

State Department review completed



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CENTRAL INTELLIGENCE AGENCY
17 October 1973

INTELLIGENCE MEMORANDUM

MIDDLE EAST

Situation Report Number 46
(As of 0630 EDT)

THE MILITARY SITUATION

GENERAL

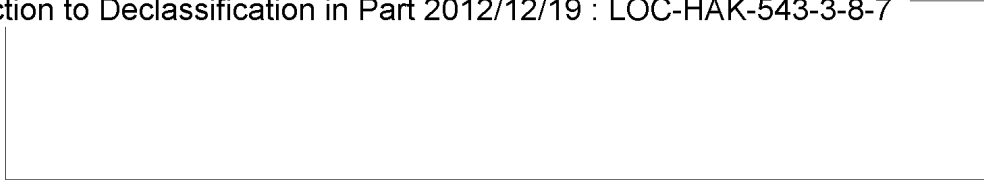
1. Both fronts were quiet over the evening but fighting resumed at dawn. Israel reports a large armor battle under way opposite Ismailia in the central sector of the canal. There have been no further reports on the status of the Israeli raiding party that crossed the canal yesterday and elements still may remain on the west bank. Fighting resumed this morning on the Syrian front in what appears to be an attempt to eliminate some gains Syrian forces made yesterday. The Israelis may also be attempting to outflank Syrian positions at Sasa.

EGYPTIAN FRONT

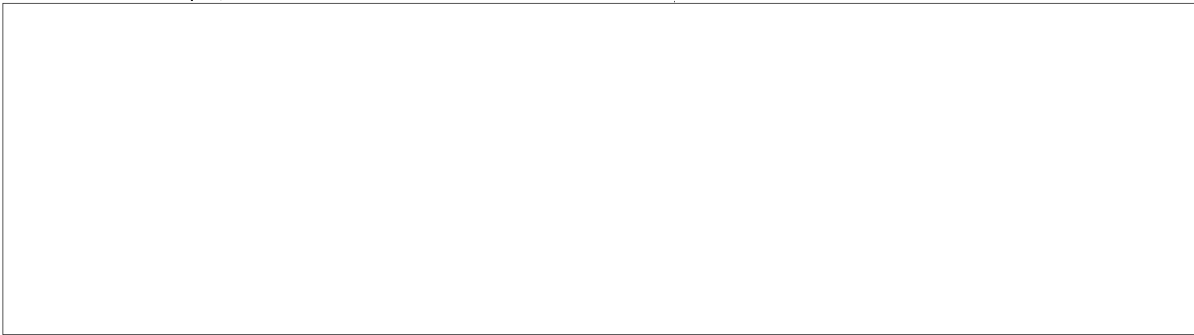
2. There was little activity on the Egyptian Front last night but the Israelis reported heavy fighting opposite Ismailia at dawn. Israeli aircraft were striking ground targets about 20 kilometers east of Ismailia--generally in the area of the last reported positions of the Egyptian Front lines. Israeli aircraft again this morning attacked in the vicinity of Port Said where they reportedly believe that the Egyptians have deployed Scud missiles.

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3. A small Israeli force crossed the canal yesterday to raid Egyptian positions on the west bank. Israeli situation reports state that the force including 20 tanks was ferried across in the vicinity of Deversoir. The Egyptians claim to have destroyed three of seven tanks that they say crossed the canal and to be closing in on the remainder of the force. The apparent discrepancy between the size of the raiding force reported by both sides may indicate that some Israelis remain on the west bank, but there were no reports of continued action behind Egyptian lines over the evening.



