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CENTRAL INTELLIGENCE AGENCY

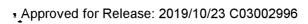
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#### 1. ARABS FEAR IMMINENT ISRAELI ATTACK ON SYRIA AND JORDAN

King Hussain and Jordanian chief of staff Nuwar informed Ambassador Mallory on 20 November that their intelligence reports indicated an imminent Israeli attack either directly on Jordan, or on Syria in order to draw Jordan in. The two leaders cited redeployment of Israeli troops, the absence of significant demobilization activity in Israel, and an increase in Israeli intelligence activity in Jordan.

Egyptian speculated that Israel's object was to create a situation which would bring an international force into the area so that the Israelis could proceed with the diversion of Jordan River water.

Similar reports presumably were the basis for the Syrian UN delegate's announcement in New York on 21 November that Israel, Britain and France were about to attack his country.

Israeli forces, with an estimated 170,000 men on active duty, remain in an advanced state of readiness and could launch an attack on Syria or Jordan or both at any time. The threat of Soviet intervention, however, appears to be having a deterrent effect on Tel Aviv.

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#### 2. SHEPILOV PROMISES IMMEDIATE HELP IF SYRIA IS ATTACKED

Soviet foreign minister Shepilov told Syrian ambassador to the United States Zeneiddine on 21 November that the USSR had been late in coming to Egypt's

assistance but that if Syria were attacked the USSR would "help her immediately."

Shepilov told the ambassador to notify his government of this statement.

Comment By promising immediate help against outside attack, Shepilov may be deliberately encouraging the leftist-nationalist political combination, of which Zeneiddine is a member, to seize complete control in Syria.

As of early November Soviet bloc ships were continuing to deliver to Svria arms contracted for earlier this year.

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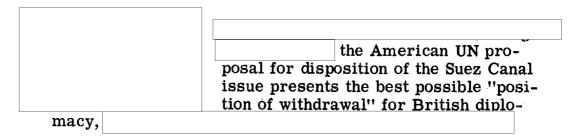
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#### 3. BRITISH OFFICIALS REPORTED WEAKENING ON SUEZ CANAL CONTROL



According to the Belgian message, the French do not share the British view that the best canal settlement obtainable would be administration by Egypt and control of tolls collection by the Suez Canal Users' Association under an arbitral body. Paris still would like to demand international administration of the canal.

Comment

This report is the first indication that the British government may be considering altering its public position that international control of the canal is essential.

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#### 4. SOVIETS HARASS WESTERN TRAINS BETWEEN BERLIN AND WEST GERMANY

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> On the night of 20-21 November, five of the seven regularly scheduled Allied military trains passing between Berlin and West Germany were subjected to un-

usual controls and delays by Soviet authorities at the East German border point at Marienborn. Three American, one British and one French train were detained in train sheds where an unusual number of armed Soviet soldiers were on hand.

The Soviet authorities demanded individual travel orders for the passengers of the trains. They also attempted to board trains to check passengers, in one instance telling an American train commander that a "new agreement" confirmed their right to do so. In each instance train commanders refused to permit boarding of the trains, and the Soviet officials did not press the point, although they insisted that in the future Russian translations of travel orders would be required. The Soviet authorities showed a particular interest in civilian passengers. A British officer was warned that British trains would not be allowed to proceed the night of 22 November unless they produced individual travel orders.

Comment

The Soviet commandant at Marienborn several days ago announced that more detailed documentation would be necessary. The Soviet authorities are probably exerting pressure in the matter of train documentation in order to test Allied reaction, just as from time to time various new requirements have been made in connection with highway travel to Berlin. Although these demands present no immediate threat to Allied access to Berlin, they may be the forerunner of more serious restrictions on rail and highway access.

The United States, Britain and France run passenger and freight trains to Berlin under a four-power

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agreement which sets no limit on the categories or nationalities of personnel who may be carried. The only limits are those which the Western military commanders have imposed unilaterally, with considerable variation among them. Heretofore Soviet authorities have not required travel orders or identity documents of passengers.

