

JWP



The President's Daily Brief

August 8, 1974

5



~~*Top Secret*~~ 25X1

Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1), (2), (3)
declassified only on approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

August 8, 1974

PRINCIPAL DEVELOPMENTS

The USIB Watch Report on South Vietnam concludes that a series of indicators points to the possibility of a substantial step-up in military action in the near future. (Page 1)

The Geneva talks on Cyprus resume today with both Greece and Turkey claiming that little can be accomplished until the other lives up to the terms of the agreement reached at the last round. (Page 3)

So far, there has been only limited Egyptian reaction to Israeli military exercises and to Tel Aviv's statements on the possibility of renewed fighting in the future. (Page 5)

King Faysal has pledged to "rush" \$300 million in economic aid to Cairo and has agreed with President Sadat that more inter-Arab consultation is needed before a summit conference convenes. (Page 6)

The deterioration of relations between Egypt and Libya was re-emphasized yesterday when President Sadat released a letter he sent to Qadhafi in which he accuses the Libyan leader of masterminding a campaign of subversion against Egypt. (Page 7)

25X1

[Redacted]
Pakistan [Redacted]
[Redacted] (Page 8)

25X1

25X1

The East Germans appear to have halted, for the time being at least, their harassment of overland travel into West Berlin. (Page 9)

25X1



25X1

FOR THE PRESIDENT ONLY

SOUTH VIETNAM

The USIB approved the following conclusions on South Vietnam on August 7.

In South Vietnam, the current round of communist military action--already fairly heavy in Military Region 1--will certainly continue and may increase. The key indicators of this are:

--In North Vietnam: The North Vietnamese 308th Division (one of the six divisions in the strategic reserve) began about ten days ago to engage in much heavier communications. This suggests that the division may be preparing to move South to increase the level of fighting there.

--In Military Region 1: On August 6, the North Vietnamese 325th Division, the only one of the four North Vietnamese divisions in Military Region 1 that has not been in action in the past few weeks, informed a subordinate unit that the "open fire time for action" (not further defined) would be "K-hour, D-day plus two." Antiaircraft units were instructed to prevent "enemy" aircraft from entering the area so that artillery units could provide infantry support.

--In Military Region 2: The principal communist military headquarters, the B-3 Front, in the Central Highlands has moved approximately 70 kilometers from its normal location in the tri-border area to a location between Kontum and Pleiku cities.

--In Military Region 3: A forward element of the headquarters for communist units in the area substantially increased its communications in August with North Vietnamese and Viet Cong main force units northwest of Saigon. Such an increase in communications normally precedes a step-up in tactical activity.

There are reports--not as yet confirmed by communications intelligence--that the North Vietnamese 5th Division may have moved from Svay Rieng Province in Cambodia back into Tay Ninh Province, South Vietnam.

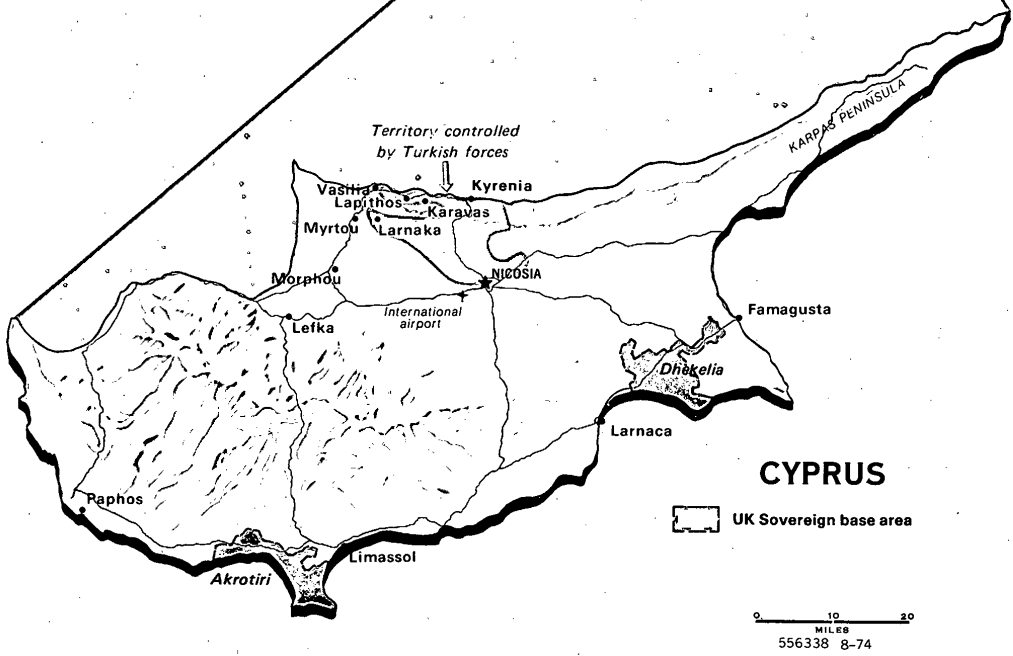
(continued)

FOR THE PRESIDENT ONLY

These indicators, taken as a whole, may presage a substantial step-up in military action in the near term. The fighting is likely to be intense in the extreme northern provinces of Quang Tri and Thua Thien.

Finally, although there has been a gradual build-up in North Vietnamese activities over the past several weeks, the communists' perception of the political situation in the US could tempt them to seek even greater objectives and take greater risks than they originally intended.

FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

CYPRUS

The Geneva talks resume today with both Greece and Turkey claiming that little can be accomplished until the other lives up to the terms of the agreement reached at the last round.

