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3 November 1956


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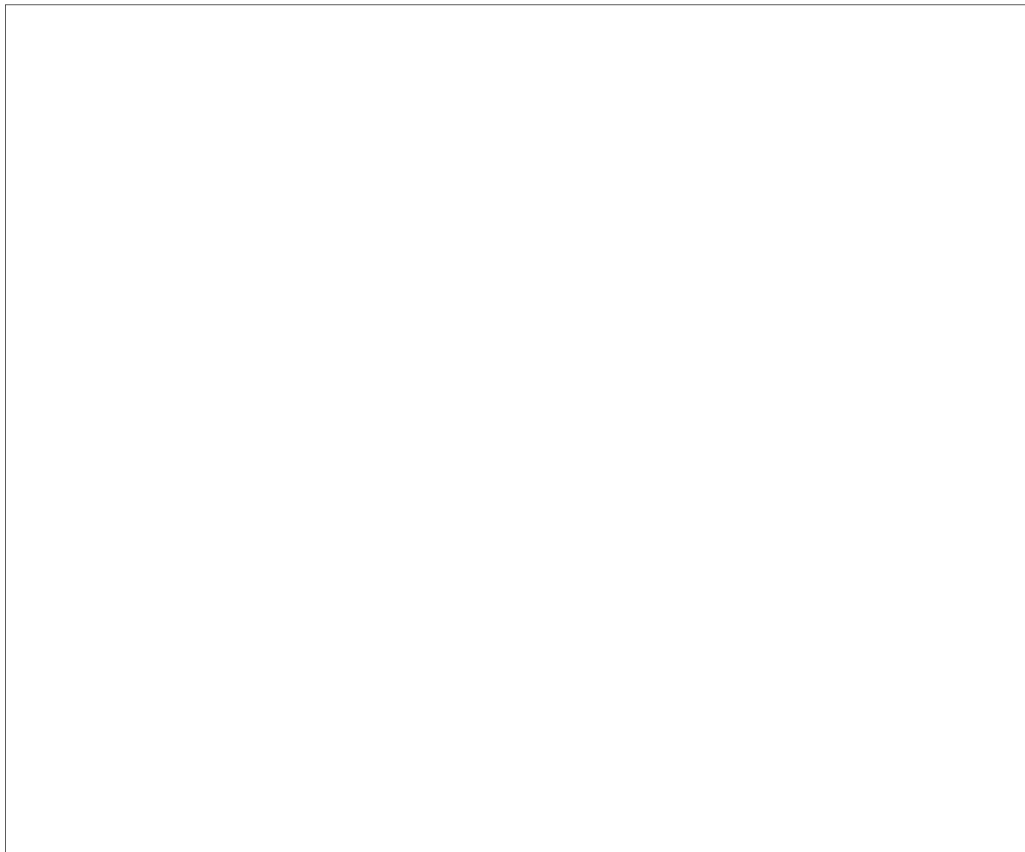
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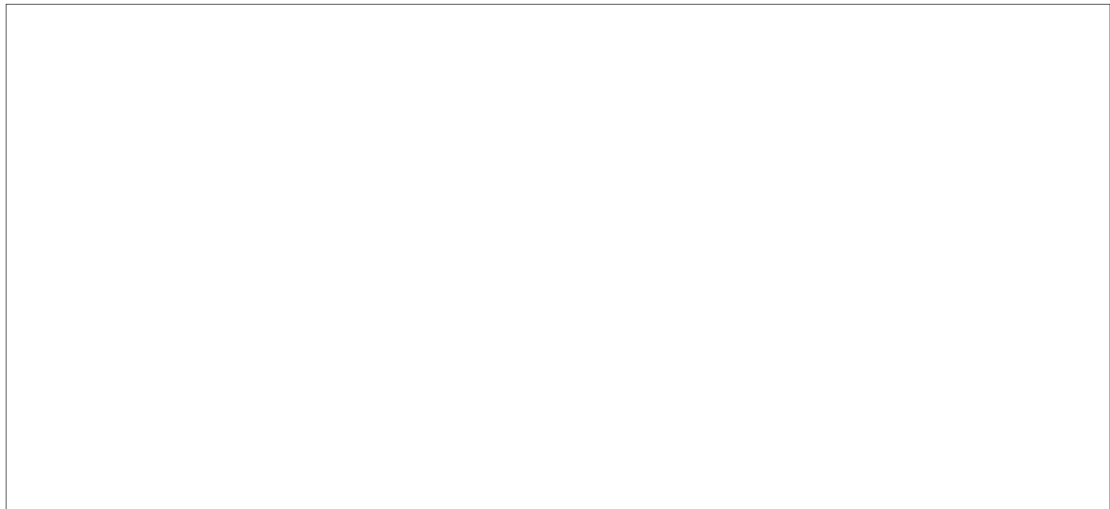
# CURRENT INTELLIGENCE BULLETIN

