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Middle East

1 [Egyptians and Israelis were cooperating on some issues this week. The exchange of prisoners of war was carried out with only minor snags, and Egyptian soldiers and civilians surrounded by Israeli forces got a steady flow of essential supplies.]

2 [Egypt has now turned its attention to Arab summitry, and Israel continues to prepare for next month's elections, but in spite of these distractions and problems, the interest of the two parties

in addressing the basic issues of a settlement remains alive.]

1 [The Syrians are most unhappy about being left out of Egyptian arrangements, but so far have confined themselves to just grumbling about it. Moscow, also feeling a little left out, has been emphasizing its support of the Arab cause and is examining the Palestinian potential in talks with fedayeen leader Arafat in Moscow.]



Israeli POWs go home . . .



. . . and so do the Egyptians

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Military Situation

1 [Occasional small arms, artillery, and mortar fire broke the cease-fire this week on both fronts. Most of the firing was along the Suez Canal, where at least one Israeli aircraft was downed by Egyptian surface-to-air missiles. Firing on the Syrian front was primarily in the northern sector; little damage and few casualties were reported on either front. The disposition of Egyptian, Syrian, and Israeli forces changed little in the past week. Each continues to reinforce its positions, however, and to outfit their forces with substantial quantities of new weapons obtained abroad.]

1 [Egypt, meanwhile, has protested to the UN about Israel's efforts to construct a causeway across the Suez Canal, charging that such activity constitutes a serious violation of the cease-fire and a major engineering change of the canal.]

9 [There was no significant change in Soviet naval forces in the Mediterranean during the week. Most of the Soviet ships remained at anchorage or in port with only eight war ships trailing the US Sixth Fleet. The squadron now includes 19 submarines, 26 warships, and 31 support ships.]

Diplomacy

1,8 [This week, the Egyptian-Israeli prisoner exchange proceeded with only minor complications, and all captives were scheduled to be home by 22 November. Non-military supplies for the Egyptian Third Army and for Suez city moved unimpeded through the UN and Israeli checkpoints. All but a handful of wounded civilians have been evacuated from the city.]

1,8 [Talks on the more troublesome questions of a return to the 22 October cease-fire lines and the disengagement of forces got off to an inauspicious start. On 18 November, Egypt canceled a meeting at Kilometer 101, apparently in reaction to Israeli calls for a return of Egyptian and Israeli forces to

their own sides of the Suez Canal and for the establishment of a ten-kilometer buffer zone on each bank. Later, the Egyptians publicly rejected the proposal. Little information has been released about subsequent meetings, but statements from each side attest there is considerable disagreement between them. The meetings are continuing, but it is unlikely that these questions will be resolved quickly.]

1,8 [The UN Emergency Force for the Egyptian front grew to nearly half its prescribed strength of 7,000. No progress was made toward securing funds for its maintenance, however, as efforts to gain approval of a financing resolution were stalled. An Arab proposal to exempt Egypt, Syria, and Jordan from assessments on the grounds that they are the victims of aggression threatened not only to delay the necessary funds, but also to raise the explosive issue of accountability for the war. An effort to fix responsibility for the hostilities also seemed to underlie a Soviet proposal for an entirely new scale of assessments that would increase the contributions of the developed states, including Israel, while reducing those of the East European states.]

New Reality in Israel

1,8 [Prime Minister Meir has again affirmed Israel's desire to talk peace with the Arabs, but is suggesting that it would not be desirable to hold formal peace talks prior to the Israeli election set for 31 December. This position reflects the dilemma in which Mrs. Meir finds herself. On the one hand, she heads a government that is under fire at home for its allegedly negligent conduct of the war; on the other, she is under strong international pressure to make meaningful concessions to Israel's enemies.]

