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The President's Daily Brief

August 27, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

August 27, 1974

PRINCIPAL DEVELOPMENTS

Cypriot President Clerides and Turkish Cypriot leader Denktash have agreed to hold weekly meetings to discuss humanitarian problems on the island. Athens and Ankara continue their diplomatic maneuvering-- Athens apparently to delay negotiations, and Ankara to resume them at an early date. (Page 1)

Israel's nationwide practice mobilization apparently ended yesterday. [redacted]

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[redacted] the Israelis report that the Syrians have also increased their readiness posture. (Page 2)

French [redacted]

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[redacted] (Page 3)

The Soviets launched Soyuz 15 yesterday. (Page 4)

At Annex, we discuss Australian Prime Minister Whitlam's Labor government and the more distinctive Australian cast it seeks to give to foreign policy.

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CYPRUS

Cypriot President Clerides and Turkish Cypriot leader Denktash agreed yesterday to meet every Monday to continue the discussion of humanitarian problems. UN Secretary General Waldheim indicated that progress was made in facilitating the movement of foodstuffs and reuniting broken families on a case-by-case basis. Waldheim hopes that in time the discussions will slip into political topics.

In Athens, the Karamanlis government reportedly expressed "agreement in principle" yesterday with the Soviet proposal to move the Cyprus problem into a UN framework. There are growing indications that the Greeks' refusal to reopen the Geneva talks as well as their qualified acceptance of the Soviet proposal are delaying tactics designed to improve their negotiating position. Karamanlis may also hope to hold off the inevitable concessions the Greeks must make until domestic frustration begins to subside.

Turkish maneuvering, on the other hand, is aimed at the earliest possible resumption of talks toward a political settlement. Foreign Minister Gunes told US Ambassador Macomber last night that Ankara would reject the Soviet proposal. Turkey hopes further negotiations can be limited to Greece, Turkey, Great Britain, and the two Cypriot communities. Warnings from Turkish Cypriot leader Denktash about the possible establishment of an independent Turkish Cypriot state and even the tactical readjustment of the cease-fire lines appear part of an effort to force the Greeks to the bargaining table.

The Turks, in the meantime, are continuing to move unilaterally toward establishing a Turkish Cypriot administration in the occupied territory. Ankara has formed a cabinet-level planning committee, and the Turkish ministers of finance and agriculture visited Cyprus over the weekend to study economic needs there. A career provincial governor has been sent to the island as an adviser.

The Greek Cypriots are having difficulty establishing order. The problem stems both from the mass of refugees and from the strong political views held in some sectors.

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ISRAEL-EGYPT

Israel's nationwide practice mobilization that began on Sunday apparently ended yesterday two hours ahead of schedule.

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Israeli military authorities have noted the Egyptian forces' increased state of alert and have

 also have increased their readiness posture. The Israelis claim that the Syrians have moved into the area adjacent to the UN buffer zone some 25 to 30 tanks in excess of the number permitted under the disengagement agreement. No similar claim was made about Egyptian forces. There is no information at this time to corroborate the Israeli allegation about the Syrians.

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FRANCE

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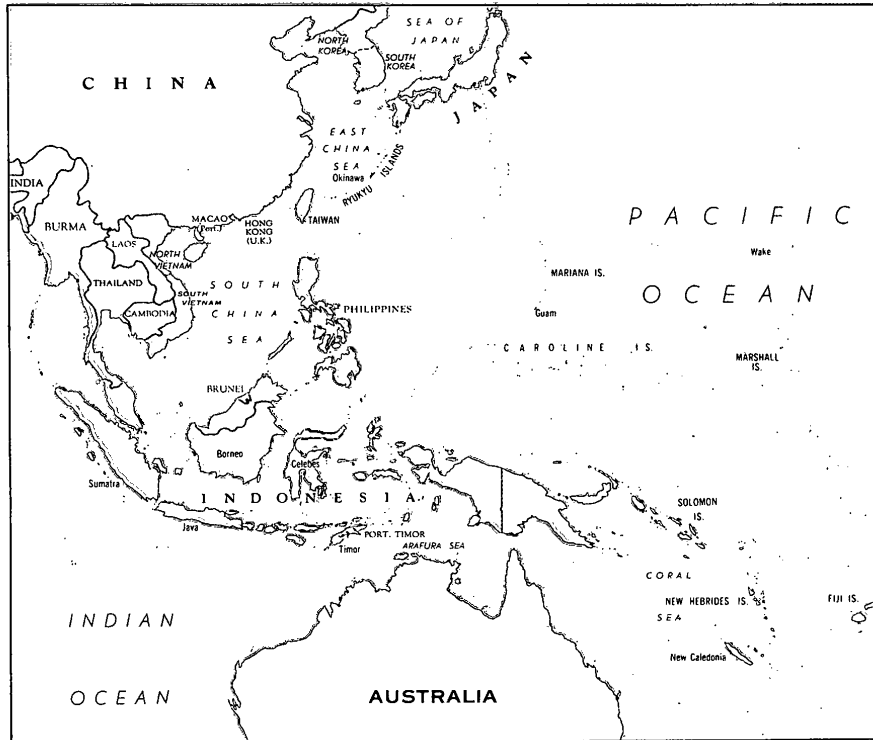
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NOTE

The Soviets launched Soyuz 15 yesterday. The manned spacecraft, originally scheduled to be launched last week, is expected to rendezvous and dock with Salyut 3 later today, and the cosmonauts subsequently will enter the space station. Salyut 3 has been in orbit since June and was occupied by two cosmonauts from Soyuz 14 for 16 days in July.

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AUSTRALIA

The visits to the US of Prime Minister Gough Whitlam and other high Australian officials during the next few weeks will offer new opportunities to gauge the prospects for our close alliance with Canberra. Since taking office in December 1972, Whitlam's Labor government has been trying to give a more distinctive cast to its foreign relations and to break away from the pattern of following the US lead.

This effort appears chiefly in Labor's desire to put US relations on a more equitable footing and to seek stronger ties with Asian states and the third world in general. Like its predecessors, the Labor government is especially concerned to stay on good terms with Indonesia, its potentially powerful neighbor to the north, and has sought, in addition, to reach some accommodation with Asia's communist nations. Reflecting the strong pacifist sentiment of Australian trade unionists, the Labor government has tried to move away from anything indicative of cold war rivalries.

The beginnings of this trend were apparent toward the end of the 23-year tenure of the Liberal-Country coalition--now in opposition--which developed the ANZUS alliance and accepted US defense-related installations on Australian soil.

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Economic Relations

The Australians are not likely to stress economic relations in talks with US officials, but they may wish to bring up export and investment policies. The liberal economic policies under which US investment in Australia after World War II rose to \$6.5 billion--second only to the UK--and the US became Australia's second trading partner have been tightened in recent years. Again, following a trend begun by the more conservative Liberal-Country coalition, the Labor government is seeking to impose greater Australian control over domestic mineral and other resources.

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