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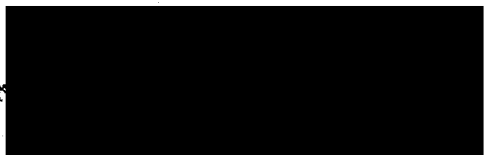
NEAR EAST/AFRICA DIVISION
OFFICE OF REPORTS AND ESTIMATES
CENTRAL INTELLIGENCE AGENCY

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NEAR EAST/AFRICA DIVISION

Vol. V, No. 5

INTELLIGENCE SUMMARY

For Week Ending
8 February 1950

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NEAR/EAST AFRICA INTELLIGENCE SUMMARY

CYPRUS

Spole of discord: The Cyprus Communists, with a considerable increase in support from Soviet satellite transmitters and the "Free Greece" radio, have swung into high gear in their exploitation of the "union with Greece" (enosis) movement in this British Crown Colony. After collaborating with the Cyprus Orthodox Church in the so-called plebiscite of mid-January in favor of enosis, the Cyprus Communists are attempting to seize the initiative by proposing that an all-Cypriot delegation propagandize the UN and European capitals and put pressure on the Greek Government to bring the Cyprus question before the UN. While these maneuvers are probably designed primarily to augment the sizable local following of the Communists and to help discredit their less active rivals in the Church and right wing, the Communists may also hope to make this already delicate issue a source of serious friction in the Eastern Mediterranean. Even though there is no chance of British withdrawal from Cyprus in the near future, the UK colonial authorities are harassed by such agitation, and the Communists may hope that any countermeasures will play into their own hand rather than that of the nationalists. Despite moderating statements by both the Greek and Turkish Governments (the latter, of course, opposed to enosis), there have been recurrent manifestations of popular feeling with the sharpening of the issue. Because of its relations with the UK, the Greek Government will have to set aside any large measure of the semi-official sentiment for enosis that has occasionally come to the surface in the past, and will thus be somewhat vulnerable to Communist propaganda on this issue. Should enosis ever become a reality, Cypriot Communist strength might be a strong wedge for re-establishing Communism in Greece.

TURKEY

Material delivery problems: Delay in the organization of service and maintenance units in the Turkish armed forces, whose equipment, training, and modernization are proceeding under the US military aid program, has resulted in the accumulation of spare parts and other types of materiel in storage. The US military mission in Turkey, concerned over possible deterioration of equipment, has suggested that shipment of any materiel allocated to Turkey under the FY 1950 program be withheld until the present situation has been corrected. The underlying cause of the trouble appears to be traditional Turkish red tape and obstruction arising from such things as individual procrastination and inadequate

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delegation of authority. The situation in no way reflects a lack of appreciation of US aid on the part of the Turks.

IRAN

Precarious economic situation: Two facts are becoming increasingly clear in Iran: general economic distress is growing rapidly, and the Iranian Government is not checking this deterioration. Given sufficient time, the government might be able to improve the situation, since Iran possesses a sound currency, a favorable foreign exchange position, and a technically feasible program for the comprehensive improvement of economic and social conditions. The constant threat posed by the geographical proximity of the USSR, however, militates against effective and timely implementation of measures to cure Iran of its basic ills. Iran's exposed position discourages private investment in long-term productive enterprises; it also facilitates the spread of subversive activities and has led Iranian leaders to expend on the national military establishment large sums which are needed for other purposes. Under these circumstances, the Shah feels that Iran must have more substantial economic aid from outside than is now contemplated if it is to maintain internal security and stability and play an integrated and effective role in the Western plan to contain the USSR.

NOTED IN BRIEF

Debate on the new Turkish electoral law in the National Assembly will probably show that the principal issue between government and opposition spokesmen is determination of who shall have the final decision in settling disputes concerning electoral procedure. The opposition continues to insist that the judiciary should have the final voice. The government, on the other hand, has so amended the draft law as to make the National Assembly itself the supreme body which would settle any such differences.