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## OFFICE OF CURRENT INTELLIGENCE CENTRAL INTELLIGENCE AGENCY



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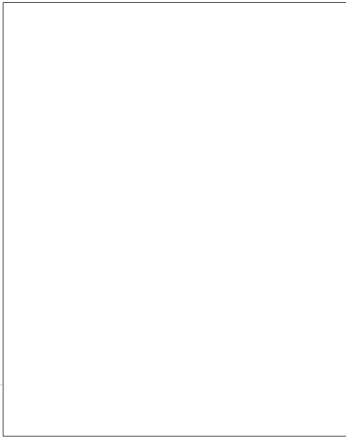
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THE ARAB-ISRAELI SITUATION  
() (page 19)

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1. **THE SITUATION IN HUNGARY** (information as of 0100,  
3 November)



The reinforcement of Soviet units in Hungary during the past three days, coincident with the movement of Soviet troops already within the country and a recent switch in the USSR's propaganda line concerning Hungarian political developments, indicate an imminent Soviet move to block Hungarian efforts to sever virtually all ties with Moscow. These developments also suggest that the USSR

is now prepared to resume hostilities if the present show-of-force fails to "correct" what Moscow has already called an alarming situation.



that the USSR is sending heavy Soviet troop reinforcements into Hungary. [redacted] at least 600 Soviet tanks have recently entered the country from the USSR and Rumania. The USSR, probably reacting to Hungary's sudden and unilateral withdrawal from the Warsaw pact and its request to the United Nations to guarantee Hungary's neutrality, has apparently deployed Soviet forces throughout the country in strategic areas and has surrounded or occupied key urban centers.

According to the American army attaché in Budapest, Soviet troops in western Hungary have in effect sealed Hungary's border with Austria and thus have severed all contacts with the West except for existing electrical communications facilities. The attaché also reported the beginning of sporadic firing by machine guns and heavier weapons

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in Budapest, beginning at 1830 hours (Budapest time), and noted that present Soviet troop dispositions in the area render the situation "critical for the nationalists!"

Hungarian forces under control of the Nagy regime and insurgent forces in the provinces are reportedly preparing for action, but indications of hostilities have been limited to the attaché's report of firing in Budapest. The Nagy regime has pressed its fight for United Nations action--sending three notes to that body on 1 and 2 November--but is not yet ready to assume that the USSR has committed "an act of provocation." Hoping for the best, the new first deputy minister of defense, insurgent hero Major General Pal Maleter, informed the press on 2 November that Soviet first deputy premier Mikoyan promised in Budapest on 31 October that Soviet troops other than those stationed in Hungary under the Warsaw pact would be withdrawn from the country.

Possibly in preparation for a new Soviet move in Hungary, broadcasts from Moscow during the evening of 2 November stated, in thinly-veiled language, that the USSR views with alarm the present "tense" and "chaotic" situation in Hungary and warned Budapest "against a wrong step." Condemning Hungarian declarations of neutrality and asserting that "reactionary counterrevolutionaries"--strengthened by reinforcements arriving from Austria with American connivance--have scored at least partial successes, the broadcasts pointed out that such events are not questions which concern "only a single socialist country."

