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CENTRAL INTELLIGENCE AGENCY 16 October 1973

INTELLIGENCE MEMORANDUM

MIDDLE EAST

Situation Report Number 45 (As of 2230 EDT)

THE MILITARY SITUATION

GENERAL

1. Both Cairo and Tel Aviv have provided additional information on the Israeli counterattack and commando raid across the canal near Deversoir. The Egyptians claim to have destroyed a large part of the attacking force, but admit that some Israeli armor crossed the canal. The Israelis gave no indication that other than a commando force had attempted to cross the canal, and did not say that larger forces would try to follow up the crossing.

2. On the Syrian front, little action has been reported since a combined Arab offensive involving the Iragis, Syrians, and Jordanians was beaten back during the day. The Syrians still claim to hold key terrain overlooking Qunaytirah road.

THE EGYPTIAN FRONT

3. An Egyptian communiqué read over Cairo radio on the evening of 16 October admitted that a small Israeli armor force managed to cross the canal under cover of a larger counterattack in the Sinai. The Egyptians state that the Israelis were forced to withdraw under fierce armor and air strikes. Cairo added that the enemy force on the west bank has been scattered and is being pursued.

MORI/CDF per C03223241

State Dept. review completed

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4. The Israelis have indicated that their oounterattack has been successful in forcing all Egyptian SAM units, with the possible exception of SA-6s, to move back to the west bank of the canal. This is because the Israeli counterattack demonstrated flexibility and could be duplicated elsewhere. The operation reportedly will free the Israeli Air Force for more intensive activity along the east bank. The Israelis said that ferries and motorized barges were used in the commando crossing of the canal, but did not state how long the force would attempt to remain there.

SYRIAN FRONT

5. There have been only sporadic reports concerning the situation on the Syrian front. After the intense tank battles that raged during the day, both sides are probably regrouping. The Syrians claim to hold Tell ech-Chaar, which overlooks the Damascus-Qunaytirah road.

It is possible that the Syrians have driven a narrow salient into the Israeli lines. 25X

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6. Radio and TV broadcasts in Amman report that the Jordanian 40th Armored Brigade entered combat in Syria during the day and fought "fierce" battles with the Israelis. A report from Amman states that the Jordanians withdrew only because their flanks were exposed by the failure of adjoining Iraqi and Syrian troops to make headway against Israeli forces. An Israeli assessment of the fighting on this front claims that 25 to 30 Jordanian tanks were destroyed in combat. The Jordanians admit to 12 tanks lost and 17 damaged. The Israelis believe that the Syrians, Iraqis, and Jordanians in Syria are fighting as separate entities with little overall coordination.

7. A report from Saudi Arabia states that a Saudi Hawk missile battery was loaded aboard a

C-130 transport aircraft this afternoon. The aircraft departed for an unknown destination later in the day. An Israeli report indicates that a Hawk battery has arrived in Aleppo, Syria. The Saudis are not fully trained in the use of the US-made Hawk surface-to-air missile system. The ten Hawk batteries that form the Saudi air defense system are operated with the help of US contract advisers. In the absence of these advisers, the combat effectiveness of the Saudi Hawk units is open to question. The battery could be intended to provide air defense for the Saudi contingent now moving slowly toward the Syrian front.

ALGERIA

8. The Algerian Government may be preparing to send additional forces to aid the war effort, in addition to the two air force squadrons sent to Libya earlier this year.

