

~~Top Secret~~

(b)(3)



Weekly Review



(b)(3)

~~Top Secret~~

SC No. 00774/74
23 August 1974

Copy No 636



CONTENTS (August 23, 1974)

The WEEKLY REVIEW, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, and the Directorate of Science and Technology. Topics requiring more comprehensive treatment and therefore published separately as Special Reports are listed in the contents.

Warning Notice

Sensitive Intelligence Sources and Methods Involved

Additional Warning

NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions



(b)(3)

1 Cyprus

**MIDDLE EAST
AFRICA**

- 6 Arab States - Israel: Groping Their Way
- 8 Egypt-Libya: Meeting Produces Little
- 8 Arabian Peninsula: Radicals Shift
- 10 Iran-Iraq: Tensions Rise
- 11 Portuguese Africa: Ups and Downs

**EAST ASIA
PACIFIC**

- 12 Cambodia: New UN Tactics
- 13 Vietnam: Communist Pressure Continues
- 14 Japan: Tanaka's Political Outlook
- 15 Korea-Japan: Assassination Aftermath
- 16 Malaysia: No Election Surprises

**WESTERN
HEMISPHERE**

- 17 Mexico: Major Oil Find
- 18 Panama-Cuba: Diplomatic Relations
- 19 Nicaragua: Once and Future President

EUROPE

- 20 Alternatives to Non-Proliferation
- 21 France: Defense Policy Review
- 21 UK: More Nationalization
- 22 European Communist Conference



(b)(1)

INTERNATIONAL

(b)(3)

- 24 Effect of Oil Money

(b)(1)

**SPECIAL
REPORT**

(Published separately)

(b)(3)



(b)(1)

(b)(3)

~~TOP SECRET~~

(b)(3)

CYPRUS

The fighting on Cyprus wound down this week following a cease-fire—declared on August 16—after Turkish forces had succeeded in gaining control of the northern third of the island. Efforts to reopen the Geneva peace talks have proved fruitless so far, but Greek and Turkish Cypriot leaders have agreed to talks on humanitarian issues that could be expanded to cover political topics. The Karamanlis government in Athens has refused to negotiate unless Turkish forces return to the positions they held on August 9—before the second round of fighting. Meanwhile, Turkish military successes have set off a wave of anti-Americanism in Greece and Cyprus, where it is believed that the US could have blocked the Turkish action. US Ambassador Davies was killed during a demonstration at the US embassy in Nicosia on August 19.

Status of Negotiations

The scheduled meeting between President Clerides and Turkish Cypriot leader Rauf Denktash is the first sign of diplomatic progress after a week of stalemate. The two leaders have agreed to discuss urgent humanitarian issues—such as the massive refugee problem—arising from the Cyprus conflict. Clerides has said that he will not negotiate on the broader political issues until the matter of returning refugees to their homes is resolved, but any indication of flexibility on the part of the Turks could give the Greek Cypriot leader the room he needs to broaden the talks.

It is generally considered by diplomatic observers that any breakthrough will have to come as a result of negotiations between the two Cypriot communities. Athens has rejected all suggestions that peace talks resume between Greece and Turkey, saying it cannot talk in the face of a "fait accompli." The Greeks could probably accept any reasonable settlement made by Clerides, but to make major concessions in direct talks with the Turks would be politically unacceptable for the Karamanlis government.

Cyprus President Clerides and
Vice President Denktash

~~TOP SECRET~~

(b)(3)

~~TOP SECRET~~

For their part, the Turks seem prepared to wait out the Greeks for as long as necessary. Turkish military moves south of the so-called "Attila Line"—which delimits the northern third of the island claimed for a Turkish Cypriot autonomous area—were probably designed, at least in part, to force the Greeks to the conference table. The failure of this gambit has led the Turks to take initial steps toward establishing an autonomous Turkish administration in northern Cyprus. The Turks have indicated a willingness to negotiate on the area of Turkish control west of Morphou and to make minor adjustments in the "Attila Line" elsewhere, but the longer talks are delayed, the more difficult it will be for the Turks to consider moving out of areas presently under their control.

