

J. Davis

CENTRAL INTELLIGENCE AGENCY
18 October 1973

INTELLIGENCE MEMORANDUM

MIDDLE EAST

Situation Report Number 51
(as of 1130 EDT)

THE MILITARY SITUATION

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GENERAL

2. The Syrian front is reported generally quiet except for some artillery and tank fire near Al Harrah and a relatively low level of Israeli air activity. An Israeli military spokesman today characterized the Syrian front as "more or less stabilized."

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State Department review completed

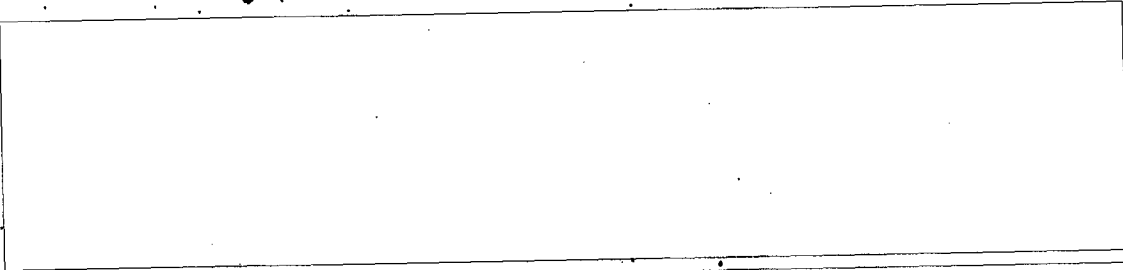
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SYRIAN FRONT

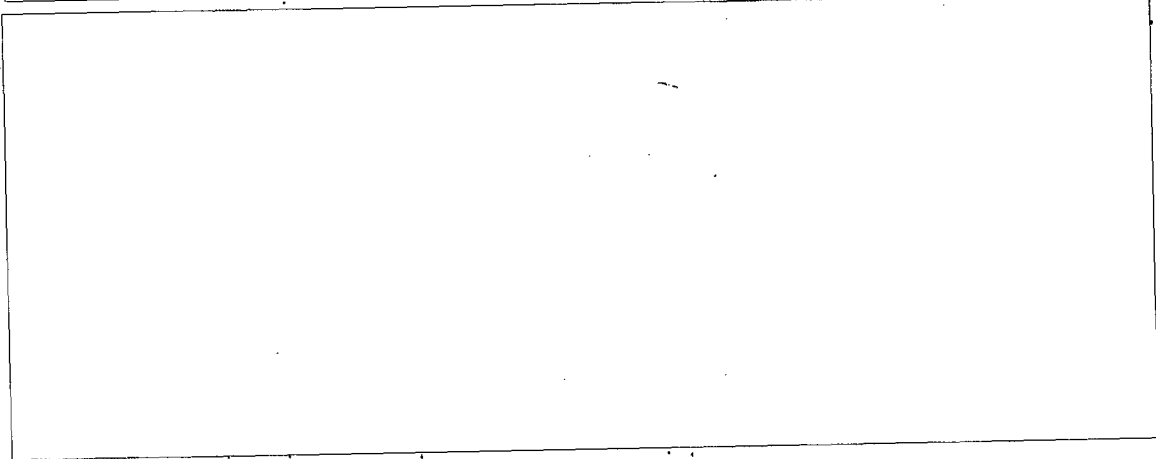
7. For the second day in a row the ground fighting along the Syrian front appears to be light. The Israelis are intermittantly shelling two areas, Al Harrah and an area east of Sasa. Syrian forward observers report 18 Israeli tanks at Tell Aantar firing on the Al Harrah area. Artillery fire on the same area is also coming from an Israeli area well behind the cease-fire line. The Jordanian 40th Brigade was last reported at Al Harrah, and the Israelis had located the advance Saudi force just south of Al Harrah early this morning. There are no reports of these two units engaging the Israelis this morning, however.

8. Today's Israeli air activity over the Syrian front appears to be the lightest since the war began, although both sides claimed downing aircraft early this morning.

