



The President's Daily Brief

September 18, 1974

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GREECE-NATO

Athens has taken steps to withdraw from NATO's integrated military structure. These steps could be reversed, but NATO is preparing for negotiations on the Greek withdrawal.

NATO Secretary General Luns announced on Monday that the Greek delegation had told him that, effective immediately, Greek representatives will not attend meetings of the Defense Planning Committee, Defense Review Committee, Executive Working Group, and Nuclear Planning Group. The Greeks want to continue to participate in the Military Committee during the withdrawal period.

The Supreme Allied Commander has just received official notification from the Greek commander in chief that Greek forces ceased to be committed to NATO on August 14.

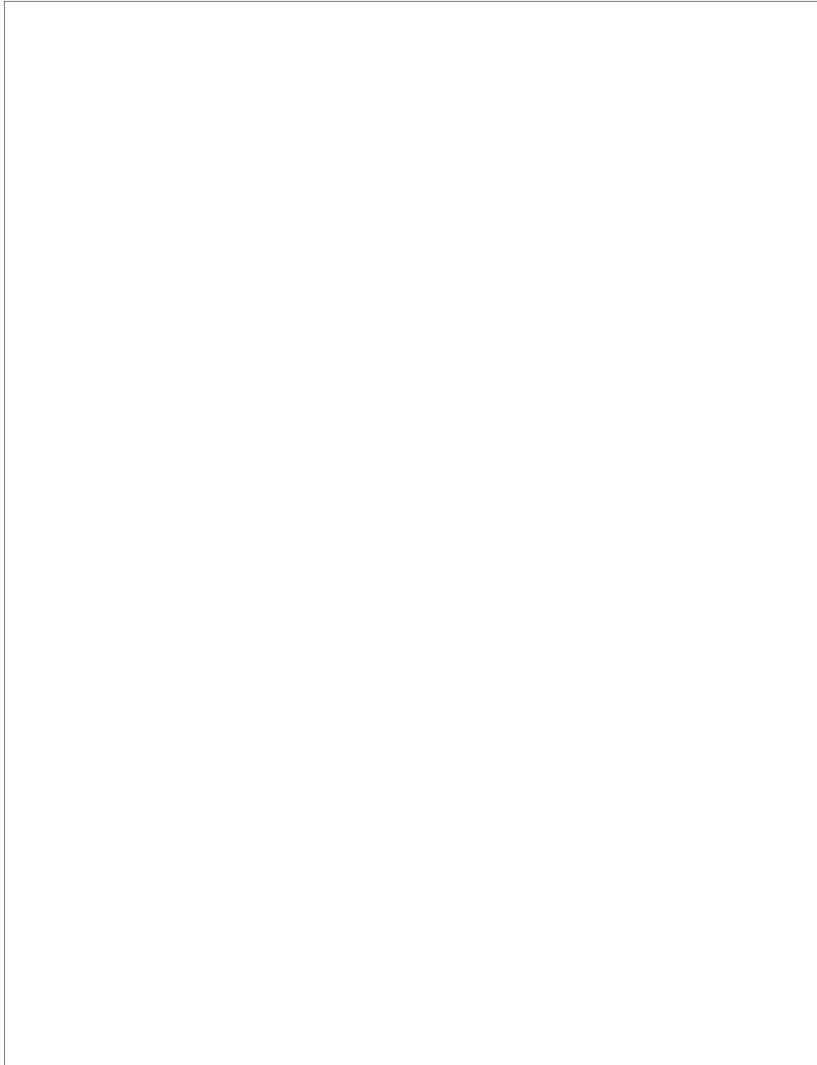
Those aspects of Greece's future relationship with NATO of most importance to the other allies are still undefined. Athens has made no decision about the future of US and NATO forces and facilities in Greece. Nor has Athens yet made known whether it will continue to participate in NATO's early-warning air defense network or what it will do about NATO's basic communications system, which passes through Greek territory.