* * *

Private investors in Turkey may be heartened by the proposed creation, with the help of funds which might be provided by the UN International Bank for Reconstruction and Development, of an organization which would be established to help finance projects undertaken by private entrepreneurs. Although some of the government-controlled industrial and commercial enterprises might thus eventually be transferred to private hands, any

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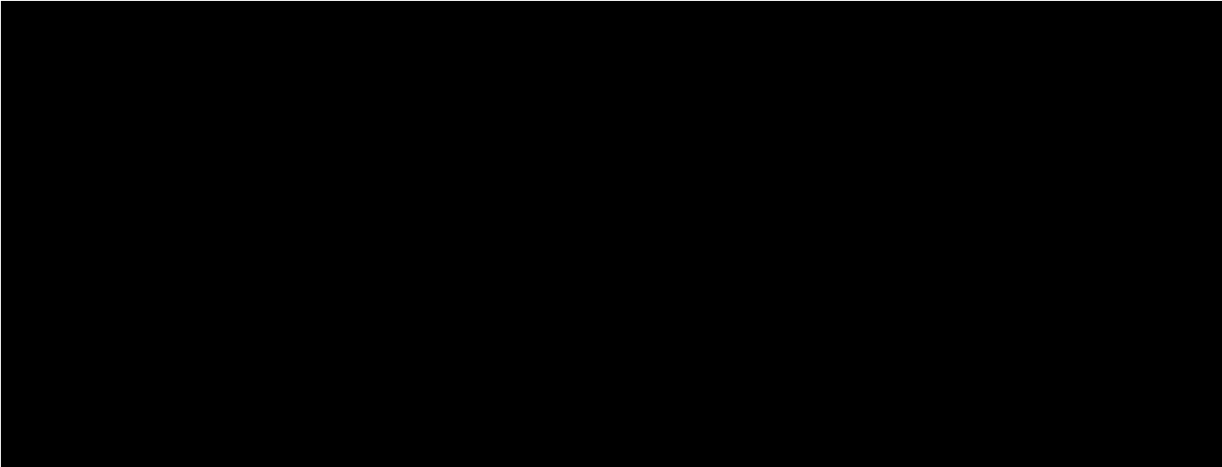
serious weakening of etatism in Turkey should not be expected. Nevertheless, this development might well entice some private investment capital out of the places where it has for years been trying to hide from the government, and put it to productive work.

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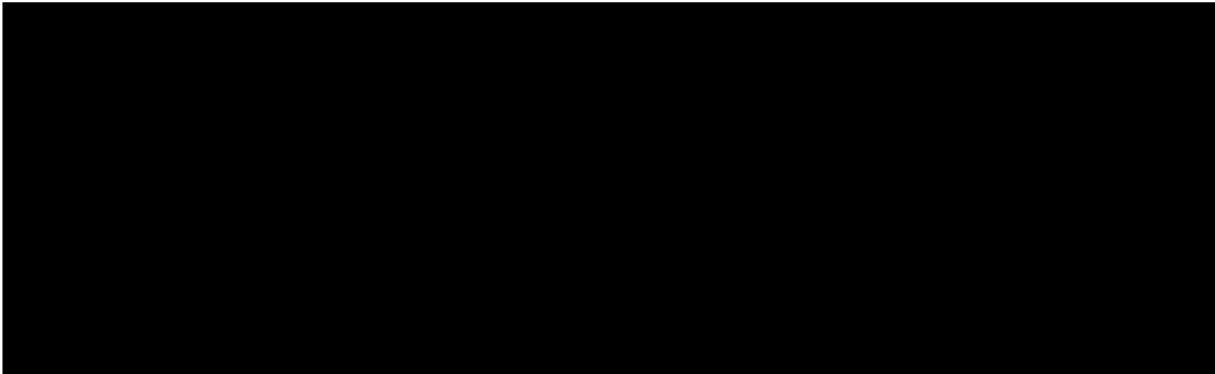
The re-emergence of Beirut Communist activities, in the form of mass demonstrations has aroused the concern of high government officials. Last week the Lebanese Security Council met, under the supervision of the Prime Minister, in an attempt to initiate immediate means of combating these disturbances.

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Saudi Arabia, for political reasons, has agreed to lend Syria \$6,000,000, in spite of the fact that it is itself in serious financial difficulties and is negotiating a \$6,000,000 loan from ARAMCO. In the past, ARAMCO has been more than generous in underpinning Saudi Arabia's archaic finances, but it will probably object to assuming, even indirectly, the financial burdens of Syria as well. Although the loan to Syria may reduce the possibility of a pro-Iraqi union coup in that country, it will strain even further Saudi Arabia's limited means and will probably compel its civil servants to subsist another few months without pay.

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Tawfiq al-Suweidi's appointment as Prime Minister of Iraq after the fall of the two-month-old Jawdat Cabinet marks an abandonment of attempts toward rapprochement with Egypt and a reversion to the policy of elder statesman Nuri Said advocating union with Syria. Even though Nuri does not hold a post in the new cabinet, his influence will undoubtedly be strongly felt: a majority of cabinet posts were given to members of his Constitutional Union Party, and many Parliamentary leaders are also in the Nuri camp.