Greek Reaction

The Karamanlis government has remained firm in its intention to withdraw from military participation in NATO, although it has not yet taken any steps to make the withdrawal official. According to NATO Acting Secretary General Pansa, the Greek Defense Ministry has instructed its representative on the NATO military committee that a 15-day withdrawal notice for Greek military personnel will become operative on the date Athens actually issues the recall order. NATO authorities are somewhat encouraged by the fact that Greek officers so far have only received readiness orders, indicating that Athens may be having second thoughts.

The future status of US military forces in Greece is even more unclear. There have been hints that the Karamanlis government will order US forces to leave the country, but government spokesmen continue to deny that such a decision has been made. Restrictions have, however, been placed on US access to certain facilities, and limitations have been placed on US military flights into and out of Athens.

The announcement of military withdrawal from NATO, which was extremely popular in Greece, has strengthened Prime Minister Karamanlis' hand for the time being. He has further

consolidated his control by reshuffling the top echelons of the army and installing military leaders he trusts in the top positions. On August 19, Karamanlis ousted the armed forces chief, General Bonanos, and the army chief, General Galatsanos, as well as several other senior military officers identified with the previous regime. General Arbouzis, who commanded the Greek army contingent in Korea, was called out of retirement to replace Bonanos, and General Davos, former commander of the army corps on the Greek-Turkish border and a critic of the last junta, was named army chief. Former Greek strong man General Ioannidis was not included in the purge, but there is speculation that he will be forced to retire by being passed over in the next round of military promotions.

Anti-US Sentiment

Turkish military successes on Cyprus have sparked an upsurge in anti-American sentiment in both Greece and Cyprus. Demonstrations have now been banned in both countries, but not before US Ambassador Davies' life was taken in an attack on the US embassy in Nicosia and serious threats were made against the security of the US base on the Greek island of Crete.

The attack in Nicosia was apparently planned—possibly by the right-wing EOKA-B terrorist group—and there are indications that one purpose of the violent demonstration was to kill Ambassador Davies. While marine guards and local security forces confronted demonstrators who set a fire within the compound, a machine gun located in a building across from the embassy raked the ambassador's office. The ambassador and a secretary were killed in a corridor outside the ambassador's office where they had sought refuge.

Soviet Political Reaction

The Soviets are trying to square their interest in a unified and independent Cyprus free of NATO links with their desire to avoid alienating Turkey. As a result, they have not committed themselves to meaningful support for any of the contending parties.

~~TOP SECRET~~

~~TOP SECRET~~

(b)(3)



Demonstrators hurl objects at embassy building

Moscow has not openly criticized Ankara because it does not want to risk damaging its longer term interests in Turkey: unhindered passage through the straits, weakening of Turkey's ties with NATO, and a decline of US influence there. The Soviets have told the Turks that they have three basic interests in the final settlement for Cyprus:

- no US military bases to be allowed on the island;
- no partition of Cyprus;
- continued Cypriot independence, whatever the form of government.

The imprecision of the third stipulation appears designed to appeal to Ankara. Some form of federation and a continued Turkish military presence are not ruled out. In addition, Moscow's public support for Makarios, whose return is

unacceptable to the Turks, has diminished considerably during the last few weeks.

The Soviets have been chary about courting the new regime in Athens. Rumors of Soviet-Greek military cooperation notwithstanding, Moscow has failed to give the Greeks any significant support. The Soviets are, nevertheless, still intrigued by the turn of events in Greece. They have applauded Athens' decision to pull its troops out of NATO, and over the longer term will encourage its drift away from the US.

Moscow has been frustrated by its exclusion from all significant diplomatic efforts to solve the crisis. The Soviets have attempted—without notable success—to get more involved through the UN. Soviet press articles continue to demand a greater role for the UN and to say that NATO had failed to settle the Cyprus problem because of "ulterior motives." Soviet criticism of NATO will

~~TOP SECRET~~

(b)(3)

~~TOP SECRET~~

(b)(3)

probably increase as the attempts to reconvene the Geneva peace talks proceed.

