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30 October 1956

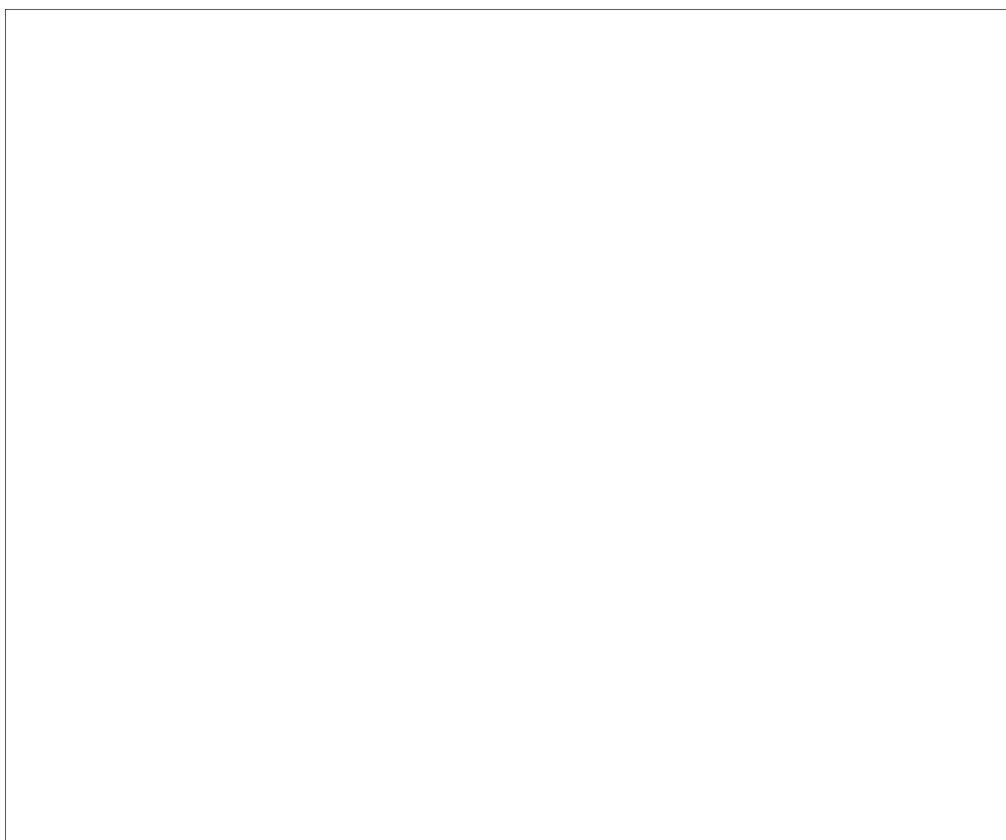


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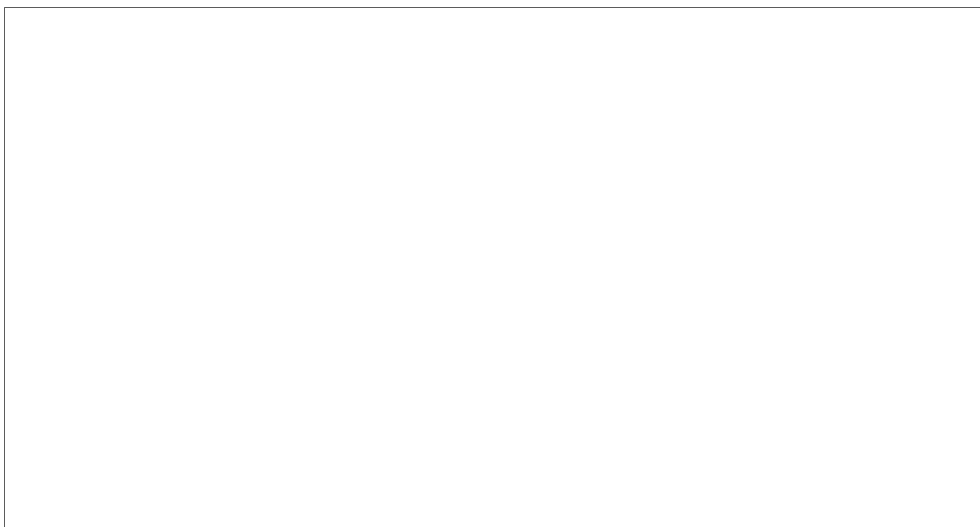
CURRENT INTELLIGENCE BULLETIN

