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INTELLIGENCE SUMMARY

For Week Ending
8 December 1948

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OFFICE OF REPORTS AND ESTIMATES
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GREECE

Possible political developments: The life of the government sworn in on 18 November (see Weekly Summary of 24 November) has probably been prolonged a few weeks by the illness and "miraculous" recovery of Prime Minister Sophoulis. Political opposition has refrained from attacking the ailing Sophoulis but will return to the fray as soon as it is believed that public affection for the person of Sophoulis will allow. Even then the splinter Liberals led by Venizelos will probably not make a drastic bid for majority power but will negotiate with Tsaldaris and the Populists for another coalition within the present general right-center framework. Mere shuffling of personalities, however, will not increase the efficiency of the government or the army, although it certainly will increase the growing impatience of the people. Eventually, this impatience and a deteriorating military and economic situation will break the political vacuum in which governments of the last two years have been created and have died. Then, probably, the King will order Markezinis, a clever leader of the New Party but as yet untried as a national leader, and General Papagos, the rather colorless hero of Greek resistance in 1940, to form a government with authoritarian overtones. In all these negotiations the politicians will be dancing one short step ahead of disaster, and it will be miraculous if some one does not trip and bring the whole lot down at the feet of the Communists.

Talks with satellites unproductive: During the Paris UN discussion of the Greek problem, an Australian resolution was introduced calling for bilateral discussions between Greece and Albania, Yugoslavia, and Bulgaria under the aegis of Secretary General Lie and GA President Evatt. The points to be discussed included: the resumption of diplomatic relations (with Albania and Bulgaria); the creation of frontier regulations, patrols, and commissions assisted by UN observers; and acceptance of peace treaty terms concerning frontiers (in the case of Albania and Bulgaria). The talks began on 12 November and are still under way. In spite of optimistic reports by Evatt, nothing has been accomplished or is expected to be. Agreement between Greece and Yugoslavia appeared to be nearing until Yugoslavia announced that no agreements could be made which did not include Albania and Bulgaria. The matter rests there. The only apparent result has been that in Greece (where the talks have been publicized as they have not in the satellite states) a non-Communist minority has been encouraged to declare for a fellow-travelling course of reconciliation with the bandits.

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TURKEY

Saka Government may fall: The Hasan Saka Government very quickly ran into difficulties with the commencement of the Assembly's winter session. Premier Saka was so strongly attacked in the Assembly for mismanagement of economic affairs that he was compelled to seek a vote of confidence in his own PRP (People's Republican Party) caucus; he won the vote by a wide margin but only after about one third of the PRP deputies had left the hall. It is evident that Saka faces still further criticism from all sides and that (despite the heavy PRP majority in the Assembly) the government may fall before the session ends.

If the Saka Cabinet falls, Foreign Minister Sadak may be asked to form a cabinet, in order to emphasize the continuation of Turkey's foreign policy, although he lacks specialized knowledge of administration or economics. It is more likely, however, that President Inonu will select a deputy who possesses some experience in administration and who is not unacceptable to PRP moderates, whose opposition to Saka seems to be growing. The most likely choice is perhaps General Cebesoy, one of the leading personalities in the creation of the republic and a man who is widely respected for his integrity and administrative ability.

The selection of Cebesoy, however, presupposes a victory of President Inonu over the diehard conservatives of the PRP, who would prefer a man of their own choosing, such as Hilmi Uran, Vice-President of the PRP.

The riot season begins: The annual eruption of student demonstrations which normally takes place throughout Turkey in December has now started in Istanbul. Unlike the student riots of many other countries, these mob scenes usually cause no concern to the security services. Having set up protective police cordons around buildings housing Soviet or satellite representatives to prevent international incidents from arising, the authorities can look on with a benevolently paternalistic eye as the young hotheads shout nationalistic songs and slogans and listen to anti-Communist speeches. No harm is done except to Turkey's left-wingers, whose property is apt to be roughly handled. This, of course, does not rouse any ire on the part of the local Chief of Police, whose sons and nephews (carefully coached by him beforehand) may well be in the vanguard of the marching thousands of young patriots.

