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~~TOP SECRET~~**1. SYRIAN ARMY REPORTEDLY EXPECTS ATTACK**

[redacted] The Syrian general staff expects "trouble or attack" within the next two weeks [redacted]

[redacted] some reservists have been recalled to active duty and others are to be recalled by 28 September, all leaves have been canceled, and troops reportedly have been moved northward toward Aleppo. Training of the popular resistance organization has been intensified [redacted]

Comment The activities reported would be in line with Syrian press reports of defensive measures, including the imposition of a curfew on road travel in northern Syria.

[redacted]

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2. SYRIAN MINISTER SEEKS \$200,000,000 PRIVATE AMERICAN LOAN

[Redacted]

Syrian Minister of Public Works Kayyali approached an American bank official on 17 September for a \$200,000,000 loan for various Syrian public works schemes.

Kayyali said he preferred not to have the USSR finance all of Syria's development projects, even if the USSR were willing to do so. When asked why he did not approach the International Bank for Reconstruction and Development, Kayyali replied that Syria needs to borrow the entire cost of several projects, rather than only the foreign exchange costs.

Comment	Kayyali has been in the vanguard of those promoting closer economic relations with the Soviet Union. He was the minister who pushed through the Czech refinery deal and reportedly benefited financially for his efforts. Kayyali is probably making an approach to the West "for the record" in order to support charges that the West refuses assistance and therefore Syria is forced to turn to the Soviet Union. It is possible, however, that Kayyali is actually trying to establish a pattern of neutrality by seeking help from both sides.
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3. JORDANIAN GOVERNMENT PLANS TO CONVENE PARLIAMENT

The Jordanian cabinet has decided with King Hussayn's approval to convene the existing Jordanian parliament on 1 October rather than call new elections or continue to rule exclusively by martial law.

The cabinet expects that six opposition members of parliament will not return from exile in Syria, and hopes to obtain court convictions against three more. This would leave 31 members of the lower house, of whom only five signed the anti-Western Nablus declaration during last spring's crisis.

Comment The government apparently hopes that, with the most dangerous opposition leaders out of action, it can evade attempts to overthrow it.

however, recently reported widespread discontent and disillusionment in both East and West Jordan over government policies, as well as disgruntlement in the army over its internal security role. While the convening of parliament may not signal an immediate outburst of opposition, the volume of overt criticism and subversive activity is almost certain to grow rapidly unless the government scores some more striking success than it has yet produced.

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4. ZHUKOV TO VISIT YUGOSLAVIA

Comment on:

Soviet Defense Minister Zhukov's scheduled visit to Yugoslavia on 8 October probably is another Soviet effort to achieve a greater understanding between Yugoslavia and the Soviet bloc rather than an indication of the conclusion of a military assistance agreement between Belgrade and Moscow. Zhukov is the logical exponent of the Soviet position that steps toward further liberalization in the satellites must proceed with caution for security reasons. While Belgrade understands Moscow's desire to move slowly in this area in view of the lessons learned in Hungary, the sooner some satellite regimes are able to manifest a further degree of independence the more secure Tito will feel in his rapprochement with the USSR.

The Yugoslav press describes the visit of Zhukov and several accompanying generals and admirals as returning the one made last June to the USSR by Yugoslav Defense Secretary Gosnjak. There was no indication at that time that the supplying of military materiel was seriously discussed, although the USSR has periodically indicated a desire to supply the Yugoslavs with MIG's.

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5. YUGOSLAVS REPORTEDLY TO RECOGNIZE EAST GERMAN REGIME

[redacted] Belgrade
 [redacted] has advised its representatives in Bonn that it will extend de jure recognition to East Germany shortly. The Yugoslav embassy believes that Bonn will break relations with Belgrade as a result. [redacted]

Comment

[redacted] Bel-
 grade would follow its formal endorsement on 16 September of the Oder-Neisse line with recognition of the East German regime. Such a move would eliminate an outstanding issue between Belgrade and Moscow in the foreign policy field.

Recognition of East Germany would probably disrupt Belgrade's favorable relations with Bonn, particularly in the economic area, and significantly increase Western suspicions regarding Yugoslav protestations that Belgrade intends to pursue an independent course of action.

Polish Deputy Foreign Minister Naszkowski told Ambassador Beam in Warsaw on 21 September that Yugoslav recognition of East Germany is not "immediately imminent," although the Poles had made distinct progress in creating a more sympathetic attitude toward East Germany in Yugoslavia.

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