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

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INTELLIGENCE SUMMARY

Vol. IV No. 36

For Week Ending
14 September 1949

TURKEY

Harsh words from the Bulgars: Turco-Bulgarian relations, which have been considerably less than cordial in the past, have again entered into the official protest stage with the presentation of a Bulgarian note charging the Turks with failure to protect the interests of the Bulgarian People's Government. According to the note, the Turkish authorities have not only permitted "malicious attacks" on Bulgaria to be made in the Turkish press but have also condoned anti-Bulgarian activities on the part of Bulgarian emigres in Istanbul, some of whom allegedly attempted a kidnapping within the premises of the Bulgarian Consulate itself without a Turkish policeman's finger being lifted against them. The next move in this typically Balkan game of intrigue and recrimination will doubtless be made by Ankara, which has a ready basis for protest in a recent explosion in the Turkish Consulate in Plovdiv. Although no Turkish lives were lost, a passing Bulgarian woman got it slightly in the neck. The next day, moreover, one of the consular officials found another bomb, the fuse of which had gone out prematurely. The bomb was on his bedroom windowsill, just where careful markings in Bulgarian indicated it should go.

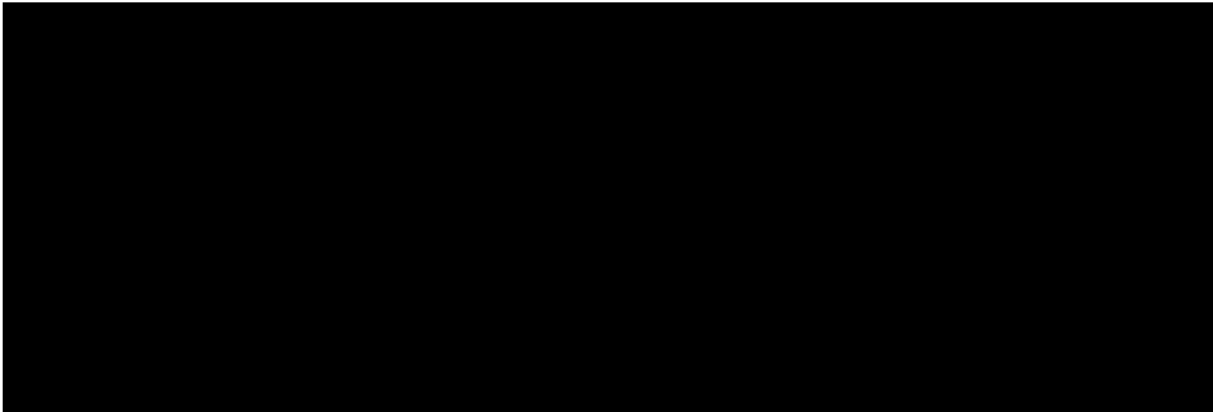
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INDIA-PAKISTAN

Kashmir dispute: It now appears that the UN Commission for India and Pakistan (UNCIP) can make no further contribution toward solution of the Kashmir dispute and must report in this sense to the Security Council. Although termination of UNCIP's current efforts is not likely to precipitate immediate disorders, the situation in Kashmir cannot long remain static. Unless some means of settling the dispute is found, hostilities will probably develop eventually. The fact that Prime Minister Nehru, having rejected UNCIP's arbitration proposal, admits that it is now incumbent on India to make some constructive recommendation toward a settlement provides a slight ray of hope. Perhaps India will evolve for Pakistan's consideration a new formula providing for joint mediation or arbitration of the three principal disputes between the two dominions--Kashmir, refugee property, and water rights; or perhaps during Nehru's forthcoming visit to the US some arrangement permitting a possible settlement may be suggested.

NOTED IN BRIEF

Recent admissions by Greek Cabinet members that the government had considered sending troops into Albania to neutralize Greek guerrilla bases there are probably designed to warn Albania against further aid to the guerrillas, and to alert the UN to the dangers arising from the border problem. While immediate Greek Army action against Albania is thus not likely, the Greek Government may, however, find itself politically unable to check strong public and military pressure for such a move should Albania again provoke Greece by promoting guerrilla aggression and should the UN fail to find an effective way to stop further aid.

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Postponement of the Greek municipal elections previously set for the end of October is attributable to caution rather than to any unfavorable development in the Greek situation. Besides wanting to make sure that the guerrilla movement will really be quelled before the balloting, the Greek Government is most anxious to avoid any domestic incidents--such as possible electoral disturbances--that might divert the attention of the UNGA during its coming discussion of the Greek question. There continues to be a general desire to hold not only municipal but also Parliamentary elections no later than the spring of 1950, despite some Liberal hints that the plurality Populist Party is reluctant to test its strength at the polls.

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The cancellation of Syria's half-promise to exchange wheat for Turkish livestock has been accepted with good grace by the Turks, who are now waiting for the political dust to settle in Syria with the firm hope that Zaim's successors will also decide on a policy of close friendship with Turkey.

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The promise of a more compact and better-trained and equipped Turkish Army, for which the US military mission has been working for two years, will soon be brought one stage nearer fulfilment. Three army corps and six infantry divisions will be inactivated, thus releasing manpower and equipment for use in strengthening other units.

