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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

DAILY DIGEST

MAY 23, 1951

Date:

NOTE: 1. This summary of significant reports has been prepared primarily for the internal use of the Office of Current Intelligence. It does not represent a complete coverage of all current reports in CIA or in the Office of Current Intelligence.

2. Comments represent the preliminary views of the Office of Current Intelligence.

3. Marginal letter indications are defined as follows:

  "A" - items indicating Soviet-Communist intentions or capabilities

  "B" - important regional developments not necessarily related to Soviet/Communist intentions or capabilities

  "C" - other information indicating trends and potential developments

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SECTION 1 (SOVIET)

"A" USSR. Re-Equipping of Soviet Air Force in Occupied Europe With Jets. The USAF Summary of Indications for the month ending 17 May 51 notes the continued re-equipping with jets of the Soviet Air Force in occupied Europe. USAF considers that the arrival of approximately 55 MIG-15's at Wiener-Neustadt during April-May confirms the Soviet intent to re-equip fighter regiments in Austria. Obsolete conventional fighters appear to be leaving the 59th Air Army, as indicated by the partial evacuation of a fighter airfield at Eisenstadt/Trauerdorf during the same period. Coincident with the arrival of MIG-15's, it is reported that the USSR further intends to re-equip FE-2 light bomber units with IL-28 jet bombers (probably correct Soviet terminology for what has been called the "Type 27") when production increases and the requirements in the Soviet Zone of Germany have been satisfied. Large-scale operations with the IL-28 are at present precluded due to the availability of only one adequate airfield in Austria. In Hungary, available evidence indicates that the Soviet Union may have completed replacing conventional fighters of the two regiments at Papa with MIG-15's. This conclusion, USAF believes, is further strengthened by the appearance of MIG-15's in Austria and by the apparent Soviet intention of increasing its air capability through present expansion of air facilities in Hungary. In Rumania, Soviet jet units reportedly coming from Bessarabia in the USSR are believed stationed at three airfields. Concrete runways are being completed at six other fields in Rumania. USAF believes that the movement of SAF units into the country is in keeping with the accelerated air facility expansion and improvement program.

COMMENT: This and previous reports appear definitely to confirm that the Soviet Air Force is re-equipping most tactical units in Europe with jet fighter a/c. This trend began in the autumn of 1949 in the 24th Air Army in the Soviet Zone of Germany, and re-equipment is now nearly complete in that Air Army. The arrival of completely new units, however, is not yet confirmed. The presence of Soviet twin-jet light bombers in East Germany has recently been reported, but there have been no sightings of these a/c in Austria.

"B" Possible Sighting of Soviet Jet Fighters in Chukotsk Area. According to the USAF radar detail on St. Lawrence Island, between Alaska and the Soviet mainland, three unidentified aircraft were visually sighted with the aid of field glasses on 17 May 51. One, believed to be similar to a C-97, was flying slowly north at approximate altitude of 1000 ft. when met and passed by two small aircraft going south at great speed. The smaller aircraft then climbed rapidly and disappeared. They gave the "definite" appearance of jet fighter aircraft type. There was no known friendly air activity in the St. Lawrence area at the time of sighting. An earlier sighting of a single aircraft thought at the time to resemble a...
Jet was made from St. Lawrence Island on 19 March 51. (The Alaskan Air Cmd Intell Revie, 12 Apr 51). USAF carries no Russian airforce jets in the Chukhoktok area. Recent information indicating the replacement of conventional aircraft with jets in Soviet Air Force units located in other areas suggest this procedure might be taking place in Chukhoktok.

**Volga-Don Canal Still Far From Completion.** Two assistant MA's from Embassy Moscow, on a flight from Stalingrad to Astrakhan, reported seeing what appeared to be part of the Volga-Don canal. One section about 4 miles long contained shallow water, but no machinery or work in progress was noted. Beyond this, for an additional 20 mile stretch, no excavation had been started. The 4 mile stretch was not linked to the Volga and no locks were seen. The Embassy concludes that, while not absolutely certain, evidence supports the strong presumption that these observations are valid, and if so, the Soviet claim that the canal will be completed by the spring of 1952 appears spurious.