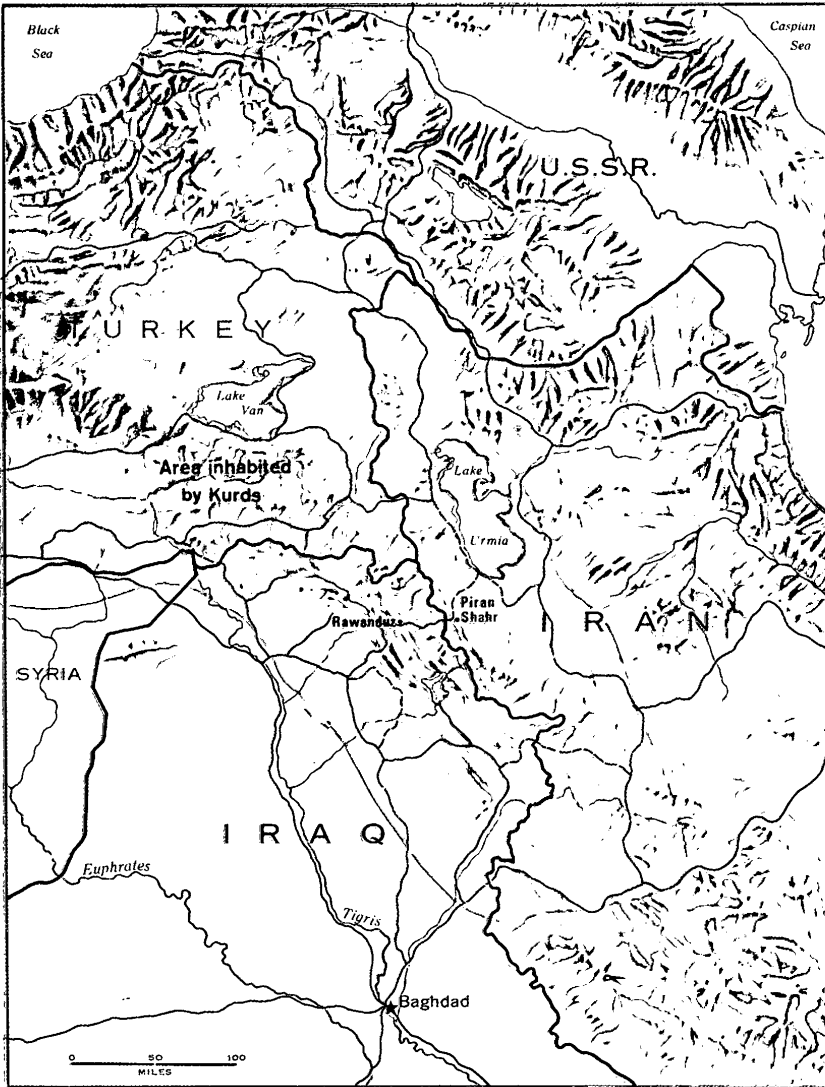
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SOUTH KOREA - CANADA

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IRAQ-IRAN

The Iraqi offensive against the Kurds suffered a serious setback this past weekend when Kurdish forces repulsed an attack northeast of Rawanduz, reportedly killing 300 Iraqis. Baghdad began this latest phase of its offensive on September 9 in an attempt to divide the Kurdish forces, separating those in the north from their supply points along the Iranian border.

The Kurds probably were supported by Iranian mortars firing from inside Iraq.



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The Kurdish leadership considers this success one of the most significant since the hostilities began in March. The Iraqis reportedly now realize that their offensive is failing. As winter approaches, they probably will have to return to smaller-scale local actions.

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CYPRUS

The recent hostilities in Cyprus have left destitute 225,000 persons--one third of the population of the once relatively prosperous island. According to a recent report of the UN High Commission for Refugees, which is coordinating relief efforts, some 179,000 persons have fled their homes and another 46,000 are in localities that are surrounded by hostile forces.

Humanitarian talks between Greek Cypriot leader Clerides and Turkish Cypriot leader Denktash have produced some encouraging results. The two agreed on September 11 to release sick and wounded prisoners and those who are very old or under the age of 18, as well as university students and teachers. A limited exchange of wounded prisoners has already begun.

Prospects for the solution of the refugee problem seem less encouraging, however. The Turks have let it be known that while they may eventually allow some Greek Cypriots to return to their homes in the north, they will not permit them to constitute more than a minority. Thus most Greek Cypriot refugees will either have to stay in the south or emigrate. Those who choose to stay and settle in the Greek Cypriot sector will be bitter and are likely to become a threat to the peace of the island for a long time to come.

The great majority of displaced persons (164,000) are Greek Cypriots who have fled to the southern part of the island. Approximately 50,000 of this group are in the British sovereign base areas. There are also close to 8,000 homeless Turkish Cypriots in the north and another 7,800 in the British bases. In addition, UN authorities estimate that there are 20,000 Greek Cypriots isolated in their villages in the north and 26,000 Turkish Cypriots living in similar situations in the south.

Food, medical assistance, and housing are the principal needs.

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--Food and medical supplies appear to be improving.

--Housing remains critical.

