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MAR 8 1950

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WESTERN EAST/AFRICAN DIVISION

Vol. V No. 9

INTELLIGENCE SUMMARY

For Week Ending  
8 March 1950

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NEAR EAST/AFRICA INTELLIGENCE SUMMARY

GREECE

Divided verdict: The split verdict returned by the Greek people in the 5 March national elections not only necessitates a continuation of coalition government but also casts considerable doubt on the possibility of any stable combination's being formed. The actual allocation of parliamentary seats under the complex proportional representation system has still to be made, and it is thus too early to tell whether a chance to form a government will first be offered to Constantine Tsaldaris, whose Populists appear to have a slight lead in the popular vote, or one of his two closest rivals, the left-centrist Nicholas Plastiras and Sophocles Venizelos, leader of the centrist Liberal Party. None of the three leading parties, however, is likely to obtain more than 45-55 seats in the 250-man parliament, and the possibility that all three might combine forces is virtually precluded by the mutual distrust of Plastiras and Tsaldaris. Either a Plastiras-Venizelos combination or another Populist-Liberal coalition might secure a majority--given the collaboration of several minor centrist and rightist groups. Even if such a coalition could be formed, however, something close to 45 percent of the chamber would still be left in opposition. (Inclusion in the government of the outright leftists under Sophianopoulos or of any extreme rightist appears out of the question.)

In the face of such strong opposition, the effectiveness and stability of a coalition government will be impaired by the difficulty of reconciling the demands of its several nearly equal components. Indeed, it is quite possible that no viable combination will emerge, in which case the King will move speedily to call another election. In such an event, the formerly dominant Liberals and Populists might be temporarily eclipsed by a struggle for support between the emergent figures of Plastiras and Marshal Papagos, the King's favorite for the position of "strong man" in Greece, with the issue of the King's role in the government again becoming a major one.

TURKEY

No concessions: Apprehensive as ever of a revival of excessive direct foreign participation in the national economy (such as obtained under the capitulations of the imperial regime), the Turks have rejected at least one US firm's proposals to develop Turkey's petroleum resources on a

concessionary basis. The temptation to accept must have been great, for the Turkish Government is well aware that such development by Turks, even with expert US technical advice and financial support, will be much slower than if the entire task were left--as it is elsewhere in the Near and Middle East--to foreign companies with immense financial resources. One unconfirmed offer, moreover, reportedly placed before the Turks the pleasant prospect of obtaining annual revenues in kind which might exceed in value this year's total expected budgetary deficit. But the Turks have not accepted, and are unlikely to accept even more tempting offers, fully realizing the cost to the country's economy of retarded development. Whatever the extent of Turkey's petroleum resources--and that they are really substantial is by no means proved--the Turks are likely to guard their economic independence as jealously as they cling to their political freedom.

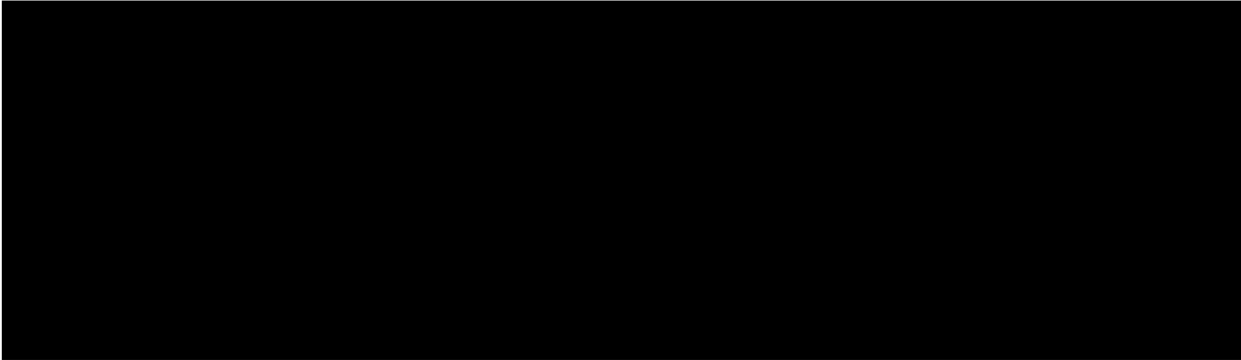
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SYRIA

The Iraqi union issue: With the potentially explosive question of Syro-Iraqi union still hanging over their heads, certain members of Syria's dominant military group--notably Minister of Defense Hawrani and Colonel Shishakli, leader of the last coup--are reportedly planning measures to weaken the position of their pro-union political opponents. The present Hawrani-Shishakli program calls for no bloodshed; the plan is to organize popular demonstrations against those politicians suspected of pro-union sentiments with the hope of forcing them out of public office and lessening their popular following. However, the most prominent objects of attack by the Hawrani-Shishakli group--Dr. Nazim Qudsi and Rushdi Kikhya of the Syrian Populist Party--have large numbers of adherents even though their pro-union sentiments are not necessarily shared by all of their followers. If, as is quite possible, the attack on them should boomerang, Hawrani and Shishakli might feel that their own political survival demanded more drastic measures.

