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December 23, 1974

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FOR THE PRESIDENT ONLY

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Table of Contents

Cuba-US: Cubans reportedly rethinking tactics toward the US. (Page 1)

Portugal - Western Europe: West Europeans looking for ways to demonstrate support for provisional government in Lisbon and for Portuguese Socialists. (Page 2)

USSR - European Communism: Soviets make particularly strong defense of detente at meeting of European Communists. (Page 3)

Turkey: Sentiment in armed forces growing that military may have to force a solution to government stalemate. (Page 4)

Notes: South Vietnam; Greece; Canada-USSR (Page 5)

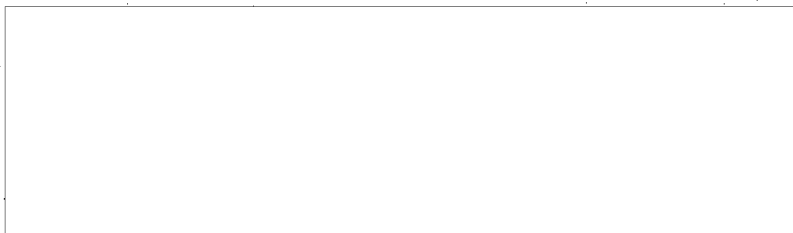
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CUBA-US

A high Cuban official, who knew that his comments would reach the US government, has suggested that Cuban leaders are looking for ways to facilitate reconciliation talks with the US. He contended that some Cuban officials are considering alternatives to Havana's insistence that the US unilaterally end the economic "blockade" before negotiations can begin.

The Cubans expected the foreign ministers' meeting in Quito last month to lift OAS sanctions against Cuba. They may also have thought the US would then fall in line and terminate the economic denial program. The outcome of the OAS session may have persuaded the Cubans that a review of their own tactics toward the US is in order.



25X1

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PORTUGAL - WESTERN EUROPE

West European countries, spurred by the recent US offer of aid to Portugal, are looking for ways to demonstrate support for the provisional government in Lisbon and for the Portuguese Socialist Party before the Portuguese election expected next spring.

The EC, as a whole, is taking a close look at economic relations with Portugal. For their part, the Portuguese want to expand economic cooperation within the framework of the preferential agreement they signed with the EC in January 1973.

An EC-Portugal joint committee established to study Portuguese requests met last week to discuss Lisbon's desire to improve conditions for Portuguese workers in EC countries. The committee is to convene again next year.

Bonn would like to move quickly to give assistance to Lisbon, despite obstacles that stand in the way. Since Portugal is not listed as a developing country by the Organization for Economic Cooperation and Development, the Portuguese are technically ineligible to receive aid. There is strong pressure within the organization, however, to put Portugal on the list, and a decision to do this is likely soon.

The OECD itself, at the suggestion of the US, West Germany, and the Netherlands, has begun a study of technical, agricultural, and managerial assistance that might be offered to Portugal. The organization is sending a delegation to Lisbon next month to look into how such aid might be coordinated.

The British minister of overseas development will also be in Portugal in January for a meeting of the Socialist International. European social democratic leaders are sure to use the occasion to voice their support for the Portuguese Socialists.

The Portuguese Socialist Party lacks the organizational expertise of the Communists, but it is thought to have the best chance of competing successfully with them in the coming election.

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USSR - EUROPEAN COMMUNISM

Boris Ponomarev, Soviet party secretary in charge of relations with nonruling Communist parties, made a particularly strong defense of detente at the meeting of European Communist parties in Budapest.

Ponomarev tackled head-on the arguments of those, including some Western Communists, who believe that Moscow's policy toward the West damages their own interests. He implied that Soviet pursuit of detente takes precedence over the aspirations of Western Communist parties.

The three-day meeting, which ended on Saturday, was attended by representatives of 28 parties. They agreed to set up a drafting committee to prepare documents for a subsequent European Communist conference. This is to be held in Berlin, but no precise date has been set. The Soviets apparently want to wait until after the European security conference, which is not likely to conclude before next spring at the earliest.

The communiqué from the meeting makes no mention of a future world Communist conference. Nonetheless, the Soviets are presumably still interested in using the European conference as a stepping-stone toward a world gathering.

