Authority **E012958**

By SOVARA Date 9 9 63

SECRET/EXDIS

DEPARTMENT OF STATE Operations Center

MIDDLE EAST TASK FORCE

Situation Report #52

Situation Report in the Middle East as

df 1830

U.S.-USSR

Press reports state the White House announced tonight that the U.S. and the USSR have agreed on a common approach to peace in the Middle East and have requested a meeting of the United Nations Security Council later in the evening.

Egyptian Front

There are wide discrepancies between reports from the two sides on the fighting in Egypt. Israeli sources report that their forces now are mopping up a 500 square mile area on the west bank of the Canal. They state that one wing of the northern task force has reached the outskirts of Ismailia and the other wing has cut the main Cairo-Ismailia road and rail links, thereby threatening a major Egyptian supply base further west. The central task force, 20 miles west of the Canal, has not extended itself. Two wings of the IDF southern task force are reportedly blocking the southern Cairo-Suez road with artillery fire so that no trains or daylight traffic are able to pass to or from Suez. The Egyptian Fourth Division, engaging the southern column, has mustered approximately 200 tanks, while 300-400 Egyptian tanks are dispersed along the east bank. If the Israelis manage: to cut the Cairo-Suez route and continue to block the Cairo-Ismailia road, DIA estimates the Egyptian forces on the east bank would have only three to five days supplies remaining.

An Egyptian spokesman, in the first Egyptian military briefing of the 16-day old war, said that the Israeli bridgehead was barely six miles inside Egypt, that it had been chopped up into two pockets, and that they were being attacked by thousands of Egyptian soldiers.

Syrian Front

There was limited fighting in Syria. However, a report from a sensitive source indicates the Syrians hope to launch_

SECRET/EXDIS

3/S (3) 17S-I :/s-M :/S-S :/PC IEA B BUR

:0

F

LF/N

1/PRS

SCA

Y

CI

L/WLG M NR IH (LDX) OD (LDX) MA (LDX) ISA (LDX) A/HO :/CCT

SECRET/EXDIS

an offensive within the next 48 hours to regain the October 6, 1973 lines. Also, Jordan plans to move a second brigade into Syria October 22.

Other Arab/Israeli Developments

Boumedienne today called on all western European countries to prevent shipment of arms and volunteers to Israel through their territories. An intelligence report indicates that because of U.S. support for Israel Arafat may be rethinking his decision at the beginning of the war not to sanction fedayeen terrorist operations against the U.S. Eban told Ambassador Keating October 21 that the GOI has no intention of "opening a front on Jordanian territory," Regarding continued rocket attacks from Lebanon, Eban said the Lebanese have been lucky so far, but should not push their luck.

Oil

A report from Aramco states that although Saudi Arabia has cut oil production by 10 percent based on September production, the cut is in fact nearly 20 percent if one starts with October production rates, which are significantly higher than September. Loss to world production will be 820,000 barrels per day off the September rate plus 600,000 barrels from the October production increase underway. Aramco has ceased to load any tankers with U.S. destinations, thus halting the September flow to the U.S. of 600,000 barrels per day. If Saudi Arabia implements its ban on indirect shipment to the U.S. through Caribbean refineries, the immediate loss to the U.S. from Aramco sources alone could be one million barrels per day, or about 5.5 percent of lu.s. consumption. Cuts by other Arab countries could bring another one million barrel per day cut for the U.S. immediately. Also, cuts in U.S. imports could be much higher if normal shipments of fuel from Canada and Europe dry up in the world shortage.

Evacuation

The Emergency and Evacuation situation remains as reported previously, e.g., all reporting posts indicating evacuation not necessary at present. However, relative to Cairo we have arranged for the M.S. Knossos to standby at Piraeus for immediate saling to Alexandria if required.

APPROVED BY: DEPOTY DIRECTOR FOR OPERATIONS

SECRET/EXDIS

2