Approved For Release 2000/04/18 : CIA PDB83-00423PD 2000090007-77 SEE BOTTOM OF PAGE FOR ADDITIONAL SPECIAL CONTROLS gterial contains information affecting the INFORMATION REPORT ise of the United States within the age Faws, Title 18, U.S.C. meaning of the La Secs. 793 and 794, the in-PREPARED AND DISSEMINATED BY sen is prohibited by CENTRAL INTELLIGENCE AGENCY 25X1A2g Iran SUBJECT Improved Economy NO. OF PAGES IPPLEMENT TO REPORT # 25X1A6a RESPONSIVE TO 00/C-DATE OF INFORMATION (Date or dates, on or between which, 25X1A6a events or conditions described in report existed) Mar 55 THIS IS UNEVALUATED INFORMATION 25X1X 25X1X6 1. Cotton production is up, particularly around Meshed where a ginning press was bought. Increased production in this area is primarily due to the favorable prospects for improved transportation facilities. A rail-road from Shahrud to Meshed is presently May 1955 under construction under the auspices of the seven-year plan. In the past, farmers in the Meshed area only grew enough cotton for local production due to the poor transportation facilities. 3. Iran is importing a great deal more machinery than in past years, a considerable amount of it being of German Federal Republic manufacture. In this connection, Diesel engines of Deutz, MWM, and MAN manufacture are being used to power all of the ginning equipment we have sold to Iran. These Diesels are purchased from Germany FR at a cost of approximately US\$11 thousand as compared to US\$18 thousand for similar Diesels of US manufacture. I also noticed that most of the new electric motors come from Germany FR and are of AEG manufacture. - end -25X1A2g This ameralizated information is supplied for **the possible** interest of your analysts. It does not warrant dissemination by TYPE ACT-BATE INFO-TER-BATE AREA JUN 15 1957 DISTRIBUTION STATE NO DISSEM ABROAD

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