DOCUMENT NO. 9
 NO CHANGE IN CLASS.
 EI DECLASSIFIED
 CLASS. CHANGED TO: TS S
 NEXT REVIEW DATE: 2009
 AUTH: HR 70-2
 DATE: 2 Dec 79 REVIEWER:

OFFICE OF CURRENT INTELLIGENCE CENTRAL INTELLIGENCE AGENCY



~~TOP SECRET~~



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THE ARAB-ISRAELI SITUATION
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1. ISRAELI ATTACK ON EGYPT (Situation as of 0100 EST)

As of 0100 EST, 30 October, no Egyptian military reaction had been reported to counter the advance by Israeli mobile forces into the central desert portion of the Sinai peninsula. Cairo has indicated that it is "aware" of the Israeli action, but that no contact has been made with the invading force. The central portion of the Sinai desert has been very thinly occupied by Egyptian troops because of rough terrain and lack of water.

The main object of the thrust into Sinai, according to an Israeli Foreign Ministry spokesman, is to "eliminate Egyptian terrorist bases in the Sinai peninsula." The Israelis state that the action, "followed military attacks carried out by Egyptian forces on Israeli lines of communications on land and by sea . . ." A high Israeli official is reported to have stated unofficially that the action is "too big for a reprisal and too small for a war." He intimated, however, that Israeli forces were not withdrawing as reprisal raiders had done.

The present location and size of the Israeli force are unclear. The only official Israeli statement has claimed the force is dug in west of Nakhl, a road junction about half way across Sinai which has served as an Egyptian command post for the central area of the peninsula. Unconfirmed press reports from Jerusalem, however, have quoted anonymous Israeli government sources as asserting their troops are only 18 miles from the Suez Canal. (See map, p. 5.)

the Egyptian warships which Tel Aviv had claimed were heading for the Israeli coast were in fact on a search mission

for an Egyptian transport aircraft which was lost on a flight from Damascus to Cairo. [REDACTED]