Still, the Soviets can take heart from some favorable developments, such as the fall of the Greek military junta and the withdrawal of Greece from NATO, which have been achieved at no cost to them.

Military Situation

After a four-day Turkish advance across Cyprus, both Greek and Turkish forces on the island agreed to a cease-fire on August 16. The Turks, however, continued their advance until August 18 and took an area of high ground near the Nicosia-Larnaca road, which they had declared as an "ancillary objective." Since then, the cease-fire has held with a few minor exceptions.

The major Turkish objective of seizing the northern third of Cyprus—along a line running generally from Lefka through Nicosia to Famagusta—was achieved shortly before the cease-fire was implemented. The Turks' advance had been expected to stop when it reached the southernmost of the two major roads between Nicosia and Famagusta on August 16, but their forces continued toward the besieged Turkish Cypriot enclave at Melousha. By August 18, the Turks had captured the village of Pyroi, thus gaining control of the important Nicosia-Larnaca road. The southward advance finally stopped at the village of Troulli just west of the British base at Dhekelia.

Prior to the cease-fire, the heaviest fighting on Cyprus was north of the Nicosia airport, where Turkish troops attempted to overrun the camp of a 950-man regular Greek army contingent. The Greeks repulsed the numerous attacks despite heavy Turkish air and artillery strikes. Since the cease-fire, there have been no reports of attacks on the Greek camp.

On the mainland, the US defense attache in Ankara reported that a convoy of at least 500 military vehicles moved southwest from Adapazari toward Bursa on August 19. Some of the

trucks carried troops in battle dress, and others were towing artillery pieces and transporting supplies. The destination and purpose of the convoy has not been determined.

(b)(1)

(b)(3)