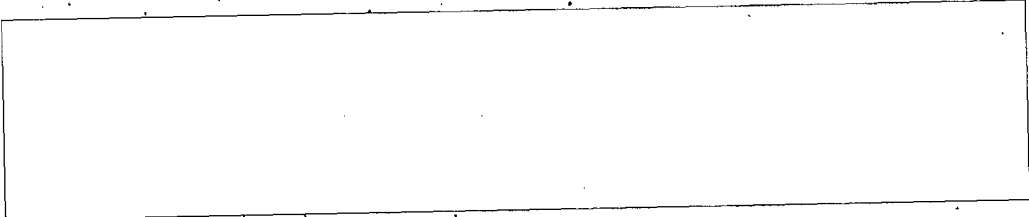
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SOVIET SEALIFT (See Annex)UNITED NATIONS

12. Reports of US-Soviet negotiations toward a Middle East settlement seem to be spurring diplomatic activity among Israelis and Arabs. Both sides, however, appear to be trying to bolster their current positions rather than moving toward a compromise.

13. Although Foreign Minister Eban's comments at the UN yesterday have been interpreted by the press as a signal of increased Israeli flexibility, there is little to support this assessment. While Eban did suggest that Israel would accept a cease-fire in place, other Israeli leaders have clearly indicated that they do not intend to stop fighting until they have gained greater military advantage. Eban's requirement that a cease-fire should be separate from international settlement and peace conference agreements indicates that Tel Aviv still intends to base its security on possession of territory rather than international guarantees. This leaves the Israeli position still far removed from that of the Arabs, who appear to be looking to international guarantees as a fundamental part of any eventual cease-fire agreement.

14. At present Arab diplomatic efforts are still aimed at gaining support for their demand that Israel withdraw to pre-June 1967 boundaries. Dissatisfied with West European responses to their appeals, they apparently intend to widen their lobbying activities. Arab UN representatives reportedly intend to take their case to Latin American states, Japan and "various ethnic groups" with the intention of "isolating the US from its friends and allies."

SAUDI ARABIA

15. The government-controlled Saudi media are taking a very low-key approach to Saudi differences

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with the US over arms supply to Israel. There has been a complete black-out of reporting in the country on the resupply effort, and an Information Ministry official has told the US Embassy this is a deliberate government decision to avoid arousing the sentiments of the people. Today's papers contain only limited coverage of the decision to cut back oil production by five percent a month. The news has been reported factually and only as second-hand information from a Kuwaiti news agency; there was no commentary.

16. Despite the light hand in the media and despite continued friendly relations between Saudi officials and US Embassy officials, the embassy reports that there is little doubt as to how the Saudis regard the US decision. Individual reactions range from cordial incredulity to hostility. The former sentiment apparently still prevails, and the Embassy believes the American community still enjoys relative security.

ARAB STATES

17. Other Arab states are not so hesitant to speak out. A Libyan newspaper, for instance, has called for "a daring stand" against the US, which it details as follows: the complete withdrawal of Arab assets from US banks, the conversion of dollar assets to other currencies, and a complete stop to the flow of oil to the US so that "the American people stand in line to obtain fuel." A Libyan news service reported yesterday that this was the position adopted by Libya at the oil ministers' conference at Kuwait.

18. The moderate-radical differences in oil policy, reflected in Libya's continued advocacy of this position today, despite the oil ministers' failure to adopt it yesterday, are also reflected in an Iraqi newspaper attack on the Saudis. An authoritative Baghdad newspaper has accused Saudi Arabia of colluding with the US and the "Zionist enemy" by compensating the

US for oil cut off by Iraq's nationalization move on 7 October. The paper charged that Saudi Arabia gave an American tanker a full load of crude after it had been turned away from Iraq's port at Basrah.

LEBANON

19. Five Arabs raided the Bank of America in Beirut and seized about 20 hostages in an operation they said was aimed against American interests and securing the release of Palestinian guerrillas imprisoned in Lebanon. The Algerian ambassador and a Fatah leader are negotiating with the attackers. Lebanese tanks, troops, and police have surrounded the bank, under the personal direction of the Lebanese Interior Minister. The US Embassy reports no American staff members are among the hostages, but it is not known whether any American customers are in the bank. One report received by the embassy says the attackers have given the Lebanese government until 1800 local time (noon EDT) to meet their demands, which include safe conduct out of Lebanon and a plane to fly them to Algeria.

EGYPT - CHINA

20. Peking has agreed to provide Egypt with some \$300 million worth of aid, possibly as a grant. It will include 100,000 tons of wheat, worth at least \$20 million, and other foodstuffs or hard currency. Peking plans to send an economic delegation to Cairo.

ETHIOPIA

21. Foreign Minister Minassie has told the US ambassador that Ethiopia is reluctantly reviewing its relations with Israel in the face of intense Arab and Soviet pressure for a change in policy. Minassie said Ethiopia wished to retain its good ties with Israel but lacked the internal strength to remain indifferent to the pressures without American help.

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