

~~SECRET~~

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

WORKING PAPER

MAR 29 1950

NOTICE: This document is a working paper, not an official CIA issuance. It has been co-ordinated within ORE, but not with the IAC Agencies. It represents current thinking by specialists in CIA, and is designed for use by others engaged in similar or overlapping studies. The opinions expressed herein may be revised before final and official publication. It is intended solely for the information of the addressee and not for further dissemination.

Copy for:

DOCUMENT NO. 12
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: _____
AUTH: HR 70-2
DATE: 19 Nov 79 REVIEWER: 0065

~~SECRET~~

NEAR EAST/AFRICA DIVISION

Vol. V No. 12

INTELLIGENCE SUMMARY

For Week Ending
29 March 1950

TABLE OF CONTENTS

Greece

Instability likely 1
Formation of Venizelos Government has unsettling effect

Turkey

Inönü's program 1
Turkish President calls for peaceful reform

Iran

Soviet gestures 2
"Conciliatory" USSR plays on current Iranian uncertainties

The new premier 3
Appointment of Mansur a blow to hopes of reform

India-Pakistan

War tendencies 4
Factors making for conflict are potent

Noted in Brief

25X6A

Arab League, [REDACTED] Iran, Pakistan, Afghanistan, Gold
Coast 4

~~SECRET~~

~~SECRET~~

NEAR EAST/AFRICA INTELLIGENCE SUMMARY

GREECE

Instability likely: The recent formation of a new government by Liberal leader Venizelos will have unfavorable repercussions in Greece and abroad. Having alienated the other center parties (and a significant portion of his own following) by withdrawing from his earlier promise to participate in a centrist coalition under General Plastiras, Venizelos now heads a weak cabinet representing less than one fourth of the new Parliament and dependent for its existence on the tolerance of basically unsympathetic rightist parties. Under these circumstances there is little likelihood of stable and effective government, and unless the broadly based centrist coalition can be reconstituted, Greece will probably soon be faced with the prospect of new elections.

The key role of the Palace in thwarting the formation of a new government accurately reflecting the election swing toward the center has not escaped popular notice and can scarcely fail to involve the King in charges of political favoritism and intrigue. New elections, on which the King apparently counts to put in office a strong Palace-backed party under Marshal Papagos, would probably result in the revival of traditional dissension over the monarchy, the eclipse of the established political parties, and the division of Greece into rival monarchist and republican camps. These developments would be severely damaging to the effectiveness of the US aid program and to the stability of the Greek nation.

TURKEY

Indon's program: With Turkey's elections now definitely scheduled for 14 May, President Indon last week launched his own campaign for a seat in parliament with what may well prove to be one of the most astute speeches of his career. In offering what he termed a program for the next four years, the Turkish President expressed himself so as to appeal to progressive elements in the electorate without sacrificing his well-earned reputation for caution and conservatism. After announcing that he would "guide the foreign policy of Turkey on the path of safety"--a statement hardly calculated to startle his auditors--Indon announced that his two major aims were to prevent the outbreak of political violence and to amend the constitution "in accordance with the requirements

~~SECRET~~

of our democratic life." In thus using his old technique of proposing the very sort of reform the opposition most hotly advocates (meanwhile appealing to the prudent to vote against the potentially violent opposition hotheads), İnönü has left the government party's opponents with little undisputed ground except in the realm of economic affairs.

