

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

WORKING PAPER

OCT 5 1979

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DOCUMENT NO. 14
NO CHANGE IN CLASS.
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CLASS. CHANGED TO: SECRET
NEXT REVIEW DATE: _____
AUTH: HR 70-2
DATE 14 Mar 79 REVIEWER: 008514

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NEAR EAST/AFRICA DIVISION

INTELLIGENCE SUMMARY

Vol. IV No. 39

For Week ending
5 October 1949

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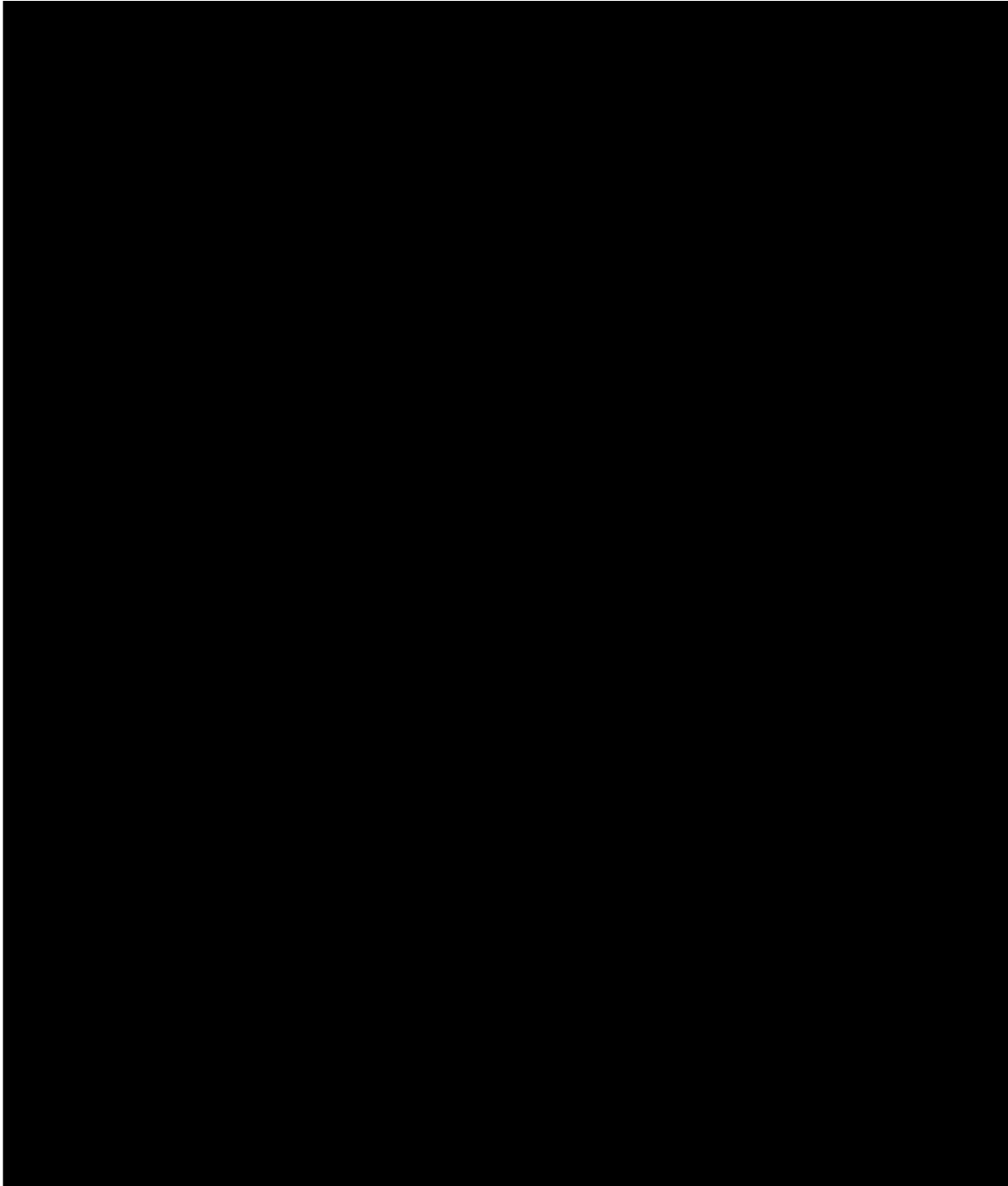
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GREECE

