

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

WORKING PAPER

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NEAR EAST/AFRICA BRANCH

INTELLIGENCE SUMMARY

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For Week Ending
24 August 1949

GREECE

Greeks Cautious On Albanian Question: Although the question of Albanian support for the Greek rebellion will assume new importance as the current offensive develops in the Grammos area, the Greek Government will probably avoid any rash action against Albania so long as Greece is preoccupied with major anti-guerrilla operations. The number of Greek guerrillas being harbored in Albania may now total more than 10,000 as the result of the recent withdrawal of some 5,000 rebels from the Vitsi sector, and new guerrilla attempts at large-scale border crossings or the delivery of artillery fire and counterattacks from Albanian soil may therefore inflame the already great Greek popular resentment at Albanian policy, as did certain reports during the Vitsi battle. Nevertheless, the Greek press has thus far largely skirted the inflammatory issue of old territorial claims against Albania; Greek officials are waiting to see whether the UNGA in its September session will make any move to control hostile frontier traffic; and the Greek Army itself is unlikely to make sizable forays into Albania unless it is provoked considerably more than it was during the recent Vitsi battle. The Greeks may still be tempted to take part in the overthrow of the relatively weak pro-Soviet regime in Albania if the development of the Tito-Soviet quarrel provides a suitable opportunity. Even so, Greece would still be concerned over the uncertainties of the Balkan situation and would remain basically distrustful of Tito. Thus, unless the Greeks feel that they can rely upon US-UK support for specific measures against Albania, they will, however reluctantly, maintain a cautious attitude--at least until they can better appraise the course of the Tito-Soviet quarrel and are more confident of their own progress in anti-guerrilla operations.

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INDIA-PAKISTAN

Kashmir Dispute: The UN Commission for India and Pakistan (UNCIP) has announced abandonment of the proposed joint political talks between India and Pakistan on Kashmir. These talks, scheduled for 22 August, were designed to establish a truce--as distinct from the already effective cease-fire--preparatory to a plebiscite as agreed to by India and Pakistan in their acceptance of UNCIP's

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proposals of 13 August 1948 and 5 January 1949. UNCIP concluded, however, that the intransigent attitude of both governments regarding the proposed agenda foredoomed the talks to early failure.

In a last effort to obtain agreement, UNCIP will probably propose that the disputed questions affecting the truce be submitted to arbitration by Admiral Nimitz, Plebiscite Administrator designate. Pakistan has already indicated informally that it will readily agree to arbitration by Nimitz. India, on the other hand, will probably reject the arbitration proposal, notwithstanding the strong diplomatic support which the US and UK plan to give the proposal. The attitude of the Government of India (GOI) toward the Kashmir dispute has been uncompromising from the outset; moreover, the GOI has expressed reluctance to confer plenipotentiary powers even on its own representatives during UNCIP's mediation efforts. Prime Minister Nehru's own attitude, however, is believed to be the controlling factor in India's position, and his impetuosity might result in a complete reversal of his previous attitude. There are indications of increasing concern on his part over evidence reaching him that the Kashmir dispute is damaging India's reputation and is seriously harming important external and internal interests of India. The fact that the recently announced intention of the US and the UK to support India's candidacy for the Security Council will momentarily appease Indian vanity may also facilitate a shift in his attitude whereby India would make the necessary concessions on the Kashmir matter. If no such reversal takes place, UNCIP can only refer the dispute back to the Security Council for further consideration.

NOTED IN BRIEF

Although Zaim's admiration for Turkish modernization and westernization aroused considerable resentment among Syrian nationalists, Syria's new leaders have expressed a desire to retain Turkey's friendship and even to strengthen the ties between the two countries. Meanwhile, Turkey seems to have adopted a wait-and-see attitude toward the new regime pending definite indications that Syria's friendship is more than skin-deep; and the Turkish Government has authorized the general commanding the Turkish mission to the Syrian Army to use his own judgement as to whether the mission should be continued.

