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CENTRAL INTELLIGENCE AGENCY  
18 October 1973

INTELLIGENCE MEMORANDUM

*Thursday - evening*

MIDDLE EAST

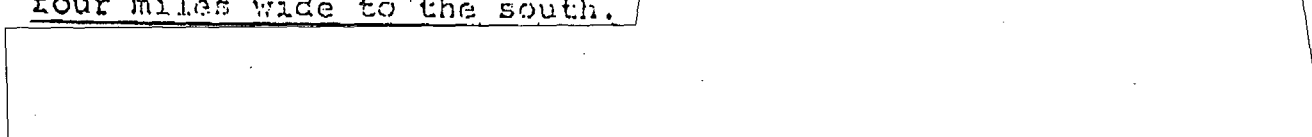
(Situation Report Number 52  
(As of 1630 EDT))

THE MILITARY SITUATION

GENERAL

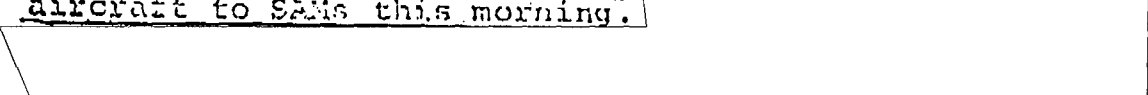
1. A senior Defense Ministry spokesman claims that Tel Aviv by mid-afternoon today had placed 150 tanks on the west bank of the canal near Great Bitter Lake. The spokesman stated that the Israeli bridgehead on the west bank was about eight miles wide to the north and about four miles wide to the south.

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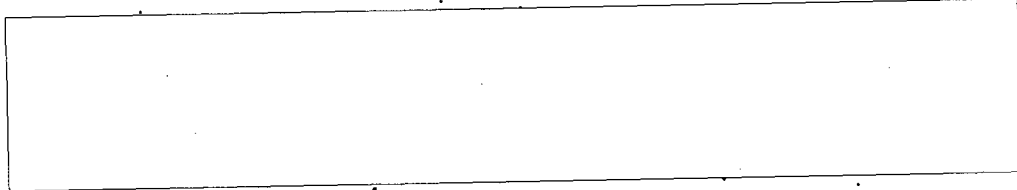


2. The Israeli official said that four Egyptian brigades were attempting to envelope the bridgehead and indicated that Tel Aviv had plans for rapid withdrawal of the force should this become necessary. Large-scale tank battles also continued to rage in the central sector of the Sinai front this afternoon, but details on these battles are lacking. Tel Aviv claims to have destroyed 110 Egyptian tanks today and to have shot down 20 Egyptian aircraft. Tel Aviv acknowledges losing six aircraft to SAMs this morning.

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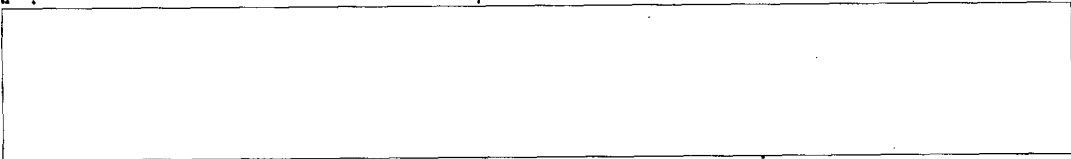


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NAVY review(s) completed.  
State Department review completed

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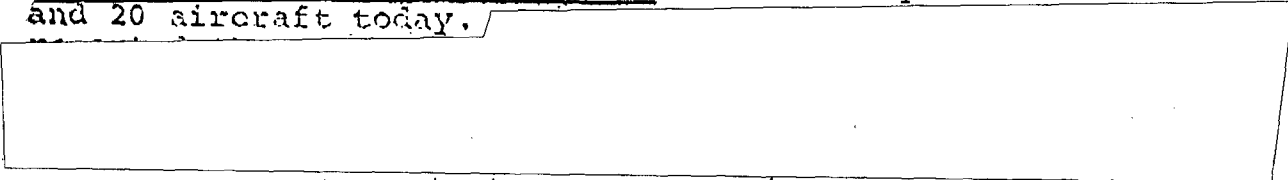


3. The Syrian front appears to have been the quietest today since the war began. There was little activity either on the ground or in the air. A high-level Israeli military officer reports that Damascus is using the lull to re-equip two of its armored divisions with new tanks delivered by the Soviets to the Syrian ports of Latakia and Tartus.

