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THE MIDDLE EAST

DISENGAGEMENT PROCEEDS

1,2 [Kilometer 101 this week became once again a mere marker on the Cairo-Suez road. The historic negotiating spot was returned to Egyptian control on January 28 as Israeli forces completed the first phase of their withdrawal from the Suez Canal's west bank. The Cairo-Suez road and the city of Suez were officially opened by the Egyptians on January 29, thus lifting the three-month siege of the city and of the encircled Egyptian Third Army on the east bank.]

1,2 [The withdrawal process formally began on January 25 after the two sides had initialed a detailed implementation agreement outlining the timing of the several phases of disengagement.]

2 [Under the implementation accord, Israel's withdrawal from the west bank will be completed in stages by February 21, rather than February 12 as Israeli sources had originally announced. A further pullback to the designated disengagement line inside the Sinai Peninsula will occur by March 5. The Egyptians have carefully avoided public mention of arrangements for a reciprocal thinning of Egyptian forces, but the Israelis announced in mid-week that the Egyptian Second Army had begun moving some of its troops from the northern sector of the east bank.]

4 [Among problems probably dealt with and apparently satisfactorily resolved before disengagement began was the construction, within the last three weeks, of five Egyptian surface-to-air missile sites in the Second Army area. The sites, capable of housing either SA-2 or SA-3 units, had not been occupied, but construction work had continued after the disengagement agreement was signed on January 18. The Israelis complained to the US defense attache in Tel Aviv last week about the Egyptian action, but the fact that they later agreed to terms for the implementation of the disengagement accord indicates that they obtained some satisfaction from the Egyptians on the issue.]

1,2 [Both the Egyptian and the Syrian fronts have been relatively quiet since disengagement was agreed upon. The cease-fire on the Suez front was reaffirmed as part of the accord, and violations dropped off markedly after it was signed. No clashes were reported on the Syrian front until last weekend, January 26-27, when the Syrians initiated minor artillery duels with Israeli forces that continued for five successive days.]

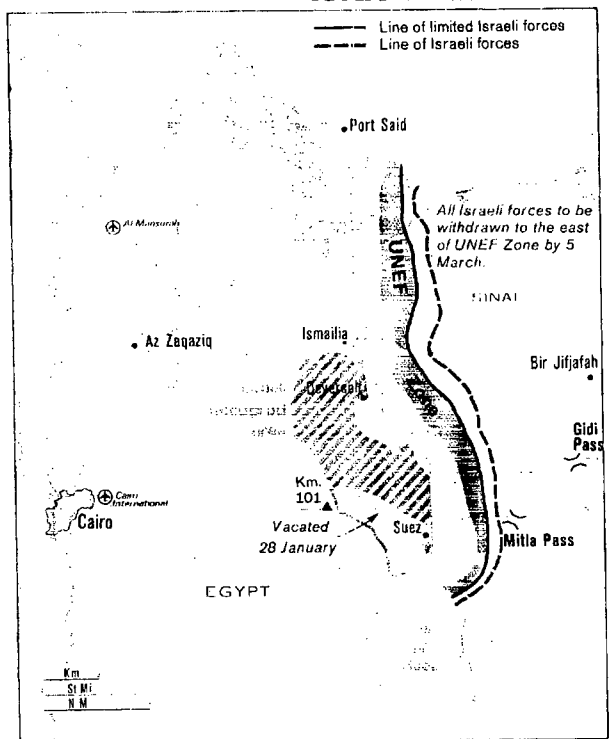
FAHMI RETURNS FROM MOSCOW

4 [Egyptian Foreign Minister Fahmi and the Soviet leaders sought to resolve differences during Fahmi's visit to Moscow on January 21-24, but

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Israeli Withdrawal



the role the US played during the disengagement talks and are hopeful of constructive US efforts in future negotiations, thus seeing no need at present for Moscow's direct aid. Therefore, while the communique calls for Egyptian-Soviet coordination at "all stages" of the Geneva conference, it also emphasizes that this cooperation "cannot inflict damage on anyone"—a clear reference to the US and its role at Geneva.

The Soviets take some satisfaction from the image of closer coordination that the communique presents, and they probably intend to take advantage of Egyptian reassurances by pressing for a greater role in planning Egyptian strategy at Geneva. They are undoubtedly under no illusions, however, that their fundamental differences with Egypt have been resolved, and they apparently made no concessions in the area of military aid, where Egypt is most anxious for Soviet assistance.

