

The President's Daily Brief

August 28, 1974

Top Secret

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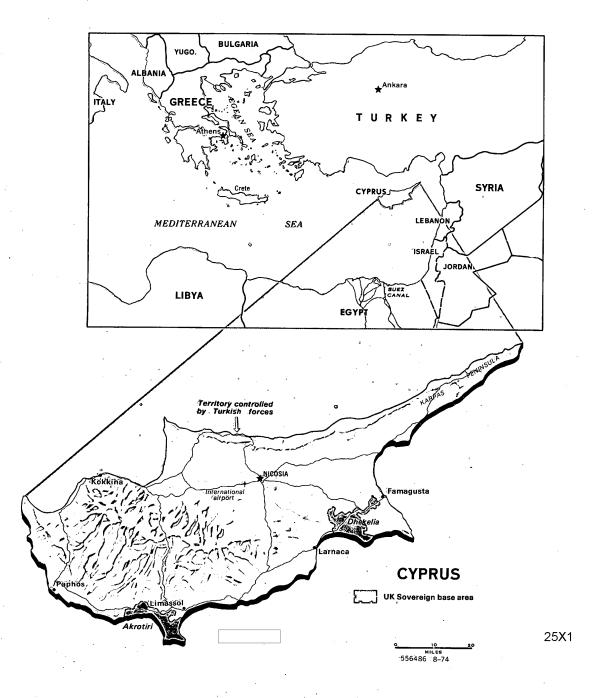
THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

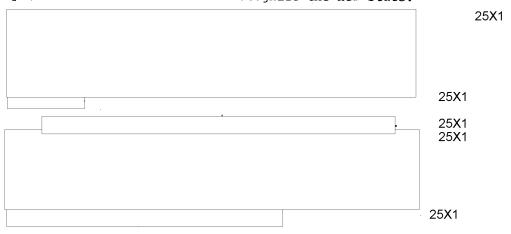
The Turks are moving ahead toward the creation of a Turkish Cypriot republic. (Page 1)	
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The Egyptians have taken steps to improve the posture of their military forces that the Israelis may interpret as inimical to their interests. (Page 4)	
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Syria	25X1 25X1
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/Cambodia	25X1
Page 8.	
Notes on the new Icelandic government, a Khmer Communist - North Vietnamese rice for arms agreement, Cambodian Prince Sihanouk's visit to Bucharest, and the Soviet Soyuz 15 appear on Page 9.	

FOR THE PRESIDENT ONLY



CYPRUS

The Turks are moving ahead with plans for an "Autonomous Turkish Republic of Cyprus." Turkish Cypriot leader Denktash told the press yesterday that a constitution is now ready and that he expected some 30 nations would recognize the new state.



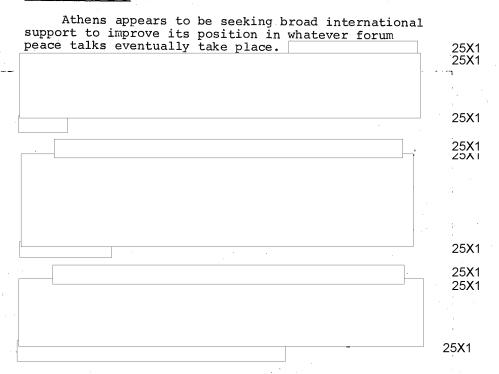
The UN

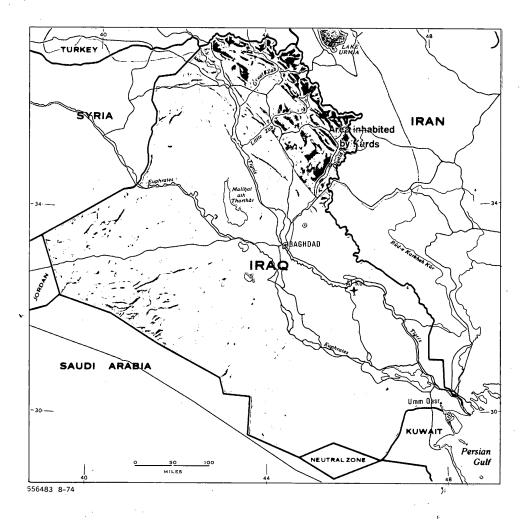
Secretary General Waldheim has continued to voice hope that a common ground will be found that will permit peace talks to begin. He noted, however, after meeting with leaders in Athens and Ankara, that a wide gap remains between the two sides. After traveling to London to convey his findings to the British government, Waldheim told reporters that a foremost order of business would be to reach agreement on a new mandate for the UN peace-keeping force on Cyprus. He said he would first consult with the troop-donating nations before deciding how to bring the question before the Security Council.

Waldheim is expected to report on his trip to the Security Council today. In a related matter, the Cypriot UN delegation has requested a special meeting of the Council to take up the refugee problem. Acting Cypriot President Clerides announced yesterday that his government had accepted the Soviet proposal to bring the Cyprus issue into a UN framework. The Turks have rejected this proposal, but in doing so praised the "constructive attitude" the Soviets have displayed throughout the crisis.

