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INTELLICENCE SUMMARY

For Week Ending 6 October 1948

Vol. III No. 39

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GREECE

There have been no significant changes in the military situation during the week. The Greek Army and the guerrillas have continued the same tactics used by each in the past and with about the same degree of success by both. The army has made advances against guerrilla strongholds and has captured significant stocks of material; the guerrillas have successfully carried out their usual program of sabotage raids throughout Greece. The largest guerrilla concentration (6,000) in Greece continues to resist the army in the Vitsi area. Heanwhile, the Greek Government has requested additional funds from the US to make possible an increase of 70,000 in the army.

The Greek Parliament convened on 1 October. The body is faced with no particular crisis, but there are several controversial matters which may turn into major issues, notably the problem of decentralization of government authority. Certain Populists (including the Minister of the Interior) are violently opposed to decentralization because, in the transfer of power to the local governments, the national politicans would lose many of the perquisites of patronage. These Populists may resign their posts if the issue reaches a showdown. Certain Liberals, feeling in a rebellious mood, may take exception to any one of a number of issues. While at the moment there is no organized group in parliament with sufficient strength to muster a vote which, in itself, would cause the downfall of the government, the session promises to be a stormy one.

TURKE Y

The Turks continue wary of the regional group idea. Reports from Paris that conversations are in progress among representatives of twelve "Middle East" countries, including the Arab states, Turkey, and Greece, with a view toward formation of a regional group within the UN, have been denied. The subject is bound to come up again, however, and the Turks will be particularly skeptical if the proposal should contain any suggestion of mutual defense. Multilateral defense agreements among the twelve nations would involve considerable risk

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for Turkey without providing any great benefits. On the other hand, should the suggested regional agreement be non-military in character, the Turks might be tempted to participate. If any one of the twelve countries were represented in UN bodies like ECOSOC and the SC, it could act as a spokesman for them all. Moreover, the Turks would see great advantage in joining the group if there should be promise of effective US support and hope of regional strengthening against Soviet-Communist penetration such as is envisioned by the corresponding group in Western Europe. Mevertheless, the Turks would undoubtedly prefer to await more settled conditions—particularly in Palestine and Greece—before assuming even such nebulous obligations as the agreement would probably impose.

PALESTINE

The UN General Assembly's decision to place the Palestine question in third place on its agenda, where it will not be formally considered for several weeks, has increased the atmosphere of restlessness and tension in Palestine itself. Although both sides have been involved in the increase in military preparations and expressions of suspicion, the Jews have been much more active than the Arabs. Now that the initial shock of Bernadotte's assassination has worn off, Israel appears to be using a double-barrelled strategy: while Foreign Minister Shertok, rounding up votes in Paris for a revision of the Bernadotte plan, is arguing Israel's need for the Negeb, the Israeli authorities in Palestine are doing everything possible to demonstrate to the UN the difficulties involved in attempting to internationalize Jerusalem instead of handing it over to the Jews. Israeli officials have persistently resisted the UN's attempts to demilitarize Jerusalem, and they have been officially charged by the UN Truce Commission with holding the truce in contempt and hampering the work of UN personnel. Although the Jews have apparently increased their military strength in the Lake Hula region and have maintained their forces in Jerusalem, there is little present justification for new Arab fears that the Jews plan to provoke an attack by the Arabs, as a pretext for denouncing the truce and taking the offensive. Such a move would only be likely if Israel were to conclude that: (1) no satisfactory solution could be obtained through the UN; and (2) the UN control machinery in Palestine could not function effectively against a renewal of hostilities.

French hopes that crude oil might be shipped from Haifa to Western Europe soon, without waiting for an over-all Palestine solution, are not likely to be fulfilled. Since Iraq's refusal to allow oil to be

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shipped through its pipeline to Jewish-held Haifa is the crux of the problem, the French have informally suggested to the US and UK that both Jews and Arabs might consent to the passage of crude oil through the pipeline if it were marked for export only. The US has pointed out, however, that although it is willing to explore the question with France and the UK, Israeli control of Haifa may make it essential that Israeli needs be provided for in any proposal that is drawn up. Such a draft agreement would immediately encounter Iraq's opposition. Although the Iraqis might be willing to ship oil on a transit basis under adequate controls, there is little likelihood that they would sign any agreement which provided oil for Israel, even from non-Iraqi sources.