**Ambassador Kirk's Plane Grounded By Polish Authorities.** With the personal plane of Adm. Kirk, US Ambassador to the USSR grounded at Tempelhof Airport for the fourth day, the Polish Government has continued to refuse permission for its flight to Moscow to take Ambassador Kirk to Paris. Emb Moscow reported that Polish clearance heretofore has been invariably obtained; if necessary, by Soviet officials inasmuch as planes are under control of a Soviet navigator from Berlin to Moscow, and the flight route is the responsibility of the Soviet officials. Polish authorities at first said that Soviet officials had facilitated the flight to the maximum by granting Soviet clearance and visas, and that Polish overflight clearance was a US responsibility. Later they admitted that the US might pursue the matter with Soviet authorities in Berlin as well as through the US Embassy at Warsaw. An alternative route, by-passing Poland, was proposed but was said to require separate consideration since the "established route" was over Poland. The extent of the Soviet-Polish double play in obstructing such flights will probably be determined by Soviet appraisal of possible US retaliatory measures in restricting equivalent Soviet flights across the US Zone of Germany. Berlin reported on 22 May that the Soviet controller had been approached in Berlin and a flight plan obtained from him. The Soviet crew of the plane was
standing by to take off as soon as clearance for the flight had been received. Previously the Polish authorities were insisting that clearance for the flight would be granted only if the US provided a flight plan.

Agreement on Graves Registration Signed Between US and Soviet Occupation Authorities. HICOG, Frankfurt reports that the Soviet Control authorities in Germany and the US Occupation authorities have signed an agreement for an exchange of graves registration search and recovery teams. Three US teams entered the Soviet Zone and three Soviet teams entered the US Zone of Germany on 15 May 51. Soviet teams are being accompanied by American escorts.

COMMENT: In the past this is one of the few spheres in which comparatively amicable relations between Soviet and US authorities in Germany have prevailed.

EASTERN EUROPE. CZECHOSLOVAKIA. Alleged US Hostile Activity Linked to Oatis Case. A recent Czechoslovak note regarding the imprisonment of US newsmen Oatis states that the Czechoslovak Government "sees no reason for the Oatis case which is under the consideration of the appropriate Czechoslovak judicial authorities to be the subject of any further discussion." The Czechoslovak Government arrives at this conclusion because of allegedly malevolent and untruthful American broadcasts "that the Prague Government is willing to release American AP correspondent Oatis from prison if the broadcasts of station Free Europe will be stopped." In a follow-up note the Czechoslovak Government protests the increase of hostile activity carried out by the United States against "peace-loving" Czechoslovakia, specifically citing the activity of Radio Free Europe as well as an alleged penetration of the Czechoslovak-Bavarian border by a US military group on 4 May.

COMMENT: Czechoslovak Foreign Minister Siroky had previously reiterated to US Ambassador Briggs that "US-sponsored" emigre broadcasts as well as the alleged border incident formed an unpurigious atmosphere for further discussion of the Oatis case. The strongly worded note against Radio Free Europe suggests that the Czechoslovak Government may attempt to force the US to curtail these broadcasts in return for Oatis' release.

POLAND. USSR Gains Control of Strategic North-South Rail Line. According to an announcement from Moscow, Poland and the USSR have agreed to the exchange of small areas along their common border amounting to a total of 260 square miles. Poland has ceded to the USSR territory which contains a rail line linking the Soviet cities of Kovel and Iwow. In return Poland receives from the Droghobych Province of the Ukrainian SSR a small border area which reputedly contains oil and natural gas resources.

