DIA and DOS review(s) completed.
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THE ARAB-ISRAELI SITUATION

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1. THE HUNGARIAN SITUATION

Fighting continued in Budapest through the evening of 25 October and there was growing evidence that the disturbances had spread to the provinces. Early on 26 October the government ordered a general attack against the rebels and closure of all offices and factories.

Pecs radio in southern Hungary broadcast during the late evening hours on the 25th announcements denying the existence of a revolutionary committee. The broadcast stated: "There is no revolutionary committee. Irresponsible elements have posed as a revolutionary committee. They broke into the studio and read an announcement!" The American legation in Budapest has also heard reports of disturbances in Debrecen, Szeged and Miskolc.

Some Hungarian troops have joined the insurgents and legation officers personally witnessed on the afternoon of the 25th some Soviet tanks and their crews who had also joined the rebels. The legation reported that anti-government forces appeared to be moving freely in part of the city and at least one of the four bridges in the central Budapest area was under their control. Soviet forces and Hungarian security forces have established defensive positions, including heavy guns, in the downtown area around the government buildings. A crowd assembled in front of the legation during the afternoon to ask for assistance; earlier, the legation area had been the scene of a "big battle."

In an effort to bolster the government's position, Premier Imre Nagy announced at 1525 Budapest time on the 25th that the "Hungarian government is initiating negotiations on relations with the USSR on the basis..."
of national independence and equality between Communist parties and will ask for the withdrawal of the Soviet forces stationed in Hungary when order is restored." An unconfirmed press report indicated that Nagy's statement followed talks with Soviet presidium members Mikoyan and Suslov, who left Budapest at noon on the 25th. Nagy's statement followed the replacement of Erno Gero in the top party post at an early morning politburo meeting by national Communist Janos Kadar.

The major party shake-up which occurred on the night of 23 October and Gero's subsequent ouster as party first secretary complete the victory of the moderate national Communists in their fight for control of the Hungarian party. These elements may be presumed to have the support of most of the party membership. Nagy has reaffirmed his complete fidelity to his program of liberalization and promised that after the restoration of order he will submit a reform program embracing all important problems of national life. He added that implementation of this program will necessitate a major change in government personnel on the basis of the rallying of the popular front and the broadest democratic national forces.
2. THE SITUATION IN POLAND

The Gomulka regime has taken several steps to strengthen its position and popular support. The Sejm (parliament) has approved the reorganization of the presidium of the Polish Council of Ministers by eliminating the two posts of first deputy premier and decreasing from eight to four the number of deputy premiers. First Deputy Premier Zenon Nowak was demoted to deputy premier and Franciszek Joswiak-Witold was dropped. Both were removed from the politburo on 21 October. Stefan Ignar, president of the United Peasant Party, was appointed deputy premier in a bid for peasant support. Marshal Rokossowski was retained as a deputy premier.

Gomulka reportedly has promised several Catholic deputies that he will review the case of Cardinal Stefan Wyszynski, the primate of Poland, who has been under arrest since September 1953, and that he will make an effort to resolve the problem of church-state relations. The release of Wyszynskis and the negotiation of a new agreement more favorable to the church would result in a substantial increase in popular support for Gomulka's policies.

The Sejm also announced that the elections scheduled for 16 December have been postponed to 20 January. The government may need more time to prepare electoral lists, giving the people some choice between candidates.

Gomulka told a rally of several hundred thousand people in Warsaw on 24 October that "It depends entirely on our opinion whether and how long Soviet specialists are required in our army." He also stated that as long as NATO bases remain in West Germany, the presence of...
the Soviet army in East Germany is "in agreement with our highest state interests," and added that the presence of Soviet troops in Poland is closely connected with the presence of Soviet forces in East Germany.

After the rally, several thousand youths marched through the streets shouting anti-Soviet and pro-Hungarian slogans. While some clashes between the youths and Communist workers resulted, the security police arrived quickly and quieted the situation. The major problem of the regime is to consolidate its support among the people without allowing anti-Soviet sentiments to get out of hand as they have done temporarily in Warsaw and Wroclaw, lest they develop into large-scale violence as in Budapest.
3. VIOLENCE CONTINUES IN NORTH AFRICA

Violence continues in North Africa in response to France's seizure on 22 October of five top leaders of the Algerian National Liberation Front (FLN).

