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9 December 1956



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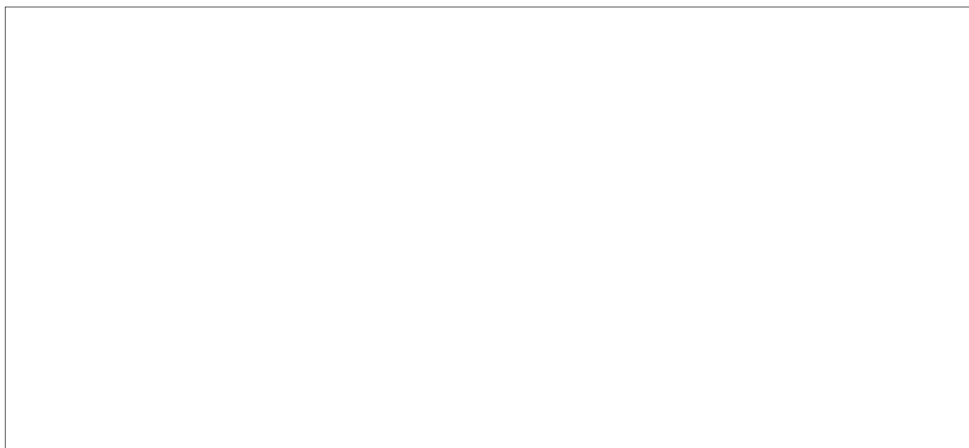
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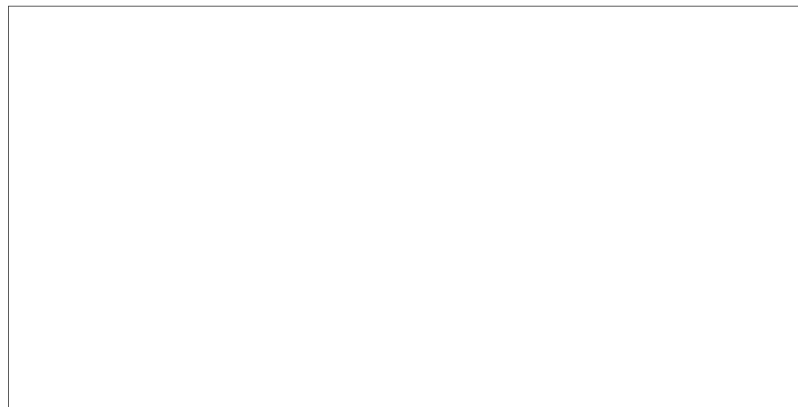
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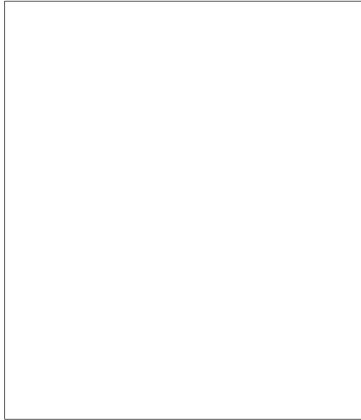
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1. HUNGARIAN REGIME DECLARES MARTIAL LAW TO COMBAT WORKERS



Warned by the workers that its policies could lead to renewed fighting and another "national tragedy," the Hungarian regime on 9 December declared a state of martial law throughout the country. Simultaneously, it ordered the dissolution of the Central Budapest Workers' Council--the leading force of the opposition--and all district workers' councils, which allegedly have engaged in "counterrevolutionary" activities. The regime also ordered all citizens owning "unlicensed arms" to surrender them to police authorities by the evening of 11 December or face "summary jurisdiction."

These drastic moves will probably lead to new outbreaks of violence and fresh waves of refugees. This in turn might lead to the dismissal of Premier Kadar and a severe tightening of Soviet control over the Hungarian government and people. The Kadar regime has met with a succession of failures in its five-week attempt to restore civil and economic order; its authority is based almost entirely on the presence of Soviet troops.

The workers' councils, on the other hand, apparently have the support of the vast majority of the general population. Virtually all production workers except those in certain public service industries will probably go on strike. According to press sources, the Central Workers' Council of Budapest had issued a call for a 48-hour general strike on

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8 December, even before the government decreed martial law, in protest over the arrests of council representatives, workers, students and intellectuals.

Normal telecommunication contact between Budapest and the West was severed, presumably by the regime, during the morning (Budapest time) of 9 December.

