

6 October 1973

## SNIE 35/36-73 ARAB-ISRAELI HOSTILITIES AND THEIR IMPLICATIONS\*

## PRECIS

Heavy fighting is almost certain to be short in duration--no more than a week. Neither side is logistically prepared for lengthy hostilities. The Israelis have the strength to blunt the Syrian offensive capability within a few days and, as quickly, to push the Egyptians back across the canal. Fighting on a lesser scale, say an artillery duel across the canal, however, could be more prolonged.

The hostilities pose serious threat to American interests. All Arabs, even those most well disposed to the US, will press Washington to be at least even-handed, if not to join in sanctions against Israel. The more radical states--Libya, Syria, and Iraq in particular--will be strident in attacking the US. They will not limit themselves to oratory and maneuvers in the UN but will also foster moves against US personnel and property in their own countries and elsewhere. Even moderates like Kings Husayn and Faysal will be under increasing pressure to distance themselves from the US.

Some interruption of oil supply to the West is likely, whether through Arab government action or through sabotage of oil facilities. Libya is almost certain to be the first to retaliate against Western oil interests. Particularly if the fighting does not end immediately, Saudi Arabia and the Gulf states are likely to limit oil production and may join in a general oil embargo. Though this would most hurt Western Europe and Japan in the first instance, the Arabs would hope that these nations would press the US to bring influence to bear on Israel.

The Soviets will have to give political support to the Arab side, but they are following a cautious policy and would probably be willing to concert with the US in dampening tensions.

\* This Estimate has been reviewed by the USIB Agencies at the working level.

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SUMMARY (page 1)

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Jerusalem radio, citing an Israeli Defense Forces (IDF) spokesman, said Egyptian and Syrian attacks began "about 1400" local time. Damascus radio claims the Israeli attacks began about this same time. According to UPI, Cairo radio said Israeli attacks began at 1330 in the Gulf of Suez. The scope of the fighting is still fairly limited, but there is considerable danger of escalation.

\* This Estimate has been reviewed by the USIB Agencies at the working level. It has not been reviewed by the USIB itself.

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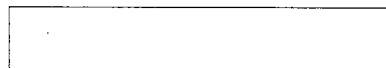
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On the Egyptian Front

1. The Egyptians have attempted armor crossings of Suez at several points with some temporary success. An immediate objective would appear to be to retake an area of Sinai adjacent to the water's edge. A deep thrust into Sinai itself would not seem likely because of the difficulty of penetration. Only two major roads lead across the peninsula and both are heavily fortified by the Israelis.

2. Israeli strategy is designed to cope either with limited hostilities or an escalating situation. The Israelis have already acted to counter the crossing within the area that extends from the canal back into the Sinai some 30 or so miles. The canal front itself is only lightly defended by the Israelis. A series of bunkers line the canal and serve primarily as observation posts. The purpose of this line is to aid in identifying possible Egyptian attack points and to direct counter thrusts by the main armor forces that are based at two armor camps within the Sinai and possibly air strikes by the Israeli Air Force. The two camps, Bir Jifjafa and Bir Hasana, are located on the main roads and are back some 50 to 60 miles from the canal.

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3. Israel's armor forces are far superior to those of the Egyptians and can be expected to once again defeat the Arab units. In addition to their superior armor forces, Israel's air force can be expected to control the air over the battle area. The Egyptian SAM units along the canal will not be able to successfully keep the Israelis from attacking the Egyptian units once they enter the Sinai.

4. It is unlikely that the Israelis will opt to counter with a major crossing of their own. Egyptian defenses are well placed and heavily fortified. To move into the heartland of Egypt itself would be costly in terms of Israeli equipment losses and casualties. In addition, Israel's forces are too limited in numbers to consider occupying major cities.

5. The Israelis are capable of severely punishing the Egyptians by air strikes, however. The bombing capacity of the Israelis is many times that of 1967 when devastating attacks were made against Egyptian airfields. But a significant difference is the fact that most Egyptian aircraft are housed in hardened shelters thereby reducing the Israeli chances of destroying the planes on the ground. For this reason, the Israelis may this time concentrate more of their efforts on naval and ground targets, and the population and industrial centers.