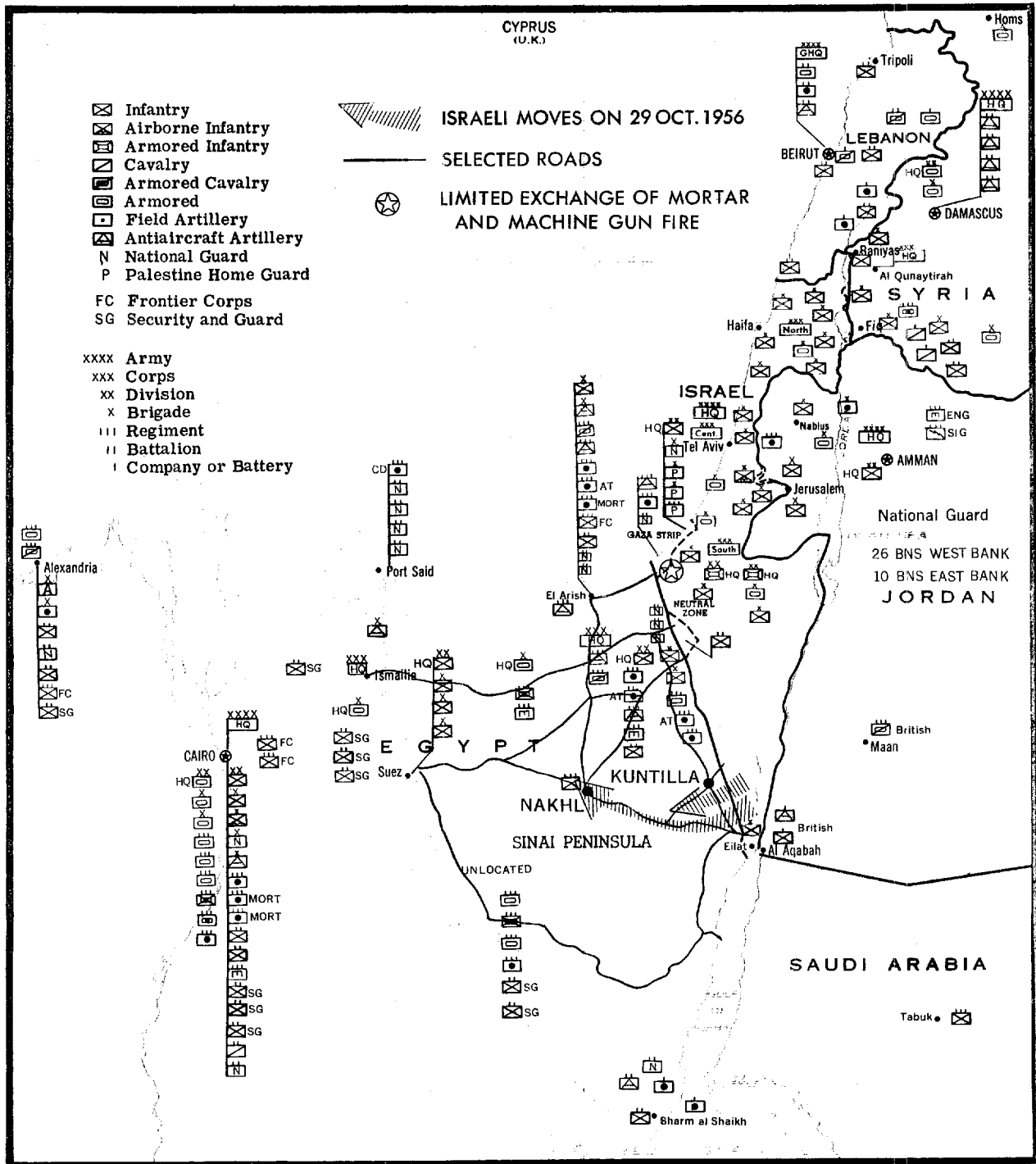
Further evidence of French material support for Israel has been reported by the American attachés in Tel Aviv. On the night of 28-29 October a French merchant vessel unloaded AMX light tanks, half tracks, guns, and possibly other materiel at Haifa. On 29 October, three French destroyers arrived in Haifa harbor. [REDACTED]

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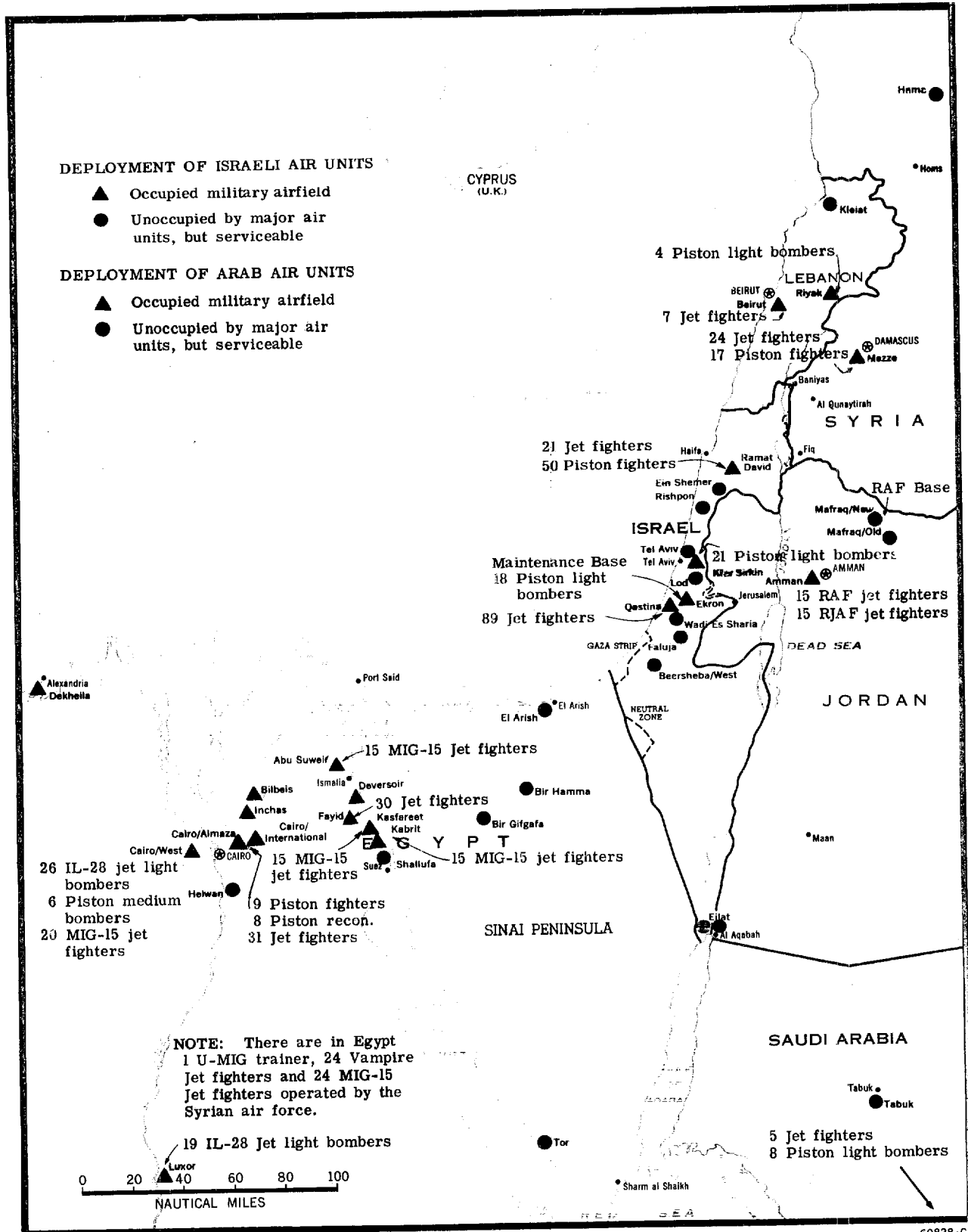
The IAC Watch Committee met at 1430 hours, 29 October, to consider information bearing on this situation. The summarizing paragraph of the committee's report is as follows:

