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NEAR EAST/AFRICA BRANCH  
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## NEAR EAST/AFRICA BRANCH

## INTELLIGENCE SUMMARY

Vol. IV No. 17

For Week Ending  
4 May 1949

## GREECE

Poison ivy on the olive branch: Only the Soviet bloc can gain any satisfaction from General Assembly President Evatt's recent hints that he will soon give birth to a magic formula for conciliation between Greece and its northern neighbors. In view of the present delicate state of intra-Balkan relations, any further efforts by Evatt along this line--or any resulting General Assembly debate at this point, without regard for the present complications of the debate on the explosive Greek issue--would serve only to retard the evolution in the area of a situation more favorable to the West. As both the Greeks and the Western powers have already pointed out to Evatt, his proposed conciliation attempt would at the very least provide the Soviet bloc with an opportunity to confuse the issue, much as did his ill-conceived Balkan conciliation proposals of late 1948. There is also the danger that the Communists would again attempt to maneuver Greece into hasty recognition of "existing" boundaries without any guarantees against satellite territory-grabbing or against future aid to the guerrillas. In any case, it is inconceivable that Soviet strategists would take Evatt's proposals seriously at this stage in the military situation, particularly if they decided that it was time for Albania and Bulgaria to step up their logistical aid to the guerrillas.

## TURKEY

In search of additional US financial aid: Following Foreign Minister Sadak's conferences with Washington officials, during which the subject of additional financial aid to Turkey was discussed, differences of opinion have arisen among US representatives in Ankara as to how additional aid (if there is to be any) should best be applied. Ambassador Wadsworth has recommended that military aid in addition to that now proposed for FY 50 (about \$100 million) be increased by \$20 million to complete approved military projects, such as construction of military airfields. The ECA representative in Turkey, on the other hand, believes that additional financial aid--possibly as much as \$30 million--

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should rather be provided as a means of directly improving the national economy. This, in his opinion, could be done by providing ECA grants to buy consumer goods. He maintains that the important ECA purposes of curbing inflation and of restoring sound finances in participating countries would thus be served. (The estimated deficit in Turkey's national budget for the current year is about the same in terms of local currency as the amount suggested--\$30 million.) In Washington, responsible officials do not believe that it is practicable at this stage to add to the amount already being asked of Congress for military aid to Turkey. The Turkish Government has been informed that, in order to receive more aid, it must present concrete proposals, drawn up in a coherent and logical manner, to ECA through OEEC in Paris. If presented in such a way, the proposals are promised careful and sympathetic study. It seems hardly credible that in the fourth year of Turkey's continuing search for US financial assistance the Turkish Government has not yet thoroughly learned how to present economic projects in a simple, clear, and business-like manner.

#### PALESTINE

Lausanne development: Israel's refusal to make a conciliatory statement in regard to the possible return of some of the Arab refugees to Israel has set the Lausanne Conference off on the wrong foot. The Israeli representatives insist that this issue must be discussed as a part of the general peace settlement. The Arabs, however, refuse to negotiate any of the other issues until Israel has admitted at least partial responsibility for the refugees and agreed to accept the return of at least a token number of them. Unless Israel can be persuaded to modify its present position at Lausanne, neither an Arab-Israeli peace settlement nor Israeli membership in the UN is likely to be achieved before the next regular session of the General Assembly in September.

#### ARAB STATES

Possibility of coups: Recent unconfirmed reports indicate the possibility of coups d'etat in Egypt, Lebanon, and Jordan, but it is considered unlikely that these revolts will take place. Although political instability has developed in the Arab states as a result of economic hardships and disillusion over Palestine, and although it is always possible that Jordan or

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Iraq (or both) will make trouble over the Greater Syria issue, there is very little evidence that any coups are being planned. The report on Egypt suggests that Haidar Pasha, the Minister of Defense, has King Farouk's support in planning to overthrow the present constitutional government and set up a military dictatorship. Neither Haidar Pasha nor Farouk, however, is believed to have enough popularity in the army or among the people to risk a coup at this time. In Lebanon, the constitutional regime under President Khuri is reported threatened, presumably by some faction in the army, but Khuri has almost certainly been sufficiently warned by the recent Syrian trouble to take preventive steps against a "Zaim" coup in Lebanon. The report on Jordan merely claims that King Abdullah will be overthrown. Although Abdullah has been repeatedly threatened with assassination (the latest attempt was in March 1949), it is not likely that the Hashimite regime could be overthrown so long as the UK retains its influence in Jordan and particularly in the Arab Legion.