1 [In an effort to put to rest the apprehensions of most Israelis about the government's performance and to turn their attentions to thoughts of peace, Mrs. Meir has proposed that a commission be established to inquire into the armed forces'

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preparedness for and conduct of the war. Israel's political parties differ greatly over what would constitute a viable peace settlement, and Mrs. Meir will need a new mandate before her government can confidently move forward in negotiations.

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The Israeli public may be ready to accept a peace settlement with Egypt. The US Embassy describes the signs pointing in this direction as "fragile," but a clear change from the widespread attitude that Israel should not surrender one inch of the territory taken in 1967. Anxieties about US intentions and deep suspicions about Soviet and Arab objectives remain, but a number of commentators are exhorting the government to abandon its post-1967 "immobilism."

1 Defense Minister Dayan, in a number of public appearances, has stressed the "new reality" theme: that Israel's international political position has changed dramatically as a result of the late war; that the pace of events is beyond Tel Aviv's control; and that Israel must, therefore, reconsider all its positions.

1 The Israeli press is hinting that government teams are busy formulating an Israeli position for the negotiations. A well-placed journalist has echoed what is probably an official worry. It would be difficult, he wrote, for Israel to discuss "secure borders" without the prior resolution of several other issues:

- an end to the Arab oil embargo;
- a US-USSR agreement to limit arms shipments to the area;
- Big Power guarantees of Israel's security and navigation rights;
- a way to prevent the inundation of Israel by Palestinians.



Israeli General Yariv (hatless) and Egyptian General Gamazy

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1 [General Aharon Yariv, who has headed the Israeli team in the cease-fire talks with the Egyptians, apparently will be replaced soon. Yariv is a candidate for the Knesset and, according to Israeli law, must end his army service if he wants to campaign. There has been some speculation that Mrs. Meir, displeased with Foreign Minister Eban, is considering making Yariv the top negotiator at any future peace conference.]

1 [General "Arik" Sharon, one of Israel's new military heroes, is also seeking political office and is on the list of Likud, a right-wing group severely critical of the Meir government. Sharon, unlike Yariv, has said that he will stay in the army if the election law cannot be changed to let him be a candidate.]

