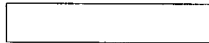


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*WSAG, letter
Judson, 11/29*

29 November 1973

DCI BRIEFING FOR
29 NOVEMBER WSAG MEETING

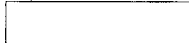
THE MIDDLE EAST

- I. The Egyptian-Israeli disengagement talks at Kilometer 101 appear still to be at an impasse. The Egyptians say Israel is merely stalling movement toward any withdrawal, and the UN negotiators on the scene have come to agree with Cairo.
- II. Nevertheless, some progress has been made.
 - A. Israel first demanded that each party withdraw to opposite sides of the Canal. This would amount to a return to the pre-war situation, with the addition of UN patrols a few miles deep on each bank.
 1. The Israelis have now backed off significantly from this position, and are concentrating on defining their own withdrawal--with conditions.
 - B. Egypt also began with a wide-ranging proposal that Israeli forces withdraw deep into Sinai, well beyond the passes and well beyond Sharm ash-Shaykh.

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1. Egypt, too, has considerably lowered its sights for this first round of disengagement.

III. There are still significant differences, however.

- A. Egypt wants Israeli forces withdrawn east of the strategic Sinai passes; Israel wants to retain the passes, with only a 10-15 kilometer withdrawal east of the Canal.

1. This appears to be the least serious aspect of the deadlock. Each side has indicated some flexibility on the depth of withdrawal, and agreement could be reached if more serious obstacles were removed.

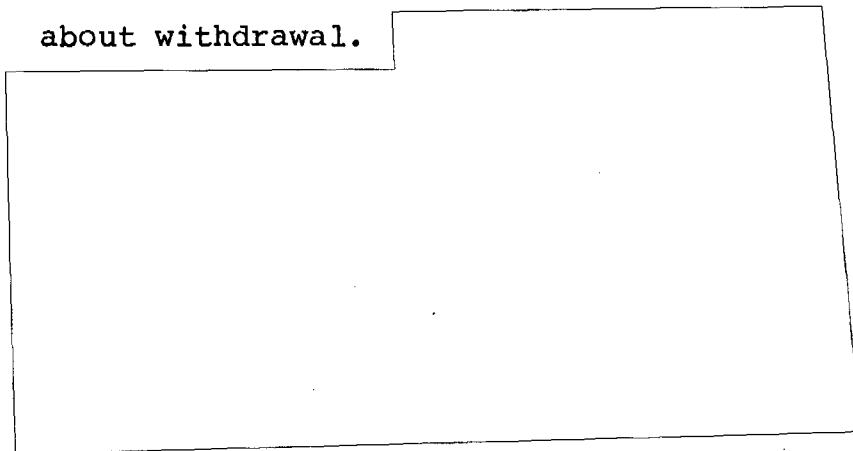
- B. Egypt wants to position three infantry divisions--with tanks--on the east bank, and has a complex formula for separating the main forces of each side by a series of zones. Beyond the main Egyptian force, for instance, areas would be designated for lightly armed Egyptian forces, then a UN force, and then a lightly armed Israeli force--all to be positioned west of the main Israeli force.



Israel, on the other hand, apparently is calling for the complete removal of the Egyptian Army from the east bank, leaving only "policing" forces in the area Egypt would control.

1. Again, the two sides are not irreconcilably separated on this issue. The Egyptians have indicated a willingness to consider a further thinning of their forces to accommodate Israeli requirements.
- C. Finally, the basic and most serious disagreements center not so much on substance as on different perceptions of the need for, and the timing of, tangible movement toward disengagement.
1. Israel would clearly prefer to postpone for as long as possible any moves toward withdrawal--both for reasons of domestic politics and simply because of the irrevocable pattern even the first step, let alone succeeding ones, would create.
 2. Egypt, by contrast, takes the view that it is incumbent on the Israelis to

undertake some actual moves toward separating forces in advance of the peace conference, rather than simply to talk about withdrawal.



IV. The two sides are thus not far apart on substantive issues, and probably not far apart on their realization that an Israeli withdrawal is in the cards. Their divergent views on the urgency of that withdrawal are the crux of the problem, and could deadlock the cease-fire talks and ultimately threaten the cease-fire itself.

The Arab Summit

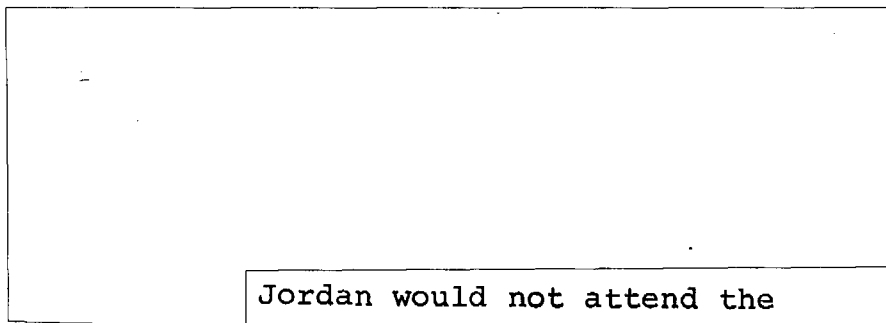
V. Let me mention the Arab summit conference that ended yesterday. It was a fairly predictable and pro forma performance, but did air serious differences between Jordan and the fedayeen over the question of representation of the Palestinians in future negotiations.

VI. Sadat had laid the groundwork for the conference well before it got under way, in an effort to steer it along a moderate course.

- A. He then set out to gain a vote of confidence in his decision to negotiate a peace with Israel, as well as a show of Arab solidarity and firmness in the face of those negotiations. He largely succeeded.
- B. The Egyptians believe they have the majority, and the important majority, of the Arabs behind them for negotiations. At the same time, public statements by Sadat and Asad warned Israel that the danger of war is not over until there is an acceptable peace.

VII. There was serious disagreement over Jordan's differences with the fedayeen.

A.



Jordan would not attend the peace conference if Arafat's Palestine Liberation Organization were named the "sole legitimate" representative of the Palestine people.

B.

C.

1.

2.

accord

the PLO the role of sole negotiator for Palestine, Arafat himself admitted in a newspaper interview yesterday that he has to be invited to the peace conference before he can represent anything.

The Oil Situation

VIII.

A. The heads of state agreed to put Portugal, South Africa, and Rhodesia on the total

embargo list, along with the charter members, the US and Holland.

- B. At the same time, they announced that recent pro-Arab positions adopted by Japan and the Philippines would exempt them from the 5 percent cutbacks scheduled for December. The European Economic Community had previously been exempted.
- C. Countries not classed as "friendly" to the Arabs--but not actively supporting Israel--such as Canada, West Germany, and Italy, get whatever Arab oil is left after deliveries to the "friendly" countries. This share is steadily shrinking.
- D. The Arab states are relatively invulnerable to short-term economic countermeasures. Only about 10 percent of their imports came from the United States, and 60 percent from elsewhere in the industrialized West. Other sources are available for their small essential needs.
1. Grain needs, for instance, could easily be met by the USSR, Latin America, New Zealand, and Australia.

-7-

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2. The major Arab petroleum producers depend on the United States, Western Europe, and Japan for 80 percent of their machinery and equipment imports, but could probably get essentials from other countries.
3. Even if Arab assets were frozen, some \$4.5 billion per year from oil exports to countries other than the US, Western Europe, and Japan would still be available.

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