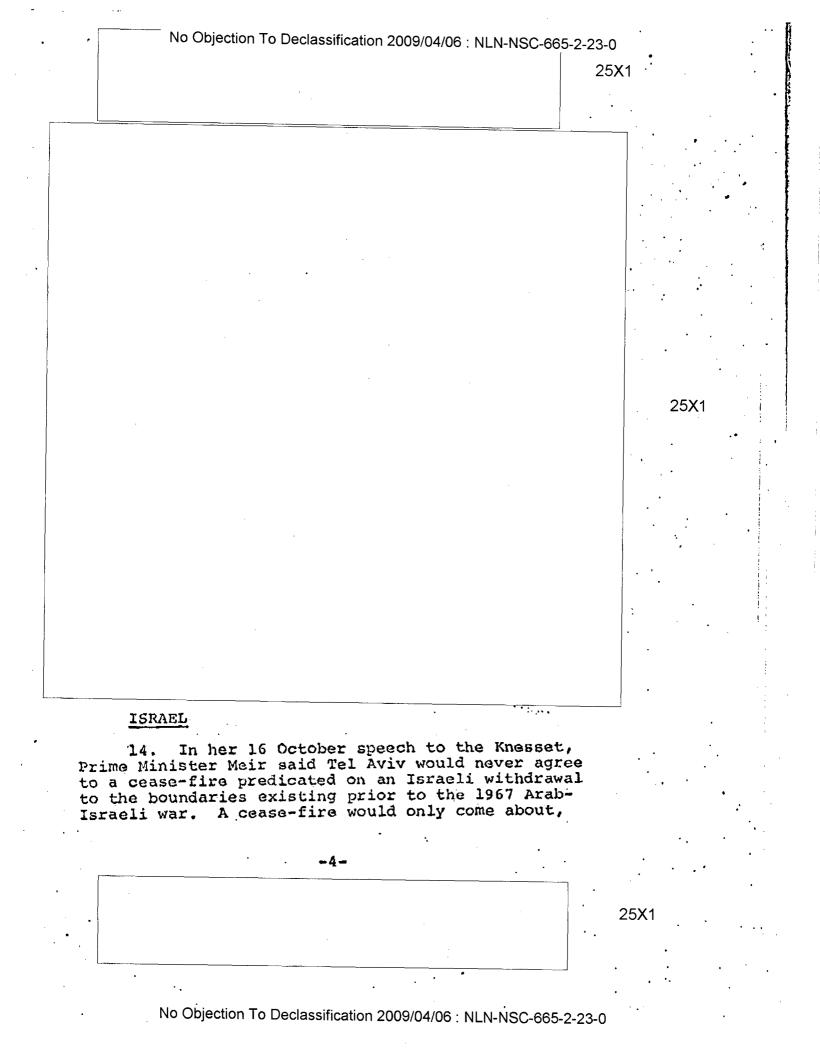
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according to the Prime Minister, when the Arabs were defeated on both fronts. Commenting on the military situation, Mrs. Meir said the war against Syria was not over, but that Damascus' "strategic infrastructure" had been seriously damaged. On the Sinai front, Prime Minister Meir claimed that "signs indicate that the enemy initiative has been destroyed."

15. Mrs. Meir voiced complete disbelief in Arab claims that the Arab goal is limited to retaking territory lost to Tel Aviv in the 1967 hostilities. She said she had no doubt but that the Arab aim was the capture and destruction of Israel. "This is a war against our very existence as a state and a people."

SOVIET REACTION - KOSYGIN TRIP?

16. Soviet media continue to issue brief straightforward accounts of US arms deliveries to Israel. A Moscow radio broadcast this afternoon repeated an Associated Press report that US Air Force transports had started arriving in Israel. Another Moscow broadcast, focused on the need for peace, but chastized Prime Minister Meir for her insistence that peace is contingent on the return to the 6 October cease-fire lines.

ISRAEL-USSR

18. Despite some speculation that as a result of the war Moscow might cut off the flow of Jews emigrating from the Soviet Union to Israel, more than 1,000 Jews were moved from Vienna to Israel during the period 7-13 October.

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UNITED NATIONS

UN peace efforts remain stalemated, and 21. Arab diplomats show no interest in compromise resolutions. Insisting on a cease-fire with a return to the 1967 borders, Egyptian Foreign Minister Zayyat has said he is not encouraging a non-aligned resolution but expects the US to produce a draft. US diplomats report, however, that Zayyat has also indicated that Egypt, while preferring Security Council action, is prepared to ask that the General Assembly adopt a resolution if the Security Council is unable The possibility of moving the Middle East to act. issue to the Assembly--where the Arabs would not face the possibility of a veto and would enjoy majority support--has apparently been discussed several times in consultations among Arab representatives to the UN. UN procedures would permit the Assembly to take up the Middle East situation only after the Council had become deadlocked by a veto. This formula was invoked in the 1956 and 1958 Middle East crises.

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EUROPEAN MEDIA REACTION

23. The US resupply announcement received heavy coverage in the London press. The general tone of the editorial comment was that the US action is likely to have serious consequences. All articles noted that the US decision was made to counterbalance the Soviet Union's resupply of the Arabs, but this aspect of the reporting received less emphasis.

24. West German press commentary also adopted a grave tone. One article raises the question of whether Moscow and Washington can pursue "controversial" policies in the Middle East without evoking an open confrontation. Another reports that the US supply effort was just a matter of time after the Soviets began their airlift.