THE EGYPTIAN FRONT

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4. Cairo and Tel Aviv continue to report extremely heavy fighting in the Sinai, but neither is providing many details. Israel claims to have destroyed 110 tanks and 20 aircraft today.



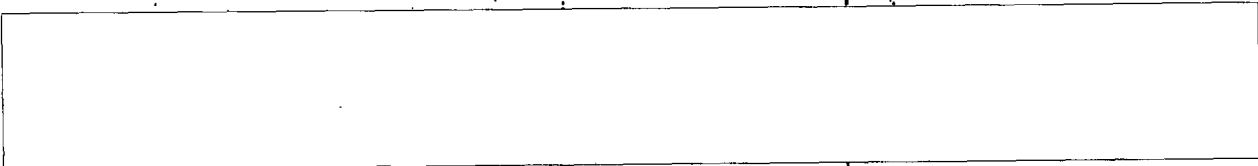
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5. An Israeli military spokesman has reported that the Israeli task force on the west bank was substantially reinforced during the night. He claimed that as of mid-afternoon today Israel had about 150 tanks as well as artillery on the west bank and that the task force had overrun Egyptian artillery units and captured some bridging equipment.

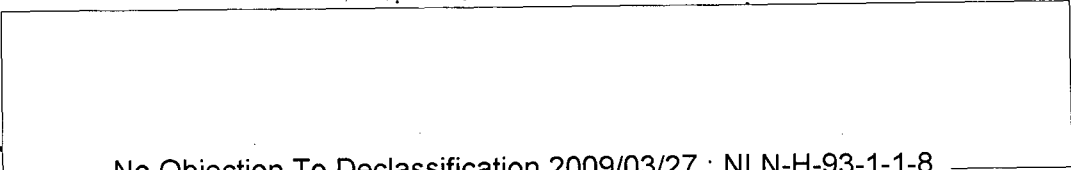


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According to the Israeli, the Egyptians are assembling a force of four brigades from the west bank and the Cairo area to attack the Israeli force. Cairo also is reportedly planning to launch a large air attack on the force and the ponton bridge placed by the Israelis across the canal. The Israeli spokesman said the Egyptians have severed some of their own bridges to prevent their use by Israeli forces.



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7. Tel Aviv has not characterized the canal crossing as the beginning of a major offensive, but has been quick to exploit the success of the small initial force. Tel Aviv, however, is not likely to sacrifice the task force to heavy Egyptian attack and may withdraw it and subsequently launch another such assault elsewhere on the canal.

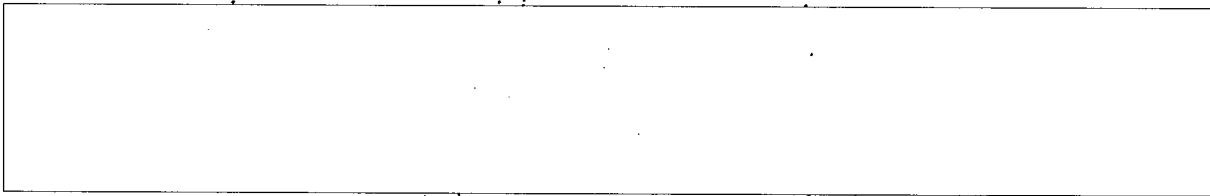
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9. Egypt is drafting additional manpower, according to an Iraqi news service. The service quotes an announcement published in Cairo today calling all 19-year-olds to military service. The normal conscription age is 20. The move is apparently a contingency for prolonged warfare; the conscripts are reportedly not scheduled to be through with medical tests until the end of the month.

