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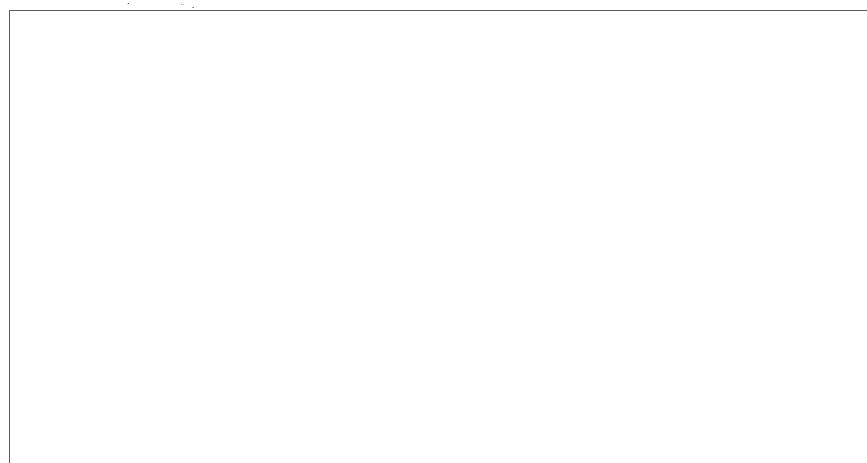
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THE ARAB-ISRAELI SITUATION
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1. ISRAELI-JORDANIAN INCIDENTS

Jordan's immediate reaction to the Israeli attack on Jordanian army positions south of Jerusalem on the night of 25-26 September has consisted primarily of diplomatic action to deter further Israeli attacks. Jordan's moves have made it clear Amman does not desire to expand the incident into a general conflict with Israel.

While appealing to Western ambassadors and to the UN to bring a halt to Israeli aggression, Jordan also has appealed to Iraq for immediate military assistance. Iraq has stalled in response to other recent Jordanian appeals for aid. Although token shipments of rifles and some small-arms ammunition have been delivered, Iraq has hesitated to send troops into Jordan for fear of provoking Israel. Partly in response to a Jordanian request which followed serious Arab-Israeli tension in April, Iraq moved elements of a brigade, possibly 3,000 men, to the H-3 pumping station about 40 miles from the Jordanian border.

Talk of invoking military action against Israel by the Arab Joint Command has been conspicuously absent. As long as Egypt remains embroiled in the Suez dispute, Arab support for Jordan is unlikely to consist of more than verbiage, financial aid, and some arms shipments. The most immediate result of the Israeli attacks may be to strain the Amman government's ability to maintain control over the embittered Palestine Arabs in West Jordan, who constitute the majority of the country's population.

2. SUEZ DEVELOPMENTS CAUSE ANTI-AMERICAN REACTION IN FRANCE

Premier Mollet told Ambassador Dillon in Paris on 24 September that the second London conference on the Suez problem had caused a violent anti-American reaction in French public opinion and had shaken his cabinet. The French believe that the users' association as finally proposed represents an abandonment of the original 18-power position. They assume that the United States considers the association a final rather than a temporary solution.

A leading industrialist who is also publisher of an influential morning paper in Paris told Dillon that he had informed Mollet that the results of the London talks meant the end of the Atlantic alliance, a typical violent reaction, according to Dillon.

Comment

The attitude of the French press toward the United States has fluctuated since the start of the Suez crisis, but the issue has begun to evoke condemnatory articles from commentators heretofore regarded as strongly pro-American. In the coming National Assembly debate on the issue, the Mollet government will probably try to blame France's allies for its retreat from forceful action.

The French hold little hope that the UN can resolve the question, and the government will probably attempt to obtain assembly backing for a strong plea for economic sanctions against Egypt.

3. YUGOSLAV REMARKS ON KHRUSHCHEV VISIT

Statements by Yugoslav officials tend to confirm that the question of Satellite developments is being discussed by Khrushchev and Tito during Khrushchev's visit to Yugoslavia.

Foreign Under Secretary Prica has told American chargé Hooker that, while the Yugoslavs themselves think the liberalization process has gone too fast in certain Satellites, they nevertheless feel that the Soviet Union has reverted to certain "old attitudes" in its attempts to slow the process. Prica noted specifically the Soviet attitude that the Poznan riots were instigated by the West.

In response to the conjecture that Khrushchev might be seeking Yugoslav help because of differences in Moscow over the Satellites and the growing evidence of Yugoslav independent activity there, Prica replied, "We are not interested in helping him on account of his beautiful face!" Prica did imply, however, that Yugoslavia's continuing failure to obtain needed wheat from the United States would oblige it to turn to the USSR and put Yugoslavia in a very difficult position to resist Khrushchev's pressure. The Yugoslav ambassador in Warsaw told a Western correspondent there that Tito had recently told him of difficulties with the USSR and that the Yugoslavs would be obliged to compromise and "swallow some of the Russian line!"

The possibility of compromise would seem to depend largely on whether Moscow and Belgrade can agree on the extent of eventual Satellite independence. The Yugoslavs might accept a slower pace if assured that the liberalization process will continue.

4. JAPANESE CONSERVATIVES ORGANIZE TO OUST PRIME MINISTER

Opponents of Japanese prime minister Hatoyama within the ruling Liberal-Democratic Party on 25 September created a "Situation Discussion Council" aimed at preventing Hatoyama's trip to Moscow and forcing his retirement. The council reportedly has the support of 224 of 423 Liberal-Democratic Diet members and confronts Hatoyama with the possibility of an open break in the government party.

