



7 April 1959

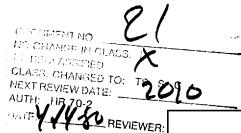
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## CENTRAL

# INTELLIGENCE

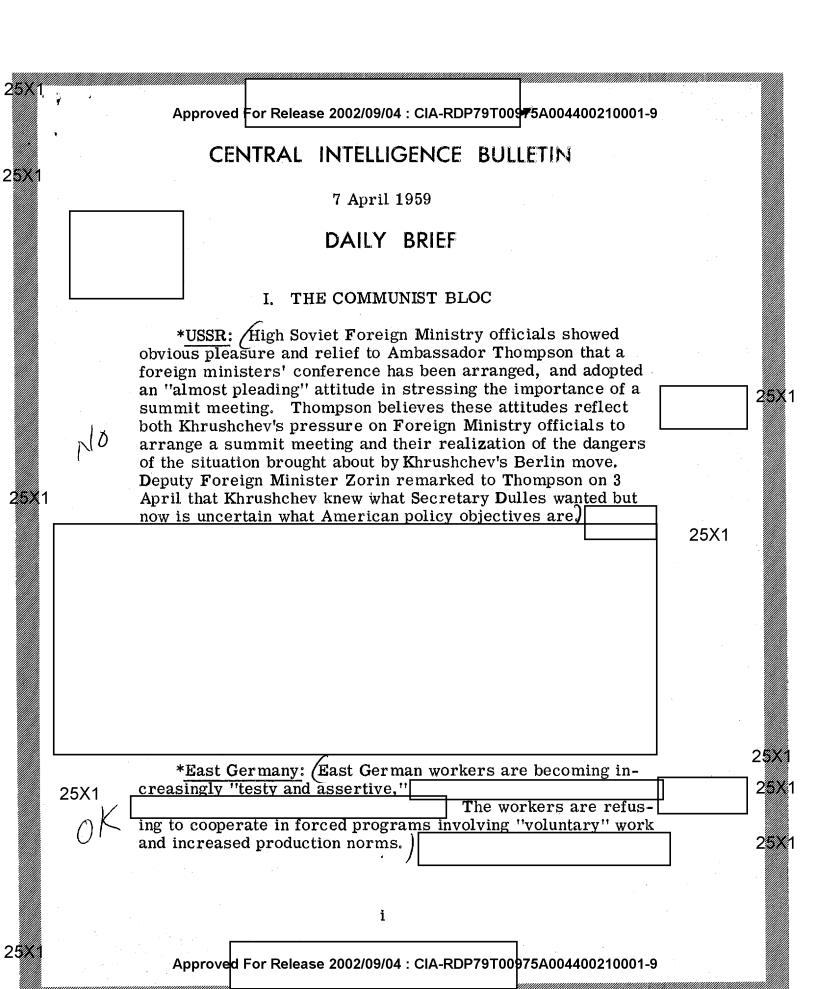
## BULLETIN





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Approved For Release 2002/09/04 : CIA-RDP79T009754004400210001-9

Approved Fac Release 2002/09/04 : CIA-RDP79T00975A004400210001-9 25% The ambassador believes that Baghdad will attempt to demonstrate a link between the Mosul uprising and the Mosul Petroleum Company -- an Iraq Petroleum Company affiliate with relatively insignificant production. Thus far more than one third of the 157 Iraqi nationals holding senior posts in IPC have been arrested. 25**X** III. THE WEST 25X1 France-NATO: (French Foreign Minister Couve de Murville, informed of the US decision in principle to furnish arms to Morocco, 25**X** stated De Gaulle's personal reaction would be unfavorable and incline him to take 'further unilateral action in other fields relating to NATO," De Gaulle previously linked his withdrawal of the French Mediterranean fleet from NATO wartime control to the issue of Allied support for France's North African policy. This suggests he might be equally prepared to use the Moroccan arms question as the pretext for transferring NATO-committed ground units back to "national" control in line with his concept of NATO as a loose coalition.) 25 💥 Spain: Continuing economic deterioration in Spain makes labor disturbances appear probable in April or early May. (The out-25 💥 lawed Spanish Communist party is trying to capitalize on workers' discontent by urging moderate opposition groups to join in a nonviolent strike. These groups have thus far been unwilling to join the Communists in public demonstrations against the regime, but might feel obliged by growing worker restiveness over inflationary pressures to undertake some limited form of cooperation.) 25 🗶 25 💥

