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The President's Daily Brief

August 24, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

August 24, 1974

PRINCIPAL DEVELOPMENTS

Cypriot President Clerides and Greek Prime Minister Karamanlis have failed to open the way for a resumption of the Geneva peace talks, and the Greeks have accepted the Soviet proposal to take the Cyprus issue to the UN.

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(Page 1)

A majority of the Egyptian cabinet is convinced that President Sadat is favoring the US too heavily and should seek more of a balance in Egypt's relations with the super powers. (Page 3)

The Egyptian civilian network has stopped transmitting weather broadcasts, a step which is highly unusual and could be interpreted as an indication of impending hostilities. We have no reasonable explanation for any Egyptian initiation of hostilities at this time.

(Page 4)

Cairo

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(Page 5)

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Vietnamese Communist propaganda has become more militant since President Nixon's resignation; Hanoi is calling for the forceful overthrow of President Thieu for the first time since the signing of the Paris accords. (Page 6)

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In the wake of Panama's unilateral decision to renew relations with Cuba, several Latin American governments are interested in expediting reconsideration by the OAS of its sanctions against Cuba. (Page 7)

Notes on USSR-Israel, Algeria, Laos, South Korea, and begin on Page 8.

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GREECE-TURKEY-CYPRUS

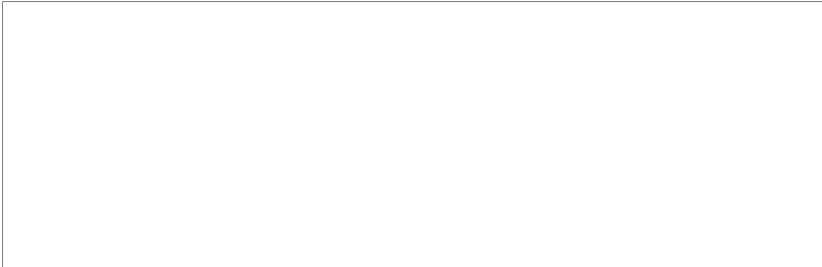
The discussion yesterday between Cypriot President Clerides and Greek Prime Minister Karamanlis failed to open the way for a resumption of the peace talks in Geneva. The two leaders continue to demand that Turkey withdraw its forces to positions held before the second round of fighting.

Despite Clerides' apparent rejection of early peace talks, he reportedly will go ahead with his meeting with Turkish Cypriot leader Denktash to discuss humanitarian issues. Their meeting, however, will be postponed from today until at least next Monday. In a press conference last night, Greek Foreign Minister Mavros claimed that the two Cypriot leaders could probably resolve the problem if Denktash were not "a prisoner of the Turks." Seeing little hope for such bilateral talks, Mavros announced that the Greeks have accepted the Soviet proposal to turn the Cyprus issue over to an enlarged peace conference sponsored by the UN.

On Cyprus, the US embassy in Nicosia has heard that another demonstration is planned today to demand action on the refugee problem. No major cease-fire violations were reported yesterday, but Turkish forces continue to expand their holdings modestly.

There have been no further signs of a build-up of a Greek expeditionary force for deployment to Cyprus, and the new chief of the Greek armed forces has said that there would be none, pending completion of a study on the precise mission and the probable survival rate of such a force.

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Growing Greek concern over future procurement of military supplies--particularly naval and air force equipment--has been noticed by US military

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representatives in Greece. Officers of the US military assistance group have found their Greek counterparts cordial and cooperative in recent days.

As awareness of the long-range repercussions of a withdrawal from NATO sinks in, the Karamanlis government may begin seeking a face-saving way to reverse its decision. Domestic political problems will make this difficult, however.