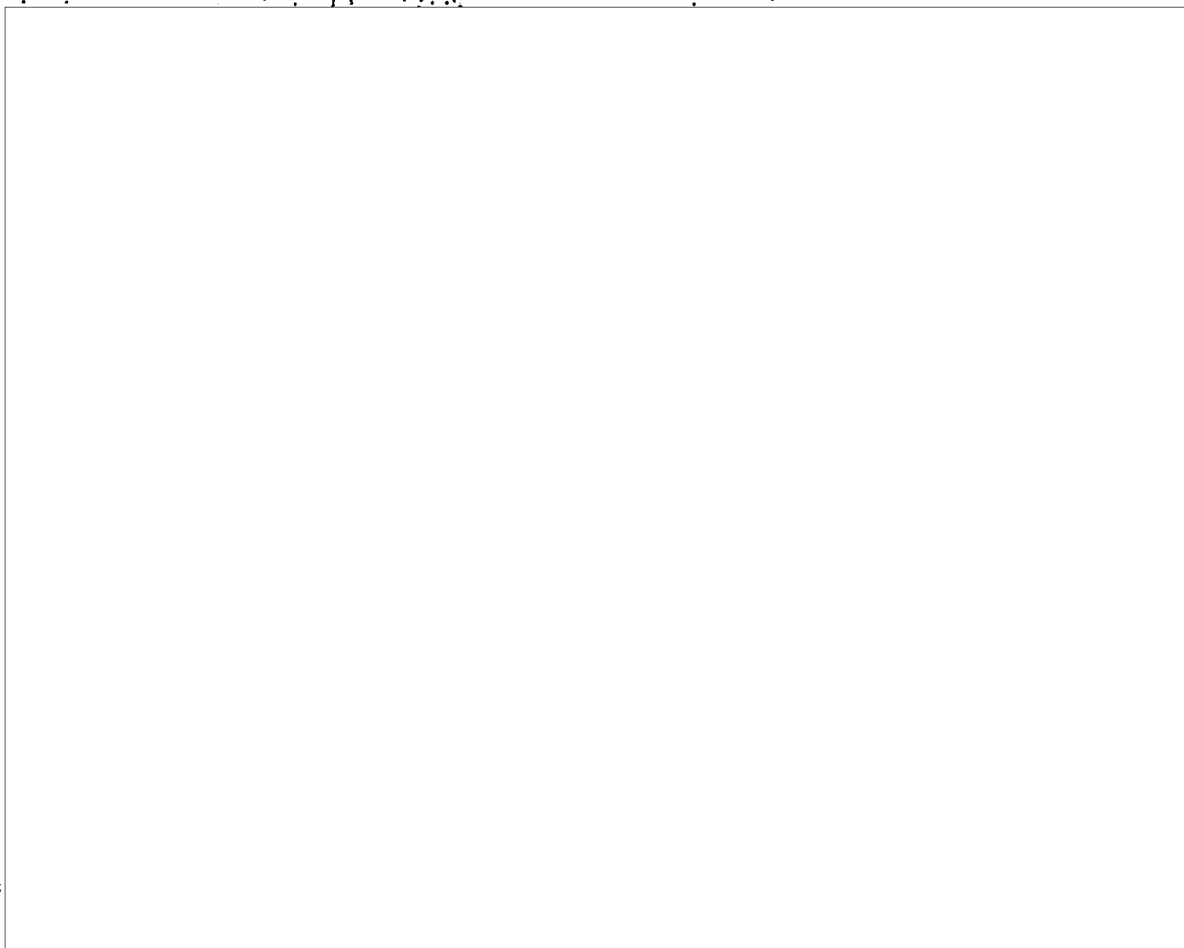
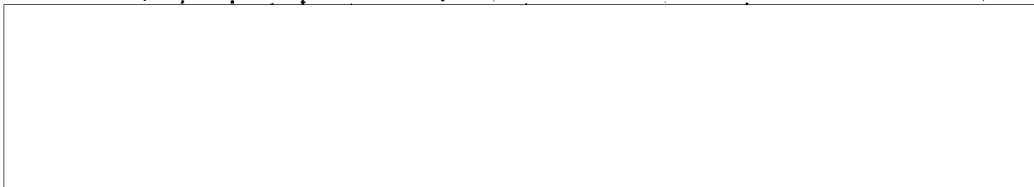
5. The Egyptians are also reported to be committing more of their airforce to combat. They have been flying defensive fighter patrols over Egyptian territory and this morning attempted to intercept Israeli aircraft striking targets near Qantarah, an area that is well covered by surface-to-air missiles. If the more aggressive tactics are being adopted, it may indicate a husbanding of SAMs as well as a desire to contest the continued Israeli air superiority.

6. The Israelis also reported the capture of 18 Egyptian commandos in the southern Sinai. Throughout the war there have been continued Egyptian commando operations against Israeli positions along the Gulf of Suez coast from Ras Sidr to Sharm ash Shaykh. Some successes have been reported, but most of the raids have been thwarted.



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ISRAEL

14. According to a US Embassy report, top Israeli economic officials claim Israel's economy is operating at reduced speed, but at a level sufficient to keep the population supplied with basic necessities. The longer term outlook was deemed more problematic should the war continue for more than a few weeks. The officials said that most of the present difficulty stems from internal distribution and manpower problems. Available motor transportation is now strictly controlled by the government under a system giving military industry priority over food distribution.



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15. Industrial production is down. The Director-General of the Ministry of Commerce and Industry was unable to state by how much, but estimated the figure was somewhere between 20-80 percent. Industries employing mainly women, such as the electronics industry, have been least affected. The US Embassy says that press reports now say that men employed in key defense industries, such as metal-working, will be released from the army.

16. Exports are down sharply and imports less so. According to the Israeli Ports Authority, exports during the eight days of 7-14 October were diminished more than 80 percent from that normally expected--9,000 tons as compared to 50,000 tons. Imports, on the other hand, showed a decline of only 15 percent. Again, motor transportation problems are presumed to have impeded exports and the same problem is expected to cause difficulty in moving the imports from the docks inland. Shipments usually sent by air are moving normally.

17. At the retail level, shelves are still somewhat sparsely stocked as a result of a wave of buying during the first few days of the war and subsequent distribution problems. However, shortages of feedgrains, sugar and especially soybeans are developing, with stocks of the latter sufficient for only two weeks because some foreign ships en route to Israel have refused to enter Israeli ports. In general, buying has decreased, except for purchases of men's accessory items for shipment to the front, TV sets and radios for following news of the war, and tranquilizers.

USSR-ISRAEL

18. Middle East hostilities have not so far affected the flow of Jewish emigrants from the Soviet Union to Israel. According to a Dutch consular official, the Dutch Embassy in Moscow processed

1,700 emigrants from 1-15 October. The official stated that at this rate, the October total will be only slightly below the record 3,659 emigrants processed by the Dutch Embassy in September.

LEBANON-SYRIA

19. According to its leader, the Jewish community in Lebanon has experienced no significant change in its status there since the outbreak of the war. The Jewish leader further told a US Embassy official that although he had no word from his sources on the fate of Syria's Jewish community, he assumed it was alright, as word of severe harassment or persecution would otherwise have reached him.

FRANCE

20. According to a high-level French Foreign Ministry official, Paris believes that Libya is abiding by the terms under which it bought French Mirage jet fighters which would preclude their participation in military actions other than "legitimate defense." He went on to say that Tel Aviv has now dropped its previous assertion that two Libyan Mirage fighters were shot down over the Sinai on 14 October.

21. The official also stated that the French arms embargo applies only to the immediate battle-front states of Israel, Syria, Jordan, and Egypt. Other states which have joined the fighting, such as Iraq and Saudi Arabia, remain eligible for French arms shipments.