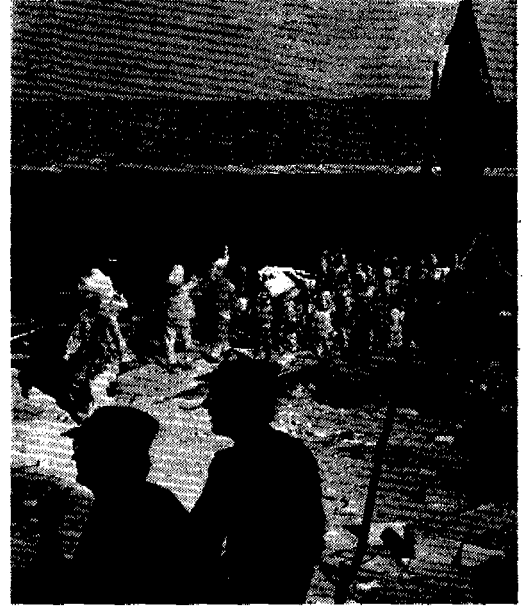
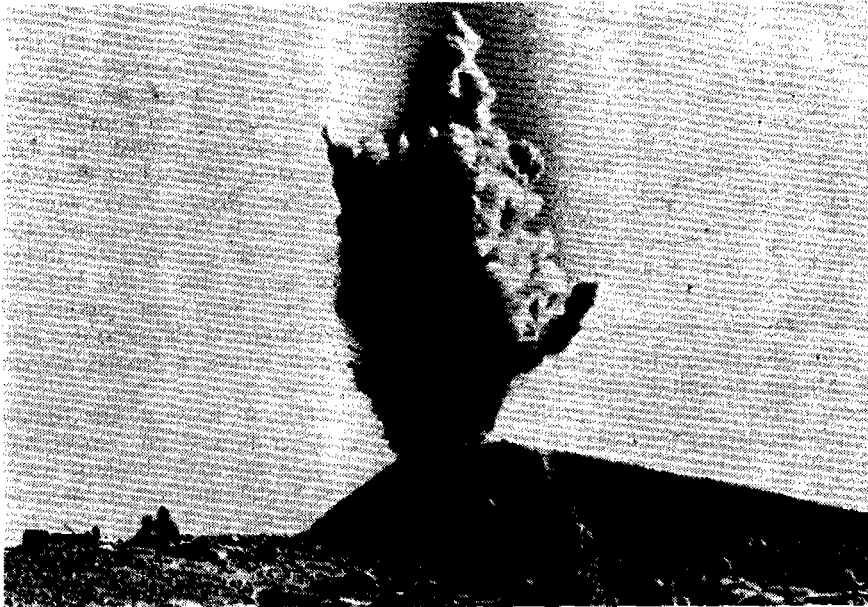


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Burning oil reveals a ceasefire violation, while supplies for Egypt's trapped army cross the canal under UN eyes

One step, two steps— but what then?

Egypt and Israel both agree that the disengagement of their forces on the Suez canal, the urgent first step that must precede any general movement towards peace, should be linked to the later steps. Their disagreement about what these later steps should be is the catch that prevents the first step from being taken.

While there are still substantial obstacles to the first stage—how far into Sinai the Israelis should pull back, and how strong the Egyptian forces on either side of the canal should be—these essentially military problems could probably be worked out if they were not overshadowed by the dense cloud of suspicion about each side's ultimate political intentions. Mr Kissinger, who returned this week to the Cairo-Jerusalem circuit, has the job of persuading both Egypt and Israel that the need to untangle their perilously interlocked armies justifies the use of an ambiguous formula to connect disengagement with the later stages of peace-making.

The Egyptians seem to need the greater persuading. They have had enough, they say, of ambiguity, from

Security Council Resolution 242 onwards. President Sadat is under pressure from his soldiers to get a commitment from Israel that it will eventually withdraw from all of Sinai. And he is under pressure from other Arab governments to provide evidence that Egypt is not embarking on a separate and partial Egyptian-Israeli agreement similar to the one that never got anywhere in 1971. This was a scheme for reopening the Suez canal, after Israel withdrew from its bank, based on proposals made by the then American Secretary of State, Mr Rogers; it collapsed largely because the Israeli government insisted that it was a complete scheme in itself and should not be formally connected with any further moves, even between Egypt and Israel. Egypt has repeatedly denied the charge that it is now, once again, seeking a separate settlement, but the disquiet felt by Jordan and Syria, let alone the Palestinians, is underlined by the new plans for an Arab mini-summit to be held in Damascus.

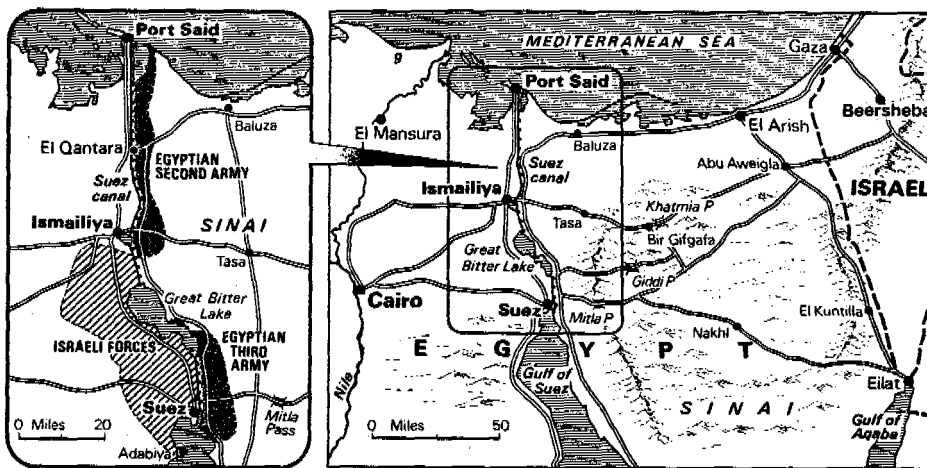
The Israelis would, in fact, prefer ambiguity. They are prepared to state categorically that their phased and

limited withdrawal for the purposes of disengagement is part of a future general settlement. But they argue that the terms of this eventual settlement, of which Israel's withdrawal from some of the occupied territories would be only a part, cannot be outlined in advance of the negotiations that are supposed to bring them about. They are not, under any circumstances at present foreseeable, prepared to commit themselves to total withdrawal from Sinai.