The Turks believe they are being outflanked by the Greeks in the international arena and have increased efforts to counter Greek charges of Turkish cease-fire violations. Foreign Minister Gunes has assured US Ambassador Macomber that all Turkish commanders on Cyprus have orders not to fire, even if fired upon. He claimed, however, that nothing was being done to enforce the provision in the Geneva declaration that the Greeks withdraw from Turkish Cypriot enclaves.

Prime Minister Ecevit announced yesterday that Turkey will propose that Cyprus remain an independent state, but be divided geographically into autonomous Greek and Turkish administrations. Since leaders of both the Greek and Turkish Cypriot communities favor some form of federal solution, the major negotiating difficulties are likely to center on the size of the Turkish autonomous area and the timing of Turkish troop withdrawal from the island.

The Geneva talks are expected to continue at the ministerial level for only a few days before the problem is turned over to lower level diplomats and technicians.

In Cyprus, Greek Cypriot leader Clerides is attempting to remove extreme rightists from the cabinet before he departs for Geneva later this week. The reported resignation of the cabinet on Tuesday has not been officially confirmed. A government spokesman has stated, however, that "preparatory work for the reorganization of the government has started and will be completed this week."

The Cypriot House of Deputies has elected Tasos Papadopoulos to fill Clerides' former post as president of the House. This move tends to

FOR THE PRESIDENT ONLY

strengthen Clerides' hold on the presidency, although technically he is still acting for Archbishop Makarios. Papadopoulos will serve as acting president while Clerides is in Geneva.

* * *

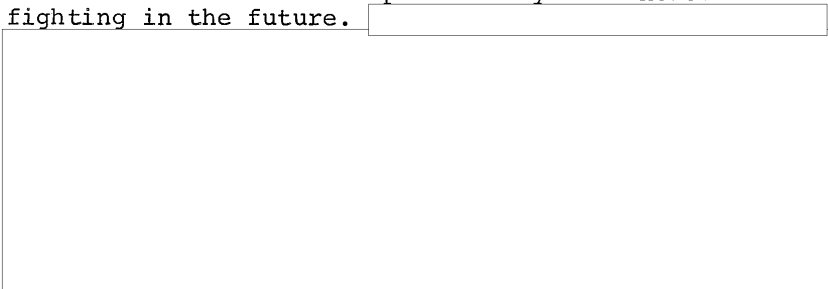
Despite Turkish assurances that firm cease-fire orders have been issued, Turkish troops yesterday continued their march westward along the northern Cypriot coast toward the resort town of Vasilias. The advance forced a hasty retreat by defending Greek Cypriot National Guard elements. The Turkish move is a continuation of the assault that began Tuesday against the towns of Lapithos and Karavas.

FOR THE PRESIDENT ONLY

ARAB STATES - ISRAEL

So far there has been only limited Egyptian reaction to Israeli military exercises and to Tel Aviv's statements on the possibility of renewed fighting in the future.

25X1



25X1

Egyptian Foreign Minister Fahmi yesterday called on Israel to "stop its saber rattling," but acknowledged that Israeli maneuvers might only be part of the army's training. He added, nevertheless, "we in the Arab world see these moves as warlike and we will react in the same way."

* * *

Israeli aircraft attacked fedayeen targets in southeastern Lebanon twice yesterday--the first such raids in about two weeks. The attacks were in the same area in which Israeli and Lebanese troops exchanged artillery fire on Tuesday. This exchange occurred when the Lebanese intercepted a small Israeli force that was searching for abducted Israeli Arab villagers.

FOR THE PRESIDENT ONLY

EGYPT - SAUDI ARABIA

King Faysal has pledged to "rush" \$300 million in economic aid to Cairo. This may be part of the \$1 billion of grant aid previously announced by the Egyptian press. According to the communiqué issued yesterday at the close of the King's nine-day visit to Egypt, economic cooperation will include the establishment of a joint bank and companies to provide building services and investment facilities for joint projects.

Faysal and President Sadat agreed that more inter-Arab consultation is needed before a summit conference convenes. The two leaders suggested that the Arab summit meeting, now scheduled for September 3, be delayed until sometime after mid-October. They indicated a harmony of views on other inter-Arab questions, including the Palestinian issue.

FOR THE PRESIDENT ONLY

EGYPT-LIBYA

The deterioration in relations between the two nations was emphasized yesterday when Egyptian President Sadat published a scathing letter he sent to Libyan President Qadhafi last week.

Libya has been trying to get Egypt to return a squadron of Mirage aircraft on loan since last year, and early this week took "hostage" an Egyptian naval patrol squadron visiting Libya in order to gain the release of the Mirages. This action appears to have caused Sadat to publicize his letter, which accuses the Libyan leader of personally masterminding a campaign of subversion against Egypt. Sadat has agreed to return the aircraft, but he has implied, as if to underscore his split with Qadhafi, that Libya's recall of the Mirages will hurt Egypt's defenses.

Sadat clearly would like to have other members of Libya's Revolutionary Command Council do something about Qadhafi. Some members of the Libyan ruling group, however, have been angered and insulted by Egyptian high-handedness on the Mirage issue, and on previous occasions they have defended Qadhafi against criticism from Cairo.

In a possibly related development, Egyptian border guard units near Libya have been placed on a precautionary alert.

FOR THE PRESIDENT ONLY

PAKISTAN

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

FOR THE PRESIDENT ONLY

NOTE

Germany: The East Germans appear to have halted, for the time being at least, their harassment of overland traffic into West Berlin initiated in retaliation for Bonn's opening of the Federal Environmental Office there. East and West German representatives on the transit commission met, at Bonn's request, on August 6, but made no progress. Bonn, which prefers to keep the affair in bilateral channels, probably will make another demarche to the East German Foreign Ministry. Recourse to four-power consultations would amount to an acknowledgment that Pankow could construe the environmental office as a violation of the Quadripartite Agreement.

Top Secret