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#### 5. SYRIAN MIG-15'S PROBABLY DESTROYED IN EGYPT



Syria's 20 MIG-15 jet fighters did not escape from Egypt and were destroyed at Abu Suweir airfield. It is

known that 20 of 22 MIG-15's at Abu Suweir were destroyed by Anglo-French bombing.

At least seven Syrian Meteor jet fighters were in Egypt during the Anglo-French bombing, and three of these were badly damaged.

Jet righters, all Meteors, had been noted on Syrian airfields up through 16 November.

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# 6. EGYPT PROVIDES USSR WITH ESTIMATE OF INCREASED ARMS REQUIREMENTS

	Egypt has provided			
	with an estimate of			
	future military aid requirements wh			
	suggests that Cairo desires a furthe	1011		
Increase in its milit	ary forces and in Soviet bloc training	71 ~		
personnel.	ing forces and in poviet bloc training	<u>·</u>		
data giv	an liag a d			
in estimating the ext	ent of aid!! indicated a decime for an	guiae		
in estimating the extent of aid" indicated a desire for an air				
force of up to 36 squadrons; a radar network and training				
unit; replacement and reinforcement of antiaircraft artillery;				
replacement of medium tanks lost in Sinai: and radio sets to				
build up a complete	army communications network.			
	Cairo's new training policy envisage	S		
an increase in Czech training missions. Egyptian technical				
standards would be improved by contracting for ordnance				
"service depot experts" to meet needs for repair and main-				
tenance"with priority to the air force."				
tactical training experts for bomber crews and				
"for the navy" should be ready to be sent to Egypt in Decem-				
ber.	be ready to be bent to Egypt in Deci	em-		
-				
	Cairo also indicated a desire to cont	ract		
for additional rifles and submachine guns within the limit of				
the uncommitted bala	nce of the $$79.000.000$ arms agreem	ent		
of April 1956. The r	neans of payment for any new Soviet	mili_		
tary aid to Egypt is not known. That the USSR may ask only				
token payment				

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#### 7. EGYPTIAN AIRCRAFT IN SAUDI ARABIA TO RETURN TO EGYPT

the commander of the Egyptian military aircraft which had been flown to refuge in Saudi Arabia asked the Saudi military authorities to permit the aircraft to return to Egypt,

The

return of the aircraft to Egypt was ordered by Egyptian air force headquarters.

Comment

Twenty Egyptian IL-28 jet light bombers and ten IL-4 twin-engine transports took refuge in Saudi Arabia following Anglo-French air attacks on Egyptian airfields. Apparently only two IL-28's remained undamaged in Egypt; at least 18 were destroyed.

At least 34 MIG-15 jet fighters were destroyed on Egyptian airfields. There is no firm evidence that any MIG-15's succeeded in fleeing Egypt to Saudi Arabia or Syria. Between five and ten MIG-15's appear to have escaped serious damage on Egyptian airfields.

Egypt is believed to have received as many as 80 MIG-15's prior to the outbreak of hostilities. Some of these were probably stored in hangars, which in many cases were damaged severely. It is also possible that not all of the 80 had been assembled when hostilities started. One crated MIG-15 was n process of being assembled at Almaza airfield when the Anglo-French attacks were under way.

most of the damage to Egyptian airfields has been repaired and all fields are again considered serviceable.

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#### 8. EGYPTIAN ECONOMIC SITUATION REPORTED CRITICAL

Egypt's economic situation, which has been worsening since the nationalization of the Suez Canal, is now critical,

The sequestration of Anglo-French banks and the restraints placed on commercial enterprises controlled by British, French or Jews, as well as the sequestration of some "neutral" foreign enterprises, have created great dislocation and a near breakdown of the credit system. The effects of this situation are being felt by the middle class and are likely to be felt by the whole population unless the credit system is revived in the next few weeks.