Most refugees live in tents, but some do not have any shelter. The tents will be inadequate once cold and rainy weather begins in October.

The government hopes that many Greek Cypriot refugees will be able to move in with relatives or friends. It is also considering requisitioning hotels and completing unfinished apartment buildings for temporary housing. Even with these efforts, a substantial group would lack satisfactory accommodations. Nonetheless, the government has banned emigration because it does not want the numerical preponderance of the Greek Cypriot community to be reduced. Instead, it hopes that a settlement will soon be reached with the Turks allowing some, if not all, refugees to return to their homes. The Greek Cypriots are particularly interested in sending back the estimated 40,000 who fled Famagusta prior to its takeover by the Turks.

The problems associated with the displaced Turkish Cypriots in the north are not as severe. Not only are there fewer Turkish Cypriot refugees, but there are a large number of Greek Cypriot - owned dwellings available in north Cyprus that have been abandoned by their owners.

In addition to the refugees, there are over 5,000 prisoners, detainees, and hostages who were taken during the hostilities, according to the International Red Cross. Two thirds of this group may be civilians.

The international community has responded to the plight of the refugees with substantial but still inadequate contributions of cash and supplies. The UN High Commissioner has approached several governments for donations amounting to \$9 million for immediate short-term requirements and has asked for an additional \$13 million to carry the relief through the end of the year.

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WEST GERMANY - USSR

Soviet Foreign Minister Gromyko's just completed visit to Bonn brought no major advances in bilateral negotiations but, for the sake of Chancellor Schmidt's trip to Moscow in late October, both sides publicly proclaimed that progress was maintained.

Neither side dwelt on the dispute this summer over establishment of the Federal Environmental Office in West Berlin. Schmidt gave assurances, however, that no other offices would be established in the city without careful consideration of political as well as legal factors.

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Gromyko pressed hard for an expansion of trade and economic cooperation, seeking German government credits and subsidies for large-scale Soviet industrial projects. Schmidt has been under pressure from some advisers to grant such aid, but he stuck to his position that the need to control inflation rules out any grand financial gestures at this time.

The Soviet foreign minister made a strong effort to get Bonn's support for bringing the European security conference to an end as early as possible. He hinted at flexibility on the question of freer movement of peoples and ideas, provided that Bonn accepted the Soviet concept of noninterference in internal affairs.

Schmidt would like to see the conference concluded by early next year but does not want to abandon Bonn's hopes that the final conference document clearly acknowledge the right to alter borders by peaceful means.

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Schmidt's discussion with Gromyko on the negotiations in Vienna on troop reductions produced no signs of flexibility in the Soviet stance.

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NOTES

Turkey: Prime Minister Ecevit reportedly will formally submit his resignation to President Koruturk today and seek approval from the national assembly for an election in December. Ecevit's action will end the shaky coalition with the National Salvation Party, and he may form a minority government to serve until the election. The Justice Party, the major opposition group in the assembly, wants no election before mid-1975 because it worries that Ecevit might win a majority by capitalizing on the popularity of Turkey's intervention in Cyprus. Ecevit may already have sufficient votes from other parties in the assembly to hold an election this year.

Laos: US civilian contract pilot Emmet Kay was released today after more than 16 months imprisonment by the Lao Communists. He was turned over to US authorities in Vientiane. Kay's release sets the stage for the first phase of prisoner exchanges--beginning tomorrow--called for by the 1973 Lao accords. The initial exchange will take place in Communist-controlled territory on the Plaine des Jarres in north Laos. According to coalition government spokesmen, the non-Communist side will hand over 7 Lao nationals and 173 North Vietnamese prisoners; the Pathet Lao will release 20 Lao nationals and 150 Thai volunteers.

Japan - South Korea: Tokyo and Seoul appear to have broken the impasse in their bilateral relations. Both sides early today reached agreement on an oral statement acknowledging a degree of Japanese "responsibility" in the recent assassination attempt on President Pak. It will be delivered by a Japanese envoy, probably on September 19, when he brings a letter of apology from Prime Minister Tanaka. Both sides gave ground during last-minute haggling over the wording of the oral statement.

Bolivia-USSR: President Banzer reportedly will send a high-level military contingent to the USSR later this month to take another look at a Soviet arms offer he rejected earlier this year. Banzer directed his arms request to the US, but was not satisfied with the US reaction to those requests. The Bolivians want to upgrade their ground forces, partly in reaction to the arms buildups in neighboring Peru and Chile. Bolivia now has only 10 US-made tanks received from Venezuela earlier this year, 53 other armored vehicles, and 24 howitzers.

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