25. The Paris press has placed varying interpretations on the US announcement, ranging from a Communist press organ's projection of Sixth Fleet intervention to predictions that escalation in military assistance will be matched by stronger diplomatic efforts to end the war. A debate on French Middle East policy is scheduled tomorrow afternoon in the National Assembly.

26. The Italian media described the US announcement as signifying a "dangerous escalation" of the Middle Eastern war, but virtually all newspapers--including a Communist publication--balanced the US resupply effort with reports of the Soviet airlift.

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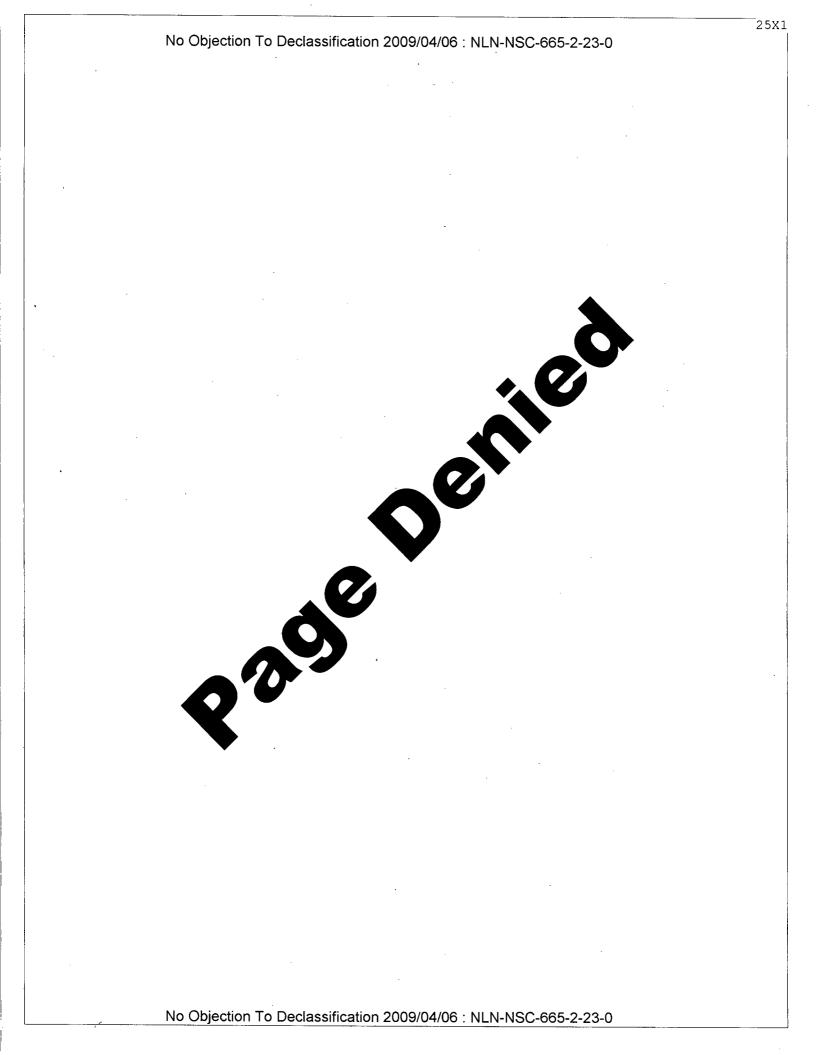
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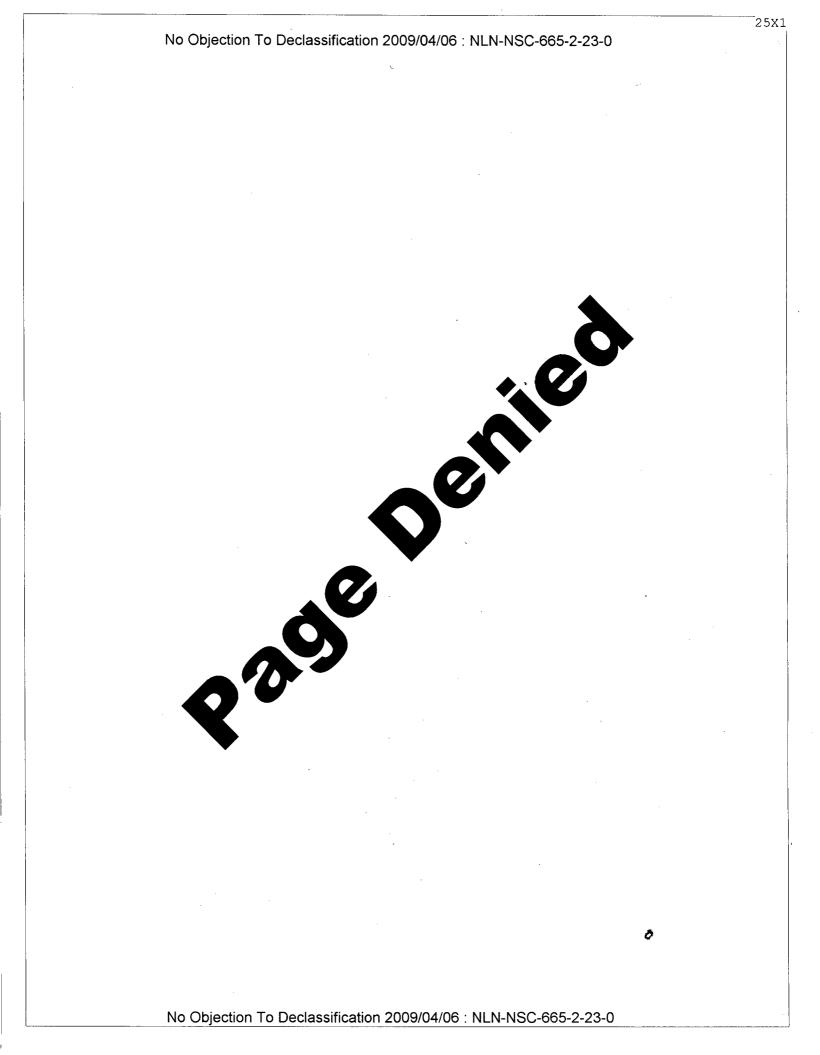
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27. East European media have thus far avoided direct comment on the US airlift of military supplies to Israel, preferring to simply report charges coming from Arab sources. The East Europeans are apparently awaiting instructions from Moscow, which is still treating the US airlift in a relatively moderate fashion. The airlift question is a particularly touchy issue for Warsaw Pact members because of their awareness that the Soviets are doing the same thing."

