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**National Intelligence Bulletin** October 17, 1974ISRAEL

Leaders of Israel's ruling Labor Alignment apparently are attempting to avoid a major confrontation with former defense minister Dayan over the issue of territorial concessions to Jordan. [REDACTED]

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Dayan and three of his Knesset colleagues from Labor's Rafi faction signed a petition, circulated last week by the opposition Likud bloc, calling on the Knesset to go on record as opposing a reversion of West Bank territory to Arab rule. The petition was precipitated by Prime Minister Rabin's suggestion earlier this month that Israel should be ready to give up parts of the West Bank in return for a Jordanian guarantee of non-belligerency.

At a meeting of Alignment leaders and Knesset members on October 15, Dayan and the three other Labor signatories reportedly were severely criticized for their action. Apparently no action was taken against them, however, and Rabin has not spoken out on the matter.

The open challenge to Rabin's position and the former defense minister's public defense of the challenge before a television audience on October 14 revealed the deep divisions within the Labor Alignment over the future of the West Bank. [REDACTED]

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Adopting one of his more uncompromising stands on the subject, Dayan said he would vote for any Knesset resolution opposing the return of the West Bank to a "foreign regime," including "Jordan, the Palestinians, or even the British." He said he opposes:

--any territorial partition of the West Bank;

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--any agreement preventing Jews from settling anywhere on the West Bank;

--any agreement obliging the Israeli Defense Force to withdraw from West Bank areas it believes ought to remain under Israeli military control.

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Even if a government split is avoided, Dayan's signature on the petition and his public defense of it are at least an embarrassment to Rabin and a boost for efforts by the Likud and the National Religious Party to place the Knesset on record as opposing Israeli territorial concessions on the West Bank.

Dayan's actions also serve to strengthen the hand of National Religious Party elements opposed to joining the present government, thus further complicating Rabin's already difficult task of working out a compromise arrangement to bring the party back into the coalition. Rabin on October 15 reportedly extended an official invitation to the Religious Party to join the cabinet. He said no decision on West Bank territorial concessions had been made, and national elections would be held before any decision is taken on Israeli withdrawal from the West Bank, if one of the coalition partners requests them.

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GREECE

Foreign Minister Mavros resigned on Tuesday so that he can devote full time to the election campaign of his party, now called the Center Union - New Forces. In stepping down, Mavros noted that "no developments were foreseen" on the Cyprus issue until after the parliamentary elections on November 17.

Mavros recently told the US ambassador that Cyprus would be a major campaign issue. He said the question of a "purge" of those individuals who had collaborated with the military regimes over the past seven years was also a difficult campaign problem. Mavros believes that a half-hearted drive toward "de-juntaization" would draw attacks from the left, while too vigorous a purge would add to disquiet on the right. He did not think anti-Americanism would be a dominant issue.

Mavros claimed that his party and the New Democracy Party, led by Prime Minister Karamanlis, had already agreed to form a coalition after the elections. He seemed confident that together the two parties could get 70 to 75 percent of the vote. He added that it was even possible Karamanlis could win an absolute majority in the 300-member parliament because of the proportional representation system; even so, he said they had agreed to combine forces after the elections.

Mavros confirmed that Karamanlis had decided to take an "absolutely neutral" stand on the return of King Constantine. As a result, he thought it unlikely that the Greeks would vote for the monarchy in the referendum that will follow the elections.

An official of the Soviet embassy in Athens [redacted] has told a US embassy officer that Moscow hopes the Center Union will win enough seats to deny a majority to Karamanlis. He said the Soviets think Karamanlis is now the right man for Greece, but that he would be unlikely to heed advice

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from other leaders if his party won control of parliament. The Soviets probably fear that a strong Karamanlis would be less susceptible to leftist pressure.

The Soviet forecast is that Karamanlis will win 140 seats, the Center Union - New Forces 100, and the United Left and Papandreou a maximum of 40. The right-wing National Democratic Union and the independents would split the remaining 20 seats.