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## 2. HOSTILITIES IN EGYPT (information as of 0200, 3 November)

The Israeli victory in eastern Sinai has been consolidated by the surrender of Egyptian garrisons at Gaza, El Arish and at several other major points of resistance bypassed earlier in the drive toward the Suez Canal. Israel has claimed capture of 15,000 Egyptian troops, 100 tanks and 500 "guns," and announced that its advance units are now within 10 miles of the southern end of the Suez Canal.

The Israeli advance is moving toward the three key Suez Canal cities of Suez, Ismailia, and Port Said. An Israeli spokesman has declared that there will be no Israeli activities west of the canal. He expressed the belief, however, that Israel would hold the conquered territory

in Sinai until "peaceful relations" were reached with the Arab world, and until Israel was free to use the canal.

A new Israeli move to seize control of the shore along, and entrance to, the Gulf of Acaba which leads to the Israeli port of Eilat, is indicated

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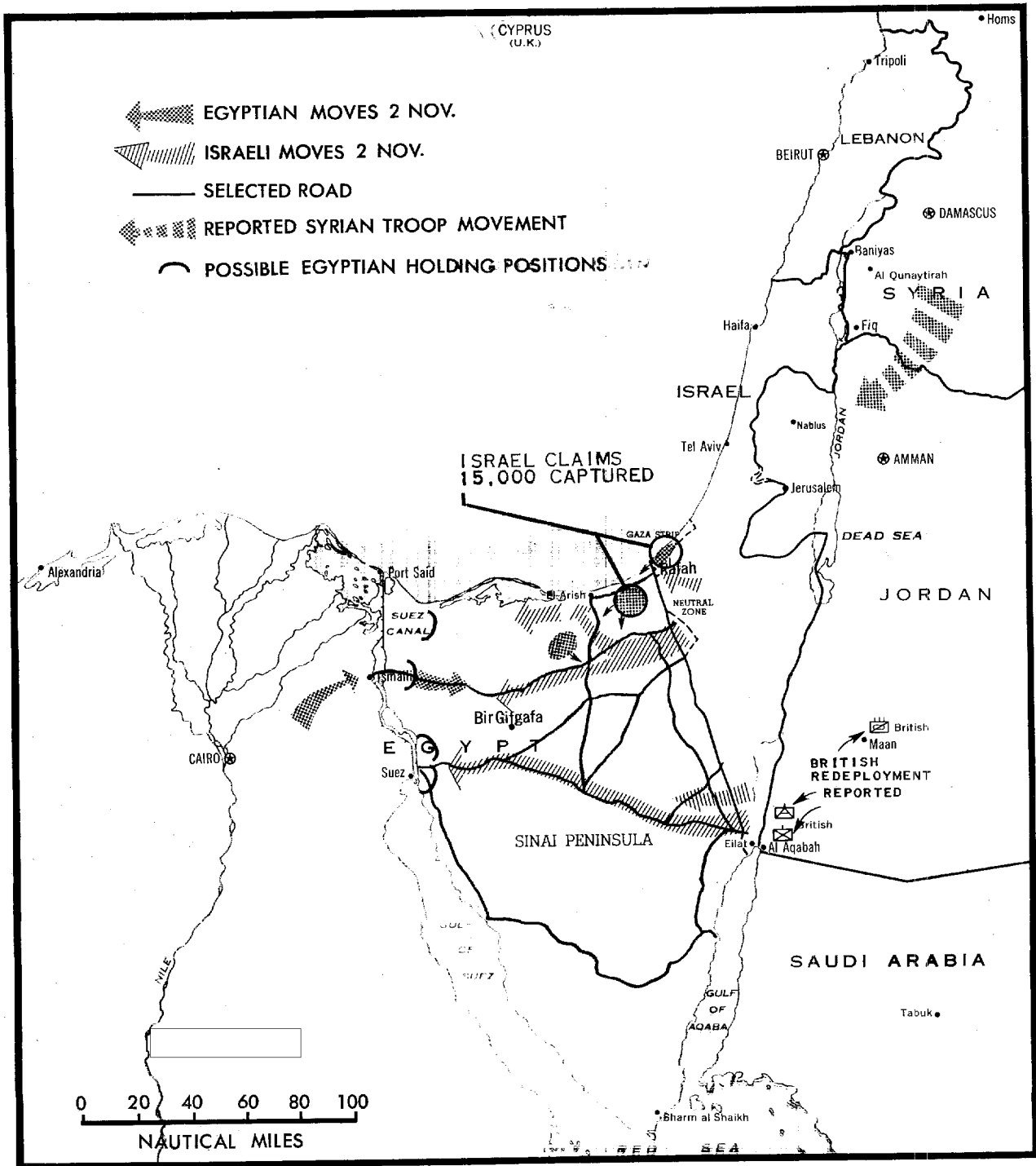
[redacted] Egyptian  
naval vessels were warned to be vigilant, and to explode  
charges under the surface of the water periodically.

