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### 17 September 1981

MEMORANDUM FOR: Chairman, National Intelligence Council

FROM:

Director of Central Intelligence

SUBJECT:

Upsurge of Anti-American Terrorism

- 1. The 17 September draft on the upsurge of anti-American terrorism isn't a bad start, but I wish you would weed out the remnants of the old approach which is whether the Soviets are responsible for the whole business or not. The focus of this should be operational:
  - --What are the groups which are functioning today?
  - --What do we know about their strength, focus, thrust and techniques?
  - --What are their interests, where would they be most likely to strike, and what motivates them?

The Soviet interest in supporting, encouraging and exploiting should be considered—but only as part of the whole picture. The contagious nature of the phenomenon should be developed, i.e., the success of anti-government terrorist assassinations in Iran stimulated people elsewhere. The history and scale of earlier efforts should be looked at as a guide to what may be happening today, particularly in Libya. The various elements of the PLO should be carefully identified and distinguished. This in itself will be helpful in policy responses to the PLO.

2. See the piece attached from Sunday's New York Times. I assume that we are seeing what we can get out of the FBI, the terrorism group at State, and the terrorism group in our own Operations Directorate. I would like to take a quick look at National Humint Collection Plan No. 46, Terrorism and Revolutionary Violence, published in July 1981. I would think that selected Station Chiefs would have a good feel as to indicators that the probability of terrorist action is on the rise, as well as on the perfunctory mode of action for various Bolivian, German, Syrian, Italian, Japanese, and Cuban terrorists, as well as those operating for various insurgencies. I am passing along also some material I got together yesterday for my testimony before the House Permanent Select Committee on Intelligence, in which I didn't go very far into terrorism.

And William J. Casey

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# Challenge to Arafat by Militant Group

Continued From Page 1

Saleh Khalef, better known by his code name, Abu Iyad.

Well-placed sources say that although Abu Nidal is now working with one of the branches of Syrian intelligence, his organization in the past tried twice to assassinate Foreign Minister Abdel Halim Khaddam of Syria. Abu Nidal's organization at that time was under the protection and sponsorship of the rival Baathist regime in Iraq.

The Syrian motivation in supporting the Abu Nidal splinter, while somewhat murky, is believed by Middle Eastern experts to be to keep Mr. Arafat and his organization under Syrian control and to assure that Syrian cooperation is indispensable. The Syrians, diplomats say, view themselves as historically the most important element in the Middle East.

In the past, Syria has frequently acted to insure its dominance over the guerrillas, sometimes by using its own faction of the guerrilla movement, As Saiqa.

Relations betwen Syria and the P.L.O. have been particularly strained in the last several months, according to an Administration official.

Mr. Arafat was said to have been displeased by what he viewed as insufficient Syrian assistance during the Palestinians' clash with Israel in southern Lebanon this summer.

Syrian officials were said to have been unhappy about Mr. Arafat's role in concluding a cease-fire agreement in the Lebanese conflict, which they viewed as another indication of the P.L.O. chief's growing independence. Syrian officials suspect that Mr. Arafat might be willing to strike a separate bargain with Israel.

#### New Round of Violence

In the recent round of incidents, Abu Iyad, who heads Al Fatah's intelligence service, has publicly accused Abu Nidal, who was born Mazen Sabry al-Banna, of the killing of the P.L.O.'s representative in Belgium, Naim Khader, on a Brussels street on June 1. Mr. Khader was an important figure in the Palestinian diplomatic campaign to gain European support.

gain European support.

In a communique issued from Damascus, Abu Nidai accused Abu Iyad of being behind the attempted assassination Aug. 1 of a Palestinian leader, Mohammed Daoud Oudeh, who also is widely known by his code name Abu Daoud. He was shot five times in the coffee shop of the Inter-Continental Hotel in

Mr. Daoud Oudeh is a reputed leader of the Black September organization, which carried out the massacre in 1972 of Israeli athletes at the Munich Olympics and the murder of two American diplomats in Khartoum, the Sudan. He had been little heard from since P.L.O. forces blocked him from leading guerrillas against Israel in violation of the terms of the settlement leading to the withdrawal of Israeli forces from Lebanonafter the 1978 invasion.