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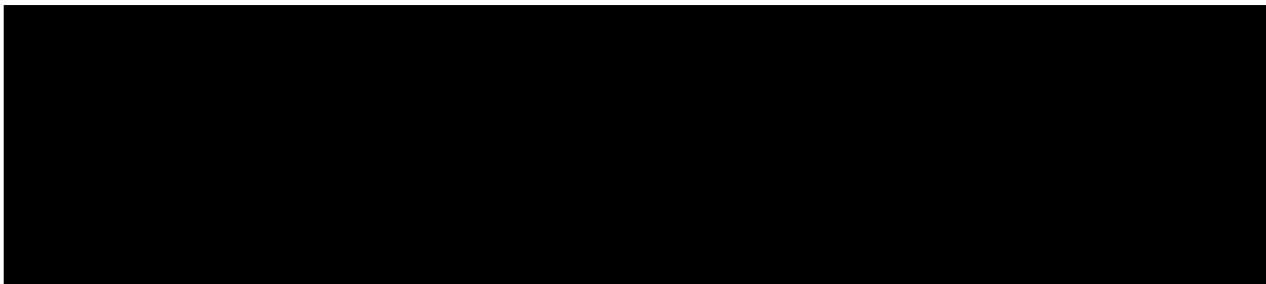


NOTED IN BRIEF

Ecumenical Patriarch Athenagoras of the Greek Orthodox Church, has avoided comment on the Hungarian Orthodox Church's reported shift of allegiance from him to the Patriarch of Moscow by denying that he had heard the report. Obviously, he would be opposed to any such transfer of allegiance, in spite of the fact that, as the "first among equals," he would continue to outrank the Patriarch of Moscow. Athenagoras gave some hint of his feelings, however, by warning a Greek Orthodox Church congregation in Istanbul about propaganda aimed at disuniting kindred Orthodox churches.

The UN Trusteeship Council's recent decision to abide by the letter of the General Assembly's resolution and draft a statute internationalizing the entire Jerusalem municipal area has finally destroyed all possibility of its achieving a compromise solution acceptable to Israel and Jordan. Most of the Trusteeship Council members realize that anything they now do on Jerusalem will be largely meaningless and are consequently looking for the best method of stalling until the issue can be turned back to the General Assembly for reconsideration at its next regular session in September.

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Syria's ambitious program for modernizing the port of Latakia, presently little more than an open roadstead, should please Syrian businessmen (particularly in the important northern city of Aleppo) and should appeal to Syrian national pride in general. The recently announced project (which will require some 24 million Syrian pounds--about \$8 million--up to two-thirds to be obtained from public subscription) will also help the opening up of the undeveloped Jezirah section and other retarded areas in the north. It is questionable, however, whether Syria should spend its money on port development rather than agricultural rehabilitation at this time, and, from a regional point of view, whether there is sufficient economic justification for the scheme. Aside from Israeli Haifa, the Levant coast already possesses two adequate modern ports which stand to lose by the enlargement of Latakia's traffic: Beirut in Lebanon and the Turkish port of Iskenderun (Alexandretta). Lebanon sees in the scheme yet another example of Syria's uncooperative attitude in the economic sphere. Meanwhile, Turkey is reported to have offered Syria free port facilities in Iskenderun, presumably with the dual motive of discouraging work on Latakia and of securing tacit Syrian abandonment of its old claims to Hatay province, of which Iskenderun is the principal city.

The stormy reception given Prime Minister Saed by the Majlis when he attempted to present his new cabinet portends troubled times for the present government. Facing a new Majlis, Saed was attacked for forming his government in an unconstitutional manner (i.e. not consulting the Majlis first) and also for delaying the opening of parliament longer than the law allowed. While Saed, who has shown remarkable tenacity in office, may weather this opposition and eventually obtain a vote of confidence, he has undeniably gotten off to a bad start at a time when Iran cannot afford to allow political bickering to interfere with the prompt provision of economic relief measures.

Relations between Iran and Pakistan may be expected to become more cordial than ever as a result of the Shah's current trip to Pakistan, even though the Shah, in his public utterances, has been careful to advocate nothing more controversial than joint efforts for furthering economic and social progress in the two countries. This demonstration of friendship, which Pakistan undoubtedly hopes will impress Afghanistan and India, can be expected to cause further irritation between Iran and Afghanistan and might hinder the work of a neutral commission just starting to survey the jointly shared Helmand River basin, which has long been the subject of Irano-Afghan friction. The trip might be questioned on the ground that the Shah is needed in Iran at present, although his two weeks' absence probably will have no significant effect on Iran's internal situation.

Further evidence that Pakistan intends to exert economic pressure on Afghanistan is provided by its blocking of Morrison-Knudson supplies now in Pakistan awaiting shipment to Afghanistan. The stoppage of gasoline to Afghanistan, ostensibly due to the fact that the Afghan Petrol Company trucks do not conform with Pakistan petroleum regulations, has caused Afghanistan to threaten to purchase oil from Russia. In fact, a small quantity of Russian oil has reached Kabul.

The Royal Pakistan Air Force plans, by 1954, an air force with front line strength of ten full fighting squadrons. Orders for planes were placed after India has ordered its planes, with the result that Pakistan is to have technically superior aircraft, largely compensating for numerical inferiority.

Ceylon will eliminate import controls on goods from soft currency countries but controls will remain on imports from hard currency countries except for non-luxury items which may be imported under ceilings. The exchange controller has stated Ceylon's balance of payments in 1949 was more unfavorable than in 1948.