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OFFICE OF REPORTS AND ESTIMATES  
CENTRAL INTELLIGENCE AGENCY

WORKING PAPER

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NEAR EAST/AFRICA BRANCH **CONFIDENTIAL**

INTELLIGENCE SUMMARY

Vol. IV No. 25

For Week Ending  
29 June 1949

GREECE

Diomedes Succeeds to Premiership: The scheduled swearing-in of the 74-year-old Alexander Diomedes as the new Prime Minister of Greece, along with the old cabinet, on 30 June will bring a halt to the six-day government crisis resulting from Sophoulis's death. Tsaldaris, leader of the plurality (37%) Populist Party, had been frustrated in his initial attempts to form a cabinet by the refusal of the second-ranking Liberal Party to serve under him. Important in breaking the political deadlock that might soon have called for strong measures was the combined urging of King Paul and the British and US ambassadors.

Diomedes is a respected financier and a Liberal without strong party coloring who will be able temporarily to preserve the old coalition cabinet, but his task will soon become much more difficult because of his relative inexperience in politics and his lack of a stabilizing influence comparable to that of Sophoulis. Without constant outside urging, there appears to be no one in the cabinet or in Parliament possessing the required ability to command approval and restrain political factionalism. For the time being, however, a slight improvement in the functioning of the cabinet may actually occur, since certain delays in important business had been occasioned in recent weeks by the growing infirmity of Sophoulis and his frequent refusal to delegate power.

Otherwise the Greek Government will continue its course much as before. The military command is firmly in the hands of General Papagos, and has now been freed to a remarkable degree from demoralizing political influence. The day-to-day run of urgent economic and political matters coming up before the government is handled almost exclusively by the streamlined Cabinet Coordination Council, in close cooperation with British and American advisors. For the time being, Parliament has actually lost much of its normal significance, except as a sounding board for public opinion, and largely for this reason has recently given the appearance of lethargy. If under these circumstances the now intensified

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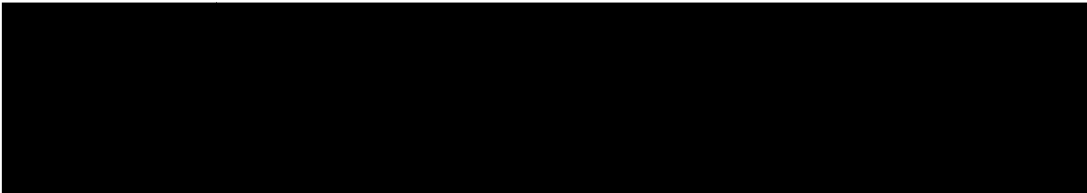
party and personal rivalries were to result in a new and more prolonged cabinet crisis, the King might be tempted to take matters into his own hands for the sake of the war effort.

#### TURKEY

Opposition anger rises: Although general elections are not due to be held until next year, the question of how the balloting will be conducted is already the subject of heated discussion among Turkey's political leaders. The government's failure to present an electoral reform bill to the National Assembly, which has just adjourned until November, has become a sore point with the opposition leaders; the recent meeting of the opposition Democratic Party was reportedly so bitter on the subject as to evoke a denunciation of their attitude by Prime Minister Günaltay. Political tempers are likely to remain high during the months to come.

The principal opposition demand is that the judiciary supervise the electoral process (particularly with respect to the secret casting and the open counting of votes) to prevent repetition of the governmental rigging of the vote which almost certainly took place last time, in 1946. The Democrats feel, rightly or wrongly, that a fair election would put them in power in place of the perennially ruling People's Republican Party, and some of the more inflammable (and cynical) members of the opposition have begun to hint dangerously at revolt. Thus far, the government has evaded the issue; although Günaltay recently made a half-promise to "persuade his colleagues" to accept electoral reform, there is no doubt that many members of his party strenuously oppose any such concession, which they know full well might not only end their own political careers but also the easy livelihoods with which their friends and relatives have been provided. Perhaps the recent flareup of recriminations may persuade the diehards that the opposition is really in earnest this time and that some further relaxation of the government party's tight control over elections might be judicious.