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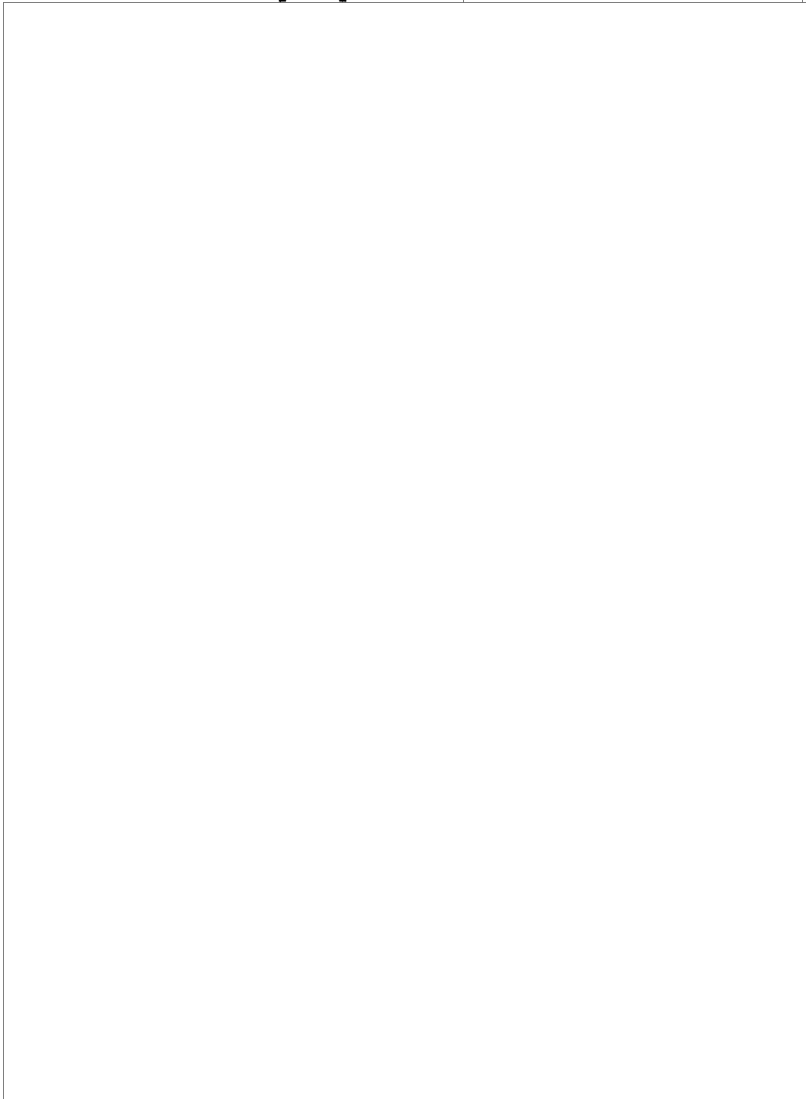


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EGYPT

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A majority of the Egyptian cabinet is convinced that President Sadat is favoring the US too heavily and should seek more of a balance in Egypt's relations with the super powers.



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EGYPT

The Egyptian civil weather broadcast network stopped transmitting domestic weather forecasts last night and reports of weather abroad early this morning. These weather broadcasts are normally scheduled hourly. The failure to transmit them is highly unusual and could be interpreted as an indication of impending hostilities. Similar silences have occurred twice in the past year--once just before the October war and once in November during the post - cease-fire war of attrition.

The Egyptians are currently conducting what they have told us is a four-day exercise on the Suez front involving artillery and possibly air defense units.

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EGYPT-FRANCE-USSR



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VIETNAM

Vietnamese Communist propaganda has become more militant since President Nixon's resignation. The basic theme is that the transition of power in Washington, compounded by US economic difficulties, affords Hanoi political and military opportunities. A Viet Cong broadcast of August 12, for example, claimed that President Nixon's resignation was a hard blow for "the Nguyen Van Thieu clique" and that the people of the South should seize the opportunity "created by the enemy's crisis" to deal it "grave setbacks."