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Political recriminations have been markedly absent in Turkey of late, with the opposition more or less automatically hurling the same old charges at the government and government spokesmen replying with seemingly equal absent-mindedness. By-elections next month, which the opposition will not contest, will not liven up matters much, and the major political battles will not be joined until the Assembly reconvenes in November.

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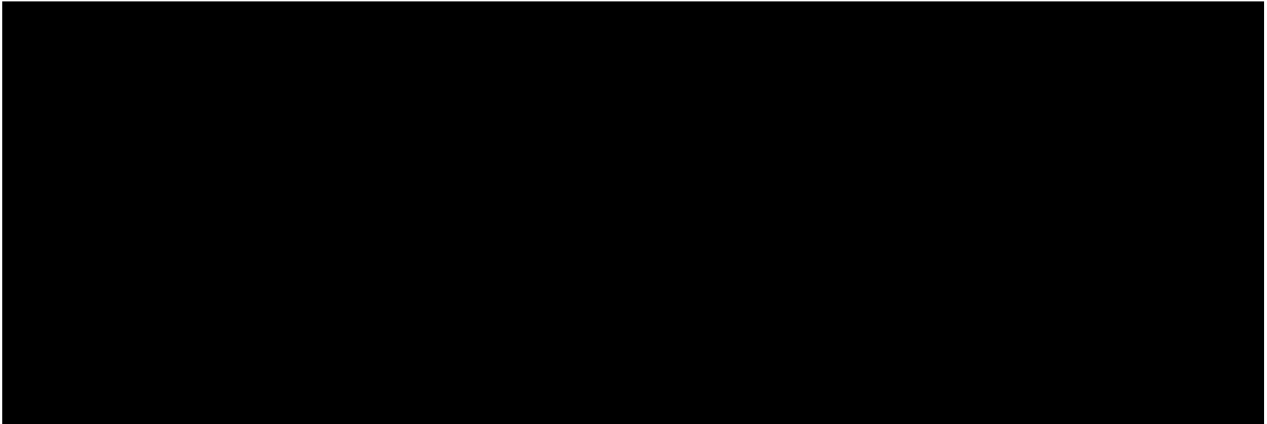
The life of Riley, the US Marine general who heads UN armistice supervision efforts in Palestine, is not a happy one. The weakness of the various Mixed Armistice Commissions has been pointed up by two recent instances

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Recognition of the new Syrian Government by the major powers, Saudi Arabia, and Egypt still hangs in abeyance, to the discomfiture of the Syrians. Thus far the great powers have waited for some clarification of attitude by the two Arab states, which have been reluctant to move because of uncertainty about Syria's intentions in regard to Hashimite ties. The UK, however, now feels that the major powers should grant recognition in the very near future, in order to help stabilize the new regime, facilitate the activities of the Economic Survey Mission, and define Syria's position in the forthcoming meeting of the GA. The French are in general accord with the British.

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The current outbreak of gunfire and protest along the Yemen-Aden border reflects a typical state of affairs along that mountainous and ill-defined frontier and should not be taken too seriously. Recently the Sharif of Beihan, a member of the Aden Protectorate, built himself a custom-house on one side of the nebulous line in order to exact duty from Yemeni

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traders: Yemeni tribes retaliated by erecting a fort nearby, and inevitably some gunplay ensued. When the RAF entered the fray by strafing the Yemeni fort, the Imam, jealous of his honor, was constrained to demand reparations, accusing the UK of violating the UN Charter by attacking a fellow member-nation. Despite his protests, however, the Imam is probably quite content to see order restored among the troublesome tribes, [REDACTED]

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Iranian leaders fear that the Soviets will reap a propaganda harvest if negotiations now under way for the purchase of 100,000 tons of wheat are consummated and streams of Soviet wheat pour into northern Iran--especially into Azerbaijan, where the Shah now admits conditions are "terrible." Despite these misgivings, the Iranian Government, which lost many months attempting to negotiate credit and barter deals with the US, feels that it must now obtain wheat wherever it can get quickest delivery. If the deal goes through, the USSR will undoubtedly attempt to discredit both the Iranian Government and the US by claiming that the Soviets stepped in to save Iranians from starvation.

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India, in rejecting the UNCIP proposal that disputed questions pertaining to the Kashmir truce be arbitrated, maintains that the main point at issue regarding the truce--disbandment of the Azad forces--has already been decided on the basis of conversations between Prime Minister Nehru and the Colombian delegate on UNCIP. Discussion before the SC will presumably attempt to resolve this point, which appears to rest upon personal and unauthorized statements by the Colombian.

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In order to encourage American investment in French overseas territories, principally in Africa, a joint Franco-American Banking Corporation has been proposed, largely on the initiative of US interests. The organization would be comprised of representative of 7 French banks and 5 American banks, the former supplying 52% of the capital and 59% of the members of the board of directors. The Corporation would have only a nominal capital; its main function would be to advise, channel, and coordinate investment projects which the individual banks or other business interests might desire

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to make in these underdeveloped areas. The French Government has already tentatively agreed to the proposal and will permit investment funds to be withdrawn from French territories in the currency of origin. The operation of the proposed corporation, by stimulation of capital investment, should result in increased production of and exports to the US of strategic materials from French Africa.

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