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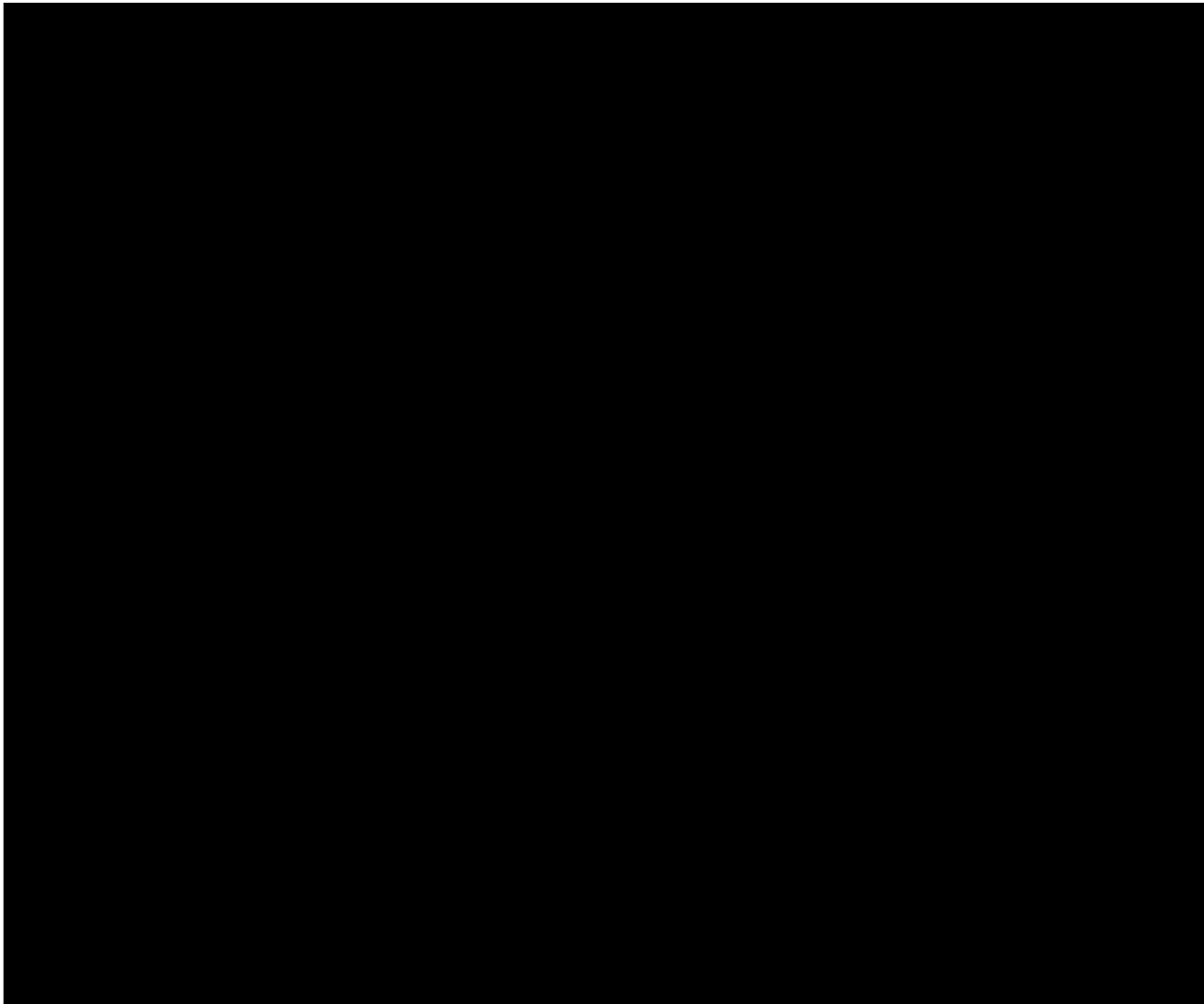
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### IRAN

**Crisis Brewing:** While the Shah has been devoting his energies to building up his military establishment, dissatisfaction and unrest have been increasing among the people of Iran. Riots, provoked by local bread shortages, have begun to crop out in the north, and Iranian merchants and religious leaders are preparing to submit a petition directly to the Shah demanding an end to "political and economic anarchy" and threatening a general strike unless the government can remedy the situation at once. These important groups are probably suffering from the current decline

