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CENTRAL INTELLIGENCE AGENCY  
19 October 1973

*Friday - 6:30 a.m.*

INTELLIGENCE MEMORANDUM

MIDDLE EAST

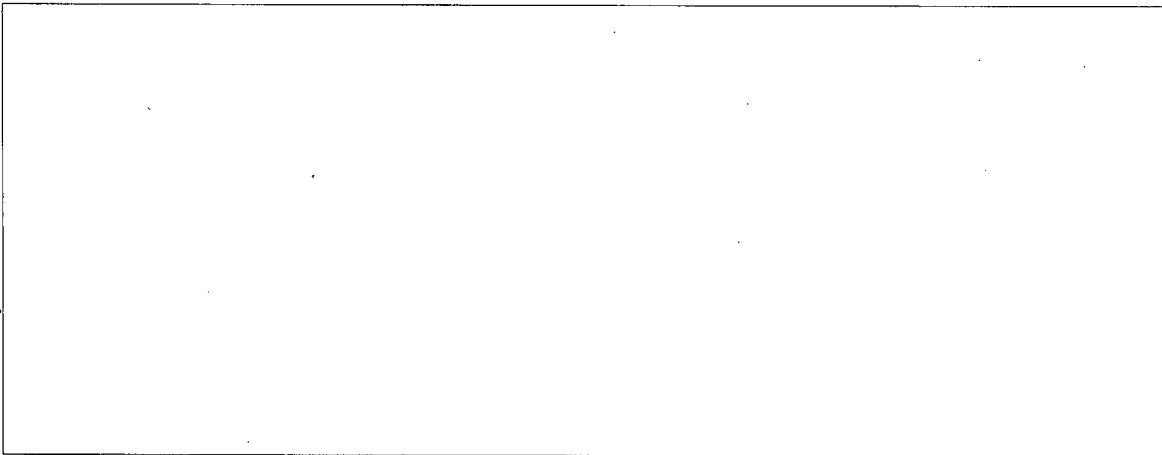
Situation Report Number 54  
(As of 0630 EDT)

THE MILITARY SITUATION

GENERAL

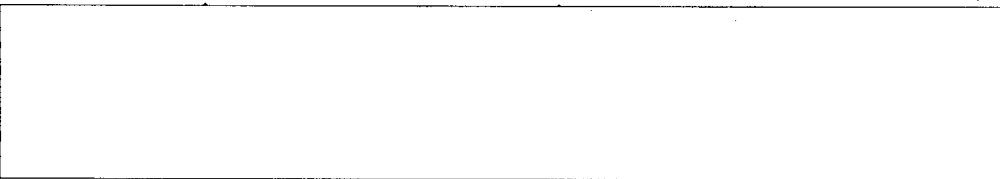
1. No major action was reported on the Egyptian front over the evening, but fighting in the central sector on both sides of the canal was reported to have resumed at dawn. Ground action remains light on the Syrian front. Israeli forces are reported to be improving their positions, and a minor battle between Israeli and Syrian tanks is in progress.

EGYPTIAN FRONT

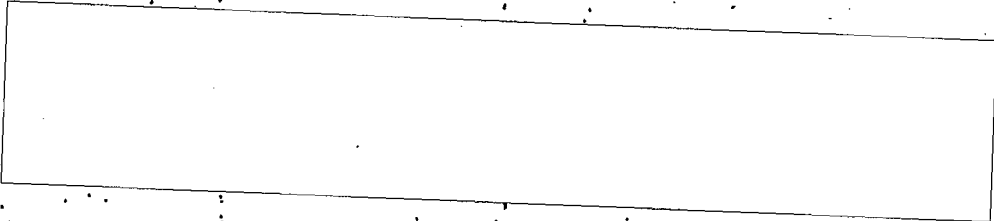


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State Department review completed