Meanwhile, new political groups continue to appear. A monarchist "Royal National Front" has been formed and former Center Union deputy Nikitas Venzelos has been floating the idea of re-establishing the Liberal Party. Greece's last prime minister before the coup in 1967, Panayiotis Kanellopoulos, has announced that he will not participate in the elections as has former prime minister Markezinis, leader of the Progressive Party.

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TURKEY

Caretaker Prime Minister Ecevit, who is now engaged in his second round of talks aimed at forming a new government, met with Justice Party leader Demirel on October 15 to propose a variety of solutions to the month-old government crisis, according to the press. Almost all of the proposals are linked to holding an election in either the spring or fall of 1975. Opposition leader Demirel said he would need at least ten days to respond.

[redacted] Ecevit's basic offer calls for an agreement between the two parties to push a revision of the national election law through parliament that would eliminate the small splinter parties. This would be followed by formation of either a minority government by Ecevit's left-of-center Republican People's Party or a coalition between that party and the conservative Justice Party which would govern until new elections could be held in July 1975. Such an offer would be attractive to Demirel because it would enable the Justice Party to increase its seats substantially. [redacted]

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EC

The EC finance ministers will meet next Monday to discuss a Commission plan for Community borrowing to finance members' oil-related payments deficits. The West German cabinet yesterday decided to back a Community loan plan, removing the last major obstacle. Bonn's decision means that some form of EC recycling mechanism could be implemented before the end of the year.

The Commission's plan, drawn up at the request of the finance ministers, would give the ministers the power to float an EC-guaranteed loan whenever they decided that a member's request for funds was justified. The Council would also set repayment terms and conditions for the use of the funds.

Bonn will seek strict conditions in return for giving its backing to an EC loan plan. In announcing the cabinet's decision, Finance Minister Apel said that Germany's liability would be limited to 44 percent of loan proceeds. Bonn also wants to limit next year's borrowing to \$3 billion. Finally, West Germany will seek assurances that the funds will be used to cover oil-import payments, rather than finance increased government spending abroad. Bonn's ability to guarantee a portion of the loan is subject to parliamentary approval. Apel indicated that the resulting debate would be helpful in bringing into the open the many fundamental political and economic issues involved and their importance for the EC's future.

Although approval of a Community recycling effort now seems assured, Apel indicated that the West Germans would continue to press for a broader solution to the international recycling problem to supplement any Community loan scheme.

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FEDAYEEN

The Popular Front for the Liberation of Palestine (PFLP), one of the major fedayeen groups rejecting a peaceful solution to the Middle East question, is under pressure from several quarters to relent in its opposition to the moderate Palestine Liberation Organization.

Iraq, one of the PFLP's principal supporters, reportedly has agreed to channel its financial support through the PLO, thus making the PFLP dependent on the PLO for a major portion of its finances. Leaders in Iraq have apparently told the PFLP that for the sake of Palestinian unity, it should remain in the PLO.

PLO and Fatah leader Yasir Arafat, following his recent success at the UN, has indicated that he not only opposes terrorism such as hijacking, but will take steps to prevent it. There are indications that Fatah may already have taken such action.

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The Soviets too are apparently pressuring the PFLP to moderate its policy. Moscow believes the fedayeen should unify and has gradually been increasing its support for PLO policies.

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Habbash may believe that to accept PLO policy would create serious internal strains and threaten the viability of the PFLP as a radical organization. He apparently feels that continued terrorist operations would gain him increased support from the radical fedayeen, and therefore further violence is possible.

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Prime Minister Bhutto is claiming that the 20-month-old tribal insurgency in Baluchistan Province is largely over. In a radio broadcast this week, Bhutto declared that, as a result of recent army operations in the province, most of the insurgents either had been captured or had voluntarily accepted his offer of amnesty for all who surrendered by October 15.

Bhutto acknowledged, however, that "remnants" of the insurgent movement are still at large. He has given these remaining rebels until December 15 to accept the amnesty offer.