ARAB STATES

Transjordan-Israeli agreement? The meeting of Palestine Arabs at Jericho to proclaim Abdullah "King of All Palestine" and the cease-fire agreement between Israeli and Arab Legion leaders for the Jerusalem area may form the basis for a subsequent Israeli-Transjordan rapprochement. The cease-fire, which has been surprisingly effective, serves as a trial-balloon

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to test the attitude of the other Arab states toward an Arab-Israeli agreement. So far, there has been no violent Arab reaction to the cease-fire, and the fact that Transjordan and Israel have reached an accord in military matters offers a precedent for agreement in other spheres. Although the Jericho meeting proclaimed Abdullah king of "all" Palestine (presumably for propaganda purposes), Abdullah realizes that the existence of a Jewish state must be accepted and has long been eager to annex merely the Arab portions of Palestine. Similarly, Israeli officials have sought to work out a political agreement with Abdullah in the hope that an arrangement with the strongest Arab state would probably break up the shaky structure of the Arab League and dissipate the threat of concerted military action against Israel. If Abdullah concludes that he can weather the initial storm of Arab indignation which any political agreement with Israel would certainly provoke, he may well seek to conclude negotiations with the Israelis concerning the Arab and Jewish areas of Palestine.

Popular demonstrations: Current mob demonstrations in Syria and Egypt suggest that the Arab peoples are increasingly aware of their ability to influence government policy by direct pressure. This trend goes far to explain the present tendency of Arab political leaders to avoid any clear-cut statements of official policy on controversial matters (such as Palestine, Anglo-Arab relations, etc.) which might provoke new manifestations by dissatisfied elements. The effectiveness of such popular pressure was indicated in Iraq last January, when mob action forced the resignation of the Jabr Government following the unpopular treaty negotiations with the UK. The immediate pretext for these recent outbreaks is alleged mismanagement in Palestine, but the basic cause is the economic plight of the Arab people. Governmental inability to cope with such internal problems as inflation, petroleum shortages, and taxation has intensified popular resentment over Israeli diplomatic and military successes. Because of the volatile Arab temperament, it is always possible that a manifestation originally planned as a mere formal protest may get completely out of hand, as apparently happened in Damascus and Cairo last week. It is premature to speculate regarding the eventual security of the ruling houses in Iraq and Egypt or of the republican regimes in Syria and Lebanon. History, however, is studded with cases where the underestimation of popular feeling has caused the collapse of a dynasty. Present events may, indeed, lead to a new Arab awakening.

Syro-Lebanese Common Interests talks stalemated: The deadlock between Syria and Lebanon regarding the formal extension of the Common Interests agreement (reported in the Weekly Summary of 20 October) continues. The principal difficulty revolves about the question of import control. Syria is insisting that imports be strictly limited (with the complete banning of luxury articles) to conserve scarce foreign exchange. Lebanon's

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economy, on the other hand, is based primarily on trade and upon Beirut's prominence as a shipping center. The Lebanese are accordingly reluctant to enter into any agreement which would reduce this trade volume.

The discussions have been further complicated by the wheat question. Hitherto, Syrian dependence upon Lebanese merchants and port facilities has been counterbalanced by Lebanese dependence upon Syrian wheat; both factors have always been a source of some irritation between the two countries. While normally the logical procedure would be for Lebanon to obtain its wheat requirements from Syrian supplies, the present price of Syrian wheat is considerably above world market quotations. Lebanon has, accordingly, made efforts to wriggle off the hook by importing wheat from abroad. Syrian reaction to this development has reportedly been to insist that any extension of the Common Interests agreement provide for severe restrictions upon the importation of wheat and flour.

There the matter rests. If current Syrian efforts to place the unbacked currency on a more stable basis are successful, prospects for agreement between the two countries should be improved. While an eventual meeting of minds is probable, considerable amounts of coffee have yet to be consumed over the conference table before that point is reached.

