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The President's Daily Brief

August 29, 1974

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Top Secret

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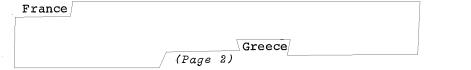
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THE PRESIDENT'S DAILY BRIEF

August 29, 1974

PRINCIPAL DEVELOPMENTS

The UN Security Council debate, which begins today, probably cannot be confined to the issue of refugees. Turkish Cypriot leader Denktash says that he simply wants a federal solution in Cyprus and that he had been misquoted on the subject of an independent state. (Page 1)



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We believe Hanoi may have decided to adopt more aggressive tactics in South Vietnam, but we cannot forecast the precise timing or magnitude of future Communist military operations. (Page 3)

For the past four days, Israeli patrol boats have been intercepting Soviet minesweepers that have entered waters near Sinai claimed by Tel Aviv. (Page 5)

Notes on Egypt-Israel, the USSR, and Laos appear on $Page \ 6$.

FOR THE PRESIDENT ONLY

CYPRUS

The UN Security Council debate today probably cannot be confined to the issue of refugees, according to the US mission at the UN, especially if Secretary General Waldheim's report on findings during his recent trip is presented. There is also a chance that Moscow may try to advance its proposal to involve the Security Council in a peace conference.

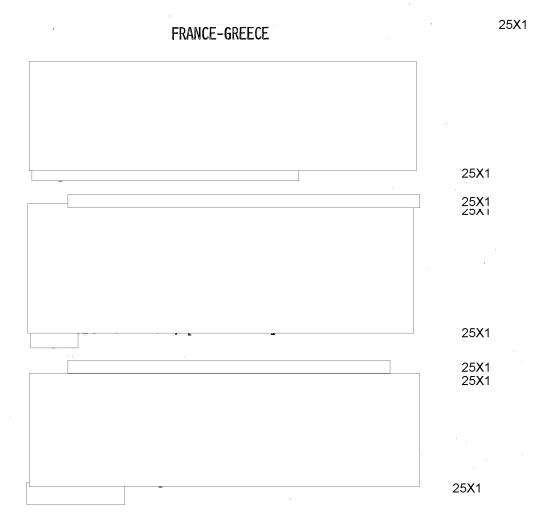
In Cyprus, Turkish Cypriot leader Denktash clarified some of his views for the US embassy in Nicosia yesterday, claiming he had been misquoted on the subject of an independent state. Denktash said he was trying to say that he wants a federal solution, but that if this should prove impossible, the Turkish sector would have to go its own way. Denktash has indeed issued a public statement that he intended no ultimatum and was setting no deadline for the formation of an independent state. Pressure from Ankara may be responsible for Denktash's more moderate tone.

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In Athens, Foreign Minister Mavros has formally requested that the EC renew those aspects of the 1962 association agreement that were suspended after the military coup in 1967. The Greeks are not applying for full membership in the EC, but, depending on how Athens interprets sentiment among the Nine, such a request remains a possibility.

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VIETNAM

We believe that Hanoi may have decided to adopt more aggressive tactics in South Vietnam. Our assessment is tentative, however, and we cannot forecast the precise timing or magnitude of future Communist military operations. The Communists may now see a more favorable strategic balance developing, based in large part on a belief that the transition in Washington will make it difficult for the US to maintain backing for Saigon. For the moment, Hanoi appears more interested in probing the position of your administration than in mounting an all-out military offensive to topple the Thieu government.

--Following the resignation of President Nixon, Vietnamese Communist propaganda has taken on a distinctly more militant cast.

--This change in tone comes against a backdrop of increased Communist attacks. Most reporting points toward more fighting on at least the present scale. The Communists have made some gains and could be in a better position to carry out large military operations next year.

It is possible that Hanoi is preparing to return to the strategy it followed in the mid-1960s, which combined a high level of military activity in the countryside with widespread shellings and terrorism in urban areas. The Communists were then attempting to inflict as much damage as possible on the South Vietnamese army, to erode public confidence in the Saigon government, and to drive the war home to the American public. Their objectives this time would be similar. More specifically, the Communists may hope that a turning of the screws in the South will lead to a new round of talks between Hanoi and Washington.

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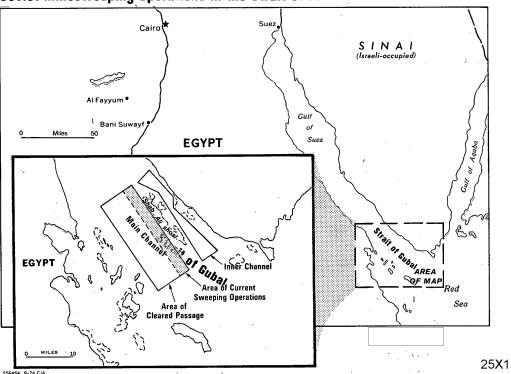
The Communists remain prepared to achieve their long-term objectives through major military action. We have seen no sign, however, that Hanoi has decided on a military confrontation along the lines of the offensive of 1972. We continue to believe that such a move is unlikely at least until early next year, when favorable weather prevails in most of the country. Before it occurs, we would expect to see, and have so far not seen, certain indicators. Specifically:

--The Communists have not infiltrated the large numbers of forces that would be needed to sustain such an effort.

--Hanoi's large strategic reserve, which would almost certainly see action if Hanoi were going to start a major offensive, still shows no sign of movement.

Even without an all-out offensive, however, it is clear that the South Vietnamese government will come under increasing pressure over the next few months.





USSR-ISRAEL

For the past four days, Israeli patrol boats have been intercepting Soviet minesweepers which have entered waters near Sinai that have been under Israeli control since June 1967. The Israelis claim a sixmile limit in the area and have shadowed the Soviet vessels to about three miles offshore before signaling them to turn around. Two minesweepers sprayed the Israeli boats with water hoses on August 27, but there have been no serious incidents.

The Soviets have stated that they are willing to clear the Israeli-claimed channel, but to date they have not formally approached Israel through the UN, as they reportedly intend to do. Israel has indicated it would permit the Soviets to sweep the area if the operation were coordinated with Israeli defense authorities. This may be an attempt by Israel to gain de facto recognition that it controls the inner channel.

NOTES

to be returning to a peacetime posture reflecting Cairo's awareness of the conclusion of Israel's	
mobilization exercise.	25X1
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that at least four of the pontoon bridges across	
the Suez Canal have been removed.	
USSR: The Soyuz 15 spacecraft was brought down yesterday evening after only two days in orbit The Soviets cut short the mission following two unsuccessful efforts on Tuesday to dock with the Salyut 3 space station.	
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Laos: Communist Deputy Prime Minister Phoumi Vongvichit and his non-communist counterpart, Leuam Insisiengmay, are jointly heading the coalition government during Prime Minister Souvanna's absence from Laos. Souvanna counseled Phoumi and Leuam before his departure to concentrate on routine government business and to avoid controversial issues that could disrupt the fragile coalition. Souvanna had earlier designated only Phoumi as "acting prime minister." He subsequently decided on a dual arrangement as the best way to maintain political equilibrium during his absence.