On 2 November Syria announced through  
its embassy in Washington that it had "decided to implement  
the joint Syrian-Egyptian defense pact" and that all of Syria's  
forces would be placed under Egyptian command, as a result  
of the government's decision to help Egypt against Israel. If  
Syrian troops enter Jordan in order to attack Israel, Israel  
may attack West Jordan with strong armored formations, [redacted]

[redacted]

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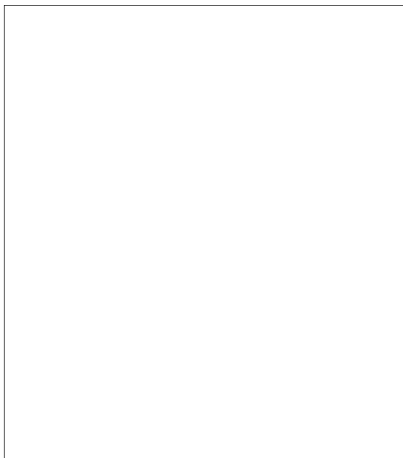
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**3. USSR TELLS EGYPT FURTHER AID DELIVERY IS IMPOSSIBLE**

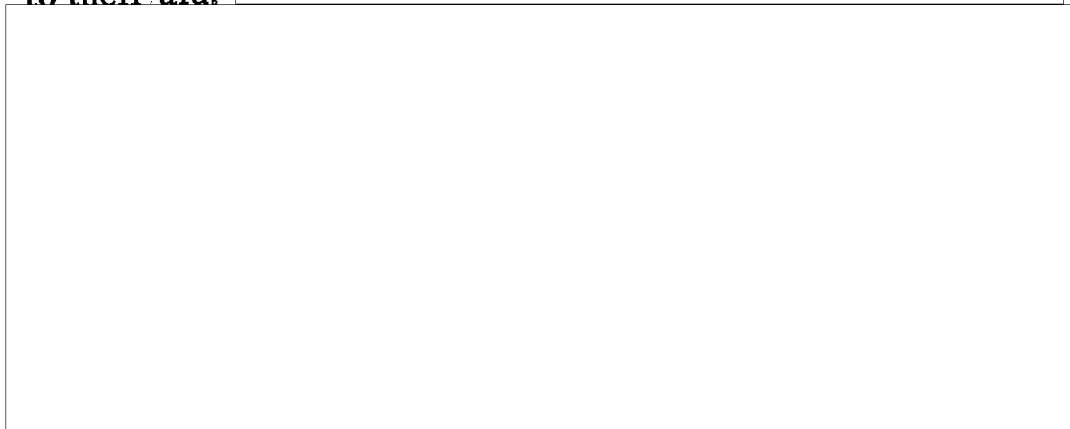


[redacted] it was impossible for the USSR in present circumstances to send any further arms, fuel, or experts to Egypt because of the Anglo-French air-sea blockade. [redacted]



The USSR apparently desires to minimize the risk to itself of direct military involvement in the Middle East. Despite rumors of the imminent arrival of Soviet war materiel and "volunteers," there has been no firm evidence that the USSR is preparing to take an active part in the fighting, and Soviet statements of support for Egypt have been noncommittal.