Anti-Hatoyama elements are consolidating their position in the internal competition for power which has prevented the formulation of a firm official position on the negotiations with the Soviet Union. The new group, fearful that Hatoyama might sacrifice Japanese territorial claims at Moscow, is seeking public support by calling for the immediate return of Shikotan and the Habomai Islands and continued discussion with the USSR of the status of the Southern Kurils after relations are restored.

The Yoshida-Ikeda faction of the party is unlikely to carry out its threat to bolt the party simply on the issue of Hatoyama's trip to Moscow. Therefore, a party split appears improbable unless the prime minister agrees to a settlement unreasonably adverse to Japan. There is general agreement among Japanese political and business leaders that their ailing and inept prime minister should retire, but continued failure to agree on his successor remains the major obstacle to his replacement.

5. PATHET LAO POSITION OUTLINED AS SETTLEMENT TALKS OPEN IN LAOS

[Redacted]
The political commission seeking to arrange a final settlement between the royal Laotian government and the Pathet Lao opened discussions on 25 September. The Pathets asked for assurances that Laos would adopt an "Indian or Cambodian type of neutrality." They also demanded the right to operate as a legal political party throughout Laos, amnesty for all held as political criminals by the government, and representation in the cabinet.

Comment The Pathets' action suggests that they are dissatisfied with Prime Minister Souvanna Phouma's declaration of a "Swiss type of neutrality" for Laos.

[Redacted]
[Redacted] the Pathets intend in the current negotiations on details to press for other concessions that go beyond the substance of the 5 and 10 August agreements on principles. [Redacted]

[Redacted] the Pathets "will demand specifically that the royalists must have relations" with Peiping and Hanoi. They also intend to demand that five to seven of the 21 new parliamentary seats to be contested in supplementary elections be guaranteed to the Pathet Lao. This demand is probably designed to provide justification for the Pathets' demands for inclusion in the cabinet. [Redacted]

6. LOUIS FISCHER REPORTS ON MOSCOW VISIT

Louis Fischer, American expert on Soviet affairs, has given the American embassy in London his impressions of a recent 24-day visit to Moscow and the substance of his conversation with top Soviet leader Anastas Mikoyan.

Mikoyan said he had "faced destruction" toward the end of Stalin's regime, and left no doubt he was a violent anti-Stalinist. Fischer reported that everybody with whom he talked had read Khrushchev's secret speech, which they referred to as a "letter," but when queried as to when the speech would be published for the general public, Mikoyan told Fischer that it was "still too early to do this."

Among old friends from prewar days, Fischer found great respect for Malenkov, who they thought was "not finished as a top leader."

Fischer was struck by the freedom with which ordinary people talked as compared with the Stalinist era, and with the diminished fear of the police.

Comment In his secret speech, Khrushchev hinted that Stalin was preparing a new purge on the eve of his death and that both Mikoyan and Molotov were likely victims.

The letter referred to by Fischer's friends is probably the central committee circular--an abbreviated version of the Khrushchev speech--which was widely distributed through party channels after the February party congress.

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7. POLISH TRADE UNION PAPER CALLS FOR WIDER CHOICE IN ELECTIONS

[Redacted]

An attack of 25 September on the single-list electoral system in Glos Pracy, organ of the Polish Trade Union Federation, suggests that the government may have decided to give the voters a choice between candidates in the Sejm (parliament) elections scheduled for 16 December.

The article may have been prompted by the government, since the trade union paper has not been a leading critic of the regime in the past. The former ambassador to Rumania recently told the American minister in Bucharest that the December elections will be on a completely new and democratic basis.

The nomination of at least twice as many candidates as there are seats in the Sejm, as called for by Glos Pracy, would not necessarily imply loss of control by the regime, since the candidates would still be selected by the Communist-controlled National Front. The voters would, however, be able to reject those they regarded as least capable of representing their interests. The principal effect would be to stimulate demands for further electoral reforms.

[Redacted]

THE ARAB-ISRAELI SITUATION (Information as of 1700, 26 September)

"Rather large Israeli troop movements" from the Central Command toward the south were reported by the American army attaché on the afternoon of 25 September. Israeli reserve military police were called up on the same day. In the event of a major mobilization, military police would be among the first to be called because of their function in carrying out mobilization procedures. These movements do not appear to have been in preparation for the attack in the Jerusalem area, although they may have been connected with a reported diversionary attack in the Hebron area.

Apparently reflecting uneasiness over increased tension on Jordan's border with Israel, Syria has moved two battalions of regular infantry to Dera near the Jordan border on the main road from Damascus to Amman. These regular units are reported to have replaced a force of Palestinian Arabs in this area, which is on the southern invasion route into Syria.

Israeli government circles consider the Canadian decision to sell them 24 F-86 jet fighters an indication that the Israeli policy of reprisal raids, although censured by UN organs, has not caused deterioration in relations between Israel and the Western powers.

Israeli advocates of preventive war against Egypt-- who exist not only in the Herut Party but also, according to Ben-Gurion, among the best officers in the army--will not give up their plans. Several Israeli observers, who had been worried lately by the anti-Israeli tone of the Soviet press and radio, are afraid that the Canadian shipments will bring about a "further deterioration in the relations between Israel and the USSR susceptible of compromising not only Jewish emigration from the eastern bloc, but also the execution of the recent oil agreement."