COMMENT: Through this territorial exchange the USSR gains complete control over a strategic North-South (Kovel-Iwow) railroad which parallels the Polish-Soviet border. Approximately one-half of the entire Kovel-Iwow line is single...
track broad gauge. The remainder, including that portion until now in Poland, is single track standard gauge which the USSR will now probably convert to broad gauge. Despite Soviet allegations to the contrary, there are no known oil or natural gas areas in Drogobych Province close enough to the present frontier to be included in the territory that Poland receives.
"C" IRAN. Iranians Demonstrate Against US and UK. On 22 May, the National Front held a demonstration in Parliament Square. An estimated 30,000 persons applauded frantically when Hussein Makk, one of Prime Minister Mossadegh's most intimate associates, declared their presence was a warning and a lesson to the US and UK that the Iranian nation was determined to cast off the chains of bondage. COMMENT: 25X1

iran, traditionally sensitive to foreign criticism, has become even more touchy as the oil controversy snowballs. The demonstration was called yesterday by the National Front which interpreted the recent US statement urging a negotiated settlement of the oil question as US support of the oil company.

"B" AFGHANISTAN. Current Developments in Border Dispute with Pakistan. In order to lessen the danger of additional incidents which might ensue because of current Afghan and Pakistani troop concentrations near the frontier between Kandahar and Chaman, it has been suggested (1) that the US and UK military attaches in Afghanistan and Pakistan visit the border areas in order to observe developments, and (2) that the governments of Pakistan and Afghanistan mutually offer to withdraw their troops. Negotiations regarding both these suggestions are under way. 25X1

COMMENT: It appears that the present Afghan-Pakistani border difficulties are reaching the talking stage, as a result of which a temporary cooling off of the military situation is expected.

"C" INDIA. Unidentified Aircraft Reported Over Delhi. The US Air Attaché in New Delhi, India, has learned that an unidentified aircraft overflow the city on 2 May. According to the Indian Air Force, the plane was a swept-wing single-engine fighter flying at about 35,000 feet. It was sighted by two Indian Air Force Vampire jet fighters operating at 20,000 feet. Indian air authorities thought the plane was an MIG-15 (Soviet-type swept-wing single-engine jet fighter) based in Sinkiang. Once before, on 29 March 1951, an unidentified "foreign" plane, described as a single-engine jet aircraft flying at 30,000 feet, overflow Delhi and left a visible vapor trail in the sky. 25X1

COMMENT: In both instances, the identification of the plane was not firm. The Pakistani Air Force, the only other airforce which could be expected to be flying in the area, has no jet aircraft. Accordingly, one or both of the reported planes may have been Soviet or Chinese Communist. A jet fighter belonging to the USSR or China would have to be
based in western Tibet, probably near Gartok or Lake Mansarwar, in order
to bring Delhi within its range of operation. The possible purpose of a
Soviet or Chinese Communist flight over Delhi is uncertain, but it might
have been either to survey the mountain pass route from Lake Mansarwar
to Delhi or to suggest to the Indians that political neutrality between the
East and West is desirable as a foreign policy.

"C" 
INDOCHINA: Legation Disturbed by Impending Visit of British General.
The Legation is "surprised" to learn through the local press that
General Gracey is expected to arrive in Saigon shortly at the per-
sonal invitation of General De Lettre. The Legation comments that
certain Vietnamese do not "appreciate" Gracely's making possible the
return of French forces to Indochna during his command of the post-
war Allied Control Commission in Saigon. The Legation believes
Gracely's visit will revive Vietnamese suspicions of Allied (including
US) motives in Indochna, suspicions which will be effectively
exploited by Vietnamese Communists. 25X1
COMMENT: The purpose of De Lettre's invitation to Gracely is not
clear. There seems to be no valid military reason. The Legation's
estimate of the Vietnamese reaction is believed to be accurate.
There is the additional fact that Indian troops under General Gracely
committed certain outrages against the Chinese population of Saigon
which will probably be exploited by Chinese, as well as Vietnamese
Communists.

