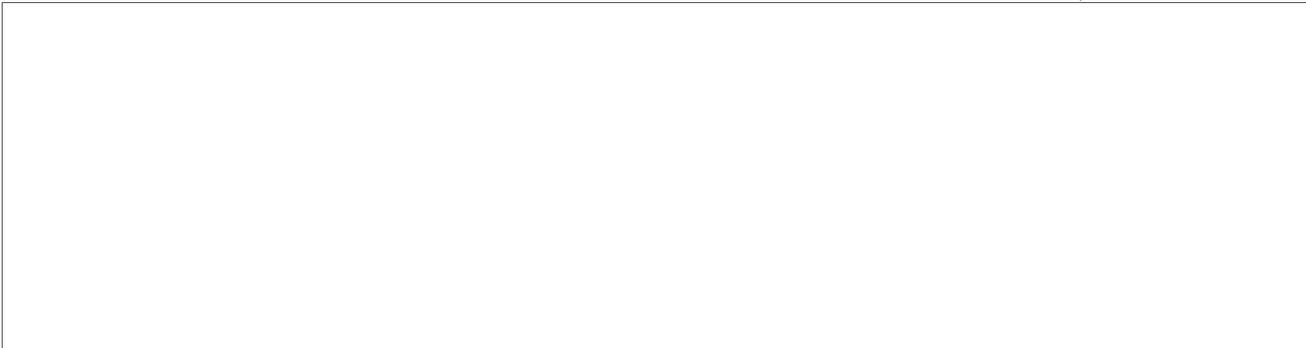
Referring to the dangers arising from Israel's hatred of the Arab States and to the lack of progress in improving that situation, Lie advised the Israeli Foreign Minister (1) to follow a milder policy in international relations, (2) to abide by the UN decisions, and (3) while retaining a necessary independence, to avoid any course that would lessen Israel's friendship with the US. Lie stressed the importance to Israel of American goodwill, citing the Hule controversy -- particularly the retaliatory bombing -- as an example of unwise policies which might jeopardize US goodwill.

Comment: Domestic considerations within Israel -- such as the strong Israeli nationalism, the influence upon Prime Minister Ben-Gurion of General Yadin, Army Chief of Staff, and the problems involved in a general election this summer -- have made it difficult for the government to pursue a moderate foreign policy, particularly in regard to Israel's relations with the Arab States. Lie's advice, however, may have some effect in improving Israel's attitude toward the UN Truce Supervision Organization and the various Mixed Armistice Commissions.

EASTERN EUROPE

9. Anti-Communist resistance in Poland:

POLAND  
USSR



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The Polish resistance groups are small, numbering from four to 200 members. They engage in dissemination of anti-Communist propaganda, acts of local sabotage, aid to farmers fighting collectivization, liquidation of Communist activists and Security Police agents, harassment of Polish and Soviet transportation, raids on political prisons, and attacks on small outlying Security Police offices.

3.3(h)(2)

WIN (Freedom and Independence), was founded in the first half of 1945, is composed of remnants of World War II undergrounds, and is open to all loyal Poles whatever their political complexion. It is presently estimated to number approximately 10,000 members on an active or semi-active basis.

3.3(h)(2)

WIN's current activities are limited, since it holds that attempts at active resistance or an armed uprising would be futile under present circumstances. However, some WIN personnel are believed to be engaged in active resistance despite the organization's policy of passivity.

Presently WIN is the only known nationwide resistance organization capable of supporting an armed internal insurrection in the event of war, provided outside aid were supplied. Moreover, WIN is probably in the best position to organize and give cohesion to the spontaneous resistance groups now scattered throughout Poland.

On the other hand, seven groups of top WIN leaders have been eliminated by the Security Police since 1946. The Security Police have, in addition, prepared elaborate lists of individuals who are deemed politically unreliable, and who would form the bulk of a wartime underground. These lists would provide the information for mass deportations to the USSR or for imprisonment in work camps, thus seriously weakening the formation of an effective wartime resistance organization.

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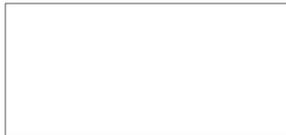
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## WESTERN EUROPE

10. West German leaders concerned over prospects of neo-Nazi party in Lower Saxony election:*Germany*

3.3(h)(2)



3.3(h)(2)

The West German Government and political leaders are increasingly alarmed over the electioneering activities and prospects of the extreme rightist Socialist Reich Party (SRP) in the Landtag election scheduled for 6 May in Lower Saxony. Local US observers now predict it will emerge as the third strongest party in Lower Saxony with approximately ten percent of the vote. The party, led by Dr. Fritz Dorls and ex-General Otto Remer, is "essentially a revival of the Nazi Party and proud of that fact." The SRP has been suspected of camouflaged dealings with the East. The Communists have ceased their attacks on the SRP, and in at least one case have given it indirect assistance. Although the Federal Government has considered repressive measures against the party, no definite action banning the SRP has yet been taken. The Social Democratic government of Lower Saxony reportedly is unwilling to take action against the SRP until after the election, hoping that the party will help split and weaken rightist political opponents.

Comment: Numerous reports have been received on the extremely active electioneering of the SRP, which has held large and frequent meetings in Lower Saxony, where it has its largest following. The SRP does not yet represent a nation-wide threat, although it receives much publicity from the demagogic utterances in the West German Bundestag of its leader, Dr. Dorls. The party could, however, by securing a large Landtag representation in Lower Saxony, attract considerable publicity and possible strength in Western Germany.

11. Spanish Monarchists seek control of strike movement:

US Emb Madrid  
29 Apr 51  
SECRET

The US Embassy in Madrid reports that, despite previous denials, the secretary of the non-Communist opposition Comité Interior de Coordinación (CIC) now admits that his organization was

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behind the Barcelona and Bilbao strikes. The CIC is planning a further series of non-violent strikes culminating in a general sit-down strike in Madrid during the month of May synchronized with the issuance of a Monarchist manifesto calling on Franco to turn over the government to the Pretender Don Juan.

Comment: In the light of available evidence, the CIC, a coalition of clandestine Monarchist, Socialist and Anarchist organizations within Spain, does not appear justified in claiming credit for instigating or directing the Barcelona and Bilbao strikes. Monarchists within the CIC, who sense the latent possibilities of the strike movement, apparently are anxious to use it as a lever for the immediate ouster of Franco and the restoration of the monarchy under Don Juan. On the other hand, the non-Monarchist elements of the CIC, who have a more intimate grasp of the aspirations of Spanish workers, counsel caution, since they feel that any undue haste might well jeopardize their cause by affording Franco a pretext for a new series of repressive measures that could break the back of the non-violent strike movement before it gains momentum.

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