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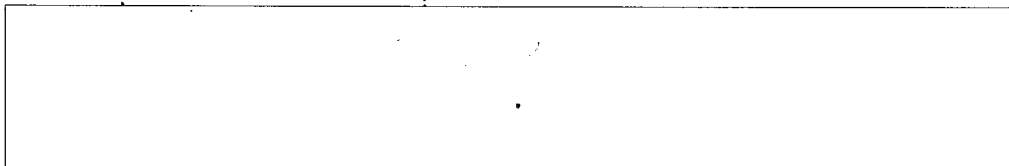
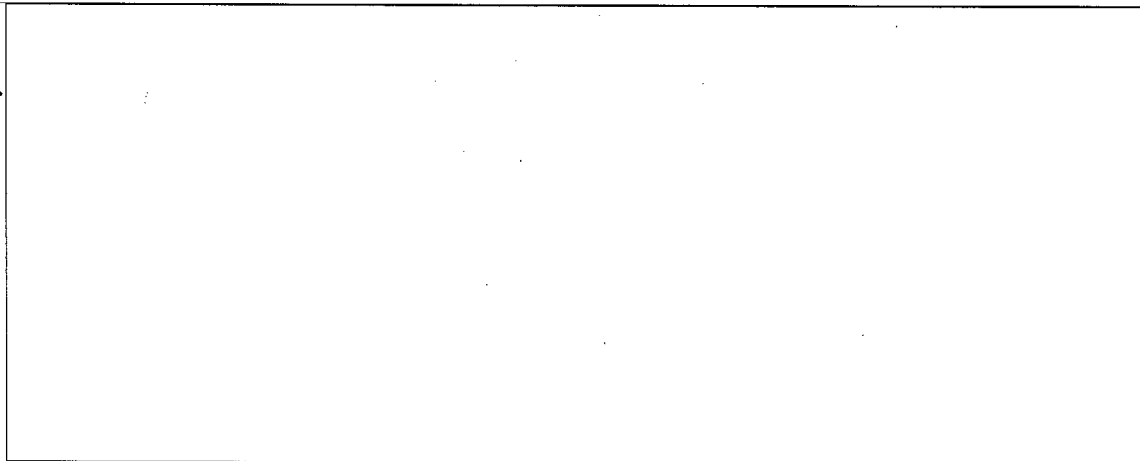
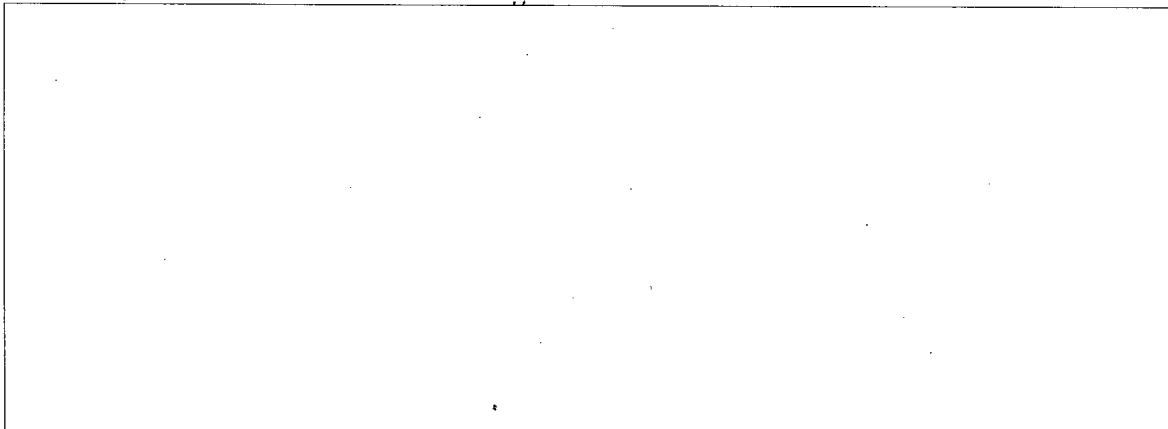
THE SYRIAN FRONT

