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# The President's Daily Brief

*December 9, 1974*

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*FOR THE PRESIDENT ONLY*

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Table of Contents

EC: The promise to lower the UK's share of the EC budget is the key to a successful summit.  
(Page 1)

South Vietnam: Communist forces have sharply increased their activity in the Mekong Delta.  
(Page 2)

Cyprus: Makarios and Denktash leave some room in public statements for maneuvering in future negotiations. (Page 3)

Notes: USSR-France; USSR; Greece (Page 4)

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EC

*The key to success at the two-day summit of the Nine that opens in Paris today will be a promise to lower the UK's future share of the EC budget. Prime Minister Wilson has now promised French President Giscard and West German Chancellor Schmidt that he will recommend continued British membership in the EC to the British public if he gets satisfactory replies to the budget question and the other "renegotiation" demands.*

The Belgians have ready a proposed budget formula more favorable to Britain. Giscard has not given Wilson any promises, but the British believe the French will go along.

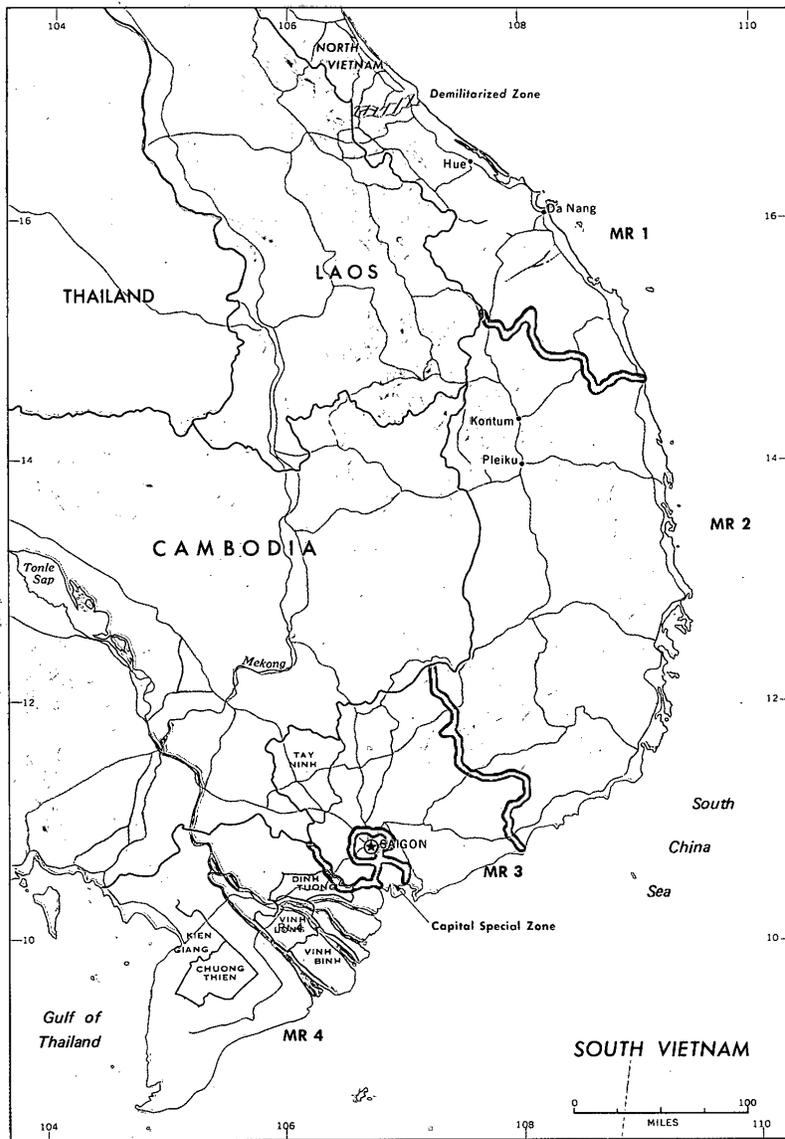
A successful summit denoting a united community would give Giscard a strengthened base for his meeting with you next weekend. He would probably also like to cite the EC summit as well as his meetings with you and General Secretary Brezhnev to bolster his position at home.

The French-Soviet meeting may cause trouble at the EC summit. Giscard's agreement with Brezhnev to accelerate the European security conference apparently was made without consulting his community partners. Until now, the security conference has been hailed as an outstanding example of political cooperation among the Nine.