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SYRIA: THINKING ABOUT GENEVA

There were more signs from Damascus this week that President Asad is preparing the ground for Syria's eventual attendance at the Geneva peace conference.

Asad plans shortly to hold a congress of the National Progressive Front—an umbrella organization encompassing all of Syria's major political parties. At this meeting, Asad reportedly intends to announce a long-awaited cabinet change and to obtain approval for Syria's participation in the peace talks. There have been rumors recently that Foreign Minister Khaddam, who is strongly opposed to negotiations with Israel, is slated to be dropped from the cabinet.

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Syria's minimum conditions for participating in the Geneva conference are still unclear. Asad will probably not commit his government until a Syrian-Israeli disengagement agreement has been worked out and the related Israeli POW issue has been resolved. Tel Aviv has insisted that the Syrians must at least hand over a list of their Israeli prisoners of war before disengagement or any other talks can begin.

25X1 probably did not achieve any lasting easing of strains.

25X1 The Soviets were primarily interested in reasserting Moscow's ascendancy as the super-power champion of the Arab cause during negotiations and in registering their displeasure with Egypt's failure to permit them this role during disengagement talks. Fahmi was chiefly interested in mollifying the Soviets enough to avoid endangering their support when Egypt needs it, but without forfeiting Cairo's freedom to conduct its affairs, particularly the negotiations, in its own way.

Although the communique issued at the conclusion of the visit speaks almost exclusively of the benefits of past Egyptian-Soviet cooperation and the desirability of future coordination in negotiations, the words were an inexpensive gesture for the Egyptians. They are satisfied with

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10C [The Syrians, still determined to use the prisoners as a bargaining chip, have at times linked the transmittal of a list to the return of Syrian refugees to their homes in areas occupied by Israel during the October fighting. At other times, Damascus has taken a much tougher position, insisting that, before it will yield on the prisoner issue and engage in any talks with the Israelis, Tel Aviv must first agree in principle to negotiate a total withdrawal from the Golan Heights.]

ISRAEL: DOMESTIC POLITICS

10C [There was no respite for Mrs. Meir's caretaker government during the past week. Critics sniped at its foreign and domestic policies, economic problems continued to plague the country, and talks on the formation of a new coalition government dragged on.]

10D [The opposition Likud called for an urgent Knesset debate because of press reports that the government was negotiating with Amman for an Israeli withdrawal from the Jordanian West Bank.



Debate in Knesset

According to an Israeli paper, Tel Aviv had also agreed with Jordan to establish military and political negotiating teams within a few weeks. A government spokesman denied that any contacts have occurred this year between Israeli and Jordanian diplomats. The possibility of negotiations with Jordan is an extremely sensitive political issue in Israel. Likud strongly opposes the return of the West Bank to the Arabs and so does the National Religious Party, which Mrs. Meir needs as a partner in a new coalition government.]

10F [Likud's popular new Knesset member, Reserve General Arik Sharon, who led the Israeli breakthrough to the west bank of the Suez Canal, launched a strong attack in the press on the Israeli military leadership and its performance during the early days of the October war. He called for the resignation of Chief of Staff Elazar and charged that his own military career had been curtailed for political reasons. The cabinet, expressing full confidence in Elazar, roundly condemned Sharon for his public attacks.]

10D [The government this week took the politically unpopular step of reducing its subsidy for some basic foodstuffs. The action caused a major price increase in such items as bread, sugar, milk, butter, eggs, fish, and rice.] The move was prompted by Tel Aviv's desire to curb expenditures in the face of the steep rise in the military budget brought on by the October war.]

10C [In spite of these and other difficulties, the 75-year-old Mrs. Meir formally agreed on January 30 to President Katzir's request that she attempt to form a new government. Under the law, she will have 21 days to do so, with a 21-day extension if required. She may need it. Almost a month of informal negotiating has not produced an agreement between Mrs. Meir's Labor Alignment and potential coalition partners. The National Religious Party is still holding out for a firm pledge that the next government will support legislation establishing standards for conversion to Judaism only in accordance with orthodox practice. The recent spate of rumors about negotiations with Jordan could also be contributing to the delay in reaching an agreement.]

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