

NEAR EAST/AFRICA BRANCH
OFFICE OF REPORTS AND ESTIMATES
CENTRAL INTELLIGENCE AGENCY

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NEAR EAST/AFRICA BRANCH

INTELLIGENCE SUMMARY

Vol. IV No. 32

For Week Ending
17 August 1949

GENERAL

The latest Syrian coup: The Syrian coup of 14 August, in which President Zaim and Premier Barazi were summarily executed, appears to have been of internal origin largely motivated by resentment against Zaim personally and the measures which he instituted during his four months in power. The army clique headed by Colonel Hinnawi which directly carried out the coup objected to Zaim's high-handed attitude toward his former military colleagues and probably also to their not receiving direct benefits from the large sums allocated to the army. The overthrow of Zaim found ready support among the wealthy class of Syrians who opposed his policies of tax reform. Moslem religious groups were apprehensive of the growing tendency toward secularization. The suppressed opposition parties were embittered by the loss of civil and political liberties, and there was general dissatisfaction with Zaim's pro-French and Turkish policies.

In contrast to Zaim's militaristic and dictatorial policy, the Hinnawi clique immediately handed over the government to civilian politicians. An interim cabinet under the premiership of the senile Atassi (a former president) has been thrown together consisting of old-line politicians and members of the reform group, pending the convening of a new Parliament. The new Premier has stated that the interim cabinet would neither confirm nor deny actions taken by the Zaim regime. The status of international commitments entered into by the former government, particularly the Trans-Arabian Pipeline and the Syro-Israeli Armistice, remains undetermined. It is likely that the new administration may return in certain of its internal policies to the status quo prior to the Zaim regime.

Recognition by the great powers and by Syria's neighbors has not yet been forthcoming and may be delayed until there is reasonable assurance that the new government will enjoy some degree of permanency. Reaction among Syria's Hashimite neighbors, Iraq and Jordan, naturally has been favorable inasmuch as Zaim had turned from them to the anti-Hashimite states of Egypt and Saudi Arabia. King Abdullah of Jordan wired his congratulations to the new Prime Minister and offered to send troops if requested. In Iraq, officials expressed pleasure over developments and expressed a belief that Syrian-Iraqi relations would henceforth improve.

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In Egypt, which had been strongly supporting Zaim, the initial reaction was one of shock and surprise; three days of official mourning were declared. Some segments of popular opinion, however, were not greatly displeased, having felt some apprehension lest a dictatorship, similar to that of Zaim, be established in Egypt. There appears to be a general awareness in government circles in the various Arab states that the assassinations were unfortunate because they give further impetus to a bad precedent already established by Zaim's original coup.

Although any firm estimate at this time of the consequences of the coup would be premature, the new regime would appear to have a somewhat better than even chance of surviving. If it does so, the tendency toward a split in the Arab world into two opposing groups of states will at least be checked, and the possibilities of some kind of "Fertile Crescent" union increased. The relations of the US to Syria will probably not be significantly affected, and the position of the UK is definitely improved at the expense of France. After some period of delay, it is probable that the pipe-line agreement and the Israeli armistice will be re-affirmed.

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GREECE

Grammos salient may assume critical importance: The apparent withdrawal of considerable numbers of guerrillas into Albania in the face of the rapid progress of the Greek Army offensive launched in the Vitsi area on 10 August presents the possibility of a speedy guerrilla redeployment elsewhere on the Albanian border and may give critical importance to the coming Grammos phase of the 1949 anti-guerrilla offensive. In contrast with their retreat in the Vitsi area, the guerrillas have been defending stubbornly and exacting relatively high casualties in their 250-square-mile Grammos salient, although the anti-guerrilla offensive has not yet reached its full intensity there.

The guerrillas will probably continue to defend the Grammos area as long as possible because: (1) the terrain is more forbidding, offers better possibilities of harassing actions on the flanks and to the rear of the Greek Army, and is more useful than the Vitsi area for guerrilla movements in and out of the mountains of central Greece; and (2) the guerrillas could ill afford to withdraw from both their major salients below the Albanian border at the height of Tito's taunts about Soviet liquidation of the Greek guerrilla movement, and before the September UNGA meeting with its new possibilities for peace propaganda. Furthermore, by their use of the Albanian highways in the frontier zone for swift redeployment, the guerrillas may actually gain temporary tactical advantages inasmuch as the facilities for corresponding movements of the Greek Army south of the border are not nearly so good. What has been accomplished thus far in the Vitsi area therefore seems only a preliminary to more difficult operations against the Grammos salient and any other points on the Albanian border chosen by the guerrillas for re-infiltration.