Soviet intentions: Although the Soviet bloc has now concurred in a Western-sponsored General Assembly resolution setting up a Balkan Conciliation Committee, the Kremlin has still evinced no real sign that it is prepared to offer genuine concessions on behalf of a Greek settlement. Thus far the USSR has allowed its specific intentions regarding the Greek issue to remain in doubt, although a continuation of its general de-emphasis of the guerrilla problem is indicated by: (1) the gradual withdrawal of additional rebel units from Greece; (2) a reported decline in Soviet shipments to Albania; and (3) recurrent rumors that Albania and Bulgaria are either interning the guerrillas or are moving them to other satellite countries. While guerrilla peace propaganda has increased during the last week, it has offered only the old Gromyko proposals of April-May 1949, which were flatly rejected by Greece and the Western powers. The Soviet bloc will probably watch for any opportunity to obtain Western concessions as well as to make propaganda during the conciliation talks, despite general agreement among the Conciliation Committee members that territorial matters and questions of Greek internal affairs should be avoided. There is no indication, however, that the Kremlin intends to present the Committee with major concessions of its own.

Yugoslav relations: A further improvement in Greek-Yugoslav relations is foreshadowed by reports that Yugoslavia: (1) has agreed to repatriate Greek children on their parents' request; and (2) will soon rehabilitate its rail link with Salonika, the Greek section of which was reopened on 24 September. However, although current political developments may speed the evolution of more friendly relations, Tito is still moving cautiously with respect to Greece. Last week, for example, Yugoslavia's UN representative voted in favor of an unsuccessful Polish proposal for a temporary suspension of executions and court martials by the Greek Government, although the Yugoslavs were cooperative toward the West on other aspects of the Greek issue.

TURKEY

Tighter import controls: The new Turkish import regime announced 15 September provides another sign that the Turkish Government is unlikely to relax state economic controls. All exports will be stringently controlled, and for this purpose they are divided into three groups: articles of primary necessity, articles of daily general use, and all

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others. Permits to import will be granted in accordance with the availability of foreign exchange, the provisions of existing trade agreements, and the nature of the article to be imported. The object of imposing these very strict controls is to conserve hard-gained foreign exchange and to put what is drawn to the best possible use. At the same time, however, the action constitutes yet another--perhaps unavoidable--step in the opposite direction from the government's announced objective of liberal foreign trade practices and decreased etatist controls at home.

IRAN

Benign Soviet attitude: The relatively temperate attitude currently displayed by the USSR toward Iran is puzzling the Iranian Government. Besides releasing eleven Iranian soldiers who were captured by the Soviets on 20 August and replacing Soviet border personnel with units allegedly instructed to be more "friendly and cooperative," the Soviet Union appears receptive to Iran's demands for compliance with the Irano-Soviet fisheries agreement. This apparently "benign" attitude may be designed: (1) to strengthen the position of pro-Soviet elements in Iran; (2) to minimize the likelihood of the Iranian Government's closing additional Soviet agencies in Iran and of referring its relations with the USSR to the UN; and (3) to encourage the Iranians to believe they can reach agreement with the Soviet Union on various outstanding questions. In any event, it is unlikely that Iranian leaders will regard the Soviet maneuvers as reflecting a change in the USSR's basic policy toward their country.

NOTED IN BRIEF

The Turks may decide to recall their consular staffs from Bulgaria if the Bulgarian Government does not provide satisfactory assurances that these staffs can work in greater security than in the past. The Turks will be not at all unhappy, of course, if at about the same time the Bulgarian Consulate in Istanbul is closed; it has been a center of petty intrigue and espionage for years. There is, however, no suggestion that diplomatic relations will be broken between the two countries.