With regard to constitutional reform, the president did not elaborate beyond suggesting the creation of a second legislative assembly and a careful definition of the duties and powers of the chief of state in relation to such a bicameral legislature. However, he was obviously thinking of the fact that at present every article of the constitution except the first one, designating Turkey as a republic, can be amended by a simple two-thirds vote of the National Assembly; many thoughtful voters would doubtless be reassured if the amending process were changed so that İnönü's ruling People's Republican Party (or any other party) could not swiftly enact sweeping changes in the fundamental law of the land. The government party, however, appears to be placing its principal emphasis on the political violence issue; President İnönü's warnings on the subject were echoed by Premier Günaltay, who promised fair and free elections and, obviously recollecting dark threats made by the opposition during the past year, sternly warned the electorate to act in an orderly manner. These expressions of concern about possible violence seem somewhat exaggerated, even though the political temperature is likely to rise now that the electoral campaign is officially on. If any outbreaks take place, they are likely to occur after the balloting, on the basis of opposition charges of foul play at the polling places, rather than before. Indeed, there is a good chance that the electoral period will be entirely free of violence, first, because the Turks (regardless of opposition threats) are not given to that sort of thing; second, because most Turks--if they do not recognize it in advance--would realize the danger of violent internecine strife in the face of the Soviet menace; and third, because the elections, while unlikely to be conducted under conditions anywhere nearly perfect, may quite possibly be run more smoothly and fairly than any others that have been conducted anywhere in the Asiatic Near East in modern times.

IRAN

Soviet gestures: Iranian reaction to the conciliatory attitude which the USSR is currently displaying toward Iran

~~SECRET~~

ranges from advocacy of a reciprocal Iranian policy to pessimism over Iran's vulnerability to Communist penetration. By way of supplying tangible evidence of their new attitude, the Soviets have refrained from precipitating any border incidents in recent weeks, have reduced their propaganda war on Iran, and have quietly recalled a member of their Embassy staff in Tehran whom the Iranian Government considered persona non grata. Although the Iranian Government is not likely to abandon its distrust of the USSR or deliberately to enter negotiations prejudicial to its friendly relations with the West, economic distress and disillusion over the alleged inadequacy of US aid may well lead to some modification of Iran's firm policy toward the USSR. The Iranian press, which has become less harsh in its treatment of the Soviet Union and appears reluctant to print articles favorable to the US, reflects the opinion of an influential segment of Iranian politicians. The new Prime Minister, Ali Mansur, is unlikely to oppose this trend. Meanwhile, the USSR will exploit the situation fully, blaming Iran's economic plight on the US. The Kremlin will probably assume a friendly official attitude while, at the same time, stimulating the growth of the Tudeh Party and awaiting the Iranian regime to collapse under the weight of its own ineptitude.

The new premier: The sudden appointment of Ali Mansur as prime minister represents a severe blow to the hopes of many Iranians that the Shah could be counted on to designate someone who would take energetic measures for social and economic reform to replace the weak Saed at the head of the government. The designation of Mansur, after considerable vacillation on the part of the Shah may possibly be a temporary measure, reflecting a belief that a man of Mansur's shrewdness and political connections is needed to steer the new AIOC concession agreement through the Majlis; the Shah may contemplate replacing Mansur with a strongly reformist premier (possibly even Chief of Staff Razmara) after the Majlis acts on the matter. Nonetheless, the appointment is an obvious gesture in the direction of the powerful elements in the ruling class who strongly opposed the Shah's social and economic reform program. Mansur himself has not only an unenviable reputation for corruptness but also a record of persistent obstruction with respect to the Seven Year Plan for economic development. Many progressive Iranians consequently will probably follow the lead of the two most prominent men in the planning program, Prince Abdor Reza and Minister of National Economy Nasr, in declining active participation in the Mansur Government.

INDIA-PAKISTAN

War tendencies: The announcement that the Prime Ministers of Pakistan and India will soon meet in New Delhi to discuss means of curbing the tension between their two countries emphasizes the fact that neither government wants war and may lessen spread of talk on both sides about the inevitability of a resort to hostilities. Nevertheless, the underlying factors making for a possible outbreak of hostilities remain potent. A new wave of large-scale destruction of Hindu life and property in East Bengal--possibly in retaliation for a similar outburst in West Bengal, now seething with anti-Moslem feeling--might well create an irresistible popular demand for the sending of Indian troops across the border; while Pakistan might then rely on an appeal to the UN, the far greater probability is that it would initiate retaliatory action of its own. The possibility still remains that India's increasingly clear determination to hold on to the territory it occupies in Kashmir may lead to a popular invasion of Kashmir by Pakistani nationals, a move which would probably be followed by an Indian invasion of West Pakistan and a full-scale war. Meanwhile, the recent buildup of Indian troops and supplies near the West Punjab border intensifies the danger that one side or the other may attempt to anticipate what it regards as an imminent attack by the other.