"B" 
MAAG Saigon Asks Urgent Delivery of Material. In a message
concerned in by Minister Heath, General Brink, MAAG Chief, asks for
earliest delivery of No. 2 and No. 3 supplementary military aid
programs for Indochna. Supplement No. 2 contains minimum critical
material for the National Armies of the Associated States. Failure
to deliver these items within the calendar year 1951—has already
been promised—would result in a "critical loss of time" in develop-
ing the native armies. Supplement No. 3 contains the major portion
of signal and ordnance material on which depends defense of the
critical Tonkin area. Brink believes that to defer this material
to the 1952 program would involve a complete change in the defense
planning for the Tonkin area with consequent extreme risk of
jeopardizing the ability of French-Viet forces to hold Indochna
against Chinese Communist invasion. 25X1

"B" 
Tonkin Commander Doubts Viet Rebels Will Attack before
Autumn. General Linarez informed DS Consul Blancke that all was
calm in the Tonkin delta except for sporadic clean-up operations.
Linares doubts that Ho's forces are able or willing to try an
offensive before the "August—October rains." Blancke got the
impression from Linarez' subsequent comments that there would be
little French offensive activity during the hot, rainy summer.

25X1
COMMENT: The rainy season is usually
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considered to extend from June to September. Linares estimate that the rebels will be unable to launch an offensive before the beginning of the rains is probably correct. A French policy of reduced military operations during the rains could have very unfavorable repercussions unless accompanied by a vigorous program of bolstering the political and military condition of the Vietnam regime.

"A" CHINA. Communist Tactics in Korea. In contact with Peiping where he talked with various "democratic personages," reports that, as of mid-May, (1) there were 1,800,000 Communist troops available in Manchuria and Korea; (2) the Chinese Communists had received "Soviet instructions" to launch three attacks, the first aimed at Seoul, the second at Taejon and Taegu, and the third at Pusan; and (3) 500-600,000 troops were to be used in each attack. If the second and third attacks can be repulsed (the first having been), the Communists "may be ready to call a halt." Indications that Communist plans envisaged three major attacks; the 25X1 Daily Digest of 10 May reported an alleged top-level decision to divide the campaign into three phases: the capture of Seoul, the securing of a line between Andong and Taejon, and an all-out attack on Pusan. Figures for Chinese and Korean Communist strength in Manchuria and Korea are believed high by at least 300,000. View that the Communists may digest, if the 25X1 alleged operation fails, is apparently a personal speculation, not necessarily based on information in Peiping. In any event, the 25X1 third phase of the reported plan obviously depends upon successful completion of the first two phases.

"B" KOREA. Communist Pose Serious Threat in Eastern Korea. Combat intelligence reports of 23 May indicate that the North Korean II and V Corps are still aggressively attacking elements of the disintegrating ROK III Corps in the mountains west of Kangnung on the east coast. Further to the west in the mountainous terrain east of Hongchon, US elements are reportedly under heavy attack from elements of the Chinese Communist 9th and 3rd Army Groups. Comment: Further enemy penetrations in this mountainous sector will seriously imperil the ROK I Corps on the east coast and may necessitate additional withdrawal of the US X Corps in the east-central sector.

"C" Communists Set Stage for Further Atrocity Accusations. Both Radio Moscow and the North Korean radio on 21 May heralded the arrival in North Korea of a delegation from the Communist "Women's International Democratic Federation." This group, purportedly representing women from 19 nations, is investigating the "bestial atrocities committed by the American imperialist." The delegation is reported to have made a thorough investigation of the Pyongyang...
area and to have taken photographs "confirming the atrocities".

25X1

COMMENT: The stressing by Radio Moscow of the "international" character of this group is seen as setting the stage for further well-documented charges to the world, made by an "impartial" group, of UN atrocities in Korea.