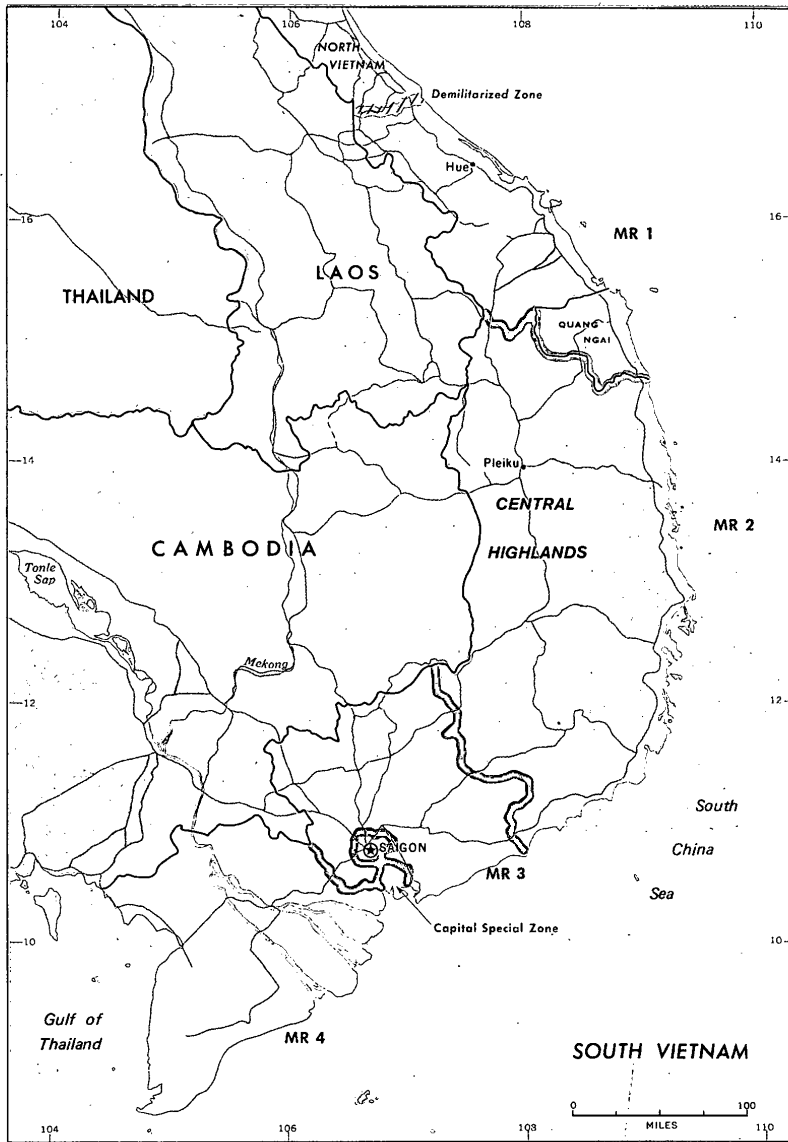
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TURKEY

Justice Party leader Demirel is still trying to form a center-right coalition, but has run into more trouble. If he does not succeed in the next day or so, he may well abandon the effort entirely. Meanwhile, sentiment in the armed forces is growing that the military may have to force a solution on the politicians.

The military may insist on the installation of former prime minister Ecevit as head of a minority or a coalition government to lead the country toward a new election. Ecevit emerged with more strength from a convention of his Republican People's Party earlier this month. He may make yet another effort to form a government after the holiday period in Turkey ends early next month.

Now that Turkey has been given a reprieve until February 5 on the cutoff of US military assistance, there is likely to be increased pressure on the politicians to form a government that can make substantial progress in the Cyprus negotiations and avoid the halt in aid.



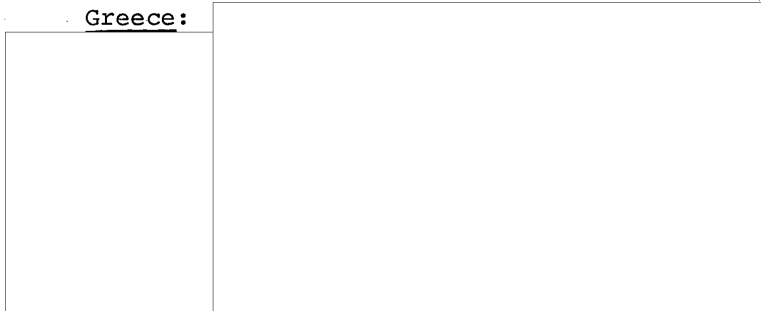
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NOTES

South Vietnam: Fighting has died down in the southern part of the country as communist forces regroup before mounting fresh attacks in their winter-spring campaign. There has been sporadic fighting in the area over recent days, but the communists are mainly refitting and consolidating new gains. Heavy rains continue to hamper military activity in the northernmost provinces. Government operations now under way in northern Quang Ngai Province and near Pleiku in the central highlands, however, could bring more intense fighting in those areas.

Greece:



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Canada-USSR: Ottawa reportedly has assigned 12 destroyers to patrol fisheries because of persistent difficulties with Soviet fishing boats. The Soviets are said to be taking double their quota of smelt off Newfoundland. The new Canadian patrols will carry inspectors with instructions to board foreign vessels suspected of overfishing. Moscow is also under increasing pressure from Ottawa to pay compensation for damage caused by Soviet trawlers to Canadian lobster traps.

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