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## INTELLIGENCE MEMORANDUM

State Dept. review completed

MIDDLE EASTSituation Report Number 62  
(As of 0630 EDT)

DIA review completed

THE MILITARY SITUATIONGENERAL

1. The three Israeli brigades continue to maneuver on the west bank of the canal. In yesterday's fighting the mobile Israeli units pushed ahead. The Israelis are still meeting opposition, however, from defending Egyptian units.

2. The situation remains quiet on the Syrian front. The Israelis reportedly are not considering further advances at the present. They apparently wish to contain the combined Arab forces, conserving their own strength at the expense of the enemy's.

EGYPTIAN FRONT

3. In yesterday's action on the west bank of the canal the Israelis apparently made advances and enjoyed tactical successes but they did not achieve a decisive battle. At a briefing last night, the high-ranking Israeli briefer was confident but "remarkably subdued" in the opinion of the US attaches. The attaches felt that the situation was perhaps not as certain as the briefing implied or that the Israelis had suffered heavy casualties in the day's fighting.

4. The Israelis have the initiative on the west bank, however. They are emphasizing movement and are by-passing heavily defended Egyptian positions. The Israelis learned early in the war that unacceptable losses resulted from attacking Egyptian strongpoints heavily defended by anti-tank weapons. On the west bank, according to their situation reports, they are going around heavily and hopefully immobile defended positions. The Israelis say that pockets of Egyptian forces, cut-off and isolated, remain behind in the area of operations on the west bank.

5. Three Israeli brigades--two armored and one composed mainly of infantry--are now fighting on the west bank. The infantry brigade had advanced as far as the outskirts of Ismailia north of the bridgehead at Deversoir two days ago and seems to be holding its position. The Israelis claim that the Egyptians are preparing defenses and obstacles to any further advance north but the Israelis seem to be satisfied with the stand-off as it also limits any Egyptian advance south.

6. The two armored divisions attacking south of the bridgehead have experienced the most intensive fighting. One brigade reportedly overran remnants of an Egyptian armored division south of the Bitter Lakes that had been brought back from the east bank on the evening of 19 October. The Israelis now claim to be shelling the Egyptians on the east bank from positions south of Little Bitter Lake. This brigade is also engaging Egyptian forces on the defensive in the Jabal al Jufran area. The danger presented to the Suez City area, according to the Israelis, has caused some Egyptian troops to begin retreating from their east bank positions in the southern portion of the canal.

7. The third Israeli brigade has moved some 18 miles southwest of Deversoir and now blocks the desert road from Cairo to Ismailia. Both of the Israeli armored brigades appear to be attacking toward Jabal

[redacted]

al Jufran where the Egyptians reportedly have two armored brigades plus elements of a mechanized division. Israeli forces had contacted the Egyptians in this area on Thursday but apparently have not made any significant advances in the area. 50X1-HUM

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8. The Israelis claim to have blocked all roads and rail lines leading from Cairo to the canal. Because of the nature of the fighting, however, they may not have permanent positions blocking these roads. [redacted] claimed to be able to drive between [redacted] and any of the canal cities yesterday, but the Israelis, with their mobility, probably have the capability to attack targets on the roads at their discretion.

9. No major action was reported during the night except for sporadic artillery exchanges which the Israelis claim is not affecting the reorganizing that was under way for today's expected battles. The Israeli airforce, in heavy early dawn attacks, concentrated on Egyptian positions on the east bank of the canal from Ismailia north to Port Said. The Israelis claim that the Egyptian forces on the east bank are predominantly infantry.

#### SYRIAN FRONT

10. Ground activity was limited to small scale artillery exchanges last night. Israeli aircraft flew defensive and reconnaissance patrols over northern Israel, southern Lebanon, and the Golan Heights throughout the night and early this morning. Small engagements between Israeli tanks and Syrian artillery were also reported near Tel Aantar this morning.

11. There has been little activity along the Syrian front since the heavy fighting which occurred two days ago and there are indications that this lull in heavy fighting may continue. The Israelis have apparently adopted a policy of containing the Arabs

here while focusing their main effort on defeating the Egyptians. A senior Israeli defense official said yesterday that the Israelis would again focus on the Syrian front should the Egyptian forces collapse. An Israeli officer on the Syrian front also said yesterday that the Israelis have no interest in taking additional Syrian territory. They want to continue to inflict casualties while keeping their own losses to a minimum.

12. The Arabs, on the other hand, may try again to seize the initiative along the Syrian front. Israeli Defense Minister Dayan said yesterday that the majority of the Syrian Army had not been put out of action and that significant forces, reinforced by non-Syrian units, face the Israelis in the north.

13. The Arabs have been having trouble organizing a coordinated attack, however, and there is evidence which suggests that no major Arab offensive will occur along the Syrian front today. One of the reasons is Jordan's apparent reluctance to go on the attack. The Jordanian 40th Armored Brigade pulled back yesterday from Mashara to Al Harrah, where it is in a defensive position awaiting orders. The reasons given for the withdrawal were the inability of Iraqi and Syrian troops to protect the Jordanian flanks, and a lack of coordination on the part of the Arab forces. Iraqi aircraft reportedly fired on the Jordanians yesterday. Iraqi artillery was also reported to have shelled Syrian troops on Friday.