"The Watch Committee concluded that the scale and nature of the Israeli attack was sufficient to precipitate war with Egypt. Whether war results depends largely on the Egyptian reaction which is as yet unknown.

French-Israeli collaboration probably exists in connection with the Israeli move against Egypt with at least the tacit approval of the British. The British and French are prepared to and probably will intervene with force in the Middle East as opportunity occurs in connection with the Israeli-Egyptian action." [REDACTED]



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2. THE HUNGARIAN SITUATION (as of 0100, EST)

Soviet forces in all of Hungary, except in Budapest, have disengaged themselves from the fighting but, according to a cable from the American legation in Budapest, the situation, late on 29 October, remained "tensely ugly as the populace is still completely unreconciled to promises of the Nagy regime." The legation reported that "all evidence points to the fact that the Russians are not pulling out of Budapest" despite the announcement by Budapest Radio that the rotation of Hungarian army troops replacing Soviet troops has begun. Three Soviet divisions were controlling the capital, according to the legation, and all had been quiet on the 29th except for a Soviet attack against an estimated 1,000 insurgents holding out in the Kilian military barracks.

Soviet foreign minister Shepilov, at a Moscow reception on the night of 29 October reportedly stated that Soviet troops will be withdrawn from Budapest only when the rebels lay down their arms. Minister of Defense Zhukov indicated that the removal of Soviet troops from Hungary was contingent upon common agreement with the Warsaw Pact nations.

Insurgent forces, which seem to control major portions of the country, appear unwilling to surrender their advantage unless their demands are met. Indications that elements of only two of the ten Hungarian line divisions are active against the rebels suggest that the other Hungarian army units either support the insurgents or remain passive.

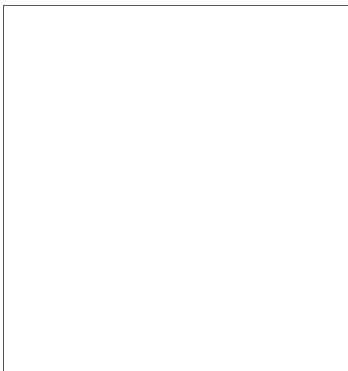
The Nagy regime is working feverishly to satisfy enough demands to pacify the rebels and win them over. The ineffectiveness and vacillation of the regime, however, have damaged its position. A "Revolutionary Committee

of Hungarian Intellectuals," formed on 28 October, has joined the rebels in the provinces in calling for a "general and secret election with the people able to nominate candidates freely." The manifesto, signed by several leading Hungarian writers, including many Communists, represents a change in the attitude of certain literati who, in the early days of the revolution, supported Nagy without such sweeping demands.