Bhutto is likely to hold off any major new military operations to see if the diminished number of holdouts, together with the onset of winter weather, leads more of them to come down out of the hills and lay down their arms before the new December deadline.

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The problem of insurgency in Baluchistan probably has not been resolved permanently, however. Many tribesmen retain their long-standing interest in preventing Islamabad from establishing full control over the province. The government has probably been exaggerating the extent of the recent surrenders, and some of those who have accepted the amnesty offer may well resume insurgent activities later.

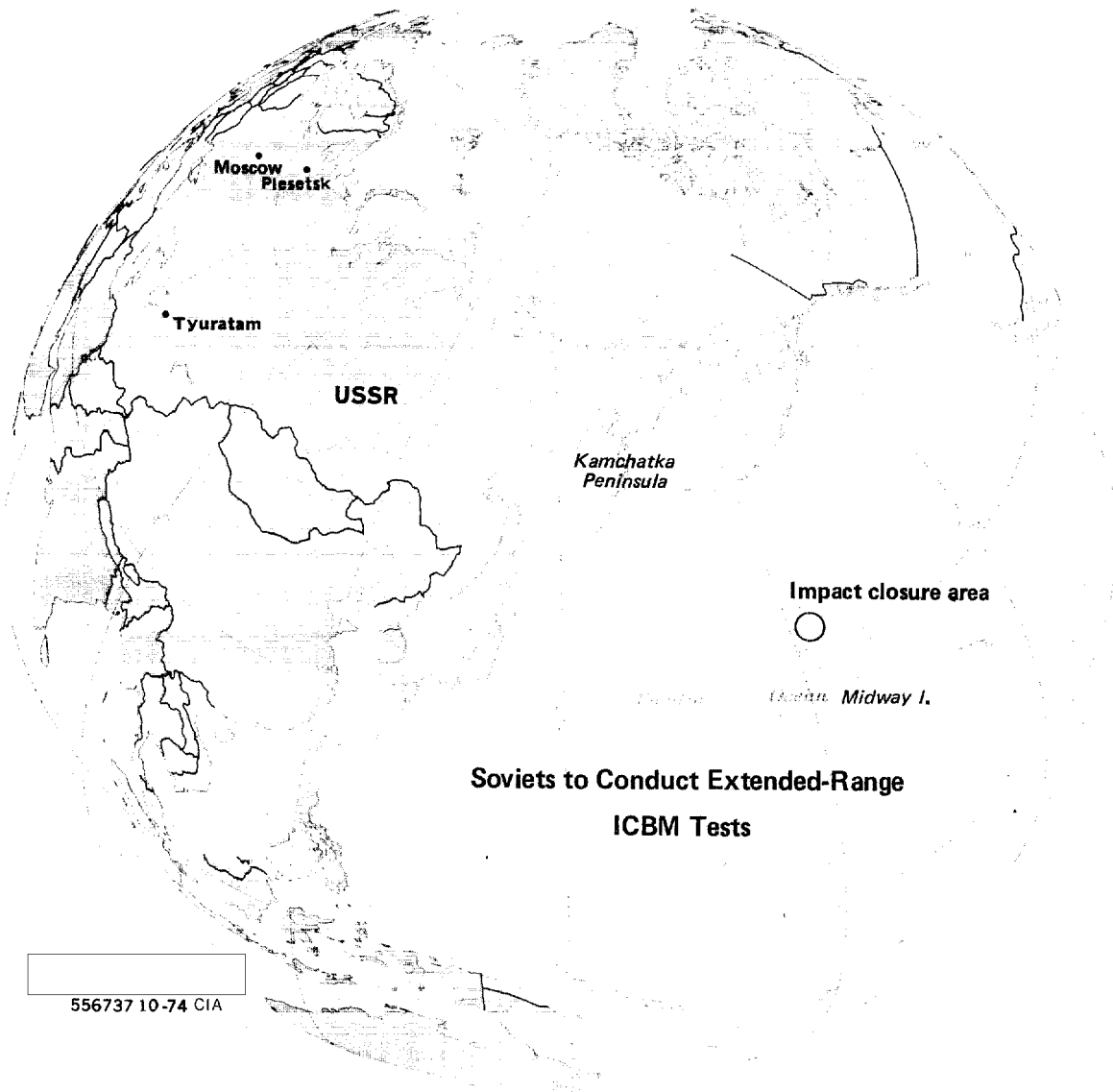
Given Baluchistan's mountainous terrain and primitive communications, complete government control over the province is difficult to establish by military means. Bhutto has been trying to win the loyalty of the Baluchis through increased spending on their economic development--Baluchistan is the country's most backward province--but it will probably take years before these efforts can have any significant impact.