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12. Tel Aviv remains concerned over the Soviet resupply effort. An Israeli military spokesman stated that two Syrian divisions--the 1st and 3rd armored divisions--are re-arming with new equipment from the USSR. He stated that new tanks are being unloaded daily at Tartus and Latakia and then transported to Damascus for assembly.

SOVIET FLIGHT ACTIVITY



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SOVIET NAVAL ACTIVITY IN THE MEDITERRANEAN

17. No Soviet cargo ships have gone through the Bosphorus southbound today, and no additional cargo ships are expected to enter Syrian or Egyptian ports within the next 12 hours. Two Soviet cargo ships are still in Latakia and seven--including a tanker--are in Alexandria.

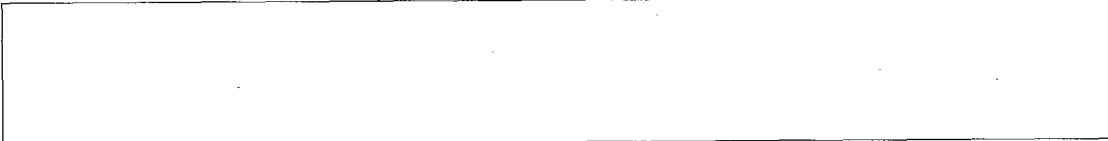
18. The positions of Soviet combatants remain essentially unchanged. Two medium landing ships that have been east of Cyprus have apparently left to return to the Black Sea. An LST and the three medium landing ships that went through the Bosphorus yesterday are north-east of Crete, probably heading for the northeast Cyprus area. Two additional LSTs are due to leave the eastern Mediterranean within the next couple of days.

19. Three Soviet ships continue to trail the USS Independence south of Crete.

SOVIET POLITICAL ACTIVITY

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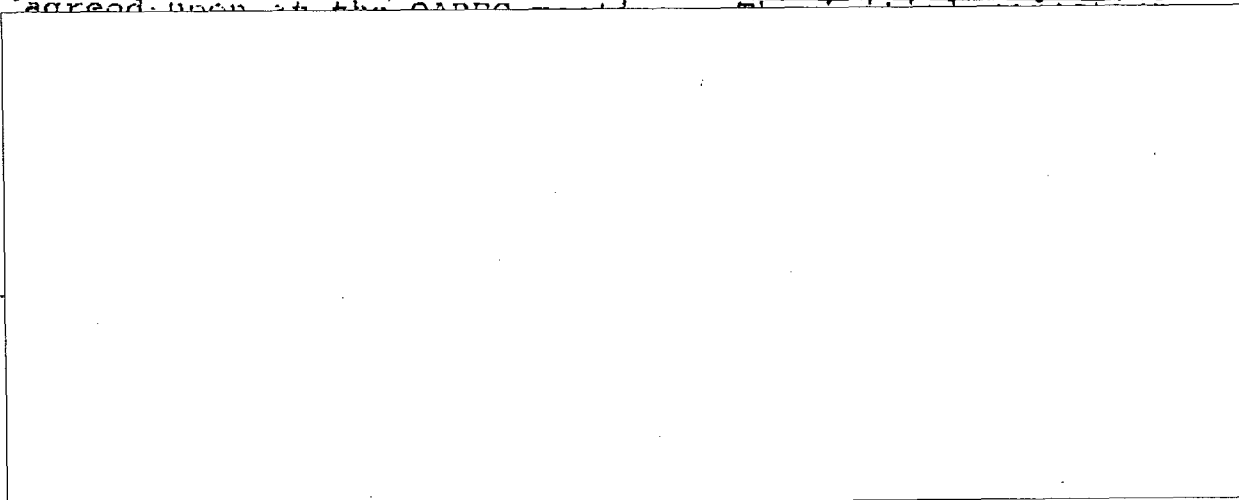
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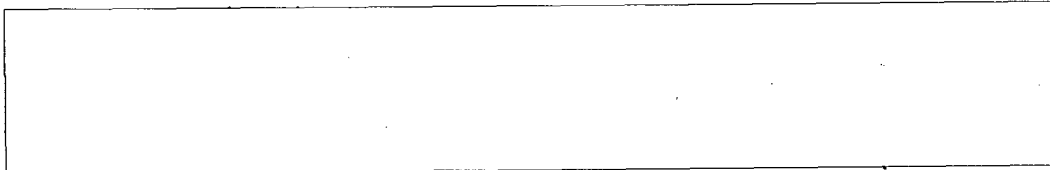
22. A broadcast today on Moscow's "unofficial" Radio Peace and Progress took a distinctly dovish tone regarding the war. In the context of praise for Sadat's proposals Wednesday regarding a peace settlement, it lamented the quarter century of Arab-Israeli conflict that has "depleted the resources of both countries." The broadcast went on to note that history has demonstrated that armed conflict is unable to eradicate the sources of the Arab-Israeli conflict. Although Soviet commentaries throughout the conflict have restated Moscow's interest in a settlement of the war, they generally have not stressed so sharply the futility of hostilities.