While organized opposition to the Nasr regime is still not apparent, large numbers of persons are potentially disaffected because of growing unemployment and dislocation caused by war conditions. (NOFORN)

Comment

The Nasr regime is apparently embarked on a campaign to drive all Western European and Jewish economic interests out of Egypt regardless of the consequences. Some 40 British and French nationals long residents of Alexandria have been ordered to leave the country on six days notice, and about 500 Jews of various nationalities are reported imprisoned there. The apparent absence of any plans for administering sequestered "enemy" property in Egypt adds to the confusion and deterioration of the economic situation.

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#### 9. MOLOTOV'S APPOINTMENT AS MINISTER OF STATE CONTROL

The appointment of Molotov to the post of USSR minister of state control, announced on 21 November, appears to represent a reduction rather than an increase in authority for the former

minister of foreign affairs. It makes unlikely his succession to Khrushchev's post of party first secretary which had been rumored as a result of Soviet setbacks in Eastern Europe. Former ministers of state control have been secondlevel government officials.

Molotov retains his rank as first deputy premier, however, and there is a possibility that the responsibilities of his new post have been increased. The party central committee at a recent meeting reportedly took steps to increase the responsibilities of ministers concerned with the execution of government directives and the fulfillment of economic programs. The Ministry of State Control is one of several organizations which have been charged with checking for violations and corruption within all economic organs as well as investigating the nonfulfullment of government decrees. It has had no supervisory powers over the party and has never exercised a powerful influence in top party circles. (CONFIDENTIAL)

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#### 10. MOSCOW-BELGRADE PROPAGANDA FIGHT DEVELOPING

The polemics between Moscow and Belgrade over Tito's speech condemning Soviet bloc Stalinists will make a compromise even more difficult between national communism and Moscow's idea

of a unified "socialist camp." It will make it more difficult for the Soviet Union to relax controls in Eastern Europe. It is already forcing other Communist party leaderships to choose sides on the issue.

<u>Pravda</u> on 19 November accused Tito of endangering international proletarian solidarity, interfering in the affairs of other Communist parties and echoing reactionary propaganda. It said that Tito was contradicting his professed support for the principle of different roads to socialism by trying to make the Yugoslav example the only one to be followed. The very brief <u>Pravda</u> summary distorted Tito's remarks to justify the use of Soviet troops in Hungary and ignored Tito's claim that the first Soviet intervention was wrong.

<u>Borba</u> retorted on 21 November that <u>Pravda</u> was unwilling to acquaint the Russian people with the very views which it criticized. Moscow is accused of wanting to deny Tito the right to free, honest, frank, and equal discussion between Communists called for by their joint party communiqué of last June.

The Hungarians broadcast the full text of the speech on 16 November, but have not yet commented. Poland, while not presenting the text in full, did include Tito's remarks critical of the Soviet Union and praised Tito for condemning not only Stalinism, but the system which permitted it to develop. Bulgaria, Czechoslovakia and Rumania, on the other hand, followed Moscow's lead and severely criticized the speech. (CONFIDENTIAL)

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#### 11. TENSION IN INDONESIA SLACKENS

Tension in Indonesia arising from fears of an imminent army coup now appears to be declining largely because of firm government action. The army chief of staff, General Nasution, on 21 November charged the former deputy chief of staff, Colonel Lubis, with organizing a coup, and claimed the army possessed documents concerning his antigovernment

activities. Lubis is now charged with desertion, since it has been 12 days since he was summoned to appear before the chief of staff.

Although an attempted coup by Lubis and his supporters remains a continuing possibility, the government appears to command enough loyalty in the army to counter any such development.

Should a coup be attempted, the most likely time would be after 24 November, when a reunion of Indonesian army academy graduates in Djakarta would permit co-ordination of plans. Those attending will comprise a large percentage of battalion and company commanders in West Java, among whom there is strong anti-Nasution sentiment.