7 Apr 59

DAILY BRIEF

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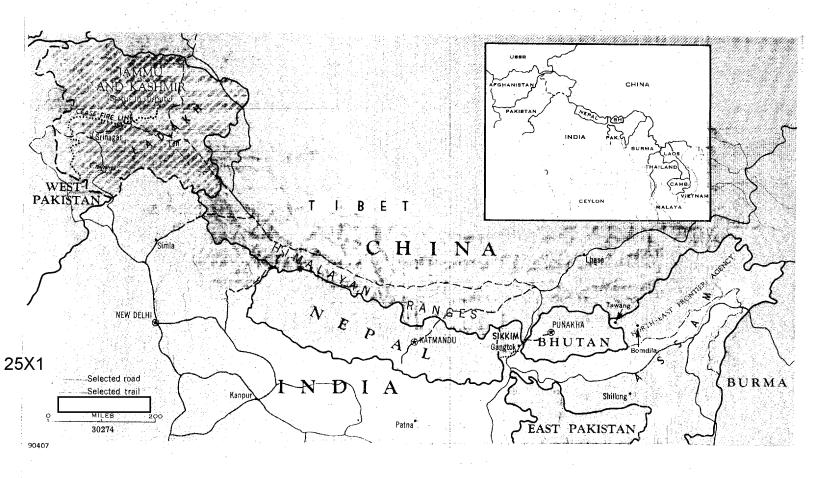
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X1	The East German workers' refusal to cooperate in the regime's programs involving "voluntary" work during free time and their increasingly "testy and assertive" behavior are becoming a very serious problem for the Socialist Unity (Communist) party (SED),  This situation will make it impossible to fulfill Ulbricht's boast that the East German standard of living will equal that of the Federal Republic by 1961, and will mean a further loss of face for the SED.
	One pro-Ulbricht functionary summed up the situation, "If we don't attain our goal the masses will laugh at us. If we do reach it we'll have lost the workers." He recognized that if the workers were exploited to the extent necessary to achieve the goal, they would be completely alienated from the regime.



#### II. ASIA-AFRICA

### Himalayan Border States Share Indian Concern Over Tibetan Developments

India's concern over the possible consequences of Peiping's military action in Tibet is being increasingly reflected in the small independent and semi-independent states which share the Himalayan frontier. The royal governments of Nepal, Sikkim, and Bhutan fear that the Chinese Army's intensified effort to wipe out remaining rebel concentrations along the frontier will result in an influx of refugees and possibly lead to clashes with their border troops.

Independent Nepal appears to be relying on India for guidance.

Like New Delhi, Katmandu's closed-door policy on Tibetan refugees has been modified so that asylum probably will be granted in most cases.
Nepali army and police units along the Tibetan border have been
reinforced. The isolated mountain kingdom of Ehutan--a protectorate of India--appears to be taking similar action.