In Tunisia, where growing numbers of strikes and anti-French popular demonstrations have occurred during the last three days, the Bourghiba government has charged—and French military authorities have denied—that a French military convoy forced its way past roadblocks on 25 October and clashed with Tunisian troops.

In Morocco, the bloody reprisals against French settlers appear to have subsided somewhat, at least for the time being, but tension continued to mount as a 24-hour strike of some 50,000 French civil servants virtually paralyzed public services on 25 October. The Rabat government moved a step closer to an outright rupture with France by following Tunis in the recall of its ambassador from Paris. Reports of French troop movements and demonstrations at various points in the country are further exacerbating the situation, as Moroccan officials consider these activities a violation of French assurances in mid-October that no French forces would be moved for the time being without the sultan’s consent.

The Algerian rebels are seeking to minimize the effects of the loss of their Cairo leadership. Tewfik el-Madani, a former moderate who joined the FLN in April, has by prearrangement succeeded Ben Bella as chief spokesman for the resistance. He does not, however, have Ben Bella’s personal authority.
4. SINGAPORE STUDENTS CLASH WITH POLICE

The clashes between Singapore police and Chinese students which began on 25 October were apparently precipitated by a government order to parents to get striking students out of closed schools. In these outbreaks of violence the students are reported to be supported by pro-Communist labor groups.

British troops have been alerted and the police have moved into the school grounds to dislodge the students. The situation is described as "explosive" and the colony has been placed under curfew.

The student strike began as a protest against a government order banishing six China-born subversives, who are still being held in Singapore. Their prolonged detention may aggravate the tense situation in the colony. Deportation has been an important weapon against the Communists in both Singapore and Malaya, but a Malayan official told the American consul general recently that only a very informal arrangement exists with Communist China on banishment, and that Peiping might decide at any time not to accept any more deportees.
5. U NU REPORTEDLY TO RESUME BURMESE PREMIERSHIP IN FEBRUARY

Deputy Prime Minister Kyaw Nyein recently stated that U Nu would resume his post as Burma's prime minister in February.

Ambassador Satterthwaite is inclined to accept the report, even though it runs counter to the general analysis since Nu's resignation that he would not in fact return to power because of his growing conflict with Socialist Party leaders, particularly Kyaw Nyein.

Comment

When Nu resigned last June, it was announced he would return to office within a year, but this has been generally considered a face-saving device.

Prime Minister Ba Swe dislikes day-to-day government routine and the public limelight. Should he step aside for Nu, he and other Socialist leaders are likely to insist on closer control of Nu's activities than during his previous tenure. Nu's freewheeling in foreign affairs and in investigating governmental corruption antagonized the Socialists and was a major cause for his resignation.

Nu is now in Peiping attempting to negotiate a settlement of the Sino-Burmese border problem. Success in this effort would strengthen the prospect that he will again become prime minister.
6. LEBANESE PRESIDENT BELIEVES ARAB STATES SHOULD JOIN BAGHDAD PACT

Lebanon's President Chamoun and Foreign Minister Lahoud are convinced that "the secret of peace and stability" in the Middle East is for the Arab states to join the Baghdad pact, according to the Iranian foreign minister's account of his recent conversations with them in Tehran. They believe that Saudi Arabia is the key prospect.

Chamoun reportedly intends to send a personal message to King Saud, which he proposes would be followed by strong representations by the Shah during his visit to Saudi Arabia in December. Lahoud said that a line-up of Saudi Arabia, the Sudan and Libya with Iraq and Lebanon would obtain control of the Arab League's political committee. Jordan was originally viewed as another possibility, but the recent elections have cast doubt on prospects there.

Comment

While Chamoun and other pro-Western Arab politicians have said privately they favor an expanded Baghdad pact, they have never been willing to take such a stand publicly in the face of Egypt's growing prestige.
THE ARAB-ISRAELI SITUATION
(Information as of 1700, 25 October)

A large-scale mobilization of taxis and trucks was reported under way in the Tel Aviv area on 25 October by the American army attaché. He said large numbers of Israeli army vehicles were reported moving north, possibly to the Haifa depot, and some elements of the 11th Armored Infantry Brigade were leaving their base camp. The attaché commented that this pattern is identical with that early last April, when Israeli-Egyptian tension was high as a result of the incursions of Egyptian-sponsored fedayeen terrorists. At that time Israel brought its forces up to some 125,000 men, the highest level since the end of the Palestine war.