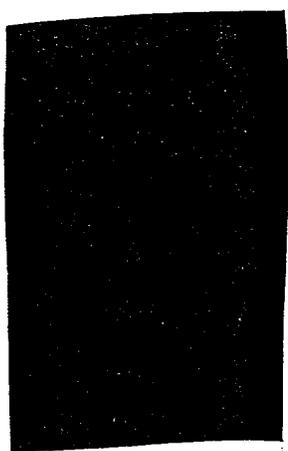


1. THE SITUATION IN HUNGARY



The inability of the Kadar regime to demonstrate authority or influence has become increasingly apparent in Hungary. Scattered rebel groups continue to resist Soviet forces and Hungarian security police. The population in Budapest had not yet returned to work on 10 November. Food is scarce, and the Soviet forces continue to keep Budapest isolated in an apparent attempt to end all resistance by starvation.

The US legation reports that the present mood of the crowds in Budapest is sullen, and that they may eventually turn against the US representatives.

Khrushchev told the Swedish ambassador on 7 November that the Soviet government had originally agreed to support Nagy and had decided to use troops in Hungary only when it became apparent that Nagy had lost control and was in the hands of a "fascist" counterrevolutionary group. Khrushchev denied that the entire Hungarian people was against the USSR and insisted that it would not have used troops if this were so. He stated that in addition "fascist bands" were murdering "our people" and it was quite impossible for the Soviet army to withdraw in the face of hostile fire.

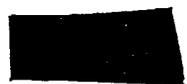
Khrushchev asserted that if the present government of Hungary asked for the withdrawal of Soviet troops and the acceptance of neutrality, the Soviet government would favorably consider both requests. He added emphatically that Soviet policy was still based on the decisions of the 20th party congress and the principles of the 30 October resolution concerning relations with Socialist states.

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