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6. The Egyptians also are capable of hitting into Israel with air strikes, but they are not able to do severe damage because of Israel's ability to intercept most of the attackers.

7. Naval action is likely to be limited as was true during the 1967 war. Some engagements are likely, but they will not be decisive.

On the Syrian Front

8. Prior to the beginning of hostilities the Syrians had moved to reinforce their military units in areas adjacent to the Golan Heights.

9. Israeli strategy will likely be to move to destroy as much of the Syrian army as possible. Israel's armor forces are well prepared for large-scale tank engagements. As part of their effort to destroy the Syrians, the Israelis are likely to send armor columns around the Syrian flanks.

10. The Israeli objective probably will fall short of trying to occupy Damascus. Once the Israelis have cleared the area adjacent to the heights, they will likely stop and hold. Severe damage will have been done to the Syrian army and little would be gained militarily by moving into Damascus. Occupying a city the size of Damascus would be a long and difficult task for the Israelis.

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11. If the Israelis opt to punish the Syrians, a more likely means would be to use the Israeli air arm. Syrian air defenses are not up to deterring the Israelis from making bombing raids anywhere in the country. The air defenses have been built up since mid-summer but they are not well coordinated and have never been tested under the heat of battle.

Immediate Repercussions

12. The new outbreak of fighting between Israel and the Arabs, even though confined to the Egyptian and Syrian fronts, puts fresh pressures on other Arab States to adopt more actively militant attitudes.

13. Libya, despite the recent partial eclipse of Qadhafi, is likely to react immediately and strongly with whatever measures it can bring to bear. These include nationalizing the remainder of the US assets in the oil industry, but keeping the American technical people on the production job; encouraging further attacks on the US and Israeli diplomatic positions throughout the world, and especially in the Third World; and, possibly, permitting or encouraging attacks on US nationals in Libya or elsewhere.

14. Algeria, despite a high level of rhetoric, will restrict itself to calling on the US to display a more even-handed policy in the immediate

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- situation. Despite their military involvement with the Syrians and Egyptians, the Algerians are not likely to encourage attacks on US citizens and will not immediately move against US economic assets.

15. Iraq will also produce a high level of rhetoric. The Iraqi regime is in some disarray, however, and domestic anxieties make its actions unpredictable. Nonetheless they are more likely to conserve their new TU-22 bomber force than to put it into immediate action. The longer the fighting continues, however, the more tempted the Iraqis will be to become actively involved.

16. The fedayeen will give a high priority to immediate operations. In doing so, they will take advantage of planned or contemplated actions against US or Israeli facilities throughout the world. The outbreak of fighting between regular forces pushes them politically into the background, at least temporarily, and they will in consequence feel under stronger pressure to demonstrate whatever operational capabilities they have, both in the Middle East and abroad. At the same time, however, the Syrians will have an opportunity to put the fedayeen under stricter control and enhance the role of Saiqa, their chosen instrument.

17. Depending on the duration of the fighting and the extent of Israeli gains, the effects on moderate leaders could be serious.

18. In Morocco, King Hassan finds himself directly involved because of the position of a Moroccan contingent near the Syrian front line. Should disaster befall that contingent, an anti-US reaction, very possibly a move to close Kenitra permanently, would follow. The King's enemies would attempt to use events to portray his association with the US as a form of treason, and might well begin to organize a fresh effort to overthrow him.

19. Saudi Arabia would be called upon to come through with the promises of assistance that King Faysal has explicitly or implicitly offered the Egyptians. Sadat will call upon the King to demonstrate that his association with the Americans can produce meaningful US pressure against Israel. He will feel compelled to threaten some kind of drastic action against US oil interests; whether the threat is generalized or specific, or whether it is somehow carried out, will depend on the course of the military-political action and the King's perception of the US role. If the King does not appear to be producing results, elements hostile to the Saudi regime will see an opportunity to organize themselves; but they are not likely to be able to accomplish anything immediately beyond some sabotage of oil facilities.