TRAQ

Internal unrest and external pressure continue to drive the Iraqi Covernment along a path marked by uncertainty. The Cabinet evidently considers a firm Palestine policy its greatest source of strength against the outbreak of demonstrations which might even exceed the rioting of last January in scope; it has steadily reiterated that it is ready to resume fighting in Palestine and, evidently to emphasize the point, has taken the calculated risk of sending additional troops to Palestine since the beginning of the second truce, despite the growing problem of maintaining internal order. At the same time, however, the recent resignation of Sadig Bassam as Minister of Defense indicates that the government's underlying policy is more cautious than that of the extremists; Bassam reportedly urged playing off the USSR against the Western bloc, and he was publicly charged by the Prime Minister with having falsely accused the government of unwillingness to resume the Palestine war and with having urged an intensification of the official campaign against Iraqi Jews.

Iraq's external position is also critical. Caught in the center of the rift between Abdullah and the rest of the Arab League over the Palestine Arab Government, Iraq has remained silent so far; it will probably be forced to declare itself in a meeting between its prime minister and Abdullah scheduled to take place at Amman in the next few days. The present indications are that Iraq's desire to go along with Arab nationalism may prove more powerful than its Hashimite ties with Abdullah. Iraq reportedly applied to Egypt as well as the UK in a recent appeal for three million pounds sterling with which to meet governmental payrolls, and the recent betrothal of the Regent and an Egyptian official's daughter may be an indication that Iraq's dynastic link with Transjordan is being weakened.



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SAUDI ARABIA

The USSR is shrewdly using religious factors in a current effort to restore diplomatic relations with Saudi Arabia, after a lapse of nearly 10 years. The Soviet First Secretary in Cairo, who has been conducting the preliminary negotiations, is himself a Noslem, and his overtures were timed to come just before the start of the annual pilgrimage to Mecca and Medina. Some 2,500 Moslems from the USSR reportedly plan to visit the two holy cities in the coming pilgrimage weeks (in contrast to the 200 who participated in 1946), and it is likely that the USSR is using the prospective arrival of so large a number as an argument for reopening the Soviet Legation in Jidda. The USSR can scarcely hope for any genuine rapprochement with Saudi Arabia, in view of Ibn Saud's well-known antipathy for Communism and the Soviet Union. By using the religious issue skillfully, however, the Soviets may possibly make it difficult for Ibn Saud to refuse them their legation, which would be useful in keeping tabs on US oils and sir activities in the Arabian peninsula despite the fact that Ton Saud restricts the movement of foreigners almost as severely as do the Soviets. If the USSR succeeded in opening a legation, it would probably make a point of having Moslems on the staff, following a practice which has already worked to advantage in Cairo and Damascus.

IRAN

Opposition to the Hajir Government is increasing, although the Shah continues to support the Prime Minister. The government's request that the annual budget be approved without delay has been rejected by the Majlis, and the prospects for early Majlis action on the Economic Development Plan are unfavorable. The government has reacted to bitter press attacks by attempting to curb the freedom of the press, thus alienating many deputies and various labor groups who inspired a large anti-Hajir demonstration in Tehran. The Prime Minister, however, has increased his personal power and acquired a firmer control over domestic matters by taking over the Ministry of the Interior, although the recent cabinet changes do not appear to have strengthened the position of the government itself.

The renewal of the US Military Mission contract is being delayed by Iran's objection to the clause that only US nationals be accredited to the Iranian Army except by special agreement between the US and Iran. The Shah has requested elimination of this clause, apparently with the





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idea of arranging with the British a program for training jet pilots and of acquiring some Vampire jet aircraft. The British have discussed these matters with the Shah and would undoubtedly agree to such an arrangement if they thought it would improve their position in Iran, although they remain skeptical of the practicability of introducing such advanced weapons there.

The recently reported evacuation of Soviet civilians from the Astara-Lenkoran area of Soviet Azerbaijan (if confirmed) may presage the installation of an aircraft warning system and interceptor bases for the defense of Baku. While Astara would be the logical jump-off point for Soviet troops invading Iran, evacuation of civilians from the area before an attack would be unlikely.

INDIA-PAKISTAN

India is not expected to invade Pakistan in the near future, despite the tension existing between the two dominions. The Government of India is still involved in Hyderabad, where 10,000 or more Indian troops are engaged in "cleaning out" Communists and other extremists. It is estimated that these troops will not be available for action elsewhere for several months. The recent incendiary statements of Prime Minister Nehru and other Indian leaders probably represent an attempt to intimidate Pakistan into withdrawing its troops from Kashmir. Pakistan, still fearful of Indian invasion, is taking steps to increase its military potential, and the possibility remains that an unforeseen incident may touch off large-scale hostilities.