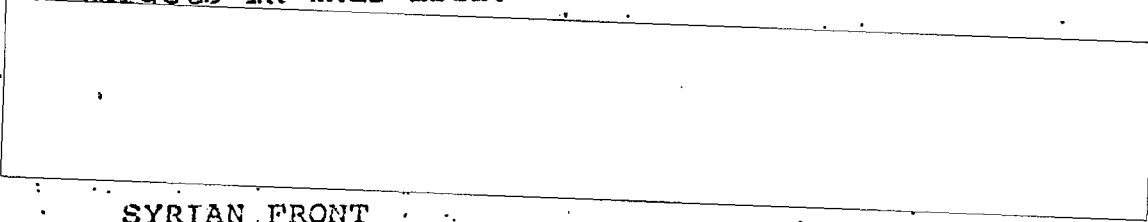
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3. The Israeli air force engaged in ground support operations on both sides of the canal well into the evening hours last night. The ground attacks resumed this morning. The Port Said area was bombed again early this morning as were Egyptian airfields in the northern delta area.

4. The Egyptians may be attempting to take some pressure off their forces under attack in the central sector of the canal. Although the northern sector has been relatively quiet during the last few days, the Egyptian press reports that two Israeli positions near Rummanah may be ready to fall. In ground attacks this morning, the Israeli air force has been concentrating on targets in this area.

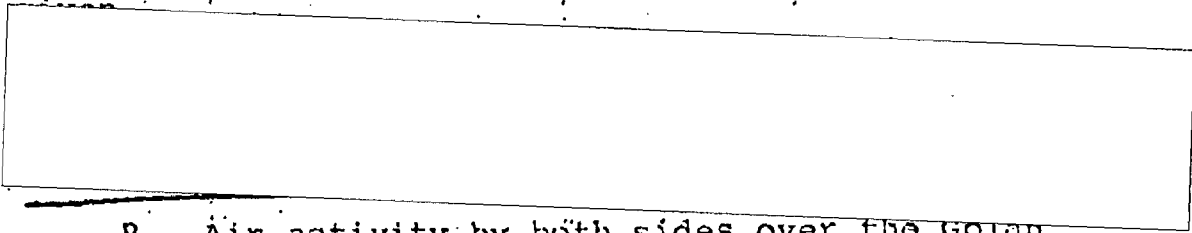


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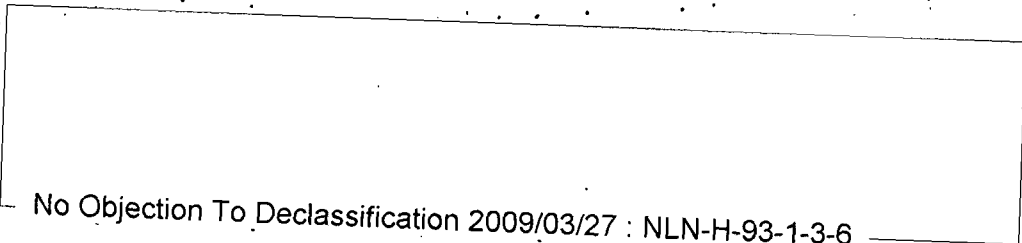
SYRIAN FRONT

5. The battle situation was once again quiet overnight, but an Israeli military spokesman announced early this morning that Israeli forces were active improving front-line positions and conducting "sabotage operations" behind enemy lines. No further details were