INDIA-PAKISTAN

Kashmir solution still remote: By indulging in a new exchange of recriminations over Kashmir and Hyderabad, India and Pakistan have further undermined the efforts of the UN Security Council and the UN Kashmir Commission to achieve the basis for a peaceful settlement in Kashmir before the UN closes down for Christmas. In response to Pakistani charges that the Indian Army is undertaking a major offensive in Kashmir, in violation of the Kashmir Commission's request not to "aggravate" the situation there, India has asserted that the initiative in Kashmir has come from Pakistan and that Indian operations have been defensive. At the same time India has countered Pakistani demands for a re-opening of the Hyderabad case before the Security Council by charging that ammunition surrendered by the Hyderabad Army to India bore the markings of Pakistani ordnance depots. At Paris, the US and UK are close to agreement on a draft resolution which contemplates an imposed cease-fire for Kashmir followed by a plebiscite under a UN plebiscite administrator. It is doubtful, however, that definite UN action can be obtained this year. When the UN resumes its activities early next spring, improved weather conditions in Kashmir will increase the danger of a military solution of the problem.

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NOTED IN BRIEF

The Greek press complains that the Minister of Coordination's transfer of 500 billion drachmas from reconstruction to the military budget was made necessary by the inadequacy of US credits to the armed forces. A Greek law requiring male nationals of military age residing outside the country to return for military service will have no appreciable effect on military operations but will provide a slight boost to morale in the light of past draft evasions. Sizable recent British purchases of Turkish tobacco may lead to a long-run solution of the surplus problem which has plagued Turkey's principal export commodity ever since World War II, when it lost the important German market. The British Government would undoubtedly like the UK's future tobacco needs to come from Turkey, to avoid dissipation of dollar exchange. The chief difficulty will arise over the necessity for re-educating British tastes away from the Virginian type tobaccos currently in use back toward the Turkish blends favored up to World War I. The rainy season in Palestine has aggravated the desperate plight of the Arab refugees, who have been caught without food, shelter, or hope. UN councils, mindful of even worsened conditions during the winter, are accelerating their efforts to set up an adequate relief administration. The Arabs, in opposing the US-UK resolution in the GA Political Committee, found themselves paradoxically aligned with the Soviet bloc and the nations friendly to Israel. Through their intransigence, the Arabs have again missed an opportunity to support a solution which (while recognizing the existence of Israel) might have served at least to limit the Arab loss by defining to some extent the Israeli domain. The recent refusal by Mapam (the leftist United Labor Party in Israel) to allow the Communists to be included on the party ballot for the 25 January elections indicates that although Mapam favors closer Soviet-Israeli relations, it is far from accepting unreservedly the Soviet party line. The Egyptian riots, caused in part by election incidents in the Sudan, have shaken Nokrashy's position as Prime Minister and have also given a setback to the attempts of high Egyptian officials to improve Anglo-Egyptian relations. Although Nokrashy has publicly opposed British administration in the Sudan and has been termed the chief stumbling block to reopening of the treaty talks with the UK, his position as head of the government automatically makes him subject to criticism from all sides. King Farouk also stands to lose from last week's disturbances. He had hoped for a rapprochement with the British and has made gestures of goodwill in that direction; the current popular troubles, however, have forced him to issue statements opposing British interests. Iran has made a bid for the US dollars its opium could buy by indicating its willingness to abide by international narcotic regulations and even to restrict opium production in Iran. Up to now Iran has been barred from making shipments to the US, which permits narcotics to be imported for medical purposes only, because of the substantial business it has

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done with the Orient in violation of international controls. Prime Minister Saed's close ties with Iran's leading opium merchants, as well as Iran's need for dollar exchange, are probably responsible for the point's being raised at the present time.
Soviet courtship of India has now taken the form of lavish praise for Indian meteorological achievements, expressed by the chief Soviet delegate at a recent international conference of meteorologists in India. The Soviet representative also voiced the hope that contacts between Indian and Soviet weathermen would be strengthened in the future.

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