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of commercial activity in Iran, but they are also apparently using the present situation as a protest against the concentration of power in the hands of the Shah and the army. The Saed Government, despite its failure to avert bread shortages, has made a relatively commendable record during its seven months in office, and Saed himself, although he admits that his government is under heavy attack, feels that he can weather the storm by reshuffling his cabinet. The multiplicity of economic problems facing the country, however, and the development of opposition among influential groups as a result of the Shah's preoccupation with military matters suggest that pious proposals and cabinet shifts may not be enough. Unless some concrete action is undertaken to improve the situation, the present government may fall. Inasmuch as the candidates for the premiership who would have the Shah's approval have proved themselves less capable than Saed, the Shah may find himself faced with a crucial internal situation.

#### INDIA - PAKISTAN

India stands pat: The UN Commission for India and Pakistan appears to have exhausted all possibility of obtaining a Kashmir truce agreement through its own efforts. In response to the Commission's latest overtures, India has once again insisted on the right to occupy northern Kashmir and on its own formula for withdrawing the bulk of the Indian forces from Kashmir; while a committee from UNCIP is now in Karachi making a final attempt to find some basis for agreement, there is no indication that Pakistan would accept India's terms, which contravene the spirit if not the letter of the underlying agreement proposed by UNCIP on 13 August 1948 and later accepted by both governments. Although India apparently hoped that its latest statement might be interpreted as an acceptance of UNCIP's truce terms, thus placing the onus for the breakdown of negotiations on Pakistan, it is probable that the Commission will now declare that both sides have rejected its terms and will urge the two governments to accept a truce arbitrator. If such an appeal fails, the Commission can do nothing but refer the whole matter back to the Security Council.

#### NOTED IN BRIEF

Price is not the only factor affecting the export market for Turkish tobacco. Smoking is a habit in which the taste preferences formed by the consumer have an important bearing on sales, and exports of the

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aromatic Turkish blends have been limited up to now by the preference of many Europeans for the milder Virginia types. What is happening in the case of the British market, however, suggests that the scarcity of dollars in Europe may slowly result in a re-education of the taste of European palates: during World War I, the British lost their taste for Turkish tobacco because there wasn't any for them to smoke; after World War II, unable to get all the dollar exchange they wanted, the British began to reappear as buyers of the Turkish product. If this trend continues, it will be a fortunate one for Turkey: about one out of every twelve members of the Turkish population is dependent upon the noxious weed for an existence.

\* \* \*

The Turks are represented in the security talks which have been taking place in Tehran among Near and Middle Eastern leaders; as the most powerful military nation in the area (with even more powerful friends), Turkey could hardly be excluded. The Turks, however, while not averse to strengthening relations with their neighbors, are not in the least interested in entering into any military pacts. Their price for the assumption of any such obligation would continue to be the unequivocal promise of Western support, which is not at present forthcoming.

\* \* \*

Relations between Afghanistan and Pakistan have again become critical because of an incident of a fortnight ago, in which a Royal Pakistan Air Force plane machine-gunned and bombed an assemblage of Afghan tribesmen some 800 yards within Afghan territory. While Pakistan's failure to provide a satisfactory explanation of the affair has undoubtedly nettled the Afghan Government, the real importance of the incident is that it has almost certainly aroused real resentment among many of the border tribesmen, who have hitherto appeared only moderately responsive to the anti-Pakistan agitation going on in Afghanistan. If the tribesmen's current resentment should be aggravated by further propaganda from Kabul or by other unfortunate incidents, their natural restiveness and bellicosity might flare up in disturbances serious enough to involve Afghanistan and Pakistan in armed conflict.

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A series of mysterious explosions which took place in the Mezze citadel near Damascus on the night of 25 June may have serious consequences for Syria. The brother of President Zaim has indicated that over three million dollars worth of newly acquired French ammunition was destroyed, while another source states flatly that the loss involved virtually all of Syria's munitions reserves.

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