Despite the absence of any new Soviet promises, some Arab leaders had expected the USSR to come to their aid. [redacted]



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#### 4. NEW DEVELOPMENTS IN JORDAN AND SYRIA

[redacted]  
Israeli radio announcements that Syrian and Iraqi forces have entered Jordan, and other fragmentary evidence [redacted]

[redacted]  
suggest that moves to involve Jordan in the hostilities with Israel and to partition the country are under way.

[redacted]  
the consensus was that Iraqi troops were being moved to various frontiers rather than across the border into Jordan. Iraq is reported to have deployed one division about 40 miles from the Jordan border in western Iraq.

[redacted]  
British troops were evacuating their bases at Aqaba and Mafraq in Jordan, and that Saudi Arabian troops were expected to occupy Aqaba. [redacted]

[redacted] an airlift of Saudi troops to a point near the Jordan border may be under way. The Syrians expected the Iraqis to occupy eastern Jordan. [redacted]

[redacted] the British [redacted]  
[redacted] turned over to the Jordanian army the supply base at [redacted]

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Aqaba, together with all British items required for complete mobilization of the Jordanian forces. All British personnel of the Aqaba base and British military advisers with the Jordan army have been evacuated to Mafraq. (See map, page 7.)

[redacted] the French had agreed to attempt to persuade Prime Minister Eden to approve the partition of Jordan, with Israel to occupy all territory west of the Jordan River. Under the plan, the British were to occupy the rest of the country, probably through the Iraqis. If the proposal were turned down by Eden, the French were reported to have agreed that Israel would occupy the west bank unilaterally.

The possibility of a coup in Syria has been raised [redacted]

[redacted] the situation in Syria might deteriorate during the next 24 hours to the benefit of Egypt. [redacted]

[redacted] Turkey was concentrating forces against Syria, and was preparing to begin operations against Aleppo. [redacted]

[redacted] Turkey had joined with Britain, France and Israel in joint planning against the Arabs. Reports for the past several months have indicated that both leftist and rightist groups were preparing for coup action in Syria; Turkey, among others, has indicated its conviction that something would have to be done to counter the leftist drift there. [redacted]

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## 5. CRITICISM OF EDEN INCREASING IN BRITAIN

The American embassy in London has the impression that the average Briton is "not at all happy" over British intervention in Egypt. It is not even clear whether the Conservative Party as a whole supports the government's action, according to the embassy.

The Express, a firm government supporter, reported on 2 November that some 30 "discontented Tories" could probably not be held in check over the week end. A Conservative member of the House of Lords reported a definite move in the party to replace Eden.

A member of the Labor Party's shadow cabinet expressed disappointment to American embassy officials because no Conservatives deserted the government in the House of Commons' policy vote on 1 November. He thought, however, that "not a few" older Tory members who are disturbed by the government's actions are probably awaiting developments.

The Labor Party will immediately launch mass protest meetings to be addressed by top party leaders. Some trade union members are urging protest strikes, but union leaders have announced that the Trades Union Congress will not countenance unauthorized strikes.

Labor Party leaders, including Gaitskell and Bevan, expressed appreciation to the embassy for American action at the UN and strongly urged that Washington maintain its firm opposition to the "Eden-Mollet folly" in the Middle East. Gaitskell scoffed at the idea that strong American action in the UN would strain the Anglo-American alliance. He insisted

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that continued firmness on the part of the United States is the only way to heal the injury being inflicted on the alliance by Eden.

The British government's formal position is that the UN cease-fire resolution represents an improper application of the Uniting For Peace resolution of 1950.

According to the American embassy, Eden's personal spokesman told a "selected group" of American reporters off-the-record on 31 October that despite the "great damage" done to the Anglo-American alliance, Britain believes the situation can eventually be restored. Categorically denying any collusion between Britain and Israel, the British spokesman indicated that quick action was necessary because of imminent Egyptian plans to "knock off" Jordan and then Iraq. The spokesman implied that the "actual decision" to use force was reached in talks with French premier Mollet and foreign minister Pineau the afternoon of 30 October.


A well-informed British diplomatic correspondent told the American embassy on 2 November that the Israeli embassy had told him "as background" that Israel, before attacking Egypt, had been assured of Anglo-French "protection" in the Security Council and additional "hardware" from France.