#### IRAN

Premier asks for US aid: Recent Iranian muttering over the extent of US aid to Turkey has now culminated in a lengthy letter from Prime Minister Saed, requesting that Iran be supplied with direct US military and financial assistance to the same degree as its neighbor to the west. Saed's request, which expressed concern lest the policy of building up a strong Turkey invite Soviet aggression against Iran, is more significant than recent pronouncements of the Shah along the same lines, not only because it is the first such request to be made in writing but also because Saed is less given to impetuous statements than is the darkly handsome young occupant of the Palace. There is no doubt that Iran could absorb more than the token military aid provided thus far by the US, and it is quite possible that Iran, which is already earmarking substantial revenues for economic development, may eventually require direct US economic assistance. Moreover, while denial of his present request would hardly cause the staunchly pro-US Saed to reverse Iran's present attitude toward the USSR, he might have difficulty in explaining US treatment of Iran to his countrymen.

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## NOTED IN BRIEF

Women's suffrage in Greece has been greatly extended by an act approved by the cabinet on 21 April providing that women over 25 years of age may vote in municipal elections and may seek office as municipal and communal advisors. The new law, which will affect a number of local elections which the government hopes to hold this year, also provides that after 1958 local suffrage will be extended to all women over 21 and a greater number of municipal offices will be open to women candidates. While Greek women are still voiceless in national politics, the new law partly removes an important Communist talking point.

\* \* \*

Recurrent rumors of German participation in Greek guerrilla activities are still unconfirmed and generally discounted. Nevertheless, increased popular aid activity for the Greek guerrillas has been noted in the Soviet Zone of Germany, following the visit of a guerrilla deputation in January and February of this year, and the Soviet-controlled Berlin radio has announced that two first-aid trucks, one ambulance, and surgical instruments have been sent to the Greek guerrillas by German workers. However, the German artillery pieces recently reported to have arrived in the Vitsi area from Albania undoubtedly come from Soviet or Satellite booty rather than directly from German sources.

\* \* \*

Repatriation of the Greek children abducted by the Greek guerrillas and now in Satellite countries appears as remote as ever. The Red Cross, which was charged by the UN General Assembly with preparations for the repatriation, reports a lack of funds for the undertaking, and the Satellites remain uncooperative. Meanwhile it has become apparent that the exiled children are being thoroughly indoctrinated into the Communist view of life, and many of the older ones have returned to Greece to alleviate the guerrilla manpower problem.

\* \* \*

Another shooting incident at the Bulgarian border, during which Turkish troops reportedly did not return the Bulgarians' fire, has occurred after some weeks of calm in that troublesome area. One Turkish official view--that the incident may have reflected no more than prankishness on the part of unsober Bulgarian military personnel--may not be far from the

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truth. This sort of provocative Soviet-Satellite action certainly does not seem in accord with the current outburst of Soviet amicability in Europe, just as the US Senate begins discussion of the Atlantic Treaty and the Military Aid Program.

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An economic delegation from Israel has gone to London to discuss the question of frozen Israeli sterling balances. These balances fall into two categories: (1) sterling cover for the old Palestine Currency Board notes which formerly constituted the currency of Palestine and Transjordan; and (2) holdings of individual business houses. When these balances were blocked in February 1948, the total amounts involved were in the neighborhood of £ 100 million; some releases, however, have been made since that date. It is probable that any agreement reached will be designed primarily to develop and stimulate trade relations between the two countries.

\* \* \*

Morale among immigrants to Israel is suffering a set-back during the first months of peace. Clamor for jobs and housing is loud, while pioneering in settlements in the desert is not viewed with much enthusiasm. The Israeli "in-gathering of exiles" crusade, essential to Israel's political survival, presents the state with a critical need for financial assistance in settling the new immigrants. To supplement contributions from abroad, a new austerity program of rationing and taxation is being launched inside Israel.

\* \* \*

There are reports that the ever-troublesome Kurds in northern Iraqi areas, egged on by Communists and local leftists, are increasing their agitation for autonomy. There have also been rumors (probably untrue) that Mulla Mustapha, the Barzani Kurds' leader now in the USSR, is planning to return to Iraq to lead a revolt. Nuri Pasha will probably bring back some selected elements of the Iraqi Army (now in Jordan) for use as security troops in the north. The return of the whole army might prove unwise with respect to internal security in view of the dissatisfaction among the troops over the Palestine fiasco.

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The Israeli delegation at Lausanne refuses to talk with the Syrians before the Israeli-Syrian armistice is signed. At this rate the twain may never meet, for the armistice negotiations are hopelessly bogged down at present. Israel demands that Syria accept the formula agreed to in the Lebanese negotiations by which the international political boundary became the armistice demarcation line. This would involve Syrian withdrawal from the Mishmar Hay-Yarden strong-point above Lake Tiberias, Syria's only conquest and bargaining point with Israel, which Syria is most reluctant to give up. Zaim claims to be willing to compromise with Israel and work out a "realistic" settlement concerning territory and refugees and favors a frontier which would follow the center of the Jordan Rift up the Jordan River and through Lakes Tiberias and Hula, thereby adding several small areas of Palestine to Syria.

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