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Greek Strategy

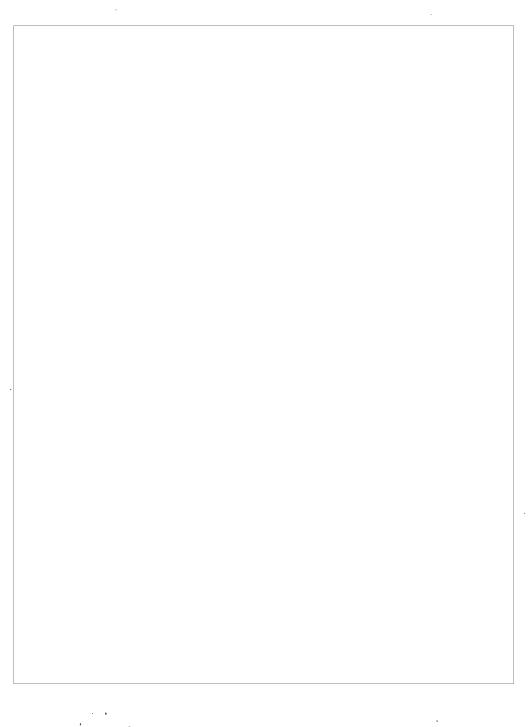




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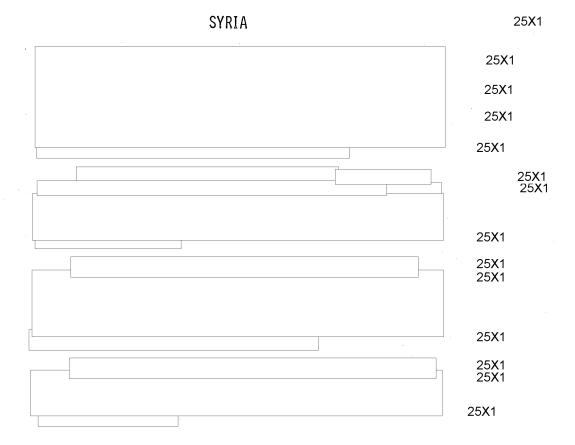
EGYPT-ISRAEL

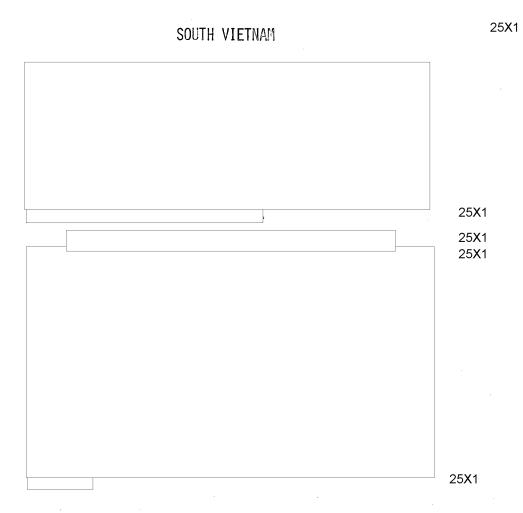
The Egyptians have taken a number of new steps to improve the posture of their military forces that the Israelis may interpret as inimical to their interests. 25X1 the number of antiaircraft positions and the number of tanks and infantry in prepared positions on the west bank yesterday had approximately quadrupled in the previous 48 hours. The source reported that the number of ponton bridges across the Suez Canal had more than doubled from the original six during the same period. The bridges are said to be heavily defended by antiaircraft guns. 25X1 the Egyptians had taken up defensive positions and did not appear deployed to cross the canal in force. We cannot be sure on the basis of this information whether the Egyptian moves constitute a reinforcement of units located in the canal areas or a shift of forces normally stationed there to improved defensive positions. had stated that the bridges across the canal would remain in place 25X1 as long as the Israeli exercises were in progress. Both the nationwide Israeli mobilization exercise and Israeli maneuvers in the Sinai reportedly have concluded. 25X1



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CAMBODIA-UN



NOTES

Iceland: The new coalition government will be headed by the chairman of the Independence Party, Geir Hallgrimsson. He is pro-US and favors retention of the US-manned Keflavik base, probably with some modification of the present agreement. Progressive Einar Agustsson remains as foreign minister and provides continuity as chief negotiator on the base question. In contrast to the past negotiating situation, when Agustsson was buffeted between moderates in his own party and leftists in the Icelandic Communist Party, he may now be able to settle down to meaningful talks. The so-called "non-negotiable" demands submitted last year, however, probably will remain. These demands include hiring more Icelandic nationals at the NATO base, on-base housing for all US military personnel, and separation of civilian and military facilities at the airport.

Cambodia: The Khmer Communists have apparently renewed an arms deal with the North Vietnamese that was first worked out last year. In return for combat materiel from Hanoi, the Khmer Communists sell rice to Vietnamese Communist forces and allow them to transit Cambodian territory along the South Vietnamese border. A recently intercepted Khmer Communist message noted that during the previous dry season, the Vietnamese "fulfilled the duties of transporting equipment to us" and expressed hope that during this year's dry season, deliveries would increase to "tens of thousands of tons."

Cambodia: There is no evidence that Prince Sihanouk and former Cambodian prime minister Hang Thun Hak were in contact with each other last week when they were both in Bucharest. Official statements on Sihanouk's arrival and departure gave no hint of any unusual development, and Sihanouk's interview with New York Times correspondent Malcolm Browne did not change his position on negotiations.

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USSR: The Soyuz 15 spacecraft, launched Monday, will be brought down in the USSR late today. The spacecraft attempted to rendezvous with the Salyut 3 space station yesterday. The docking attempt failed

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