[redacted] if action in the Middle East continues for several weeks, the USSR might attempt to furnish Egypt pilots, technical advisers, additional armament, and ammunition. [redacted]

[redacted]

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## 6. PINEAU OUTLINES FRENCH-BRITISH OBJECTIVES IN SUEZ CRISIS

 French foreign minister Pineau told Ambassador Dillon on 1 November that the ultimate French-British objective in Egypt is the convocation of a conference with a carefully picked membership including the Soviet Union. He felt that the conference might arrive at an Arab-Israeli peace treaty, and settle the status of the Suez Canal, and the future status of Jordan.

According to Pineau, the immediate Israeli objective is the total destruction or capture of all Egyptian forces east of Suez, and the immediate French-British goal is the occupation of the canal zone. Pineau said France and Britain would leave the question of Nasr's future to the Egyptian people and hoped they would get rid of him.

Pineau said that following the 13 October UN Security Council meeting, the Israelis approached the French and expressed their determination to move against Egypt in self-defense. The matter was then taken up with the British government and final decisions regarding the present course of action were taken during the 17 October Eden-Lloyd visit to Paris. Pineau added that discussion of the proposed entry of Iraqi troops into Jordan served primarily as a smoke screen.

## 7. FRANCE NOT EXPECTED TO WITHDRAW TROOPS FROM LIBYA



Ambassador Tappin in Tripoli, following his three-day tour of the Fezzan in western Libya, has concluded that France has no intention of withdrawing its troops from the Fezzan by the 30 November deadline provided for by the French-Libyan treaty of 1955. Tappin noted that the French instead are reinforcing their garrisons, increasing ammunition supplies, stringing barbed wire, and generally "digging in."

Prime Minister Ben Halim told Tappin on 31 October that British-French reoccupation of the Suez would create an "impossible situation" for Libya. He said his government might not be able to maintain law and order, or the security of the American air base and other installations in Libya.

### Comment

France has been determined to keep its 1,500 troops in the Fezzan to combat the smuggling of arms through Libya to Algeria. Anti-British-French demonstrations and sabotage have already occurred in Libya as a result of British and French action in Egypt. An oil installation serving the US air base at Wheelus Field was blown up on 1 November.

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## 8. SITUATION IN POLAND, EAST GERMANY, AND CZECHOSLOVAKIA

Renewed popular pressures are causing fear among Satellite leaders that further demonstrations and riots will occur.

Poland: On 2 November, Warsaw radio broadcast an appeal of the party central committee to maintain calm and discipline. The party stressed that the situation with regard to the presence in Poland of Soviet troops is different than that in Hungary, since Soviet troops are in Poland to protect the country's western frontier against German militarism, and added that the USSR is the only major power which has recognized the present Oder-Neisse line.

Cardinal Wyszynski appealed to the people for "national unity and calm" in a letter read in all churches on 1 November. The appeal closely followed an accord between the regime and Wyszynski which specifies that the state will in theory hold ultimate control over church appointments, but not exercise it, and that a number of Catholic social groups--but no Catholic political party--will be allowed to organize.

East Germany: Student unrest in East Germany appears to be mounting, with some professors reported joining students in their demands for "a free intellectual life." Students also are demanding a new youth organization, claiming that the Communist-dominated Freie Deutsche Jugend no longer has anything in common with German students. Although one leading Communist functionary has reportedly threatened to "break the students' heads if they start any trouble," other leaders fear that some concessions to student

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demands will have to be made. Early this week, university and local authorities were warned to be alert for any signs of overt student demonstrations, since the Hungarian trouble started with the students. Premier Grotewohl told the East German parliament on 2 November that he would no longer "tolerate unrest" in the universities.

Czechoslovakia: [redacted]

[redacted] barring a drastic change in the world situation, no radical shifts are to be expected in Czechoslovakia, in view of loyalty of the entire top leadership to Moscow, the higher standard of living, the departure of Soviet troops in early 1946, and the absence of a liberalization campaign in Czechoslovakia. Unusual security precautions, particularly in Slovakia, indicate fear of disturbances in that area, possibly among the large Hungarian minority of 400,000.