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2. JORDANIAN CHIEF OF STAFF SEES NO AGGRESSIVE ISRAELI DESIGN AT PRESENT

Jordanian chief of staff Nuwar told a UN truce officer on 3 December he does not believe Israel has aggressive designs on Jordan at present. Nuwar said he does believe there is a scheme afoot "to put pressure on Syria," but he appears to have a generally relaxed attitude.

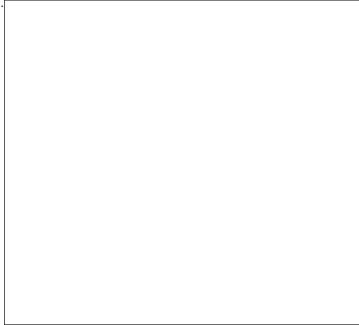
The UN officer told the American consulate general in Jerusalem that UN teams are making daily inspections of the Israeli frontier opposite Syria and similar tours every other day of the frontier opposite Jordan, and that these inspections continue to indicate there are no unusual Israeli troop concentrations in the area.

The American army attaché in Tel Aviv now estimates Israeli active strength at 80,000, including paramilitary units. This is approximately the normal level at which Israel maintained its active duty force prior to the mobilization for the attack on Egypt.

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3. YUGOSLAV ATTITUDE TOWARD HUNGARY



In a conversation with Western ambassadors on 5 December, Tito said he was in the midst of negotiations with the Soviet Union on Hungary and asked for more faith in Yugoslav policy. Tito advised the West to keep hands off at this time because Western efforts to help would only be harmful.

Tito said that the Hungarians were being punished for having defeated the Soviet army. The Soviet leaders had a real fear of war, particularly after the rebels had demonstrated their power. Under these circumstances the Yugoslavs could not have supported a solution involving Hungarian neutrality. He added that the Yugoslavs would continue to support greater liberty for the Hungarians, but that "socialism" must be preserved.

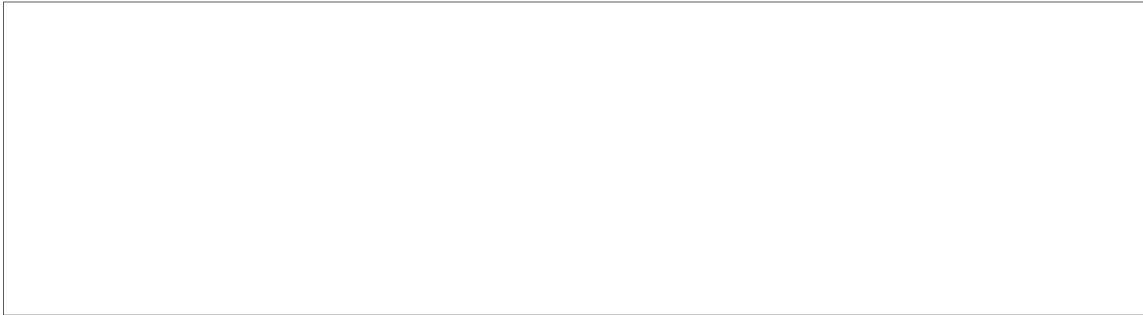
On 7 December, Yugoslav vice president Kardelj told the National Assembly that Yugoslavia had accepted the second Soviet intervention in the hope that it would lead to a Hungarian regime, including Nagy elements, attuned to the desires of the working masses. Such an orientation, he said, could have been accomplished through the workers' councils, which represented true socialist tendencies. He said the Kadar government had displayed other tendencies, as illustrated by the violation of the agreement on Nagy, and he clearly implied that the Yugoslavs might eventually drop all support for Kadar as well as their acquiescence in the Soviet intervention.


Comment

Belgrade apparently intended the withdrawal of its ambassador to Budapest to put pressure on the Soviet Union over Hungary, and it is continuing the exchange of notes with the Kadar government over the Nagy abduction.

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**4. NEW DELHI ORDERS PROPAGANDA CAMPAIGN
AGAINST PAKISTAN**



The Indian message charges that Pakistani prime minister Suhrawardy in a 2 December speech had defended the British-French invasion of Egypt and had justified Pakistan's membership in the Baghdad pact on the basis of the danger of an attack by India. 