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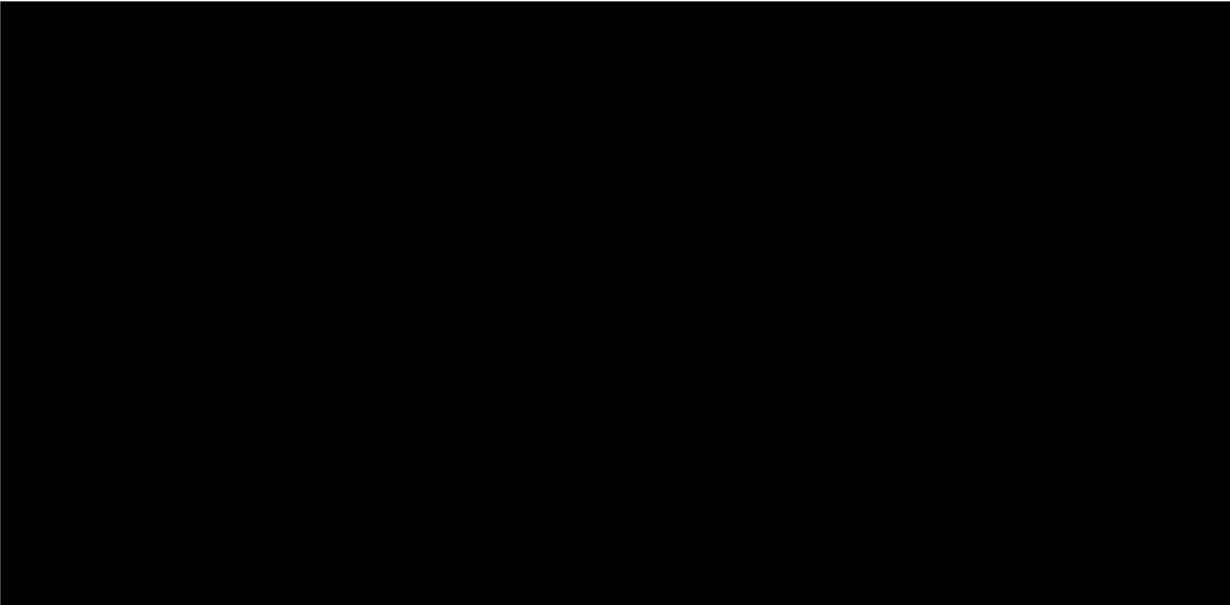
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INDIA - PAKISTAN

After two years: India and Pakistan, which celebrated the second anniversary of their independence this week, have made some noticeable progress along the road to stability since the departure of the British authorities from a divided subcontinent on 15 August 1947. Some of the dangers which threatened the two new dominions at the outset are still present. The unsettled Kashmir dispute has kept alive the spirit of distrust, bitterness, and uncooperativeness between Moslem Pakistan and the Hindu leaders of India and has helped create the present tribal dispute between Pakistan and Afghanistan (which may be largely motivated by an Afghan desire to assure that the lands west of the Indus do not revert to India in the event of war between India and Pakistan). These intra-regional tensions have diverted statesmen from more constructive matters, saddled India and Pakistan with heavy military expenses, and retarded economic stabilization in the two dominions, whose economic interdependence is obvious. There is still a possibility that full-scale hostilities may break out, leading to the disappearance of Pakistan as a political entity, the reduction of India to a strife-torn and communally inflamed state, and the emergence of an Afghanistan so beset by tribal restiveness and internal turmoil as to invite Soviet occupation.

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Nevertheless, the three governments already possess a considerable degree of internal stability, and if a peaceful and mutually satisfactory solution of the Kashmir dispute can be obtained, it is likely that they will be able to effect a gradual improvement in their economic condition even without special outside help. Under such conditions, the present trend toward political stability in the region could be expected to continue for some years to come.

