

EGYPT-USSR: With Syria absent from the Geneva peace conference, Cairo apparently feels under even greater pressure to achieve quick progress and to prove to its Arab allies that its decision to negotiate is justified.

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Without the presence and support of Syria at the negotiations, Cairo probably worries that pressures from other Arabs to break off the talks will intensify. Cairo media are thus emphasizing that Egypt is going to the conference under the mandate granted it by the Algiers summit in late November, determined to adhere with "utter seriousness" to the summit's demands for a total Israeli withdrawal and a restoration of Palestinian rights. Foreign Minister Fahmi has also been instructed, according to Al Ahram, to make it clear at the conference that Egypt is seeking an Arab solution, not merely an Egyptian one, and that Cairo is equally concerned for Syrian territory and the Sinai.

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1

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EGYPT: The Egyptians are endeavoring to accumulate wheat well in excess of their annual consumption requirement of 5 million tons and are requesting delivery from foreign suppliers before June 30, 1974. Cairo may anticipate a six-month negotiating period and may be preparing for the contingency of renewed hostilities if the Geneva talks do not succeed.

Egypt had a five-month supply of wheat on hand at the beginning of the October war [redacted]. Of this amount, 1 million tons probably will be carried over into 1974. Since the war, China has donated 100,000 tons, and 450,000 tons have been acquired in Romania. Contracts for 1 million and 500,000 tons, respectively, have been signed with Australia and Canada, and commercial tenders for approximately 1 million tons have been issued. Rumors persist in wheat trade circles that the USSR has agreed to supply Egypt up to 1 million tons of low-grade wheat, bringing the possible import total for 1974 to 4 million tons, compared with a normal annual import requirement of 3 million tons. Arab benefactors also have been asked to supply wheat in lieu of cash. In addition, the wheat-growing area in Egypt is to be expanded at the expense of the cotton crop, assuring more than the usual domestic harvest of some 1.5-2 million tons. In view of record high cotton prices, however, converting cotton land to wheat is a dubious economic decision.

With Arab aid money now available and still higher wheat prices expected, extra wheat purchases could be explained in economic terms. Accelerated import delivery requests at a time of tight international shipping and acute postwar congestion at the port of Alexandria suggest, however, that Egyptian contingency planning includes the resumption of hostilities if negotiations fail to produce a satisfactory settlement. [redacted]

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2