#### A Long-Time Split

The split within the guerrilla movement dates from the early 1970's. It involves both the domination by Mr. Arafat's Al Fatah organization of the umbrella Palestine Liberation Organization and the advocacy of some of its leaders for opening international negotiations aimed at achieving a "Palestinian mini-state," possibly, on the West Bank of the Jordan River.

Groups opposing the plan, such as the Portular Formt for the Liberation of

Groups opposing the plan, such as the Popular Front for the Liberation of Palestine, were known as "rejectionists" because they refused any dealings with Israel

In 1974, Abu Nidal broke with Al Fatah over the issue and, from Baghdad, vowed to fight not only Israel but

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regimes" of Syria, Jordan and Lebanon. For the next several years, Abu Nidal's organization, operating under the protection of the Iraqi Government, carried out a series of actions such as the seizure of the Semiramis Hotel in Damascus on Sept. 26, 1976, in which four hostages were killed, and the occupation of the Inter-Continental Hotel in Amman on Nov. 17, 1976, in which three guerrillas, two Jordanian soldiers and three civilians died after a five-hour gun hattle.

#### Assassination Attempts

In a 1978 magazine interview, Abu-Nidal also claimed responsibility for a

mysterious explosion in the second largest Saudi Arabian oil field.

His Black June commandos, named for the Syrian intervention in Lebanon to save the Christian rightists and maintain the balance of power against the Palestinians and leftists, claimed responsibility for assassination attempts against Mr. Khaddam in Damascus on Dec. 8, 1976, and in Abu Dhabi on Oct. 25, 1977.

Relations between the P.L.O. and Iraq deteriorated until Abu Iyad persuaded the Iraqi leader, Saddam Hussein, to restrain Abu Nidal.

sein, to restrain Abu Nidal.

A little over two years ago, Mr. Hussein, as part of his bid for a position of

leadership in the Arab world, ousted several other rejectionist organizations from their sanctuary in Baghdad.

Same Emblem as the P.L.O.

The surfacing of Abu Nidal under the protection of the Damascus regime of Hafez al-Assad thus came as somewhat of a surcrise.

Abu Nidal called his organization the "correct line" of Al Fatah and has also adopted the name of its military branch Al Asifah, or The Storm, for his operations. His communiqués carry the same emblem as that of the regular organization, a mélange of a map of Palestine, rifles and a hand, grenade.

The rejectionist tendency was strong among Palestinian students studying in Europe during the late 1970's, giving Abu Nidal a potential pool of at least dozens of adherents, a sufficiently large number for carrying out terrorist actions.

He is also believed to have picked up some of the remnants of the Libyan-backed commando of Abu Mahmoud, who was killed in a Beirut shootout with Al Fatah police in the early 1970's.
The strength of Abu Nidal's organiza-

The strength of Abu Nidal's organization is estimated at between 50 and 100 supporters.

#### A Killing in Vienna

The first indication of the resurgence of Black June came when the Abu Nidal group claimed responsibility for the assassination May 1 in Vienna of a city councillor, Heinz Nittel, who had been

chairman of the Austro-IsraeFSociety.

In August, two Palestinian guerrillas, now believed to have been associated with Abu Nidal, were arrested at the Vienna airport with a suitcase packed with arms and explosives. The P.L.O.'s permanent representative in Vienna, Ghazi Hussein, who met them at the airport, has been recalled by the P.L.O. for what an official announcement called, "an investigation"

Chancellor Brupo Kreisky of Austria, who has unusually close ties with Mr. Arafat and the P.L.O., has said that the synagogue attack was an attempt by the Abu Nidal faction to discredit the diplomatic efforts of Mr. Arafat.

It is believed that it was Mr. Kreisky's closeness to the mainstream Palestinians that made him a suitable target for the attempt.

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