A basis for continued stability is most firmly established in Afghanistan and Pakistan. Politically, the Afghan Government encounters only sporadic internal opposition; economically, although it may not be able to complete all of its ambitious development programs, it should be able to alleviate Afghanistan's primary problem--that of assuring adequate food production. In Pakistan, despite the recent emergence of an internal opposition, the conservative and benevolently paternalistic group now in power appears firmly entrenched for the next five years or more. The country possesses a sufficiency or near sufficiency of food and a surplus of other agricultural products; unless external factors intrude, Pakistan's economic situation should slowly improve over the next few years. There is no subversive group of significant size, at least in West Pakistan, and although a large and potentially disaffected refugee population still exists, the government supposedly has adequate lands for use in resettlement.

India presents a more complex picture. Its economy is currently under considerable stress; discontent exists among the laboring classes and peasantry in many parts of the country; and there is enough opposition by both Communists and non-Communist, to constitute something of a threat to the government's present leadership. However, increasing economic and political stability appears attainable even without extraordinary foreign loans, beyond those that may be obtained from the IBRD and the Eximbank. While the government's expectation of achieving self-sufficiency in food-stuffs within the next two or three years would appear to be over-optimistic (even should dollars be immediately available for the many multi-purpose dams and land reclamation projects which are planned), its strenuous attempts to increase food production and utilization should result in a considerable decrease in the quantity of essential food imports, especially if (as is probable) the authorities realize the necessity of doing something about the maladministration, transport difficulties, and dishonest distribution which have all too often resulted in famine. In the field of industrialization (as in that of agricultural development) the advantages of rapid procurement of foreign capital goods must be weighed in the light of the effect on India's foreign exchange position, and under present circumstances it is doubtful that the government can go in for rapid expansion. Even so, the determined and sometimes ruthlessly forceful group now in control of the

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country should be able to meet the basic psychological needs of the Indian people sufficiently to assure its continuation in power for the next six or seven years. During that period a slow but apparent economic improvement may result from the more gradual development of India's potential through increased purchases of capital goods from soft currency areas and through the rational and efficient utilization of India's own capital resources.

Communist agitation and the spread of pro-Communist thought will continue to constitute a real threat to India's political and economic stability whatever policy of development and improvement the government may be able to follow. However, the Communist danger will decrease as substantial economic improvements are obtained, and the government's apparent willingness to take all necessary anti-subversive measures should increase materially the time which it can safely spend in obtaining such results. Should either Nehru or Patel (or both) disappear from the scene because of illness or assassination, the government would be subjected to additional and severe strains. Such strains might eventually prove disastrous; certainly the cleavage between groups of different ideology within the ruling Congress Party would become emphasized. However, the indications are that the group currently headed by Nehru and Patel will retain power for a few years at least.

Current relations between India and Pakistan: The UN Commission for India and Pakistan (UNCIP) has formally invited the GOI and the GOP to attend joint political meetings in New Delhi on 17 August, under UNCIP auspices, for the implementation of the Kashmir truce agreement. UNCIP feels that this effort to effect a truce by mutual agreement is warranted in view of the recent conciliatory attitude displayed by both governments in effecting a cease-fire line in Kashmir

The GOI has maintained thus far an over-legalistic attitude on the matters still in dispute. However, discussions between the US Ambassador in New Delhi and Bajpai, GOI Deputy Minister of External Affairs, and the reported pressure of GOI economic advisers on Prime Minister Nehru for a settlement and for an honoring of the plebiscite commitment may result in a more conciliatory attitude.

The joint political talks will be under the chairmanship of the Czechoslovak UNCIP delegate. The GOP will probably be represented by Foreign Minister Zafrullah Khan. Bajpai or Ayyangar, Minister of Transport, may be the GOI representative. The GOI is reluctant to confer plenipotentiary powers on its delegates to the meeting, although UNCIP will probably insist that the representatives be invested with sufficient

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authority to conclude an agreement, subject to ratification by their respective governments. UNCIP is also expected to indicate that the talks will be terminated if an agreement is not reached within a reasonable time.

Despite the obviously divergent interests of the two dominions, UNCIP will ask that both governments submit the truce proposal to arbitration if the joint political talks fail. In the event of an arbitral award, Admiral Nimitz is to be named Kashmir Plebiscite Administrator. The GOP may, in the joint talks, insist on a definite statement of an intention to hold the plebiscite and may demand that the date be fixed for installing the Plebiscite Administrator.