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The Turkish Government is trying to eliminate the bite from behind the bark of the opposition Democratic Party by remedying two conditions which have provided most of the ammunition for the Democratic attacks. It is reported that a tentative electoral reform bill has been sent to a committee of scholars for study and that it will be released to the press. Also, industrialists have been requested to state their problems so that the government can set up machinery for the investment of private capital in Turkish economic enterprises. Significantly, however, none of the currently state-owned factories will be turned over to private enterprise.

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Since Turkish official sanction to look for Noah's Ark on Mt. Ararat has been given to Western scientists, TASS (official Soviet News Agency) has announced that a Soviet scientist has just finished six years of excavation on the southwestern slopes of Mt. Ararat. TASS reports that evidence has been found that Stone Age men lived in this area presumably long before Noah's Ark was supposed to have landed on the mountain top. This report brings up the questions of who's spying on whom, how scientific can you get, and are the Soviets about to claim another "first" for the Communist regime.

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The Army remains the power behind the scene in Syria despite the ostensible return of the government to civilian politicians. The interim Cabinet is weak and disunited. Unless it caters to the Army--which has taken over the directorship of the civilian police, the assistant Directorship of Posts and Telegraphs, and several minor posts, as well as retaining the Ministry of Defense--it may easily find its position untenable. Hinnawi, perpetrator of the latest coup, is now Commander in Chief.

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A determined attempt to reinstitute the flow of crude oil through the Kirkuk-Haifa pipeline is about to be made. A tanker from the Western Hemisphere is now on its way to Haifa, carrying oil with which to start up the refinery there, while three tankers carrying Persian Gulf oil are on their way to the Suez Canal.

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The theory is that with the refinery already in operation, the Egyptian Government can be persuaded, with British and French assistance, to relax its ban on shipments to Israel and permit the tankers to pass through the canal, and that Iraq, which is in any case in serious need of its former oil royalties, would then find it politically easier to lift its ban on the flow of oil through the pipeline from Kirkuk to Haifa. The success of the plan is questionable. Although Egypt has recently relaxed to some extent its restrictions on shipments to Israel through the Suez Canal, there is some doubt whether one tanker load of oil from the Western Hemisphere will prove sufficient economic blackmail to persuade Egypt to permit the Persian Gulf tankers to transit the canal. Even if Egypt does relent, the problem of the Iraqi pipeline is so interwoven with the other problems of peace between Israel and the Arab states that the projected "pump-priming" operation may have to continue for some months before Iraq gives way.

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Negotiations for an International Bank loan to Iraq for flood control and irrigation projects are expected to be completed by January. The amount under consideration is 6.4 million dollars plus 5.8 million pounds sterling, but this sum may be altered on the basis of negotiations in London between Prime Minister Nuri Said and the British Foreign Office for a loan to cover current budget deficits. In any case the loan will not be a panacea for Iraq's present and future financial difficulties.

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Khashaba Pasha's resignation as Egyptian Minister of Justice, allegedly over a "trifle," is regarded by many as fortunate. Khashaba Pasha's successor is Aly Allouba Bey, now Minister of State, a liberal, practical man who is expected to be an improvement over the procrastinating Khashaba. The change will probably not affect the balance of power in the Cabinet, since both men are members of the Liberal Party.

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The Sheikh of Qatar is reported to have abdicated in favor of his son Ali Abdullah al Thani, possibly to escape the ennui of dealing with the constant procession of oil prospectors trekking across his territory.

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A spate of Iranian notables will descend upon Washington during the next few months. In addition to the Shah, who is expected to visit Washington in November, three other Iranians--Foreign Minister Hekmat, Ebtehaj, the director of the National Bank, and Allahyar Saleh, former Minister of Finance--plan to come here shortly. Each will probably take a hand in pressing for increased economic or military aid from the US.

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The question of US military aid for Iran continues to evoke unfavorable comment in the Iranian press. One of the leading dailies has branded the proposed MAP aid as "insulting" and appealed to "an old friend for more favorable attention." Another journal has demanded that the aid be refused, pointing out that Iran's neutrality was worth much more.

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Soviet submarines have been observed by Caspian Sea fishermen on several occasions during the past three months. The fishermen's reports were notable for the accuracy with which the craft were described.

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