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15. Iraqi forces in Syria reportedly were battered Friday during the heavy fighting around Tel Aantar, but reinforcements are on the way. The Lebanese military attache in Baghdad said the Baghdad-Damascus road was packed with troops, tanks, and trucks on 19 October. He said that the Iraqis plan to eventually commit four divisions to the Syrian front.

SOVIET SEALIFT

16. Since 7 October 17 Soviet suspect arms carriers have left Black Sea ports for the Middle East with nearly 35,000 tons of cargo. During the last two days, (19-20 October) four such ships with over 7,300 tons of cargo have moved out of the Black Sea. Photography received in Washington confirms that the Ho Chi Min indeed was riding very high in the water when it transited the Bosphorus.

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EGYPT-SOVIET BLOC

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21. East European military attaches in Cairo reportedly all agree that the Egyptian military forces appear to have lost their momentum. [redacted]

[redacted] the attaches, including the Soviet but not the East German who still professes to believe the Egyptians can regain the pre-1967 border, think Egyptian military capability has already attained its maximum effort. Nevertheless, the consensus among the attaches is that Egypt will try to eject the Israelis from the west bank of the Suez--no matter what the cost.

22. [redacted] the So. 50X1-HUM.  
resupply aircraft to Cairo has not included aircraft. He says Egypt has more pilots than planes and what is needed are ammunition, surface-to-air missiles, and communications equipment. Cairo has urgently requested Hungary to send 200,000 20-liter metal water tanks, 50,000 20-liter gasoline cans and 150,000 plastic blood plasma bottles, even offering to send its aircraft to pick them up.

ARAB OIL

23. The Persian Gulf state of Qatar announced on 19 October that effective immediately it was cutting oil production by 10 percent as a gesture in

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the battle against Israel. The announcement added that measures to discontinue oil shipments to the US and to other nations supporting Tel Aviv will follow.

24. The US Embassy in Kuwait comments that Qatar's action probably was only a matter of timing since the government appears to have made the decision some time ago to cut or freeze oil production to conserve its oil resources. The effect on the US will be minimal. In 1972, less than two percent of Qatar's oil production went to the US while 66 percent went to four European countries--Great Britain, The Netherlands, Italy, and France.

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25. According to another US Embassy report, the question of selective nationalization of the oil companies came up but was quickly dismissed at the 17 October meeting in Kuwait of the Organization of Arab Petroleum Exporting Countries (OAPEC). [redacted] the Saudis informed [redacted] they regard Spain, Italy, Yugoslavia, and Austria as friends of the Arabs in the current war and would attempt to leave them unaffected by the oil production cuts. Japan, [redacted] could do more to show it was a friend of the Arabs.

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#### SAUDI ARABIA -- US

26. [redacted] the Saudis are weighing the possibility of taking additional measures to show their disapproval of US military aid for Israel. One such possibility is curtailing the use of Saudi airspace by the US Air Force which has a major installation in the country.

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27. The Saudis, under pressure by other Arab states, are also considering withdrawing their money from American banks and other financial institutions, as well as converting their dollar holdings into other currencies. They came out strongly against the

[REDACTED]

latter proposal at the 17 October OAPEC meeting in Kuwait, however. According to a US Embassy source, the entire question of using Arab financial muscle as a weapon in the fight with Israel was referred by the OAPEC to the Arab central bankers who may meet soon to discuss the problem.

TURKISH PEACE PLAN

28. Turkey has proposed a plan to settle the Middle East conflict.

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--Israeli withdrawal from all occupied lands within a three-month period;

--a concurrent statement by the Arabs recognizing the state of Israel.

--the convening, during the withdrawal phase, of a conference attended by the states of the conflict area and others to discuss, among other things, the legal rights of the Palestinians;

--the conference to reach an agreement on Israel's borders, to include making minor changes to the pre-1967 borders.

UNITED NATIONS - EGYPT

29. United Nations Secretary-General Waldheim is disturbed by Cairo's uncooperative behavior on the UN peacekeeping force in Egypt. According to a report from the US UN mission, Waldheim thinks that the Egyptians are behaving badly toward the UN observation teams there, and have even fired on clearly marked UN observation posts. Cairo has also refused to give out information it may have on the fate of two UN observers believed killed during the fighting.



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30. The Egyptian Foreign Minister has been pressing Waldheim to close the UN radio transmitter in Cairo which links UN Middle East observation posts, perhaps fearing that it could be used to pass coded intelligence information of use to the Israelis.

31. Nevertheless, Waldheim appears to hope that a sizable UN force will have a role to play in any new Middle East peace arrangement. In this connection he cited the recent Nordic countries' offer of a 4,500-man contingent to serve with such a UN force.

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