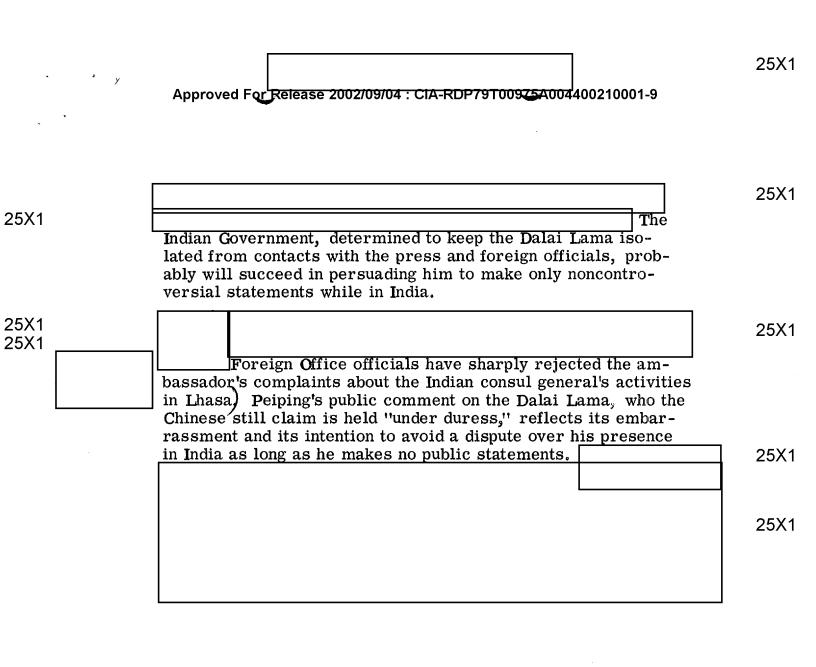
The crown prince of Sikkim, a state more closely controlled by New Delhi, has taken a strong line against Chinese repression in Tibet, likening it to the revolt in Hungary. The prince, a prominent Buddhist leader closely related to the Dalai Lama's family, on 6 April expressed his conviction that Prime Minister Nehru would "persuade" Peiping to recognize Tibetan autonomy.

The Dalai Lama, now resting at the remote lamasery of Tawang in India's North-East Frontier Agency, apparently will leave on 7 April to begin a five-day trek across the mountains to Bomdila, headquarters of the Kameng frontier division.

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III. THE WEST
Possible French Reaction in NATO to US Decision On Moroccan Arms
French Foreign Minister Couve de Murville stated on 5 April that De Gaulle's reaction to the American decision in principle to furnish arms to Morocco would be "extremely bad," since it would be regarded as making a farce of tripartite Western policy consultations. Referring to De Gaulle's recent withdrawal of the French Mediterranean fleet from NATO wartime control, the foreign minister said the US decision on arms for Morocco would encourage De Gaulle to take further unilateral French action in other fields affecting NATO.
De Gaulle may use the Moroccan arms question as the pretext for further moves to weaken the "integration" aspects of NATO in line with his concept of the alliance as a loose coalition. He will probably maintain his opposition to integration of the French Air Force with the NATO air-defense complex, and might go so far as to transfer NATO-committed ground unitsmost of them already in Algeriaback to "national" control.
De Gaulle's current views on NATO were made public in his 25 March press conference. In a 4 April address marking NATO's tenth anniversary Premier Debré repeated De Gaulle's demands for a greater voice for France in deciding free world strategy and said NATO must develop cooperation in other than purely military matters.)

Possibility of Strikes in Spain This Spring

The illegal Spanish Communist party (PCE) reportedly is trying hard to persuade the moderate opposition groups to support a nonviolent general strike this month or early in May.

these groups are reluctant to back obviously Communist-Inspired demonstrations but they are not completely unwilling to collaborate with the PCE.

A repetition of the spring strikes of the past three years is possible. Workers continue to feel the pinch of inflationary pressures even though the cost of living has tended to level off in 1959. The US Embassy estimated in February that living costs in the Madrid area had risen 45.2 percent since November 1956. The government's program to rationalize the Spanish economy to qualify for aid from the International Monetary Fund and to enable Spain to compete in a free European market may require layoffs of surplus workers to lower production costs and may give rise to serious strikes.

The moderate opposition groups have heretofore rejected Communist overtures for joint demonstrations against the regime. Should worker restlessness be such as to compel attention by the opposition, the moderate groups might feel obliged to collaborate in some degree with the PCE in order to forestall the Communists—the best organized of all the clandestine parties—from making a bid to capture the workers' allegiance.

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