The apparent lack of organization of the nationalist groups, their somewhat differing programs, and differences in their willingness to compromise, may reduce their bargaining power in any negotiations with Nagy. The groups appear united, however, in their unwillingness to agree to any terms which do not provide for guaranteed withdrawal of Soviet troops.

The continued absence of all-out Soviet military action and the political manipulations of the Nagy regime suggest that the Russians, in an effort to shore up Nagy at the head of a national Communist-dominated coalition government, have for the moment sidetracked the two principal alternatives: full-scale war against the Hungarian nation or withdrawal of Soviet troops without preparations to maintain Moscow's hegemony over Hungary. Soviet presidium member Mikoyan reportedly arrived in Budapest late on 28 October on a mission which may clarify the Soviet position.

3. POLAND CONTINUES TREND TOWARD MORE INDEPENDENT POSITION



The authoritative Warsaw paper Zycie Warszawy on 28 October called for an independent Polish foreign policy based on national interests and Poland's historic traditions, rather than solely on the Soviet-Polish alliance. "Theoretically and practically," the article stated, "there could be a different approach to different countries between our foreign policy and the foreign policy of the Soviet Union."

In an editorial indicative of Polish uneasiness over the presence of Soviet troops in Poland, Trybuna Ludu, chief party newspaper, said on the same day that the use of Soviet troops to quell the riots in Hungary "could not fail to make the situation more inflammatory." The editorial also contradicted the Soviet version of events in Hungary, stating that a too-slow liquidation of Stalinism rather than foreign agents or counterrevolutionaries was the cause of the riots. On 29 October the Polish central committee sent a statement to the Hungarian regime in which it supported Nagy's program, particularly the withdrawal of Soviet troops from Hungary.

The 29 October announcement by Radio Warsaw that Stefan Cardinal Wyszynski, under arrest since September 1953, had returned to Warsaw and taken up his office as primate of Poland indicates a significant move on the part of the regime to bolster its internal and international position. The announcement adds that during the talks between Wyszynski and party and government representatives, it was decided to set up "in the nearest future" a joint commission of government and church representatives to examine matters of church-state relations requiring settlement. Communist sources who participated in the talks

reportedly expressed the opinion that Wyszynski took a realistic approach toward church-state relations and were confident that outstanding problems would be settled.

There are indications that the regime, in an effort to strengthen its control of the army and appease national feelings, is easing Soviet marshal Rokossowski out of his posts as minister of national defense and commander in chief. General Marian Spychalski, a Gomulka supporter who was named deputy minister of national defense last week, on 28 October signed the army order of the day, which is usually signed by Rokossowski. Several unconfirmed press reports state that Rokossowski is on leave in the USSR, and is not expected to return.

4. MAJOR DISAGREEMENT REPORTED IN CZECH REGIME

[REDACTED] Yugoslav correspondents in Vienna, who were ordered to proceed at once to Prague on 26 October, reportedly have indicated there is "a big fight going on among Czech leaders," [REDACTED]

[REDACTED] Yugoslav journalists from Belgrade were being dispatched to Prague to cover developments there.

Comment

The top leaders of the Czech regime have so far appeared united in maintaining control in Czechoslovakia.

[REDACTED]

The Czech press and radio have given fairly detailed coverage of the rebellion in Hungary, blaming events on "counterrevolutionary forces." Meetings have been held throughout the country proclaiming solidarity with the Czech regime and loyalty to the Soviet Union.

5. YUGOSLAVS CONTINUE TO SUPPORT NATIONALIST MOVEMENTS IN POLAND AND HUNGARY

Yugoslav press accounts and the private comments of leading Yugoslav officials show that the Tito regime is continuing its support of changes in Poland and Hungary. The Yugoslavs are somewhat critical of the failure of the Kadar-Nagy forces to act sooner against the members of the old Rakosi group that remained in power, but believe the Hungarian leadership is in tune with the demands of the masses. Belgrade asserts the Hungarian leaders must carry out their new program decisively if they are to hold popular sup-

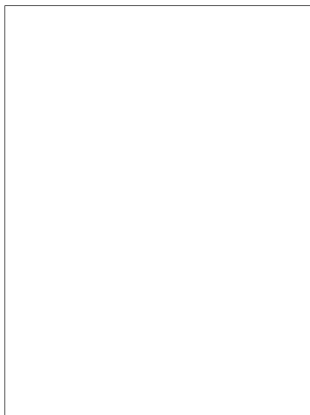
port, indicating that Nagy would have to live down the fact that he had called for the intervention of Soviet troops.