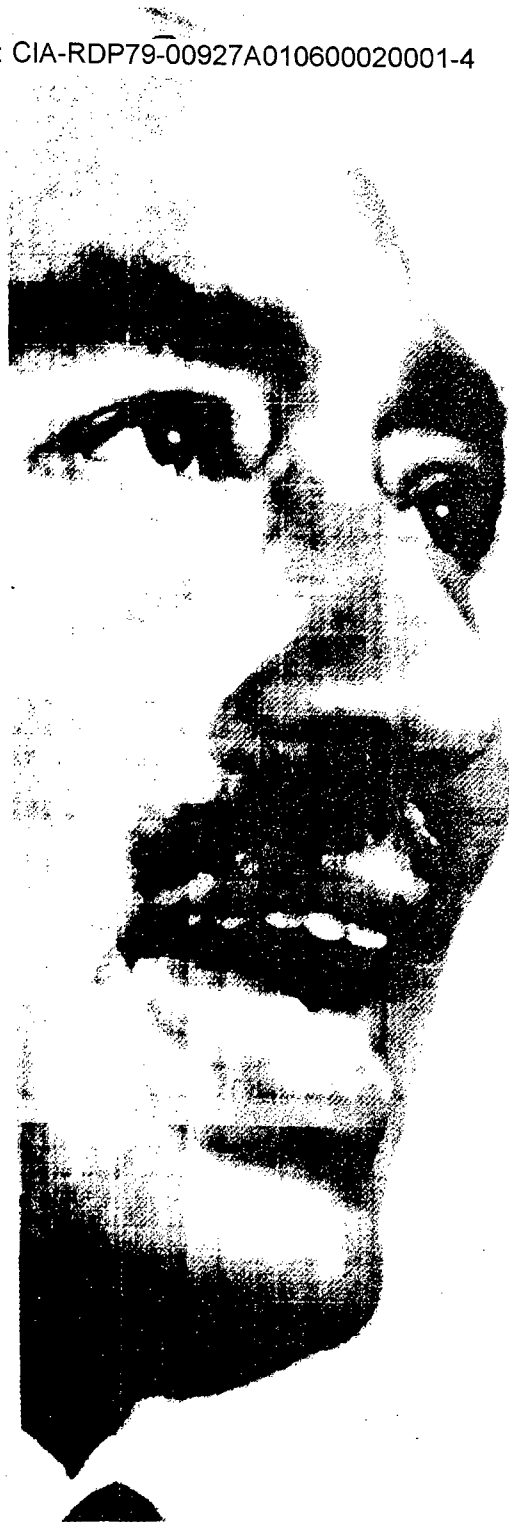
IN ARAB CAPITALS

The Egyptians

1,8 [Cairo is having almost as much difficulty with its Arab allies as it is with Israel. As negotiations with Tel Aviv turned to controversial questions, Cairo appeared as concerned about trying to convince its Arab neighbors of the merits of dealing with Israel as it was about furthering the negotiations themselves.]

1,8 [President Sadat is under public fire from Libya and Iraq and private censure from a variety of other Arabs for accepting the cease-fire, agreeing to the truce arrangement, and sitting down in talks with the Israelis. Concerned that these criticisms might broaden Arab disunity at the forthcoming summit conference and hopeful that negotiations with Israel can begin with some degree of Arab solidarity, Sadat has dispatched emissaries throughout the Arab world to mobilize support.]

1,8 [Where quiet persuasion has not worked, as with Libya, Sadat appears to be trying carefully tuned public criticism. Last weekend, a leading



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Cairo columnist mounted an indirect but pointed attack on "the country" that talked most about war and contributed least when war came, an unmistakable allusion to Libya. At the same time, the writer emphasized that Sadat cares more for building effective Arab unity than for asserting his own authority or Egypt's hegemony over the Arab world—a clear attempt to ease Arab fears, including those of President Qadhafi, that Sadat will ride roughshod over his neighbors to achieve Egypt's ends.

Some of Egypt's maneuvers in talks with Israel this week may have been designed in part to demonstrate to other Arab states that Cairo will not bend to Tel Aviv's demands. Cairo's cancellation of the Egyptian-Israeli meeting on 18 November, for example, may have been intended to emphasize to Israeli and Arab alike that Egypt will reject any plans that call for the cession of Egyptian territory.

Similarly, War Minister Ismail's long exposition, in an interview, of Egypt's planning and preparation for the war was probably intended for Arab as well as Israeli consumption. This was the first public acknowledgement that Egypt and Syria initiated the fighting and, although it contained no obvious threats of renewed action, reminded the Arabs of Egypt's fighting ability at a time when many are criticizing Cairo for talking.

The Syrians

Syrian Foreign Minister Khaddam visited Cairo last weekend, reportedly to air Syria's complaints and to work out a coordinated strategy for next week's Arab summit. Privately, the Syrians are still bitter about not being informed of Egypt's intentions, but a serious falling out between Cairo and Damascus does not seem likely.

The Jordanians

King Husayn, with the occupied West Bank still uppermost in his mind, has been sounding

out other Arab leaders about a proposal to resolve the sticky Palestinian question. The King is suggesting that Jordan first negotiate the return of the West Bank and East Jerusalem at a peace conference, then—following an Israeli withdrawal—allow the UN to hold a plebiscite to determine whether Palestinians want union or federation with Jordan, or complete independence.

Lebanon's President Franjiah and Syria's President Asad have reportedly responded favorably to the idea. Saudi Arabia's King Faysal and the Emir of Kuwait, who were consulted last Sunday, are unlikely to raise serious objections. Amman has not been able to obtain the all-important reaction of President Sadat, who has been holding Husayn at arm's length since the cease-fire. Husayn, who hopes to appear flexible on the issue, reportedly intends to make his proposal public, but probably not until after the Arab summit in Algiers.