There is little optimism over the outcome of the political talks. Further, the GOI's reply to UNCIP suggests that the talks begin on 22 August, a five-day postponement.

Additional disputes of considerable magnitude which plague GOI-GOP relations and which provide at least a psychological deterrent to an amicable settlement of the Kashmir problem pertain to water rights and refugees' property.

A recent Indian ordinance banned the sale of property left in India by Moslems emigrating to Pakistan. Following India's action, the GOP promulgated a similar regulation in regard to non-Moslem refugees' property in Pakistan. In late July, the GOP announced that, by emergency decree of the Governor General, all dealings concerned with evacuee property were to be banned for a two-month period. This week, the Pakistani Federation of Chambers of Commerce and Industry announced a boycott on Indian goods. This boycott will place India in a serious position of deficit trade balance with its best customer and will aggravate its already-bad foreign-trade position.

Moreover, this week the GOI-GOP conference on the division of the Punjab river waters ended without conclusive result. In fact, Zafrullah Khan formally proposed submission of the dispute to the International Court of Justice. India asserts ownership of the waters flowing from India into Pakistan and plans dam projects for the East Punjab, which, Pakistan fears, will drain the Indus watershed, affect 80 percent of West Pakistan's agriculture, and return the area to desert. India suggests that the GOP proposal to approach the International Court of Justice is premature and considers justified a proposal to survey the total water resources of Pakistan's Indus basin to find substitute sources for irrigation water now being drawn by Pakistan from rivers flowing out from India--such investigation being without prejudice to any legal rights in the area.

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Both sides stubbornly adhere to their original positions and fail to approach even the technical problem of water utilization in a practical and sincere way. These considerations bode ill for the relations between India and Pakistan in important aspects of their national lives.

NOTED IN BRIEF

The close cooperation on Turkish domestic affairs practiced by the Peoples Republican Party (PRP), which is the government party, and its chief opposition, the Democratic Party, appears to have ended, and the political campaign from now until the 1950 elections bids fair to be a rough-and-tumble fight with few holds barred. PRP spokesmen allege that the national oath drawn up by the Democratic Party incites members to the use of force. Celal Bayar, head of the Democratic Party, has for his part asserted that President Inonu (who leads the PRP) bears the moral responsibility for the present situation in Turkey and that the country must follow a different political line if democracy is to develop normally. Under the circumstances, accusations by the minor Nation's Party that the PRP and the Democrats are "collaborating" appear somewhat far-fetched.

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In the closing of the Ankara daily KUDRET for financial reasons, the Nation's Party has lost the only daily newspaper to give it whole-hearted support. This blow, in addition to the probable end of "collaboration" between the PRP and the Democratic Party which has been one of the principal appeals of the Nation's Party to the Turkish people, is likely to result in a diminution of the party's power in spite of its recent incorporation of the Independent Democrats.

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A Turkish crowd has angrily demonstrated against alleged irregularities at the Istanbul race-track. The incident is unusual in that tempers rose high enough for the good citizens to set fire to buildings beside which they have been dishonestly parted from their hard-won liras for many a year. Subsequent efforts of law-enforcement officers to quell the riot were resisted. Ankara officials apparently link this most unusual resistance to recent guarded opposition hints that the Turks might take the law into their own hands if cheated at the next elections. There may, in fact, be very little difference in the reaction of a Turkish voter, whether robbed of his vote or of his money.

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During Iraqi Prime Minister Nuri Said's visit to London, discussions with the UK Foreign Office were confined "almost" entirely to Iraqi finances. Nuri indicated that at least 10 million pounds are needed to meet urgent current obligations. The UK is sympathetic toward granting a loan, but the problem of collateral is a stumbling block. Oil royalties cannot be pledged since they are tied to an International Bank loan application; increased taxation cannot be imposed by a government already under criticism; reopening the Haifa pipeline, while increasing Iraq's revenue, would benefit Israel and is therefore politically out of the question. The Foreign Office is investigating the possibilities of a private loan.

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The election of Iran's first Senate is to commence the latter part of August, with the election of the Majlis to follow soon thereafter. Martial law has been lifted in Tehran, and the Shah has issued orders "to insure free elections." While the lifting of martial law is reportedly a victory for the opponents of Chief of Staff Razmara, it is expected to have little effect on the army's ability to steer the elections.