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20. Jordan's and King Husayn's position is somewhat easier than it has been in the past as long as the Israelis do not themselves involve Jordan in military action. The King has made it clear that he would not participate in an Egyptian-Syrian adventure, although he has recently promised that he would defend northern Jordan against an Israeli effort to outflank the Syrians. This posture has the support of the Jordanian military establishment, as far as we know. If the fighting were to be prolonged, pressures on Husayn to give military support to Egypt and Syria would increase.

21. Lebanon, if it succeeds in avoiding military participation--and this is largely up to the Israelis--will be unable to take serious steps to contain fedayeen activity in the country. Indeed, any attempt to do so would be likely to arouse Muslim antagonism against the Christian establishment to a very sharp pitch; the Christians, therefore, will lie as low as they can hoping the storm will somehow blow over.

22. Tunisia may privately try to stay out, but Bourguiba (assuming his reactions are not affected by his health problems) will issue strong statements against Israel. If the fighting should be prolonged, and if the US does not show a demonstrably even-handed policy, his regime too could get into trouble domestically; this seems unlikely immediately, however.

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23. Kuwait and the Persian Gulf Emirates, because they have no direct role to play, will be under strong pressure to demonstrate their support for Egypt and Syria through action or threats of action against US and other foreign oil interests. Should the Gulf rulers fall to do so, or should their threats be obviously ineffective, local elements will be encouraged in efforts to change these regimes. These movements could vary from political rioting in Kuwait and Bahrain, to attempts to subvert tribal or family factions in the less sophisticated areas. Nowhere in the Gulf can security forces move surely against these possibilities. Such eventualities, it should be noted, would present the Iranians and the Saudis with the question of undertaking selective interventions, but this is probably not an immediate problem.

24. Other governments on the fringes of the area--Sudan, the Yemens, Somalia, and even Ethiopia or Uganda--will feel some backlash from new Arab-Israeli hostilities. In all cases except Ethiopia, we should expect some type of action hostile to the US and an intensified effort to identify us with Israel.

25. Overall the Arabs will regard the outbreak of the fighting as a further reason for the US to move promptly and effectively to use its influence to obtain a "settlement" involving concessions from and, if

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necessary, sanctions against Israel. The Arab "moderates" in particular will believe that this is a "last chance" for the US to demonstrate the value of their association with Washington.

Other Reactions

26. The Soviet decision to withdraw civilian dependents and at least some technicians from Egypt and Syria over the last few days suggests Moscow was aware that heightened tensions might lead to fighting. Whether the Soviets knew of a plan by the Arab states to launch an attack, or only were fearful that escalation by both sides might lead to unintended fighting, is not clear. In either case, it is doubtful that Moscow will hold the Arab nations blameless.

27. Certainly the Israeli realization that the Soviets were moving people out contributed to the heightened tensions which preceded the outbreak of hostilities. The Soviets will surely give political support to the Arabs. If the fighting ends with the two sides holding positions more or less along pre-6 October lines, Moscow would be inclined to limit itself to this political support--perhaps seeking opportunities to work with the US to assure that a ceasefire is maintained.

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28. If, however, the Israelis launch either deep penetration air attacks against Syria and Egypt, or land operations aimed at taking and holding additional Egyptian and Syrian territory, the Soviets will be faced with more difficult choices. Under these circumstances, Moscow might allow those Soviet pilots still in Egypt and Syria to fly air defense missions. But we do not regard this as probable. The Soviets would be likely to undertake some sort of demonstrative movement of their ships in the Mediterranean. We believe, however, that the Soviets would stay in contact with the US throughout this period with the aim of getting the US to stop the Israelis and limiting the risk of direct US-Soviet confrontation. The Soviets would be aware that their diplomatic signals to the US might not be entirely consistent with their military posture, but they probably would accept the risk that entails.

29. Major Western Europe countries and Japan will be essentially bystanders during the fighting. Once the fighting ends, however, their growing impatience with Israeli intransigence plus their concern over access to Arab oil probably will lead them to come down on the side of the Arab nations. The inclination of the West Europeans to blame Israel-- and perhaps to join in post-war sanctions against Tel Aviv--would be greater if the fighting ended with Israel in control of additional Arab territory.

