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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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DIA and DOS review(s) completed.

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SUMMARY

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NEAR EAST

3. Iranians consider government committed to nationalization of oil:

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The US Embassy in Tehran reports that the Iranian people now regard their government as committed to the principle of nationalizing Iran's oil resources. Having been approved by the lower house of parliament, the nationalization proposal now goes to the Senate for approval and the Shah for his endorsement. The lower house, after unanimously approving the proposal, granted the Parliamentary Oil Committee two more months to study the details involved in implementing the measure and provided that the Committee might employ foreign specialists to advise it. According to the Embassy, an American economist who was retained previously by the Iranian Government to advise it on the oil problem is reportedly attempting to work out a solution which will leave the impression with the Iranian public that the industry has been nationalized, although such will actually not be the case. Meanwhile, public demonstrations in favor of nationalizing the Anglo-Iranian Oil Company, Iran's only real oil industry, reportedly continue; the Embassy states that the situation is entirely dominated by emotions.

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EASTERN EUROPE

4. <u>Yugoslav will to resist reportedly low:</u>

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talk of war and rumors of Soviet troop concentrations on the Yugoslav border have created great unrest among the Yugoslav people. Reportedly, families are preparing to leave Belgrade and persons not irrevocably compromised by association with Tito are trying to detach themselves from the regime in the hope that the Soviets will not molest the neutral element. The widespread belief that the Yugoslav Army would quickly fall before a Soviet attack has allegedly weakened the Yugoslav will to resist.

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The US Air Attache in Belgrade reports that the population in the Vojvodina area has freely expressed to him its dissatisfaction with conditions and attributes its hardships to poor governmental management.

<u>Comment</u>: Numerous recent statements by Tito and other Yugoslav leaders regarding the threat of war have undoubtedly caused increased apprehension and unrest among the Yugoslav people. Furthermore, Yugoslavia's economic problems, which have been heightened by the 1950 crop failure, are probably augmenting Yugoslav dissatisfaction with the regime.

Previous reports about the state of Yugoslav morale have been conflicting: US Ambassador Allen in Belgrade believed, as of 9 February, that Yugoslav morale was high; on the other hand, a 12 February report from the US Embassy in London states that the British Ambassador in Belgrade was at that time troubled by the low state of public morale in Yugoslavia. US officials, who have traveled extensively throughout Yugoslavia in recent months, have noted no evidence indicating that the Yugoslav will to resist a Soviet attack has markedly declined.

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WESTERN EUROPE

5. <u>Communists hope to exploit Paris strikes</u>:

FRANCE

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According to US Embassy Paris, the Politburo of the French Communist Party was scheduled to meet on 17 March to plan a "cascade of strikes" involving public utilities, suburban railways and government agencies in the Paris region, in support of the Paris transport strike which began on 15 March. The Embassy reports that non-Communist union leaders do not feel that workers are prepared for long and bitter strikes, but believe that price rises and the hesitancy of management and government in making cost-of-living adjustments may materially benefit Communist election candidates.

<u>Comment</u>: Growing rank-and-file agitation for wage increases has lead the non-Communist unions to collaborate with the Communist-led General Labor Confederation in the Paris transport strike--the first important instance of such collaboration since last spring. Union resources, however, are believed insufficient for a protracted Paris transport strike.

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