SAUDI ARABIA OIL PRODUCTION CUT (SENSITIVE)

23. According to a high-ranking Saudi official, Saudi Arabia will reduce its production by 10 percent this month rather than at the five-percent minimum rate agreed upon at the OPEC



The Arab producing states have promised to maintain oil deliveries to "friendly" countries that give Arabs "effective material help," but no major industrial country presently falls into this category.



26. If all the Arab producers opted for a 10-percent monthly reduction and applied it uniformly to all exports, the impact on the United States, Western Europe, Canada, and Japan would be as shown in the tabulation.

	Monthly Import Decline (b/d)	Percent of Consumption in the First Month
United States	160,000	1.0
Western Europe	1,130,000	7.2
Japan	230,000	4.2
Canada	15,000	0.8

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FEDAYEEN-LEBANON:

27. The Israeli border with Lebanon is becoming more active. The Israelis claim that guerrilla hit-and-run actions are on the increase, and the Lebanese have complained about mortar and artillery rounds from Israel falling on Lebanese territory. This Lebanese complaint has been confirmed by a UN observation post.

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29. The Arabs who seized the Bank of America in Beirut continue to hold up to 40 people as hostages while negotiations continue with bank officials and Lebanese officials. The four are demanding the release of Palestinian guerrillas from Lebanese jails, the payment of a \$4 million ransom, and an airliner to fly them to Algeria. The attackers, who say they are members of the Socialist Revolutionary Movement, say the ransom money is destined to help the Arab war effort. Bank of America headquarters has given permission to its Beirut manager to negotiate a ransom payment, but has refused another request from the raiders for foreigners to be sent in from outside to use as hostages. Most of the hostages being held are believed to be Lebanese, but the US Embassy has learned that one is a US citizen.