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An Oil Cutoff

30. Arab cutoffs of oil to the West will become increasingly likely if the fighting continues or intensifies. Such cutoffs could be the result either of a political decision by one or more of the Arab states or of fedayeen sabotage.

31. An embargo against the United States and possibly against Western Europe as well would probably be initiated by Libya and would get almost immediate support from Algeria and Iraq. An embargo by these three states would have a noticeable but not severe effect on United States' supplies--we are receiving about 300,000 b/d from Libya, but very little from the other two nations. If the fighting is prolonged and especially if there are Israeli attacks on major population centers, the more conservative Arab states would probably support an embargo--or impose production limitations--which could eventually result in the loss of some one million barrels of daily US imports.

32. The most likely target for sabotage would be the Tapline from Saudi Arabia to the Lebanon coast. Interdiction of the line's throughput--over 400,000 b/d--could be considered a blow at the US-owned Arabian-American Oil Company (ARAMCO). The other major pipeline

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system in the area--the IPC lines from Iraq's Kirkuk oilfields to Syria and Lebanon--is less likely to be sabotaged because of Iraq's relatively high standing among Arab radicals. However, if the IPC lines were cut either by sabotage or by a political decision in Baghdad, more than a million barrels of daily throughput would be lost. Almost all of the oil flowing through Tapline and the IPC lines is destined for Western Europe, and a cutoff of both lines could deprive Western Europe of some 6 per cent of its imports.

33. An Arab attempt to limit an oil cutoff to the US only would be difficult, especially if the pipelines to the Mediterranean are interdicted. In this case the Europeans would be hard hit but the US would not be deeply effected. If the pipelines remain intact, then the chance that an embargo would be successful against the US would increase. The US East Coast would be especially hard hit. Virtually all Japanese oil imports from the Arab states, however, originate in the Persian Gulf. As a practical matter, however, some kind of an energy sharing scheme would probably be initiated a short time after any cutoff and all major consuming nations would have their supplies reduced.

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34. Western Europe has sufficient oil reserves to withstand a partial cutoff of Arab supplies for an extended period. Japanese reserves are substantially less but are still adequate for several weeks. The US stocks are equivalent to about 80 days of imports, but these are scattered throughout the US. As a practical matter, the impact of an Arab oil cutoff would immediately aggravate the already tight supply of fuel oil especially in the Eastern states.

35. The US is currently consuming about 17 million bpd. Of this, nearly 4 million bpd comes from the Western hemisphere and Iran, and somewhat under one million from the Arab states. The following figures are for 1972 and there have been some increases during 1973.

	<u>1972 (bpd)</u>
Saudi Arabia	300,000
Ala Dhali	100,000
Kuwait	50,000
Iraq	-----
Libya	300,000
Other Arab	100,000
Total Arab	<u>850,000</u>
Iran	200,000
Nigeria	450,000
Canada	1,150,000
Venezuela	1,700,000
Others	400,000
Sub Total	<u>3,900,000</u>
Total Imports	4,850,000

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36. The oil supply situation has become increasingly tight over the past year as unprecedented growth in demand has absorbed virtually all of producer surplus production capacity. In addition, the tanker situation is equally tight. Therefore, shortfalls resulting from interruptions to production or transportation cannot be made up, and these would be translated into shortages later this winter.

37. Although the US imports a far smaller share of its needs than do Western Europe or Japan, it is more vulnerable to short term supply fluctuations. This is due to the fact that our refining capacity is less than our needs, and we will be depending on Europe for several hundred thousand bpd of fuel oil this winter. If European refinery output should fall off significantly, Europe would be inclined to cut off US purchases before asking their own consumers to tighten their belts.

38. Even without any new supply problems, the US expects to be some 100,000 bpd short of fuel oil this winter. Cold weather in the US could push this up to some 250,000. A cold winter in Europe would reduce imports a further 300,000 bpd.

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