"C" JAPAN. The Philippines Will Oppose Japan's Entry Into ILO. Under Secretary Neri of the Philippine Foreign Office told a US Embassy officer in Manila that the Philippines probably would oppose Japan's membership in the International Labor Organization, implying that any support by his Government of Japanese aspirations to participate in international organizations prior to the peace treaty would meet unfavorable public opinion. Neri was unconvinced by the argument that assumption by Japan of the obligations of ILO membership would tend to equalize Japan's competitive position with other adhering countries. 25X1

COMMENT: Japan was recently elected to its first major UN organization (the World Health Organization) by a 54-0 vote, with six nations, including the Philippines, abstaining. With this precedent, it appears likely that the necessary two-thirds support can be obtained for Japan's membership in ILO, despite the attitude of the Philippine Government.

"C" Japanese Communists Said Preparing for "Armed Struggle". The important Japanese newspaper YOMURI reports that the Special Investigation Bureau of the Attorney General's office has uncovered two secret JCP documents which indicate that the party is planning to expand its illegal activities. A directive, "Strengthening of Self-defense Corps Activities and Systematic Preparations for Armed Struggle," and a pamphlet, "Basic Tactics for Guerrilla Warfare", allegedly contain instructions on the formation of youth action corps and guerrilla tactics. 25X1

COMMENT: Japanese Communists habitually talk of "armed revolution", but there is no evidence that they have been able to cache any significant amounts of arms or ammunition. CINCPE believes that any shock troops, if available from any domestic source, would come from among the leftist Koreans in Japan, and it now seems fairly certain that a Korean Action Corps actually has been formed. These quasi-military units apparently are receiving training in group action, discipline and guerrilla tactics, but there is no evidence of training in the use of firearms.
ITALY. Agricultural-Industrial Gains. The wheat crop forecast for 1951 is now between 7 and 7.5 million tons or slightly under the 1950 crop. Continuing rains make a forecast of the final yield difficult. The Italian steel industry produced 237,000 metric tons during March, 23 percent greater than the 1950 monthly average. The maintenance of this production level is contingent upon availability of raw materials. Italy can now make quicker deliveries than other Western European countries in a wide variety of industrial products.  

COMMENT: Italian economic activity continues to show a substantial recovery from economic prostration at the end of the war. If crop estimates are realized, the 1951 wheat crop will be the second largest in the postwar period. Italian industry is likely to benefit from Western rearmament, but such gains are likely to be temporary for many sectors of Italian industry because of high costs that are not competitive in international markets. Overall economic gains and the reduction of inflationary forces depend in large measure on the raw materials available to the Italians and on the soundness of Italian economic policy.

BELGIUM. No Recent Communist Sabotage of Mail for Korea Volunteers. Energetic steps taken to investigate the reported destruction of letters and pilfering of packages addressed to Belgian troops in Korea (See OSI Daily Digest, 6 Apr 51) have revealed no evidence of additional Communist sabotage. Shipments of mail and packages seem to be reaching the volunteers in Korea, and the morale of the Belgian unit is reportedly 'very good'. The Belgian Government is very conscious of the Communist danger and is taking positive steps to combat it.
Ministry of Communications and extensive sabotage to communications appear to have been exaggerated.

SPAIN. Madrid Strike Call meets with Partial Success. The 22 May strike in Madrid appears to have been only partially effective. The work "slowdown" urged by opposition propaganda did not materialize, but the boycott against public transportation and stores carrying consumers' goods did. The boycott was most effective in the early morning and, as yet, there has been no evidence of violence.

COMMENT: The Madrid boycott, although less dramatic than either the Barcelona or Bilbao strikes, was nevertheless more impressive than had been anticipated. The Madrid climate is less charged with political tensions and passionate regional feelings. However, the fact that large numbers of workers dared implement secret boycott instructions, despite the government's campaign of intimidation and elaborate police precautions, is of considerable significance and may serve to emphasize the desperate economic conditions which have produced in the Spanish people as a whole, a mood of defiance and the determination to express their discontent.

UNITED KINGDOM. Royal Navy to get New Chief in December. The Admiralty has announced the appointment of Admiral Sir Rhoderick R. McRigor as First Sea Lord and Chief of Naval Staff, effective about December 1951, succeeding Admiral of the Fleet Lord Fraser who has served the customary three years.