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#### 12. HUNGARIAN REGIME ADOPTING INCREASINGLY INDEPENDENT PUBLIC LINE

The Hungarian regime apparently hopes to conciliate and win over the hostile and suspicious population by adopting an increasingly independent public line. The USSR may have granted the Kadar

regime the right to speak independently in an effort to develop a measure of popular support for Kadar.

On 16 November, the Hungarian party paper reprinted in its entirety the Tito speech attacking continued Stalinism in the Kremlin; on 19 November the trade union journal reprinted Nehru's criticism of the presence of Soviet troops in Hungary; and on 20 November, the press expressed grave concern that the continued presence of Soviet troops in Poland might set a precedent for Hungary.

According to a 21 November press report, the Budapest workers' council called a new three-day general strike to protest the prohibition of a national "working parliament" called by the various workers' councils. (CONFIDENTIAL)

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## 13. NEW LEBANESE PREMIER MAKES OVERTURES TO EGYPT

Sami al-Solh, the new Lebanese premier, is ready to reach an agreement with Egypt on "all policies, international and Arab."

ready to agree with President Nasr

on an "effective policy" and was prepared to send to Cairo Nasrial-Maluf, the new minister of finance and social affairs.

Comment

Solh's public statements since he assumed office five days ago have been distinctly

pro-Western. He has warned against "extremists" and against the dangers of Soviet intervention in the area. \_\_\_\_\_\_\_\_vertures to Egypt are probably designed to persuade Cairo to call off its agents, who have bombed British- and French-occupied buildings in Beirut and are reported to have attempted to bomb Lebanese government buildings. \_\_\_\_\_\_ Cairo ordered a bomb attack against Solh himself.

Despite Solh's pro-Western reputation and the pro-Western orientation of the new cabinet, Lebanon, in the present atmosphere in the Middle East, will probably feel constrained to maintain fairly cordial relations with Syria and Egypt.

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### 14. MOROCCANS MAY TAKE ACTION AGAINST FRENCH USE OF US BASE FACILITIES

Moroccan nationalists are considering demonstrations against the French army's construction activity at the American-French naval air base at Port Lyautey, the American embassy in Rabat reports. The Moroccans are also talking of raiding the American wharf where the French on 18 November offloaded military stores, airplane spare parts, and construction material.

The embassy adds that the French are presumably aware of this possibility because on 19 November they. stationed three heavy armored cars and a half-track on the wharf. The American commander, who reports the possibility of a strike of American-employed Moroccans, has prepared defensive positions near the wharf. (NOFORN)

Comment

The United States has nearly exclusive use of the jointly operated Port Lyautey base. When the French army began construction of a warehouse on the American wharf on 12 November over the objections of the sultan and the US, the Moroccans assumed that the French had American permission.

The French army recently encountered some difficulty in landing troops and offloading supplies outside the base when Moroccan port workers struck in protest. It apparently hopes to use the base in an attempt to avoid similar incidents in the future.

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#### 15. GREEKS REPORTEDLY PLAN DIRECT APPROACH TO TURKEY ON CYPELIS

told American officials on 16 November that Foreign Minister Averoff intends to undertake secret conversations with the Turkish govern-

ment on the Cyprus issue. Averoff is said to be encouraged by his recent discussions with Turkish ambassador Iksel in Athens and by conversations between the Greek and Turkish UN delegates in New York. He reportedly feels Turkey has shown "a much calmer mood" toward Greece in recent months and attributes this change to increasing Turkish concern over possible isolation from the West and Turkey's growing economic difficulties.

Greek officials believe Turkey is considering two possible Cyprus solutions: partition, about which the Greeks have reservations, and complete independence, which they are inclined to favor.

Comment Both these countries are increasingly concerned over the corroding effect of the Cyprus issue on their relations. However, the Turks will probably be suspicious of any Greek initiative and demand firm guarantees against eventual union of Cyprus with Greece.

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