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Neighboring Afghanistan's propaganda in support of the Baluchi rebels will probably continue, but it might become less intense as long as Bhutto does not launch any new military operations in the province. There have been signs lately that both Pakistan and Afghanistan, at least for the present, have toned down their rhetoric against one another.

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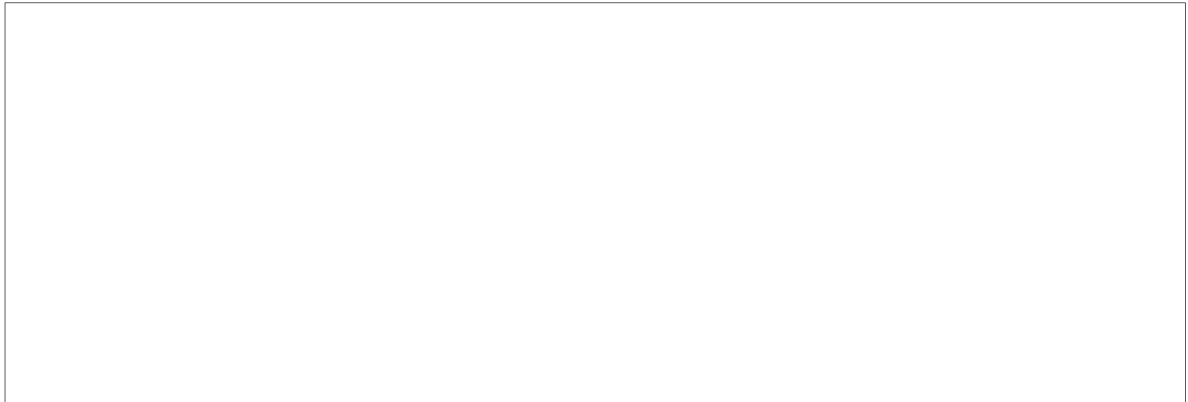
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USSR

The Soviets are preparing for a second round of extended-range missile tests to the Pacific this month. Moscow announced yesterday that an impact area some 400 miles north of Midway Island will be used between October 20 and 30 for missiles launched from the USSR.

The impact area is about 5,000 nautical miles from the launch center at Tyuratam and about 4,700 nautical miles from the Plesetsk center. Its size--260 nautical miles in diameter--suggests some of the tests will involve MIRVs.



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## FOR THE RECORD

USSR-Poland: Soviet media have given prompt approval to Polish party chief Gierek's official visit to the US. The coverage accorded the trip was extensive, and the commentaries have singled out for special emphasis the "constructive character" of the talks, the bilateral statement of principles, and the economic agreements that were signed. The commentators stressed that such economic cooperation is fundamental to the process of detente. [REDACTED]

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Spain-Portugal: Madrid has issued a statement announcing that it will not tolerate any political activity by a group of right-wing Portuguese politicians reported to be living in Spain. The Spanish Foreign Ministry issued the statement yesterday after a right-wing newspaper claimed that the "Portuguese Government of the Silent Majority in Exile" had been established in Madrid. According to a communiqué allegedly released by the exiles, the organization will struggle for "the liberation of the fatherland from...international communism...and traitors to the Salazar regime." The communiqué reportedly also expresses the group's gratitude to Spanish rightists for their support and hospitality. The US embassy in Madrid is attempting to confirm the authenticity of the exiles' communiqué. [REDACTED]

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