COMMENT: This routine change in Britain's top naval post puts in a well qualified man who is very popular with officers and men alike, being known throughout the Navy as "Wee Mac". He had an outstanding World War II record in both sea and air engagements in European waters, and has since been Vice Chief of Naval Staff, Commander in Chief of the Home Fleet, and Commander in Chief of Plymouth Naval Base. Sir Rhoderick is friendly with Americans and from all indications is a supporter of close naval cooperation with the US.

BOLIVIA. Tin Miners' Chief, Juan Lechin Arrested. Embassy La Paz reports that Juan Lechin, miners' leader and member of the Nationalist Revolutionary Movement (MNR), was arrested on 21 May. The Embassy believes that if "nothing untoward" immediately results from his arrest, "we will have a sizeable breathing spell."

COMMENT: Lechin's arrest is a stabilizing factor and will considerably aid the junta's efforts to suppress MNR revolutionary activity, especially in the mining areas. (See OCT Daily Digest, 16 and 19 May 51).
ECUADOR. Communist Influence in Guayaquil Municipal Government. The Mayor of Guayaquil recently appointed Bolívar Quevedo, a Communist Party candidate in the 1949 municipal elections, as Chief of Municipal Police. In addition, he has named a Communist to the position of Assistant Police Chief, and a man reported to be a Communist sympathizer as Paymaster of the Police Force. 

COMMENT: During the past three months Mayor Ordeñana of the important port city of Guayaquil has also appointed several other Communists to positions in the municipal government. Ordeñana, although self-styled a political independent, has reportedly been a secret member of the Communist Party since 1936 and has publicly associated with Guayaquil Communist leaders for a number of years. He was not elected mayor (the Communists command relatively little voting strength in the city), but by virtue of his position as Vice-President of the Municipal Council assumed office in February 1951 when the elected mayor resigned. The above appointments will help the Ecuadorian Communists by providing them with greater opportunities for graft, a portion of which may be used for party purposes; in addition, they may be able to retain some of the less important municipal positions after Ordeñana's term expires at the end of 1951. This development will not contribute to the instability of the national government, however, since the Communists on the municipal police force will seek to preserve order in the city and try to keep under control the large group of violently anti-Communist Guayas Moreno followers, who continue plotting the overthrow of the present pro-US President Plaza.

PARAGUAY. New Minister of Defense. General Francisco Caballero Álvarez has been appointed Minister of Defense vice Dr. José Zacarias Arza who recently was appointed Ambassador to Spain, and who resigned on 19 May. US Embassy Asuncion commented on 13 May that the government apparently is in very strong position.

COMMENT: The appointment of an important Army officer—reportedly loyal to the ruling Colorado Party—to a key post in the heretofore essentially civilian government may be a calculated attempt to command continued army support of the present regime. Sporadic rumors of government changes over the past several months probably have reflected some tension in the political atmosphere and the planted gossip of outside groups. It now appears that the present cabinet change may be a "first round" victory for the Commander in Chief of the Armed Forces, strongman General Díaz de Vivar.

VENEZUELA. Sabotage Incident in Eastern Petroleum Port. An oil company operating in eastern Venezuela reports that one of its pipelines in the Puerto La Cruz storage area was sabotaged on 22 April and that
1,449 barrels of oil were lost. An unknown individual with a key which will fit all valves on the pipeline unlocked one of the escape valves and re-locked it in open position. Security measures have been increased, but a company official states that suitable precautions are "very difficult in view of the nature of our operations".

**COMMENT:** This is the first incident identifiable as deliberate sabotage since last summer when several such cases were reported. At that time it was not entirely clear whether the acts were motivated by vengeance following the outlawing of the "red" Communist Party (PCV) and 45 petroleum syndicates, or whether they might be related directly to plans for crippling the UN effort in Korea.