Libyans and Others

Libya's President Qadhafi is on a nine-day visit to Belgrade and Paris—his first trip outside the Arab world since his military junta took power in 1969. Qadhafi apparently is shopping for military equipment and assistance in exchange for oil, but his hard line on the cease-fire agreement has dominated discussions in both European capitals. The Libyan leader considers Yugoslavia and France to be Europe's most independent states and may believe they will be receptive to his arguments against Great Power imposition of a settlement. Qadhafi reportedly will wind up his stay in France with a press conference this weekend, just prior to the Arab summit in Algiers. He may hope to divert attention from the meeting, which he recently denounced as a facade for rubber-stamping what has already been decided in Cairo. Qadhafi has said that he will not attend the summit, but a last minute change in his travel plans suggests that he wants to keep his options open.

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1,8 [Arab foreign ministers are scheduled to meet in Algiers on 24 November to prepare for the Arab League summit that is to begin on Monday. A majority of member states have agreed to participate, although at least two important leaders have said that they will not—Qadhafi of Libya and Bakr of Iraq. Their expected absence will make it considerably easier for the moderate Arab leaders to dominate the session.]

SOVIET ACTIVITY

1,8 [With the cease-fire holding, Moscow has turned its attention to the "pull-back" elements of the agreement and preparations for a peace conference. An article in *Pravda* on 15 November insisted that Israel must withdraw to the lines of 22 October, but took the rather optimistic view that "new political factors" have created "more favorable conditions than ever" for the resolution of Arab-Israeli problems. Soviet concern that it is being left out of political developments in the area still comes through clearly. Moscow has also mobilized communist parties in the Middle East and responsive newspapers there to play up the Soviet role in Arab successes and to stimulate

distrust of the US and those Arab leaders willing to work with Washington.]

1,8 [As one step to get back on center stage, the Soviets finally got Yasir Arafat and the leaders of most of the major fedayeen organizations to Moscow on 19 November. The delegation's visit had been postponed several times while both Arafat and the Soviets worked hard to convince the heads of the more radical organizations to attend. George Habbash, chief of the militant Popular Front for the Liberation of Palestine held out, although his organization is represented by one of his key advisers.]

1,8 [The trip is designed to hammer out a common position on Palestinian participation in a peace conference. Moscow has been urging creation of a Palestinian state centered on the West Bank, but fedayeen leaders have been reluctant to abandon their long-standing objective of a return of displaced Palestinians to Israel. The Soviets apparently hope that support of the Palestinians will strengthen what Moscow would see as a "progressive" force at a peace conference and, more generally, in the area.]

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Europe: Preparing for Less Oil

(NOT SOLGORED)

The Arabs' scheduled 5 percent reduction in December oil production will not be applied to EC members. The Arabs were reacting to the EC resolution supporting their position. Of the nine EC members, only six will be directly affected: the UK and France are on the Arabs' favored countries list and already exempt from cutbacks, while the Netherlands remains embargoed. The six remaining members were expecting to lose 180,000 barrels per day of Arab oil in December. The French have made their point that "helpful" declarations for the Arabs bring results.

The selective restoration of the cutback compounds the dilemma of EC members who give lip service to European solidarity while refusing help to the embargoed Dutch. The new Arab statement presumably will still permit "informal" oil sharing by the international companies and may even marginally increase what is available for such shifting of supplies to the Dutch and others damaged by the embargo. Nevertheless, the distinction between the Netherlands and the other EC members is heightened, and the Dutch—while themselves hoping to convince the Arabs of the Hague's "even-handed" policy on the Middle East—are talking increasingly of abandoning the pretense of community solidarity. The community has called off a council session on energy policy scheduled for 26 November. The Nine will address the Middle East and energy questions at their summit in Copenhagen on 14-15 December.