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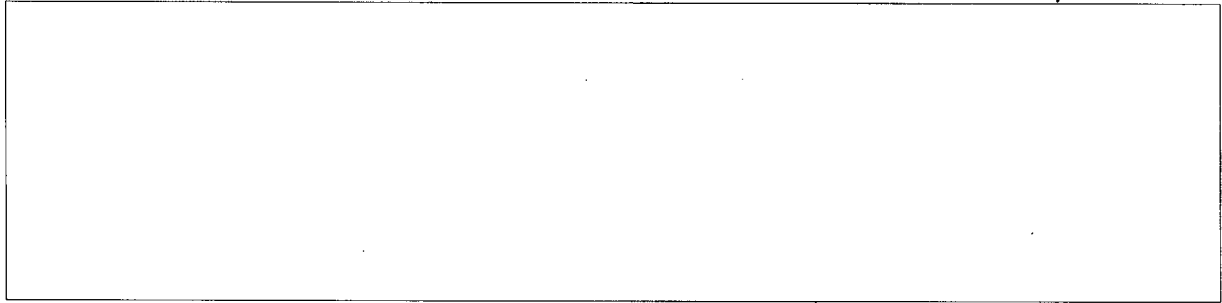
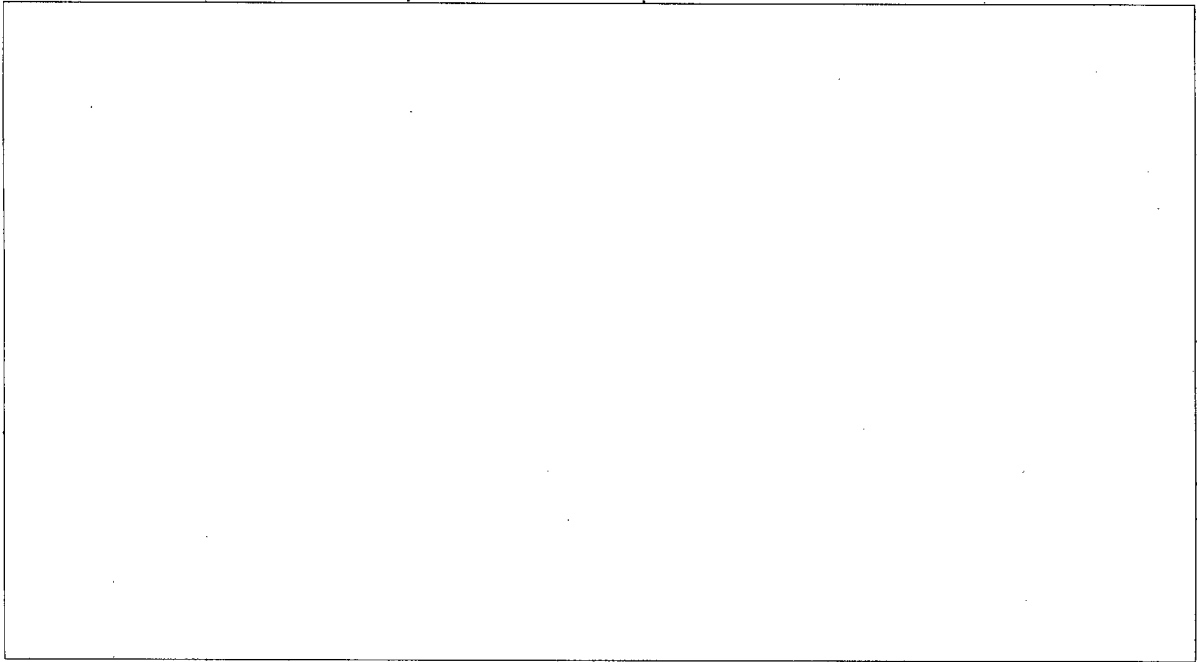
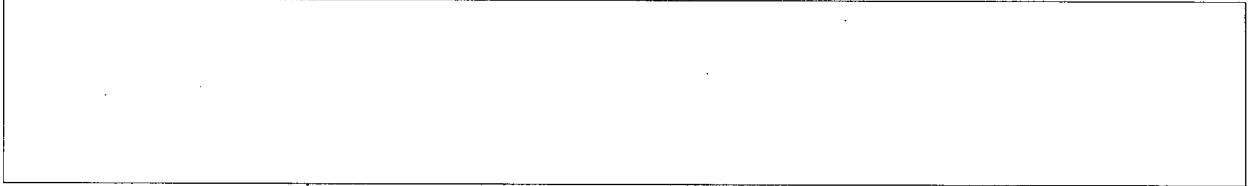
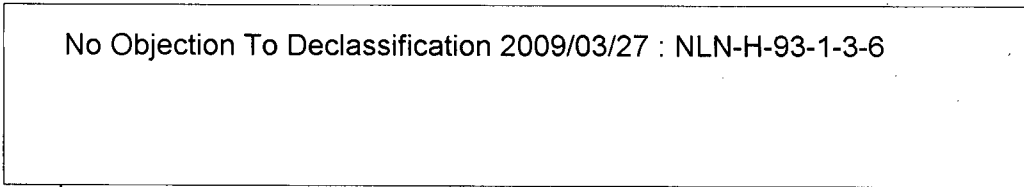


