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SECURITY INFORMATION~~

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GENERAL

1. Satellites considering centralization of Western ship chartering:

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Comment: The apparent objective of this plan is the more efficient utilization of cargo space on chartered Western vessels, which are used primarily to carry nonstrategic goods to China and Chinese exports to the Satellites. This would make available more space on Soviet bloc ships for transporting strategic commodities.

The volume of trade between the Satellites and China has been increasing rapidly, causing serious congestion in the Polish port of Gdynia, the major Satellite port for China trade.

2. Orbit attempts to establish Greece as transshipment point:

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Comment: The attempt to establish Greece as a transshipment point is apparently a reaction to negotiations by Western nations regarding transshipment controls for such major Western European free ports as Antwerp and Rotterdam.

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FAR EAST

3. Comment on announced 1953 industrial plan for China:

Figures released by Peiping on 7 May regarding planned industrial production for 1953 are generally lower than the preliminary figures given in a 4 February speech by Chou En-lai.

The most important cut was in the electric power target, now seven percent less than the figure reported in February. Iron and steel goals are slightly lower. Copper, lead, cotton cloth and timber output targets were reduced as much as 10 percent. Cement is the only important industrial commodity which is to be produced in larger quantities than originally planned.

Despite the reductions of some targets, the final 1953 plan is still ambitious, as it calls for a 23-percent increase in over-all industrial production over 1952.

NEAR EAST - AFRICA

4. Mossadeq reportedly plans trip to Italy:

~~Prime Minister Mossadeq~~

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~~intends~~
to go to Rome personally to defend Iran's case in the Anglo-Iranian Oil Company's suit against the Italian company SUPOR, scheduled to be heard in a Rome court on 19 May. The prime minister allegedly received a passport on 8 May.

Comment: Mossadeq may hope to use an appearance in Rome to strengthen his political position in Iran. Previously, he gained renewed popular support by exploiting the "victories" he had won at the UN General Assembly in November 1951 and at the International Court of Justice in June 1952.

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Although it would be politically more dangerous than ever before for Mossadeq to leave Iran at this time, he risked his two previous trips in the face of opposition intrigues.

WESTERN EUROPE

5. French effect budget saving through piaster devaluation:

The Paris devaluation of the Indochinese piaster from 17 francs to 10 francs on 10 May will effect savings of about \$170,000,000 in the French budget, according to estimates by American and French officials in Saigon.

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Comment: Such a saving would represent about 7.5 percent of the current French budgetary deficit. This step, whose effects will probably be only temporary, will help ease the current financial crisis in France and may facilitate Premier Mayer's efforts to obtain parliamentary acquiescence to the economies and tax increases still necessary.

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