NOTED IN BRIEF

The meeting of the Arab League Council, which opened in Cairo 25 March, is exacerbating the currently strained relations among the Arab states. Jordan's absorption of Arab Palestine and its attempts to make peace and open trade relations with Israel have already been strongly criticized by most members of the League and may result in sanctions being applied against it. Jordan's refusal to send a delegation to the Cairo meeting under the current barrage of criticism has further antagonized the other League members and has influenced them to permit an "independent" representative of Arab Palestine to attend the meetings. Even if Jordan is not evicted from the League, as many Arabs, particularly in Egypt, are demanding, the schism in the Arab world has been critically intensified, and the recent sentiment against establishing peace with Israel has been strengthened. Other issues scheduled for discussion are the Arab Security Pact, Iraqi-Syrian union, and Azzam Pasha's tenure as Secretary General of the Arab League. In view of the present crisis in the

League, however, it is unlikely that firm decisions will be reached on any of them even if they are discussed.

25X6A



* * *

The Iranian Government is currently reviewing its policy regarding the transit of Iraqi Jews. The government is not opposed in principle to the use of Iran as a first stop for Jews emigrating from Iraq. It is, however, concerned about the effects of the concentration of Jews in Tehran or other large cities; 1,300 Iraqi Jews who entered Iran illegally are now in camps on the outskirts of Tehran and more are arriving daily. For the present it is probable that the Iranian Government will not grant visas in large numbers to Iraqi Jews unless there are definite arrangements for their immediate and inconspicuous departure.

* * *

The extent of the USSR's current interest in Pakistan is indicated by the fact that Alexander Stetsenko, who has just arrived as the first Soviet Ambassador in Karachi, has brought a staff reported to be approximately twice that of the US delegation in Karachi and three times that of the Soviet staff in New Delhi. One of Stetsenko's primary tasks is to arrange for the visit of Prime Minister Liaquat Ali Khan to the USSR; another is the resumption of trade talks which were abandoned some months ago after the Pakistan decision not to devalue the rupee; a third is the encouragement of pro-Soviet cultural and intellectual groups.

* * *

Almost all of Pakistan's exportable surplus of wheat and cotton remains unsold because of the high asking price. This state of affairs is a serious one for the economy of the country, which badly needs the funds from the sale of these commodities, and also creates the danger that the wheat and cotton might deteriorate because of insufficient warehousing facilities. As a result, Pakistan is becoming aware of the need to be more realistic in its pricing policies.

Afghanistan is apparently being pressed by other Moslem countries to reach a settlement with Pakistan on the Pathanistan problem. Iran, Iraq, and Saudi Arabia are among those which have approached the Afghans individually, and there is a possibility that the matter will be taken up by the Arab League Council during its current meeting in Cairo. Reports in the Pakistan press that Iran and Pakistan are negotiating a mutual defense pact also suggest the advisability of a settlement. The motivation behind the Afghan Pathanistan campaign has never been satisfactorily explained, and it is still too early to discover whether representations from other Moslem nations, as well as the US and UK, will overcome the reasons for waging it. Nevertheless, since this new pressure indicates that the Moslem nations, in addition to others, feel Afghanistan to be primarily to blame for its difficulties with Pakistan, there is some hope that Afghanistan will be forced by international opinion to silence its anti-Pakistan propaganda.

A major aluminum industry for the Gold Coast now shows signs of becoming an actuality. With the Volta River currently being surveyed to determine the best site for a large dam and hydroelectric installation (which would also make electricity and irrigation water available to the surrounding area), the British Aluminum Company has indicated its readiness to invest in a plant there. Meanwhile, the British Government, which would have to supply considerable capital, has increasingly realized that, from a strategic point of view, the Gold Coast offers the best location for a plant to replace the UK's current dollar-consuming Canadian sources of aluminum. The ECA Mission to the UK is recommending US aid for the scheme, arguing that it would not only stimulate the Gold Coast's general economic development but would also aid the UK's own recovery.