CONTENTS

1. SPECIAL NATIONAL INTELLIGENCE ESTIMATE: SINO-SOVET INTENTIONS IN THE SUEZ CRISIS

2. HOSTILITIES IN EGYPT

3. THREAT OF WAR ON JORDANIAN FRONT

4. SITUATION IN HUNGARY

5. BRITAIN AND FRANCE RETAIN FREEDOM OF ACTION IN SUEZ

7. CHINESE COMMUNISTS ENDORSE SOVIET ARMED INTERVENTION IN HUNGARY
1. The Intelligence Advisory Committee's Special National Intelligence Estimate of 5 November 1956 titled "Sino-Soviet Intentions in the Suez Crisis" follows. (This Estimate was prepared after study and analysis of the Bulganin letters to Eden, Mollet and Ben-Gurion and the Soviet proposal of 5 November to the UN Security Council, together with a review prepared by the Watch Committee of indications of Soviet intent to initiate hostilities.)

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"1. The Bulganin letters to Eden, Mollet, and Ben-Gurion, taken together with the Soviet proposal to the UN Security Council and the earlier letter to President Eisenhower, can be read as a declaration of intent to use Soviet armed forces, possibly even unilaterally, against the UK, France, and Israel, either in the Suez Canal or elsewhere. We think it highly unlikely that this is a declaration of intent to use all-out force against metropolitan Britain or France. We think it unlikely that it means an intention to use Soviet armed force on a large scale in the Mediterranean, though the possibility cannot be excluded of isolated attacks against UK or French forces. We estimate that the USSR would be less reluctant to attack Israel than to attack UK or French forces in the Middle East.

"2. These communications are in fact a very strong declaration of Soviet readiness to participate in UN action to stop the war in Egypt by force. The strong threats which accompany this declaration are designed to create extreme alarm in the UK, France, and the world, to compel the UN to enforce a settlement tolerable to the USSR, and to preempt for the USSR the credit for such a settlement.

"3. There are several reasons why the USSR would wish to take a strong, and alarming, stand in this matter:

(a) The necessity of doing so in order to reassert the Soviet position as the champion of Egypt and of anti-colonial countries generally;
(b) The desire to distract attention, both within and outside the Bloc, from the situation in Hungary;

(c) The desire to damage the interests and prestige of the UK and France;

(d) Possibly, a desire to re-establish the fear of the use of Soviet military force as a primary factor in world affairs.

"4. With respect to the implied threat to the UK of using 'rockets' (presumably guided missiles with nuclear warheads), the USSR is estimated to have the capability of delivering low yield atomic weapons by ballistic missiles with 800 nautical mile range which could reach the UK if launched from the Satellites. The 800-mile missile could reach major Israeli and Cypriot targets but not Egypt itself. Air-to-surface missiles, and probably submarine-launched missiles with nuclear warheads are also within current Soviet capabilities and could pose a threat to all areas. We do not believe that the USSR would employ guided missiles with nuclear warheads in the Egyptian-Israeli conflict.

"5. To attack Israel or Franco-British forces in the Eastern Mediterranean (except those on Cyprus) from present Bloc bases, the USSR would have to use aircraft of the Long Range Air Force, or use IL-28 jet light bombers on missions involving no return to the Bloc. Establishment of bases for IL-28 bombers in Syria, Jordan, or Iraq is an alternative possibility, but would involve considerable problems of logistical support and defense of such bases, especially if they were used for sustained operations.

"6. On the basis of the Watch Committee's 5 November examination of evidence bearing on Soviet military actions in Europe and on military intervention in Middle East hostilities, we conclude that:

(a) While the USSR might desire to continue aid to Egypt, there is little likelihood that such aid can now be furnished. Military aid in the form of
materiel, technicians, and logistics to Syria and through Syria to the other Arab States is expected to continue, probably on an increased scale and possibly including volunteers, but all without decisive effect;

(b) Soviet troop movements, alerts and other military activities related to re-establishment of Soviet control in Hungary do not indicate preparations for or intentions to initiate hostilities outside the Bloc.

"7. We believe that our previous estimate that the USSR wishes to avoid general war continues to be valid.

"8. With respect to the Far East, we believe it possible, though it does not at present seem probable, that the Suez crisis might develop in such a way as to cause the Chinese Communists to take advantage of it by an attack on the British Crown Colony of Hong Kong."

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2. HOSTILITIES IN EGYPT (information as of 2200, 5 November)

The initial phase of the Anglo-French attack on Egypt is nearing completion. Early reports of the capitulation of Port Said, at the northern end of the canal, were later contradicted, however, by a British communiqué which stated that the Egyptian defenders had rejected surrender terms.

British forces landed west of Port Said town at dawn on 5 November and seized Gamil airfield. French forces landed at Port Fuad, the town opposite Port Said at the entrance of the canal, and also seized two bridges south of Port-Said linking the town with the road to the mainland. Following consolidation of control over the airfield, additional troops were reportedly landed on the field by helicopter—probably from the two light British carriers which are bringing Royal Marines from Malta.

In a separate operation French airborne forces landed at Gilbana, about 10 miles east of the Suez Canal on the coastal rail line. At Gilbana the French forces are in a position to advance southwest toward Qantara and cross the canal, or to function initially as a blocking force to protect a possible amphibious landing over the beaches in the vicinity of Romani in the Bay of Tina. The waters off the beaches west of Port Said will have to be cleared of naval mines before landings can be made there.

The official Egyptian attitude in the face of the Anglo-French assault is one of willingness to accept any terms which will avoid a direct capitulation to the British and French. Civilian and military morale is still reported to
be good, except for the troops which were evacuated from Sinai. All Egyptian sources continue to assert that Nasr will fight to the end.

