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

WORKING PAPER

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NEAR EAST/AFRICA BRANCH

INTELLIGENCE SUMMARY

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GREECE

Greek political strategy on guerrilla problem: In an effort to forestall any Soviet attempt in the UNGA to obtain an advantageous "settlement" of the Greek problem, Greece is taking steps toward the solution of political aspects of the guerrilla problem and is re-emphasizing the importance of international action to seal Greece's northern borders. The Greek Government will soon announce a broad program which may provide re-education and amnesty for all guerrillas except the hard core and leadership, stays of execution for crimes connected with the rebellion, and an early date for national elections. To prevent Communist political resurgence, however, the government will reaffirm the illegal status of the Greek Communist Party and will probably deny civil and political liberties to Communists and former guerrillas for some time. On the other hand, the Greek Government, the press, and the radio are giving wide publicity to the crucial role Albania played in preventing the complete annihilation of guerrillas in the Vitsi and Grammos areas, and Foreign Minister Tsaldaris has said that recent Albanian orders to disarm and intern guerrillas are no more to be trusted than similar assurances given a year ago. With guerrilla strength inside Greece reduced to about 5,000 by successful Greek Army action in the Vitsi, Grammos, Beles, and other areas, and with the Yugoslav border closure largely effective, it is apparent that continuation of organized guerrilla movement within Greece will depend primarily on Albanian support in reorganizing, equipping, and committing the estimated 12,000 guerrillas now in Albania. By stressing this fact and by setting up a framework for internal pacification, the Greek Government apparently hopes to encourage UN efforts to solve the border problem and to discourage any international attempt to intrude in Greek domestic affairs.

TURKEY


Turks draft law to encourage foreign investment: The Turkish Cabinet has approved a draft bill designed to encourage foreign private capital investment in Turkish economic development projects. The draft bill seems to be an attempt to meet accusations made both in the US and by the Turkish opposition that the government is adhering too closely to the collectivist

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economy of statism. Provisions for the transfer of both capital and profits are included in the proposed bill. The bill apparently makes no assurance, however, as to the rate at which either profits or capital may be withdrawn and thus leaves unsolved two of the principal problems which deter potential foreign investors: the security of their investment and its amortization. As reported, the draft bill does not include as many concessions as even a moderately cautious investor would require. It is likely that future investors will be compelled to conclude individual contracts with governmental acquiescence if not participation, even after the bill is passed.

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JORDAN

Abdullah in Spain: King Abdullah's 11-day visit in Spain, which was launched with appropriate pomp on 5 September, promises to be a well-staged publicity stunt. Although the two heads of state can be expected to commiserate over their common exclusion from the UN and to discuss such matters as the status of Jerusalem and anti-Communism, the announced purpose of Abdullah's visit was to discuss the nearly one million Arabs in Spanish Morocco. Abdullah's show of interest in the Moroccan Arabs will read well in the Arab press, while a display of particular cordiality toward an Arab monarch is calculated to improve Franco's standing among his Moroccan subjects.

INDIA-PAKISTAN

Kashmir situation: There appears to be some possibility that India may accept UNCIP's last-ditch proposal--which was strongly backed by President Truman and British Prime Minister Alee--that the questions involved in a Kashmir truce be settled by Admiral Nimitz or some other arbitrator. If Prime Minister Nehru's increasing awareness of the deleterious effects which the dispute is having predominates over the emotionalism which has hitherto characterized his approach to the problem, he may decide to seize what may be the only method of obtaining a peaceful settlement which would not involve a serious loss of Indian prestige. The danger is that India may revert to its old tactics and state its acceptance in terms which would seriously curtail the arbitrator's powers or involve considerations not covered in the 13 August 1948 and 5 January 1949 agreements. Pakistan has reportedly already accepted.

NOTED IN BRIEF

The USSR has presented a bill amounting to about \$14,000 to the Turkish Government to cover hospital expenses for Captain Fuat Guzaltan, Turkish courier who recently died in the USSR. Although Soviet officials declared that Guzaltan killed himself, Turkish authorities were highly skeptical and interred the body with full military honors and at considerable expense.

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If the Turks were not so disinclined to treat a strained international situation lightly, they might well consider sending a retaliatory invoice to Moscow to cover the full expense of Guzaltan's costly funeral.

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The most important test to date of the effectiveness of US military aid to Turkish is now in progress, as the Turkish armed forces commence autumn maneuvers. Command post exercises some months ago proved useful in revealing serious deficiencies, both in equipment and in operations. The present maneuvers, which are being watched by US observers, should further reveal weaknesses which require correction and should indicate the degree of success already achieved by the US military mission.

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The difficulties with which the Italians would be faced if they were given trusteeship over their former territory of Somaliland are emphasized by joint resolutions passed by the Somali Youth League and the Allied Hamar Youth Group in Mogadiscio on 12 August. The resolutions called for immediate independence for Italian Somaliland and union of all Somalis, including the Ogaden in Ethiopia and the northern frontier district of Kenya, with the stipulation that a collective or single UN trusteeship of up to ten years, from which Italy was excluded, would be acceptable. British military intelligence sources estimate that between fifty and seventy thousand Somalis would forcibly oppose Italy's return under any scheme and that a quarter of a million Somalis would join the movement if it were at all successful.

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The nature of Arab tactics in the General Assembly may well be foreshadowed by the refusal of the Lebanese Minister and the Egyptian Ambassador to the US to join the Arab UN delegation. The Arabs might be planning to make statements about the US (and the UN) which would be incompatible with the diplomatic status of the two Arab representatives in Washington.

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The dilatory policy being pursued by the new Syrian Government, which is marking time pending the re-establishment of constitutional government following elections scheduled for mid-September, threatens the stability of the state. Withdrawal of Hinnawi's support, further army

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intervention, or rise of civilian disturbances could easily undermine the none too secure foundations of the existing regime.

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Delay and postponement appear to be becoming Standard Operational Procedure (SOP) within the Arab League, and the September meeting of the League's political committee, already postponed from July, may well be put off again. In view of these political differences between them, the Arab governments have been unable to come to effective joint decisions, and they may feel it wiser not to meet at all than to meet and indulge in political wranglings.

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An uprising of disgruntled Egyptian Army officers is not likely at present, despite the currency of rumors on the subject and King Farouk's reported fears of a revolt. Although there has been dissatisfaction in the army for some time, none of the reported leaders is particularly powerful, and Egypt's international situation is relatively stable at present.

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The Shah of Iran, apparently alarmed by the recent Syrian assassinations, has formed the 8,000-strong First Division of Tehran into a "guards division" under his personal command as a precaution against any possible attempt to overthrow the royal dynasty.

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The Union of South Africa, is experiencing the worst drought in its history. In the eastern Cape Province, which was particularly hard-hit, the native fields are burned powder dry, more than 2,000 natives have died of starvation, and many thousands of sheep and cattle have perished. Even the large seaports of East London and Port Elizabeth have been required to import water by tanker from Durban. The Union Government, faced with popular demands for the importation of more grain and meat, will probably be forced to relax its rigid import restrictions, thus jeopardizing the program to curtail dollar and foreign currency spending on which the country's prospects for economic development and financial stability depend. The export of manganese, chrome, asbestos, and other strategic minerals to the US will not be affected.

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