Comment

Pakistan and India have for some time been engaged in an open struggle for influence in the Middle East. The Indian Foreign Ministry apparently decided to use Suhrawardy's speech as the occasion for an all-out campaign to discredit Pakistan among its Moslem neighbors.

New Delhi has also recently indicated it is increasingly concerned about a possible Pakistani attack in Kashmir, but there is no evidence to support such concern. It appears likely that the Indian campaigns against Pakistan both at home and in the Middle East are intended as propaganda preparation for Prime Minister Nehru's visit to the United States and Pakistan's presentation of the Kashmir issue to the United Nations in January.

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5. GUATEMALAN REVOLT AND PRESIDENT'S ASSASSINATION REPORTEDLY PLANNED FOR 20 DECEMBER

A Guatemalan exile, [redacted] is ready to enter Guatemala from El Salvador to kill President Castillo Armas, [redacted]

[redacted] The assassination attempt is to coincide with a revolt now set for about 20 December. Exiled Guatemalan colonel Elfego Monzon, reportedly to become chief of a military junta if the revolt succeeds, said on 4 December that \$1,000,000 worth of weapons are presently cached in Guatemala near the Mexican border.

Comment Leaders in the current plotting belong to a faction which has opposed co-operation with the Communists. Nevertheless, there probably are some pro-Communists working with them.

Activities among the Guatemalan exiles in Costa Rica and Mexico since mid-November suggest that an effort to oust the Castillo regime is planned for the near future. Castillo's assassination is probably the only way in which the exiles might seize the government. Even then, however, it is probable that army associates of Castillo would retain power. The majority of active officers are loyal to Castillo. The exiles have probably overestimated the strength of local opposition to Castillo.

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6. LAOTIAN PREMIER PUSHES COALITION WITH PATHET LAO

[REDACTED] Laotian premier Souvanna Phouma [REDACTED]

[REDACTED] is determined to push ahead with his plan for a coalition government with the Pathet Lao. Despite the cabinet's earlier rejection of his coalition proposal, Souvanna considers it the "only answer" to the Pathet problem and plans to ask assembly approval on 10 or 11 December. Souvanna has indicated he is willing to risk loss of American aid to achieve this goal and has threatened to resign if rebuffed by the assembly.

Crown Prince Savang seems confident that the assembly will reject coalition and that Souvanna will be forced to step down. Savang has also referred to acute discontent in the Laotian army over Souvanna's concessions to the Pathet Lao and has hinted at the possibility of a coup.

[REDACTED] the Pathets have been vigorously courting support among the assembly deputies. Tending to offset this strong influence is the assembly's fear that admission of the Pathets into the cabinet may compromise Western support of Laos.

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7. CHINESE COMMUNIST RAILWAY OPPOSITE TAIWAN COMPLETED

[REDACTED]


Tracklaying on the railway running across Fukien Province to the coastal port of Amoy opposite Taiwan was completed on 7 December, according to a Peiping announcement. [REDACTED]

[REDACTED] The railway will probably not be in full operation, however, until some time early next year.

The line will greatly increase the Chinese Communists' capability to deliver military supplies to the Taiwan Straits area. Completion of the railroad also enhances the value of Amoy as a commercial port, but use of the harbor by merchant vessels would require the neutralization of Nationalist artillery positions on Quemoy and Little Quemoy Islands [REDACTED]

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8. LIBERIAN PRESIDENT SEEKS AUTHORIZATION FOR DIPLOMATIC RELATIONS WITH COMMUNISTS

 President Tubman, in his annual message to the Liberian legislature on 30 November, recommended authorization for the progressive establishment, "as resources permit," of diplomatic relations with a number of countries, including the USSR and Communist China. Tubman indicated that financial problems arising from Liberia's development program would not permit the opening of all the new diplomatic posts at once, "not even in the immediate future!"

Tubman subsequently informed the American embassy that he did not want the Communists in Liberia and that he will proceed carefully. The embassy believes Tubman will not exchange missions with the USSR in the near future.

Comment

In a joint communiqué with the USSR last January, Tubman agreed in principle to an exchange of diplomatic representatives subject to the legislature's approval and appropriation of the necessary funds. Although Tubman apparently still hopes to defer indefinitely the actual establishment of diplomatic ties, he will probably be under increasing pressure to complete the arrangements, especially if the Gold Coast, Liberia's chief rival for prestige in West Africa, enters into formal relations with the USSR after it gains independence next March.