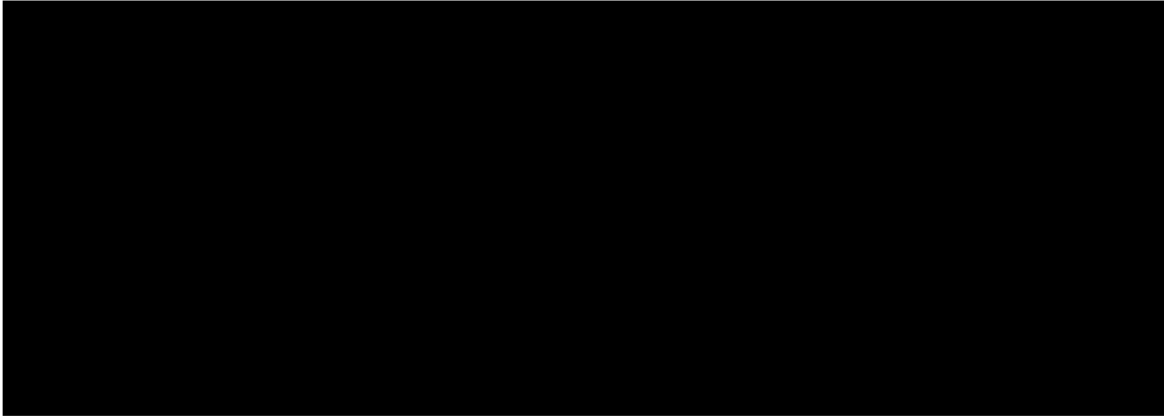
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Mecca pilgrimage ceremonies commenced 1 October and end 5 October. As of 26 September, 60,000 pilgrims were reported to have reached the Moslem religious center, convening from as far afield as Java and Indonesia. (Hajj Amin al Husseini, Grand Mufti of Jerusalem, is numbered among the throng.) This year, pilgrim entry fees have been reduced by some 24%. A traffic light, the first device of its kind in Saudi Arabia, has been installed in Mecca. Other municipal improvements are in progress in the holy cities of both Mecca and Medina, as well as in Jidda. By improving pilgrimage facilities, Ibn Saud, as custodian of the shrines of Islam, enhances his own position throughout the Moslem world.

* * *

Arab reaction to the reported Soviet detonation of an atom bomb has been remarkably mild. King Abdullah is the only Arab leader who has indicated concern over the development, and the press in general has assumed that the setting up of a balance between the US and the USSR will relieve tension in the cold war. Israeli reaction in general is that the development will restrain US aggressive instincts and thus contribute to world peace. The Israeli attitude stems from Israel's tortured attempts to maintain neutrality in the cold war; Arab indifference, from preoccupation with the Palestine issue and internal insecurity.

* * *

Little progress has been made toward reaching an agreement which will assure a steady supply of crude for the Haifa refinery. Although two tankers have arrived from the Western Hemisphere, their cargoes will be sufficient to supply the refinery's needs for only a few days. Meanwhile, Egypt has not granted permission for tankers from the Persian

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Gulf to transit the Suez Canal en route to Haifa. Iraq also shows no inclination to allow the reopening of the Kirkuk-Haifa pipeline. It is apparent that neither of these two countries wishes to be the first to accept the responsibility for allowing Arab oil to reach Israel, both because of the possible internal reaction and for fear of incurring the disapproval of the other Arab states.

* * *

Foreign air carriers are dismayed by Iraq's withdrawal of Fifth Freedom rights. In extending civil air permits for another year, Iraq denies non-Arab lines the right to carry passengers, freight, or mail between two points within Arab countries. The US is apprehensive that it will be difficult to maintain economic air operations into the Near East under these conditions, and since UK, French, Dutch, and Swiss carriers are also affected, a united protest will probably be presented to the Foreign Office, with the UK "carrying the ball." If the cabotage principle, which runs counter to provisions of the International Air Agreement, is allowed to stand, it is feared that other Arab states will follow the Iraqi precedent.

* * *

The Economic Survey Mission (ESM) is making a whirlwind tour of the Near East and will probably be able to deliver its report to the General Assembly by 10 November. The Mission has only three more countries to visit: Iraq, Saudi Arabia, and Israel. Iraq is reluctant to engage in more than very limited discussions, and so far Saudi Arabia is definitely opposed even to meeting with the Mission. Israel will be the most cooperative--probably in the expectation that the ESM recommendations will place the major portion of the Palestine burden on the UN and the Arab states.

* * *

The manager of the National Bank of Iran--in contradiction to the position taken by the Prime Minister and the Minister of Foreign Affairs, who have requested direct US aid--is of the opinion that Iran does not need an economic grant or loan at this time, provided the US grants sufficient military aid to meet the minimum requirements of the Iranian Army.