Even with the Arab exception, Western Europe will face serious problems. The area is dependent on Arab sources for over 70 percent of its crude oil requirements; the proportion is closer to 80 percent for France and Italy, and is over 80 percent for Spain. Despite stocks of between two and three months, West European countries are taking steps to conserve energy. All consuming countries have urged voluntary energy conservation, but have been reluctant thus far to impose rationing. If the Arab oil cutbacks continue, however, rationing may be necessary in a number of countries early in 1974. The piecemeal restrictions differ from country to country.

West Germany On 9 November, the Bundestag gave Brandt sweeping powers to restrict consumption. The law empowers the government to impose specific measures concerning production, transport, storage, and distribution of energy sources. Earlier this week, Bonn announced a ban on Sunday driving.

France The government has urged Frenchmen to curtail automobile use and lower household thermostats. The sale of gasoline in containers has been prohibited.

Italy Rome has placed controls on the export of petroleum products.

United Kingdom The government has ordered an immediate 10 percent reduction in all petroleum product deliveries. It has urged the public to stop driving on Sundays and to reduce speeds to 50 miles per hour. The sale of gasoline in containers has been banned. Several weeks ago, London placed controls on oil exports outside the EC.

Netherlands The Dutch have introduced an export licensing system on most petroleum products. Oil companies have agreed to reduce deliveries of most petroleum products (excluding gasoline) by 15 percent. Sunday driving has been banned. The government has urged voluntary observation of a 60-mile-per-hour speed limit and lower household temperatures. Authorities estimate that these steps could yield a 10 percent saving in petroleum products.

Belgium An export licensing system has been set up for most petroleum products. The government has placed the country's petroleum business under its control.

Austria On 14 November, the government raised the price of motor fuel and heating oil by 22 to 35 percent to discourage hoarding and compensate for higher crude prices. The Austrian parliament has given the government authority to ration petroleum products. The sale of gasoline in containers has been prohibited.

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Spain Export of petroleum products has been curtailed.

Portugal The price of gasoline has been raised and service stations ordered to close on Saturdays and Sundays.

Denmark The government has taken steps to reduce oil and gasoline consumption by 25 percent.

Price controls have been waived, and sulfur content regulations have been eased. The sale of high-octane gas is prohibited, and speed limits are reduced to 50 miles per hour.

Greece Gasoline and electric power consumption have been restricted. Speed limits have been reduced and the sale of gasoline in containers prohibited.

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GREECE: Government Challenged

19 Greece's experiment in more open democracy received a setback last weekend when the government had to call in the army to put down large-scale rioting in Athens. Prime Minister Markezinis subsequently promised to go ahead with his plan to return Greece to political normalcy, but the task will be much more difficult following the weekend's events.

days later. The demonstrators attempted to take government buildings by force and were beaten back by police. As a result, 12 were dead, 350 injured, and over 1,000 arrested. A large number of workers were among those arrested, indicating that a student call for worker support had met some success.

19 The concessions that the government had made—the lifting of martial law, the meeting of some student demands, the talk of elections—emboldened both the students and the political opposition. Earlier this month police clashed with anti-government demonstrators following a memorial service on the fifth anniversary of the death of former prime minister George Papandreou.

14 Martial law was declared on 17 November, and army tanks knocked down the gate of the Athens Polytechnic Institute; the students left peacefully. By 19 November order had been restored.

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16 The government has claimed that the trouble had been caused by anarchist elements who were trying to prevent the government from announcing its plan for elections. Security forces claim that supporters of Andreas Papandreou's Panhellenic Liberation Movement started the trouble and that Communist and other labor elements later took over the leadership of the demonstrators. The government has closed the universities for three weeks and arrested many known or suspected regime opponents.

16 Another outbreak began on 14 November when students barricaded themselves in the Athens Polytechnic Institute and issued demands for more academic freedom, "Americans out," and immediate democracy. Violence came two

15 President Papadopoulos, disturbed by the situation, tried to salvage his efforts to restore

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