6. Air activity by both sides over the Golan Heights was somewhat higher this morning than during the same period yesterday, but thus far no air strikes or engagements have been reported.



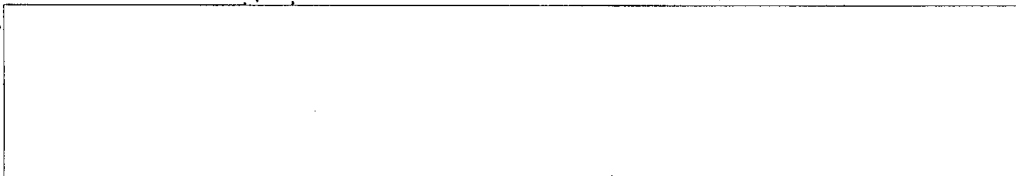
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ISRAEL

16. The war has not yet brought about any major dislocation of the civilian economy, according to a US Embassy report. Most stocks appear to be in normal supply



and the few shortages of consumer items which have appeared are probably due to hoarding and distribution problems caused primarily by civilian truck shortages.

17. Labor shortages have developed but Israel's Labor Ministry Director General in a conversation with a US Embassy officer on 16 October said that there were no serious manpower problems in essential activities. He claimed that, subject to the availability of material, the country can "go on for months." He admitted, however, that many enterprises are working at only 25-50 percent capacity due to manpower shortages and that the construction industry is at a virtual standstill. Nevertheless, he said, the morale of the remaining workers is so high that many enterprises have increased output and improved services.

18. Virtually no Arabs from Israeli-occupied territories have worked in Israel since the war began but Arabs in Israel proper are working as usual. Many of the latter, he claimed, have in fact volunteered to help during the war emergency.

19. The placement of volunteer workers has presented problems in getting them matched up with appropriate jobs. Volunteers from abroad, mostly Americans, are a special problem because they frequently lack necessary skills. Overall, of about 9,000 initial volunteers, the Labor Ministry has been able to place only 4,000.

20. The Labor Ministry is drafting emergency manpower plans for one, two and three-month contingencies, according to the Israeli official. He stated that he had no information from the Ministry of Defense about how long it thought the war would continue, and stressed that, in any case, even if the war ended tomorrow, it would take a month or two before the civilian manpower situation returns fully to normal.

#### LEBANON - TERRORISTS

21. Lebanese security forces this morning stormed the Bank of America building in Beirut but have so far.

been unable to apprehend the terrorists who have retreated with their hostages to the upper floors of the seven-story building.

22. US Embassy officials, including the US Ambassador, had been in contact with the terrorists and some of their hostages early this morning, Beirut time [redacted]

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[redacted] Embassy officials now believe that the terrorists are a Lebanese gang of extremists and not Palestinian fedayeen. They have, however, had past fedayeen and Communist party affiliations, and apparently have been involved previously in bombings and bank robberies.

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TANZANIA - ISRAEL

23. Tanzania today announced it has broken diplomatic relations with Israel, bringing to six the number of African states to take such action since the outbreak of hostilities two weeks ago.

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