It is hard to see how these two positions can be reconciled. But if Mr Kissinger manages to fudge the issue without seriously alienating either side, the immediate differences over a partial settlement are not, if the will is there, irreconcilable. According to unofficial reports, Mr Dayan last week put the following proposals to Mr Kissinger:

Israel's withdrawal should be in two phases, which could take place within weeks. In the first phase, the Israelis on the canal's west bank would pull back three kilometres to positions north of the Suez-Cairo road; the territory between the road and Adabiya would be taken over by the UN peace force. This evacuation, by lifting the siege on Egypt's Third Army on the east bank, would, in effect, satisfy the demand for Israel's return to the October 22nd ceasefire lines.

In the second phase, the Israelis would evacuate their salient on the west bank and withdraw to a line about



30 kilometres from the east bank. Their forces would be positioned west of the Mitla and Giddi passes in the south and up to Tasa and Baluza in the north. The UN forces would follow them across the canal, spreading themselves out in a large buffer zone between Egypt's Second and Third Armies and the new Israeli lines. The main difference here between Egypt and Israel is over which side of the mountain passes the Israeli line should be; the Egyptians, possibly with Mr Kissinger's approval, contend that the passes should be controlled by the UN and that the Israelis should be stationed on their eastern edge.

In return for this limited withdrawal, the Israelis are believed to have proposed that the Egyptians should do the following:

- Declare their readiness to observe the ceasefire (which they are certainly not doing at present) and at some point sign a document of non-belligerence. This would be a way of getting a formal commitment of intent from Egypt, short of the peace agreement which must wait until the other areas of conflict are settled. But the Egyptians will be deeply unwilling to commit themselves formally to non-belligerence while the Israelis refuse to commit themselves to the total evacuation of Sinai.

- Thin out their forces on the east bank, pulling back all their artillery and a large proportion of their tanks and missiles. According to one report, the Egyptians have already agreed to reduce their force of 80,000-100,000 men on the east bank to about 30,000 and to cut down the number of their tanks to 400. But this, the Israelis say, is still far too much.

- Declare their readiness to start at once on clearing the canal and rebuilding the devastated canal cities. This would provide demonstrable proof of Egypt's peaceful intentions and, if and when the canal is reopened, Israel might

agree to its own navigation rights being held in abeyance until a general peace settlement. The economic problems involved in reopening the canal to navigation (since it was closed in 1967 the world's tanker fleet has changed beyond recognition) have not lessened since they were last discussed in 1971; nor have the strategic ones. But the Egyptians' main condition seems to be that Israel's forces should be out of artillery range (which at 30 kilometres they would be). They may, just may, not insist on the further, and much tougher, condition that work should not begin on the canal until Israel promises to withdraw from all of Sinai.

Which brings one back to starting point. The Egyptians would accept a large demilitarised zone in Sinai, stretching west from the Israeli frontier; they would agree to the inspection of this zone by various methods including, possibly, aerial reconnaissance by Israel; they would agree to an international force controlling Sharm el Sheikh under far more inflexible rules than applied in 1967. But they want the Israelis out. Even Mr Kissinger cannot make this determination tie in with Israel's determination to keep control of some part of Sinai.

Italy and the Arabs

Wrath of Allah

FROM A CORRESPONDENT IN ROME

The Levi case, as it is already called in Italy, is a grotesque example of what some Arabs now think they can demand from countries in western Europe. The Arab League's boycott committee has asked that the editor of *La Stampa*, the daily newspaper owned by Fiat, and two well-known humorists who write for the paper should be dismissed. If Fiat does not comply within the next two months, all the company's vast finan-

cial interests in the Middle East will, it is threatened, be in jeopardy.

In early December the two journalists wrote a piece poking fun at Libya's Colonel Qaddafi. The colonel did not think it funny and a threat was soon on its way to the Italian government that unless the two were removed from *La Stampa*, Libya would break off relations with Italy, interrupt all oil supplies and take serious measures against Fiat. The message was duly communicated to *La Stampa*'s editor, Signor Levi, who in turn passed it on to Signor Agnelli, the head of Fiat. Some days later the threat was backed up by the Arab boycott committee but with the additional demand that Signor Levi, who is a Jew and, the Arabs claim, a Zionist, should also be removed.

The reaction in most of the Italian press has been immediate. Anger has been expressed not only because such blackmail is a blatant effort to interfere with the freedom of Italy's press but also because Signor Levi is a liked and admired journalist. Furthermore, he is considered to be objective in his views on the Arab-Israeli conflict and under his guidance *La Stampa* has followed a balanced line.

In contrast, the reaction of the Italian government has been slow and subdued. After a considerable delay it issued a communication drawing the attention of the Arabs to the freedom of the Italian press but adding that "the question could and should be clarified and solved through the appropriate channels and in the spirit of the traditional friendship between our country and the Arab world". This pussyfooting underlines yet again the weakness of the Italian government in its dealings with the Arabs.

In part this is a result of the instability of the country's internal politics and the differing views held about the Arab-Israeli conflict both within the ruling



Levi's funny-bone hurts