Hanoi has begun publicly calling for the forceful overthrow of President Thieu for the first time since the signing of the Paris accords. This contrasts with the Communists' earlier public line that the Thieu government would be replaced in due course through tripartite negotiations involving all the parties in the South.

These statements do not mean that the Communists have ruled out political means as a way to secure Thieu's ouster. Indeed, there have been reports that the Hanoi leadership is anxious for a new round of talks with the US. It is evident, however, that Hanoi has become increasingly disenchanted with its political prospects in the South and may now have decided to try to force Thieu, and the US, into negotiations through military means.

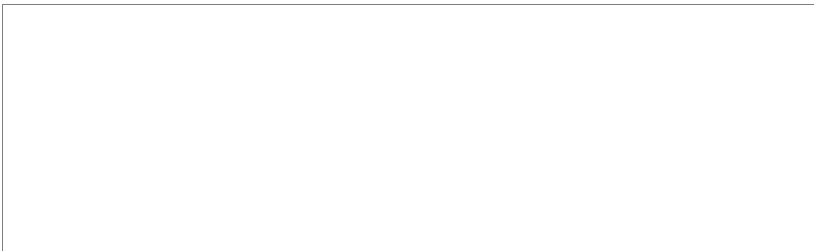
At the least, the shifts in Hanoi's propaganda suggest a continuation of the relatively heavy military pressure now being placed on government forces. They could also mean that the Communist high command has decided on a policy of gradually increasing the intensity of its attacks to test the firmness of US support and the effectiveness of government forces. Such sustained military pressure could ultimately culminate in a large-scale offensive, although the available evidence indicates that such a campaign is unlikely at least for the rest of the year.

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LATIN AMERICAN - CUBA

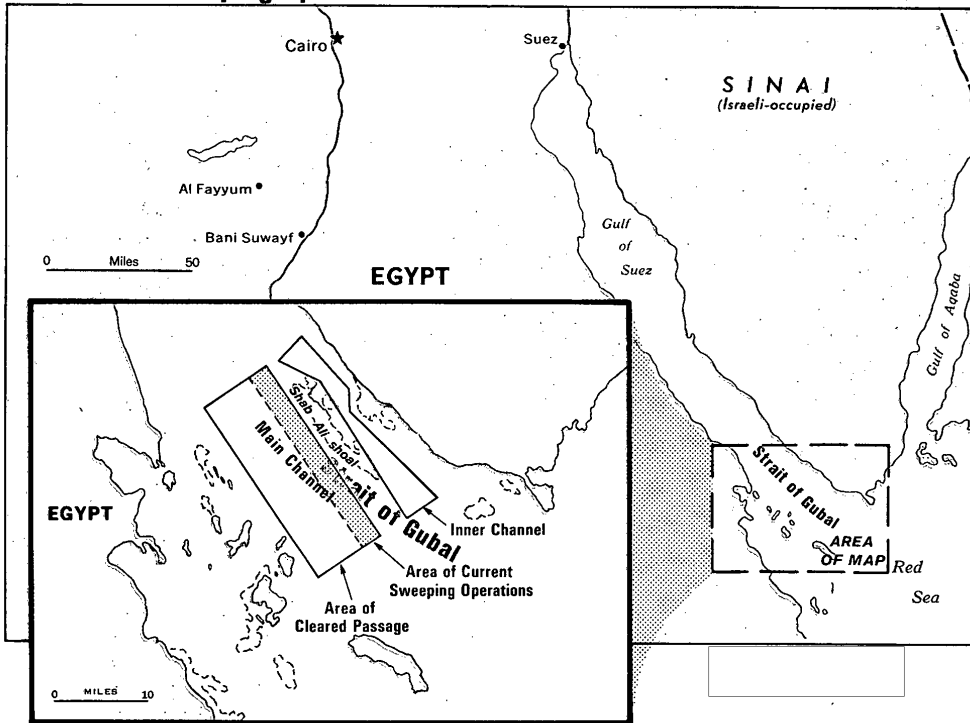
In the wake of Panama's unilateral decision to renew relations with Cuba, several Latin American governments are interested in expediting reconsideration by the OAS of its sanctions against Cuba.