The French do not want to spend much time at the summit on the international aspects of energy policy. Giscard apparently hopes in the course of his meeting with you to trade France's eventual participation in the US-backed International Energy Agency for US acquiescence to an early meeting of oil exporters and importers.

France's EC partners would like to see a compromise worked out between the US and France on the international aspects of energy policy, since this would remove a major obstacle to agreement within the EC. The Nine hope to reach internal agreement on energy at the EC Council meeting scheduled for December 17.

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SOUTH VIETNAM

*Communist forces have sharply increased their activity in the Mekong Delta. Most of the Communist ground and shelling attacks, which began on December 5, have been concentrated in the central and southern sectors of the delta in Chuong Thien, Kien Giang, Vinh Long, and Vinh Binh provinces.*

The northern part of the region has been generally quiet with the exception of Dinh Tuong Province, where a number of Communist actions have been reported along Route 4, the main road from the delta to Saigon.

South Vietnamese military sources speculate that the rash of attacks in the lower delta may be an attempt by the Communists to divert attention from a possible offensive by elements of the North Vietnamese 5th Division into the northern sector. Several battalions of the South Vietnamese 9th Division are being shifted from the lower to the upper delta in order to counter this threat.

There has been no comparable upsurge in Communist military activity elsewhere in South Vietnam, although some increase has been noted in the provinces around Saigon over the past few days.

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## CYPRUS

*The newly reinstated President of Cyprus, Archbishop Makarios, and Turkish Cypriot Vice President Denktash appeared to leave themselves some room for maneuver in future negotiations in their public comments following Makarios' triumphant return to the island on Saturday.*

Makarios said he would not accept a fait accompli brought on by the Turkish invasion, nor would he countenance the forced transfer of populations or a solution tantamount to partition. He struck some conciliatory notes, however, citing the need to abandon chauvinistic tendencies of the past and his desire for negotiations with the Turkish Cypriots. Makarios noted that this was not the time to express his views on a solution.

Makarios was reportedly persuaded to adopt a more flexible approach at his meeting in Athens earlier this month with Greek Prime Minister Karamanlis and then acting president Clerides. The archbishop is not likely to commit himself to a specific negotiating position until he consults with leading members of the Greek Cypriot community.

Denktash gave a generally cool reception to Makarios' public remarks over the weekend. He noted that Turkish Cypriots consider Makarios the leader of the Greek Cypriot community and no longer acknowledge him as head of state. Denktash added that Turkish Cypriots want to keep open the door to negotiations, but only if the Greek Cypriots--and Makarios in particular--accept the new realities on the island.

Denktash repeated his call for a bi-zonal geographic federation but said that the powers of the two regions in relation to the federal government and the size of the Turkish region were negotiable. The Turkish Cypriot leader warned that if Makarios is uncompromising, the Greek and Turkish Cypriot sectors of the island will gradually evolve into separate states.

According to the US embassy in Nicosia, the tension and fear of violence that preceded Makarios' return had subsided by the time of the archbishop's arrival because of public pledges from the extreme right that it would not make trouble. Elaborate security precautions also helped, as did Denktash's public reassurances that Makarios' return would not bring new Turkish military operations.

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NOTES

USSR-France: General Secretary Brezhnev's four-day visit to France last week continued the trend toward closer relations between the two countries. The communiqué issued at the end of the visit Saturday showed that, in particular, France has moved much closer to the Soviet position on how and when to conclude the European security conference. It also indicated a near identity of views on the Middle East and Cyprus and confirmed a further development of bilateral economic relations. The acting head of the French delegation at the European security conference claimed several days ago that during preparations for Brezhnev's visit, the French had discovered a new Soviet reasonableness over some of the matters at issue at the security conference. He said that as a result, France had altered its position on the conference.

USSR: The manned Soviet spacecraft, Soyuz 16, returned safely to earth early yesterday morning. Launched last Monday, the six-day flight was designed to test the procedures the Soviet crew will have to perform during the joint Apollo-Soyuz mission scheduled for next July. The Soviets apparently encountered no problems with the spacecraft that could affect the joint mission.

Greece: Greek voters decisively rejected the monarchy in yesterday's plebiscite. The parliament, which is empowered to revise the constitution, probably will appoint a provisional president while the new constitution is being written. Panayotis Kanellopoulos, a former premier, is the frontrunner for the interim assignment.

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