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ANNEX C

Iran's Position on the Middle Eastern Conflict

Since the outbreak of the war, Tehran's public position has been one of token support for the Arabs, largely because of the government's awareness of the Iranian peoples' sympathy for their fellow Muslims. Since hostilities got underway:

-- the government reaffirmed its support for Israeli withdrawal from the occupied territories;

--medical supplies were promised to the Arab side;

--diplomatic relations were re-established with Iraq at Baghdad's request--which had the effect of freeing Iraqi troops who had been guarding the Iranian border to fight on the Syrian front;

--Tehran agreed to loan six of the ten C-130s requested by King Faysal to transport men, arms, and ammunition within Saudi Arabia.

Popular sentiment is unlikely to induce the Shah to participate in any Arab oil boycott of the West; to support the Arab combat forces with materiel or funds; or to sever long-standing, mutually advantageous ties with Israel.

The Shah and the Iran governing elite view Israel as a useful element in the geopolitical makeup of the Middle East and have a fairly direct interest in Israel's survival. Israel tends to absorb and deflect Arab animosities that might otherwise be felt by Iran--especially as the Iranians consolidate their military pre-eminence in the Persian Gulf.

Iran is the principal source of Israeli oil imports, and there has been a significant degree of cooperation in ______ military matters, including high-level contacts and Iranian purchases of Israeli-manufactured small arms.

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Proposals for an Arab oil boycott of the West have been repeatedly criticized by the Shah. He recently affirmed Iran's intention to continue the flow of oil, pointing out the ineffectiveness of a selective, anti-US embargo in view of the relatively small amount of Middle Eastern oil currently imported by the US.

Nevertheless, popular sentiment in Iran can be expected to become more vocally pro-Arab the longer the war continues. The issue can be exploited by the traditional opposition in an effort to embarrass the Shah and his government. The religious leaders, for example, who in the past have sharply criticized the Shah for his close relations with Israel, will try to stir up their followers. The conservative clergy has always been at odds with the Shah because his secular reforms threaten their position.

University students, who have grievances of their own, may well stage demonstrations in support of the Arab cause, probably with anti-government overtones. Anti-American themes, frequently adopted by the more radical opponents of the Shah in an effort to generate resentment over the close relationship between the US and Tehran, may become more strident. None of this, however, constitutes pressure sufficient to force a fundamental shift in the Shah's views.

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