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### 9. SOUTH KOREAN DEMONSTRATIONS TO PROMOTE "FORCEFUL" UNIFICATION

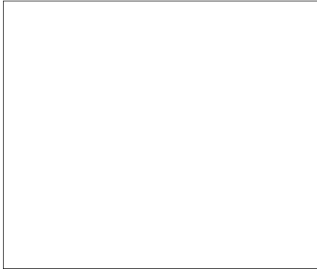
[REDACTED] nationwide demonstrations are planned over the next few days "to free the North Korean people and obtain the forceful unification of Korea." [REDACTED] the "South Korean people feel that the anti-Communist movements elsewhere offer an opportunity to rise up and rescue the people of North Korea from the yoke of Communism."

#### Comment

In the past, President Rhee has indicated an appreciation of the impracticality of military action without American support. Several of his military commanders have recently noted, however, that he is becoming impatient on the unification issue, and he might attempt to take advantage of the present international tensions to instigate renewed fighting in Korea.

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## 10. HANOI ANNOUNCES "LIBERALIZATION" PROGRAM



A communiqué issued by the Viet Minh Council of Ministers on 2 November announces major changes in the regime's internal policies, apparently in response to growing discontent. Acknowledging

that mistakes in land reform had created "many difficulties" for the regime, the communiqué orders all land reform committees deprived of the "rights of leadership" and the special people's tribunals abolished. Participation of the populace in the "management of the state and control of the administration" is to be carried out by people's council elections in 1957, and "democratic rights" are to be ensured by improvements in the regime's legal system.

Hanoi has admitted that peasant dissatisfaction in North Vietnam culminated recently in open violence. Although Viet Minh leaders have previously endorsed the Communist bloc's "liberalization" policies, this is the first announcement of a program of their own. The example of East Europe may have been a factor prompting the Viet Minh to adopt a "liberalization" policy at this time. In addition, the Viet Minh, which has held no elections since 1945, would like to counter the propaganda advantage enjoyed by the South Vietnamese, who held popular elections earlier this year.

The communiqué disclosed that the vice minister of agriculture and forestry and the vice minister of interior--whose powers in the party were recently reduced--have now been deprived of their government positions. The position of Premier Pham Van Dong, director of the now discredited National Agrarian Reform Committee, may also be threatened. He did not preside over the last meeting of the Council of Ministers. 

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**THE ARAB-ISRAELI SITUATION**  
(Information as of 0200, 3 November)

The Egyptians have sunk at least seven ships in the Suez Canal and appear to have successfully blocked the waterway. Anglo-French headquarters on Cyprus reported that the Egyptians had sunk five additional vessels in the canal on 2 November after partially blocking it with two ships on the previous day. The American consul in Port Said reported on 2 November that the Egyptians had sunk two large floating cranes, one salvage vessel, and one dredge, directly in front of the consulate, in a position to block the canal. [REDACTED]

Oil sabotage operations by Egyptian agents appear to be faltering. [REDACTED]

[REDACTED]

Bahrein refinery's native employees are on strike, but the plant is being operated by non-Arabs. The British Foreign Office has stated Bahrein was quiet on 2 November, and that some troops may have gone ashore under normal rotation. Oil movement by pipeline from Saudi Arabia to Lebanon, via Jordan and Syria, was normal as of 2 November. Saudi Arabia itself was reported quiet. [REDACTED]

Indian prime minister Nehru is considering flying to New York for meetings on the situation in Egypt. [REDACTED]

[REDACTED]

Approximately 14 American-built F-84F jet fighters of the French air force with French markings are operating

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out of Lydda airfield in Israel, according to Ambassador Lawson in Tel Aviv. Investigation by the American air attaché indicates that other F-84F's may have been repainted with Israeli insignia. The Israelis are reported to be very careful to prevent contact between Americans and French air force pilots and ground crews at Lydda. [redacted]

[redacted]  
[redacted] the USSR was at present waiting to come out with "the most suitable means of assistance, and that which would do the least harm." [redacted]

[redacted] the USSR would assist Egypt. "even if it should lead to war." [redacted]

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