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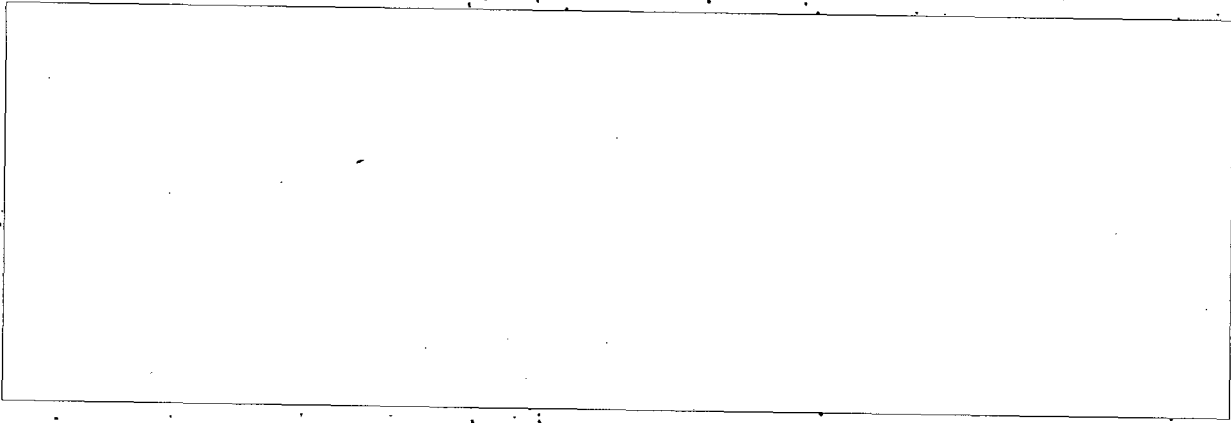
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KUWAIT-JORDAN

32. Kuwaiti Finance Minister Atiqi has reported that Kuwait is about to release to Jordan approximately \$42 million of the frozen Kuwaiti subsidy. Kuwait is not, Atiqi said, contemplating retroactive payments for any period before 1 April 1973.

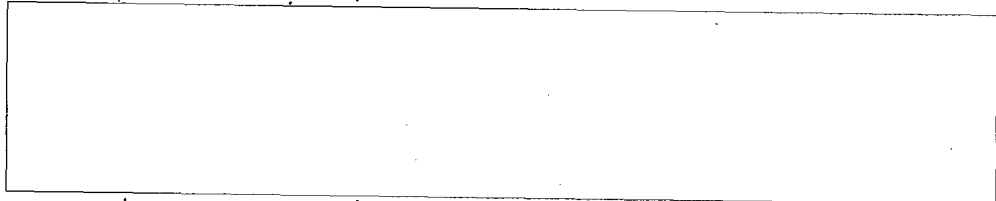
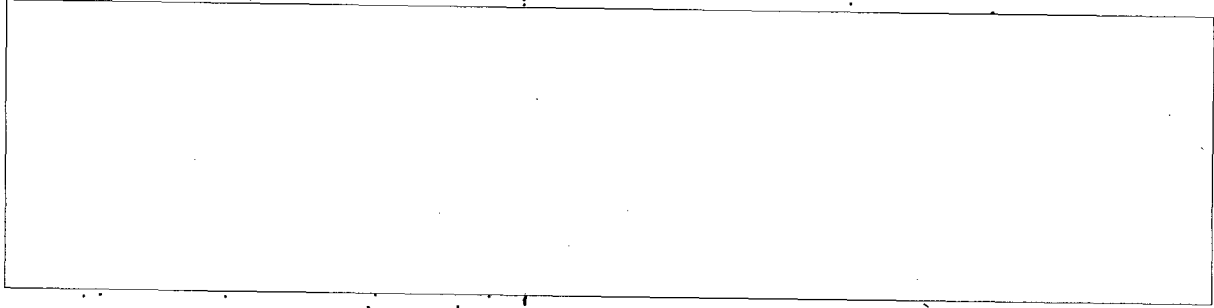
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JAPAN

34. Looking forward to the possibility of an emergency UN General Assembly session necessitated by stalemate in the Security Council, some Japanese Foreign Ministry officials believe Japan should make a statement in support of the Arab cause. The US Embassy in Tokyo comments that the rest of the government also would be likely to feel that a secure supply of petroleum should be the primary concern of any Japanese vote in the UN.

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