

ARAB STATES - ISRAEL: General quiet prevailed on the battlefield over the weekend, despite sporadic cease-fire violations and continued preparations by both sides for a possible resumption of hostilities. Arab oil producers underscored their political war with an additional production cutback.

The Syrian front was quiet, probably because of heavy rains there, but occasional minor outbreaks of fighting continued through the weekend along the Suez Canal. The Israelis claim that on 3 November the surrounded Egyptian Third Army tried to construct a small infantry bridge across the canal from the east bank between Suez and Little Bitter Lake. According to the Israelis, the bridging effort was given up following a three-hour artillery, mortar, and small arms duel.

Yesterday, a UN patrol reported fighting near Suez, as 200-300 Egyptian troops pushed out of the city and were engaged by Israeli infantry and tank units. UN observers also reported hearing heavy explosions near Ismailia, and the Israelis complained that the Egyptians had opened fire on their forces near the city.

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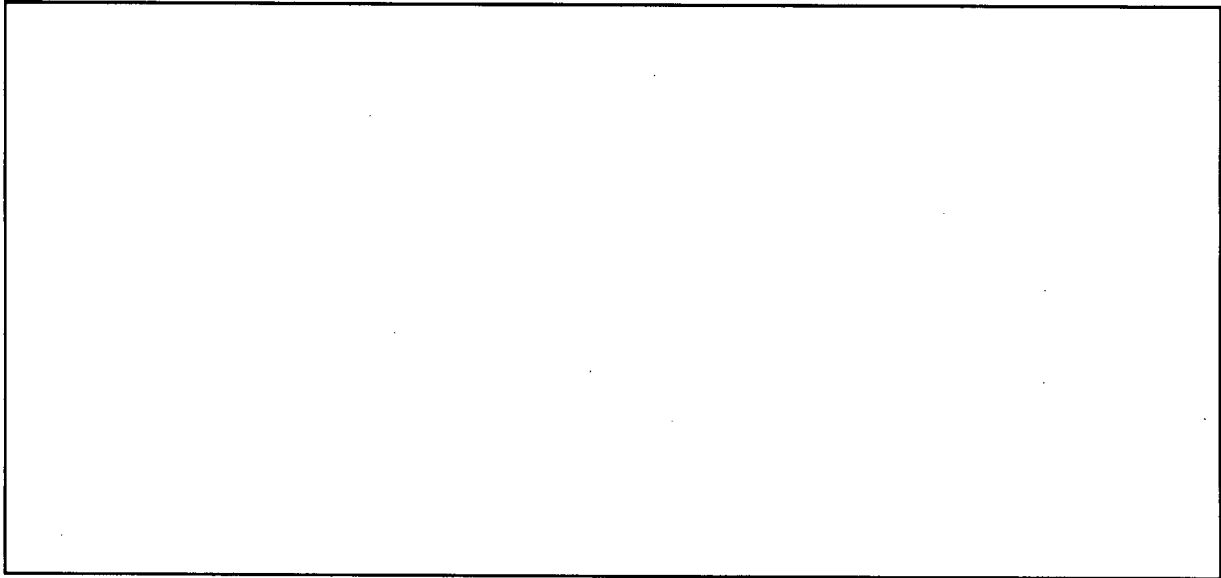
Israeli spokesmen warned repeatedly that Egyptian actions could lead to a major breakdown in the cease-fire. Defense Minister Dayan yesterday accused Egyptian forces of mobilizing on the west bank, and Foreign Minister Eban--in an airport statement before departing for a four-day visit to Romania--warned that the cease-fire cannot be considered stable so long as freedom of navigation is not assured through the Strait of Bab al-Mandab.

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In a move probably designed to step up political pressure before the Secretary's visit, Arab oil ministers announced a 25-percent production cutback based on September's production figures. Saudi Arabia, with the 10-percent limitation imposed in mid-October and the additional embargoes of shipments to the US and the Netherlands, had already reached the 25-percent level, and the new formulation appears to strengthen King Faysal's leadership role by committing the other producers to match his cutback. The move may be designed to bring countries such as Libya, Algeria, and Iraq, which have not been rigorously enforcing the earlier limitation, into line. If adhered to, it will increase the overall Arab cutback in November by some five percent over that already in effect.

At the UN, various delays threaten to slow deployment of the full 7,000-man UN Emergency Force (UNEF). The Secretary-General must negotiate agreements with each of the seven participant states approved by the Security Council last Friday. Consultations on the financing, size, and conditions

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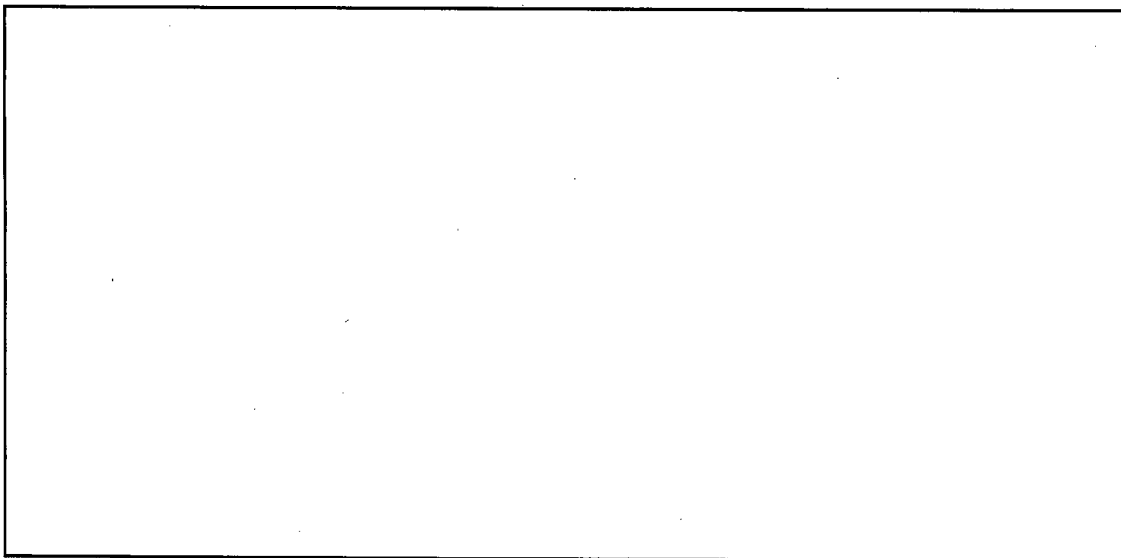
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of service for each of their contingents may be more complicated than usual because of the number of developing states which have not taken part in earlier peace-keeping operations.

The problem of how to pay for UNEF is also unresolved. The US Mission to the UN has found little support for the proposal that costs of the operation be apportioned among UN members according to the regular scale of assessments. Less-developed states are likely to support instead a Brazilian proposal making developed countries, particularly permanent Council members, responsible for 98 percent of the costs. Since there is no available cash on hand in the UN treasury, a delay in agreement on some system of assessing funds for UNEF could stall the entire operation.

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