At 2045 on 5 November Israel informed the UN secretary general that it agreed unconditionally to a cease-fire and that since the morning of 5 November all fighting between Israeli and Egyptian forces had ceased.
3. THREAT OF WAR ON JORDANIAN FRONT (information as of 2200, 5 November)

General Burns, the senior UN representative in Palestine, believes the situation on the Israeli-Jordanian front is distinctly ominous. The Jordanian delegate on the mixed armistice commission told Burns that Jordan would soon abrogate its mutual defense treaty with Britain and then, together with Iraq, Syria and Saudi Arabia, move against Israel.

On 5 November General Nuwar told the American army attaché in Amman that Syrian and Iraqi troops were now in Jordan on the east bank of the Jordan River and that the decision to move them to the west bank had not yet been made. Nuwar stated that in a new agreement with Iraq he remained in command of the combined Iraqi-Jordanian forces. Command arrangements with Syria were about to be completed.

The continuing movement of Israeli troops to the Jordanian and Syrian frontiers is supported by an Israeli
press campaign which ranges from demands that the "brilliant blitzkrieg" be extended to Jordan to assertions that "breaches of peace on the borders" will not be tolerated. According to General Burns, Israeli foreign minister Meir has assured the British ambassador that Israel would not attack Jordan unless itself attacked or "provoked."
According to Hungarian rebel radio broadcasts on 5 November, hostilities were continuing north of Budapest near the Czech frontier and in the Lake Balaton region, as well as in the capital itself. Unconfirmed reports indicate continued fighting in the Győr and Pecs areas.

Authoritative reports received by the American legation in Budapest put Soviet troop strength in Hungary at 200,000 men, with 4,600 tanks and large numbers of troops and heavy weapons on the frontier. Soviet tanks reportedly are fighting in closed formation in Budapest and the rebels allegedly have forces on Csepel Island in the Danube and control one bridge to the mainland. The clandestine rebel radio also says that in some places Soviet forces have refused to fire on Hungarians.

Radio Budapest broadcast early in the day a demand that all rebel fighters surrender their arms by 1800 (Budapest time) 5 November. A regime-controlled local radio indicated that those who surrendered their arms by that time would not be harmed. Several cities--and presumably the entire country--are under a curfew from 1530 to 0600 hours.

The commander of the Soviet troops in Hungary has made a "plea" over Budapest radio for Hungarians not to believe "slanders against the Soviet soldiers" who are "peasants, intellectuals and workers, just like you."

No major changes in the political picture have been announced; the new premier, Janos Kadar, continues
his appeals for order and support for his program, which is similar to that of Gomulka in Poland.

The Hungarian embassy in East Berlin has been put under guard by East German security police who early on 4 November arrested members of a revolutionary council which had taken over direction of the mission. The fate of certain other revolutionary councils which were established in various foreign missions has not been determined; however, it would appear likely that efforts to take action against them might lead to defection.

India, which abstained on the UN Hungarian resolution of 4 November, reportedly delivered to Moscow "during the week end" a note expressing India's "concern and distress" over events in Hungary. Nehru also told the opening meeting of the UNESCO conference in New Delhi on 5 November that "what we are seeing today in Egypt and Hungary are both freedom and dignity outraged, and forces of modern arms used to suppress peoples."
5. BRITAIN AND FRANCE RETAIN FREEDOM OF ACTION IN SUEZ

Britain and France have cited with approval the UN General Assembly's prospective intervention to stop the fighting in Egypt. They insist on certain conditions before complying, however, and in the meantime, Anglo-French military operations continue. London and Paris presumably still intend to gain complete control of the Suez Canal, but it is not certain whether they will hold out for the collapse of the Nasr regime before complying in any straightforward manner with the UN's call for a general cease-fire.

On 5 November, following extended talks in London, Eden and French foreign minister Pineau stated they would halt the fighting as soon as Egypt and Israel accepted the UN police-force proposal. They specifically proposed that the UN establish an international force to handle four points: (1) prevent continuance of hostilities between Israel and Egypt; (2) secure speedy withdrawal of Israeli forces; (3) restore traffic through the Suez Canal; and (4) promote a settlement of Middle East problems.

Meanwhile, Britain and France have answered UN secretary general Hammarskjold's appeal to conform to the proposed cease-fire by proposing an early ministerial-level Security Council meeting to work out a general Middle East settlement.

The Eden government has been subjected to public outbursts unprecedented in recent years, and to violent opposition from the Labor Party. In France, the government has met with little open criticism, except from the extreme left.

Elsewhere in Western Europe the popular reaction has been broadly critical of the Anglo-French attack,
but there is less unanimity in government circles. The Austrian and Scandinavian governments have been strongly condemnatory, tending to link failure of the Hungarian break for freedom to the Suez action. On the other hand, considerable support for Anglo-French purposes appears to prevail among officials in the Benelux countries and in Bonn.
7. CHINESE COMMUNISTS ENDORSE SOVIET ARMED INTERVENTION IN HUNGARY

Despite its sympathy for Polish and Hungarian Communist efforts to attain a greater degree of independence from Moscow, Peiping has strongly endorsed Soviet armed intervention in Hungary. Peiping's statements make a distinction between a Communist regime which intends to remain in the bloc---as it describes the Gomulka government in Poland---and an anti-Communist regime which does not, as was the prospect in Hungary.

On 5 November the People's Daily, official newspaper of the Chinese Communist Party, praised Soviet troops for having "twice helped the Hungarian people to achieve liberation," and emphasized that the critical issue for Peiping is "solidarity among all the socialist countries."