A high Yugoslav Foreign Ministry official on 28 October said that the Nagy government is still taking "half measures." It should take in representatives of all Hungarian mass organizations, even possibly the Social Democrats. He felt that Poland and Hungary may in certain respects go beyond Yugoslavia, but Yugoslavia "can learn from their experiences!"


The Yugoslav press appears somewhat sensitive to the reaction its views might cause in Moscow. It has reported without comment the intervention of Soviet troops.

There is little doubt among Yugoslav officials that Soviet troops will have to be withdrawn, possibly first from Hungary and then from Poland. The Yugoslav counselor in Warsaw believes that the Warsaw pact will be significantly changed to bring this about.


6. INDIAN REACTION TO EVENTS IN HUNGARY AND POLAND



Indian prime minister Nehru's public reaction to events in Hungary and Poland has been guarded. Both he and the Indian press, however, seem to interpret the recent events in Hungary and Poland as steps in the "wholesome process of liberalization" and "democratization." Nehru, particularly, seems likely to take these events as proof of his contention that Communist China and other Communist nations are not bound irrevocably to the USSR.

India's largest opposition group, the Praja Socialist Party, has exploited the opportunity to embarrass the Communists by reminding the USSR of its adherence to the "five principles" of peace and coexistence and by deploring its "flagrant intervention" in the internal affairs of Hungary and Poland. 

7. GENERAL STRIKE IN ALGERIA CALLED FOR 1 NOVEMBER



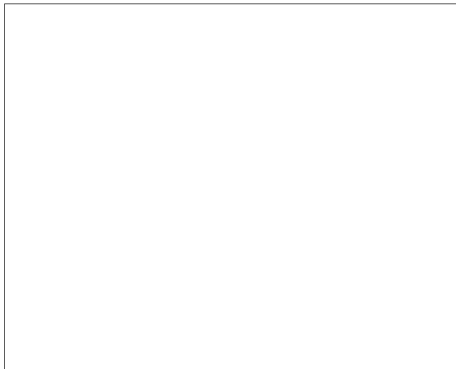
Mayor Jacques Chevallier of Algiers states that the Front of National Liberation (FLN), which has called a general strike for 1 November, is recovering from recent arrests and confiscation of

supplies and that rebel determination has stiffened so much that he expects a great increase in terrorism. He fears the FLN may resort to a "chief for chief" policy and has warned Minister Residing in Algeria Lacoste that he and perhaps Premier Mollet may be in danger.

Comment

This general strike, staged to commemorate the second anniversary of the outbreak of the Algerian rebellion in 1954, is likely to be observed in Morocco and Tunisia as well as in Algeria. Tunisian labor and political leaders have already scheduled a three-hour observance of solidarity with Algerians on that date and the new Moroccan government has come out strongly in support of Algerian independence.

8. ASSASSINATION OF CUBAN INTELLIGENCE CHIEF



The assassination on 28 October of Lt. Col. Antonio Blanco Rico, capable chief of the Cuban military intelligence service, appears to be a result of the intensifying dissension within the armed forces which has given substance in recent weeks to reports of coup plans against President Batista

by both exiles and civilian and military groups within the country. The American embassy in Havana has commented that only a small group of officers closely associated with Batista can still be considered completely loyal to the regime.

The prime target of the attack on Blanco may have been Lt. Col. Marcelo Tabernilla, deputy air force commander, who was wounded by the gunmen. Tabernilla, along with his brother, who commands the Cuban air force, and his father General Francisco Tabernilla, chief of the army general staff, have been the major objects of dissatisfaction on the part of junior officers.

According to press reports, the Havana chief of police was critically wounded 29 October in a gun battle between police and fugitives at the Haitian embassy, where gunmen involved in the attack on Blanco were reported to have taken refuge. Eyewitnesses reported the police invaded the embassy and brought out several dead.