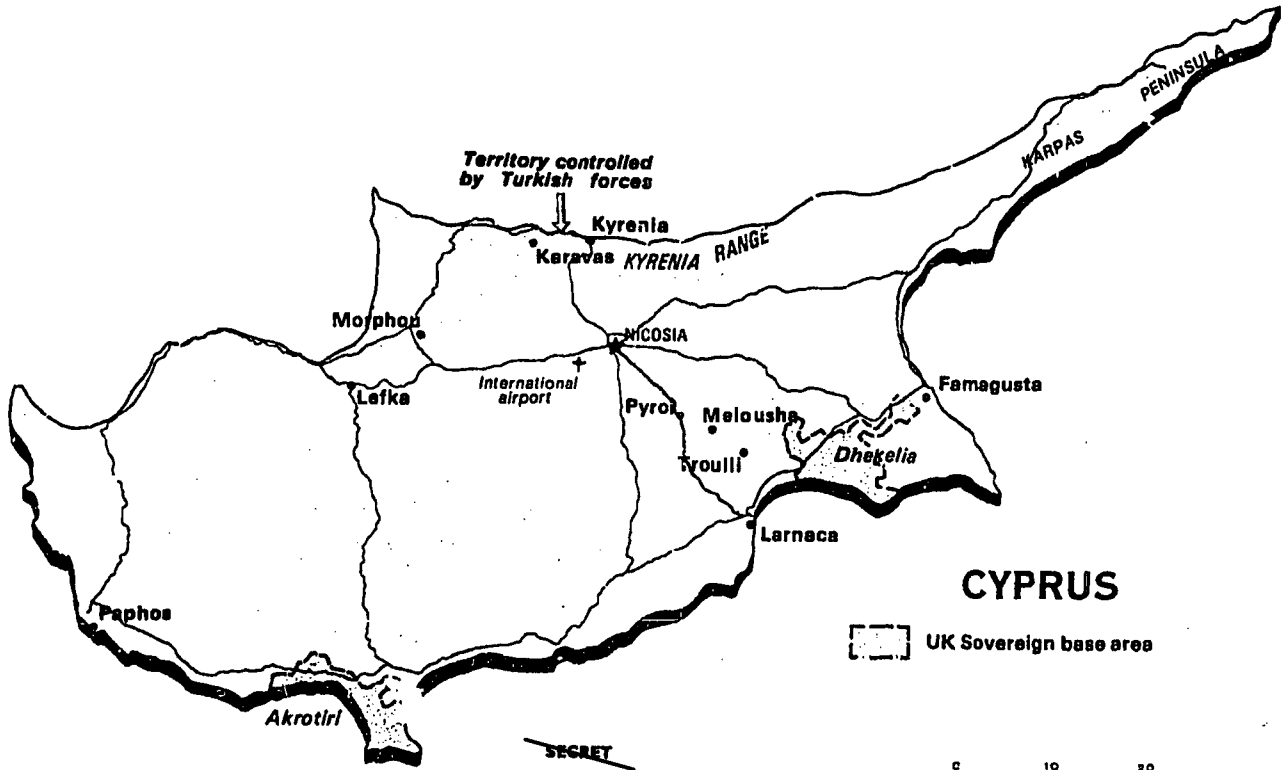
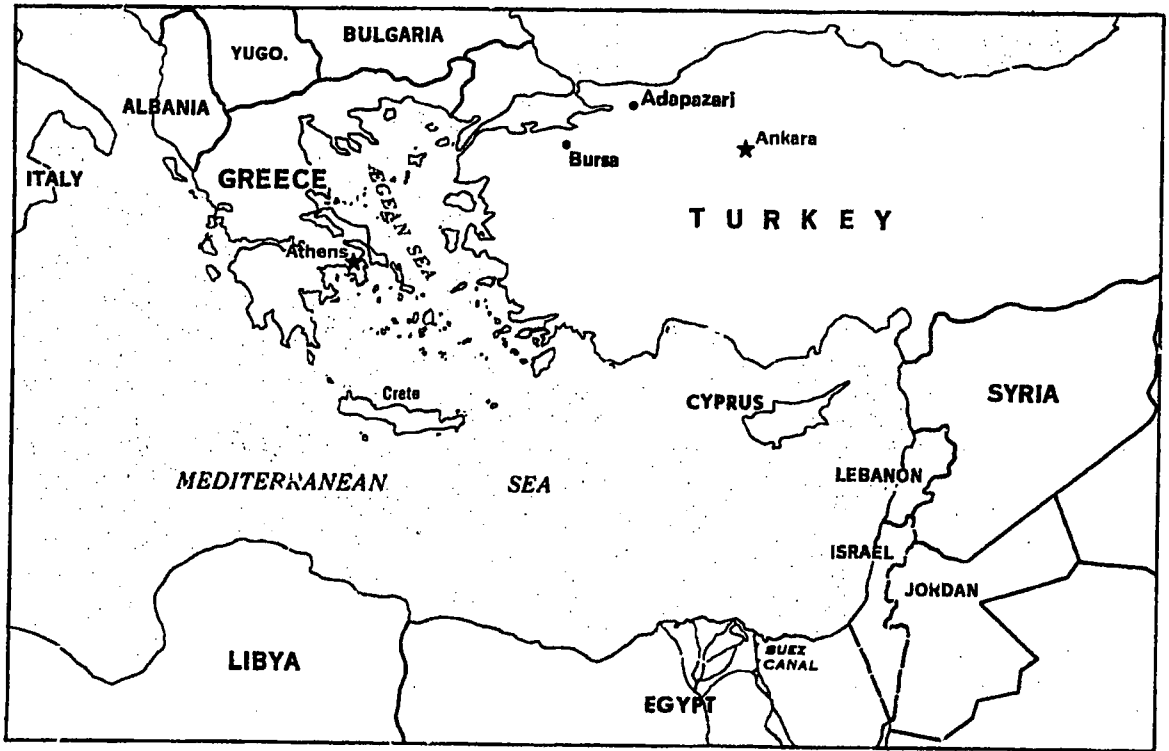


Turkish Chief of Staff Sancar
We are in full control

~~TOP SECRET~~

(b)(3)

~~TOP SECRET~~



~~SECRET~~

~~TOP SECRET~~