Venezuela, Colombia, and Costa Rica believe the organization must act soon to prevent further defections from the sanctions policy, moves which they see as undermining the foundations of the inter-American system. They believe that the sanctions policy may have outlived its justification, but that it is better to reconsider that matter in an orderly way rather than watching Castro pick off OAS members one by one.



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Soviet Minesweeping Operations in the Strait of Gubal



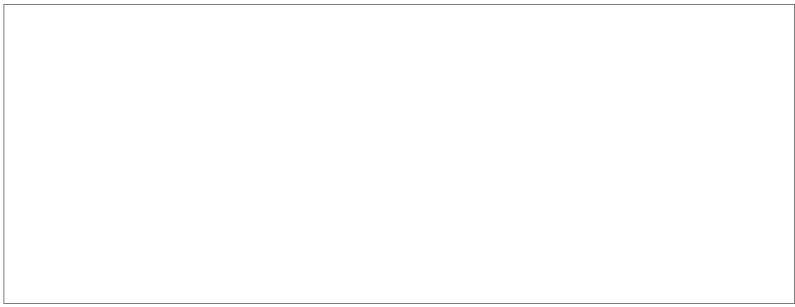
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NOTES

USSR-Israel: On August 21, Soviet minesweepers began operations in the main channel of the Strait of Gubal in areas toward the east that Israel presumably views as under its control. No Israeli reaction has been reported thus far. No clearing has begun on the inner channel situated still further to the east and entirely within Israeli-held territory. Since the minesweeping operation began in July, Israeli fighters have reacted to but have not challenged Soviet helicopters that apparently intruded into the Israeli-controlled area. Israel may overlook any intrusions now, however, since clearing of this section of the strait will benefit Israeli shipping as well as that of other nations. Tass announced on August 16 that a two-nautical-mile-wide passage, which is entirely within Egyptian territory, had been completely cleared.



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Algeria: President Boumediene--a leading spokesman for Palestinian rights--this week reiterated his country's support of the Palestinian cause and rejected a role for Jordan in Middle East peace talks. Boumediene's stand will further complicate President Sadat's efforts to accommodate Palestinian and Jordanian approaches to negotiations. Indeed, Boumediene's position appears less compromising than that of Palestinian leader Arafat and will strengthen those Palestinians who oppose him.

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Laos: The Lao Communists proposed earlier this week that the long-delayed exchange of prisoners of war begin on September 12. Non-Communist members of the responsible government commission have generally concurred in the plan. Neither side has mentioned which nationalities of prisoners will be released, but the first group on both sides will probably be Laotian. An estimated 170 North Vietnamese prisoners are held by the non-Communist side, while the Pathet Lao hold some 640 Thai soldiers and one American, civilian contract pilot Emmet Kay. The chances for the latter's release are slim, however, because the Pathet Lao have consistently maintained that Kay was captured after the Laotian ceasefire agreement was signed. In return for Kay's release, the Communists may want to obtain political concessions from the US, such as a cessation of US aerial reconnaissance flights over Laos.

South Korea: President Pak yesterday ordered the immediate lifting of two of the four "emergency decrees" that have provided the legal basis for repression of dissent in South Korea since early this year. The action was accompanied by a presidential statement appealing for unity and "national consensus" to meet the continuing threat from the North. The newly elected leader of the main opposition party, who is considered a strong critic of Pak, welcomed the action but called for further moves to open the domestic political dialogue. Pak's latest move may ease many of the domestic and foreign pressures that have afflicted him in recent months, but many of his domestic opponents will not be reconciled so easily. Pak, of course, retains ample means of containing and suppressing them.

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