[redacted] the group of dissidents headed by the imprisoned leader of last spring's abortive military coup had set a "firm" date in October for the overthrow of President Batista. The reported killing of the fugitives who sought asylum probably indicates that the Cuban government accepts these incidents as the beginning of the scheduled coup.

**9. DEMOBILIZATION OF SOVIET ARMY OFFICERS
REPORTED HALTED**

[REDACTED] [REDACTED]
The demobilization of officers from the Soviet army has been halted. [REDACTED]

[REDACTED] [REDACTED] As a result of this development, rumors are current in Soviet military circles that the USSR will not implement its announced intention to reduce the Soviet armed forces by 1,200,000. Soviet officials are reportedly using the excuse that the Western powers, particularly the United States, have failed to agree to reductions in their armed forces and armament because of the tense situation in the Middle East.

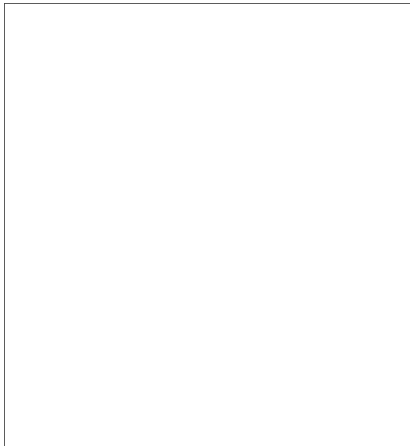
[REDACTED]

Comment

Earlier reports have indicated that demobilization was under way to some extent in the USSR. One report stated that Marshal Zhukov had ordered the release of officers and enlisted men who have completed 25 years of service, those with hardship cases, and those guilty of misconduct. Reductions in numbers of political officers and personnel in auxiliary military installations were also to be carried out. These steps were said to be in preparation for a major reduction this fall.

Since the 1,200,000-man reduction announcement in May 1956, some troops have been withdrawn from the Group of Soviet Forces in Germany.

10. USSR DELIVERS JET AIRCRAFT TO AFGHANISTAN



Eleven MIG jet aircraft with Afghan military markings landed at the new Mazar-i-Sharif airfield in northern Afghanistan on 26 October, [redacted]

[redacted] The air strip at Mazar, which accommodates jet aircraft, has just been completed.

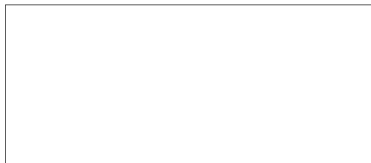
Thirty-six Soviet training planes of unidentified types have also been observed at Kabul airport. It is believed that these propeller-driven planes were accompanied by Soviet pilots and technicians.

The jet aircraft, which may also be training planes, are being supplied under the Soviet-Czech-Afghan arms deal announced in August, which reportedly totals \$25,000,000. A few Afghan pilots have received jet training in India, and possibly the USSR, and are available to assist in training less advanced Afghan pilots.

Prior to the arrival of these planes, the Afghan air force consisted of 25 old piston-engine aircraft.



11. INDONESIA FOREIGN MINISTER COMMENTS ON PEIPING'S FOREIGN RELATIONS



Indonesia's Foreign Minister Abdulgani, who accompanied President Sukarno on his recent trip to Communist China, told the American ambassador in Djakarta

he was impressed with China's "wish to avoid antagonizing the US" and said that he believes Peiping wants to "break" from Moscow. Abdulgani stated that a Sino-Soviet split would be encouraged if the US would accommodate Peiping on the UN and Taiwan issues.

Comment

Since at least 1944 the Chinese Communists, in particular Mao and Chou, have sought to give foreign visitors the impression they might-- under certain conditions--adopt a more independent position vis-a-vis the Soviet Union. Chinese Communist policies have nevertheless always been consistent with the position declared publicly at the eighth party congress last month that the maintenance of the Sino-Soviet alliance was the "supreme international duty!"

The private remarks made to foreign visitors at this time appear intended to strengthen rapport between Peiping and the Asian neutrals and at the same time mobilize world opinion in support of American concessions to Peiping.

THE ARAB-ISRAELI SITUATION
(Information as of 1700, 29 October)

