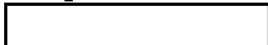


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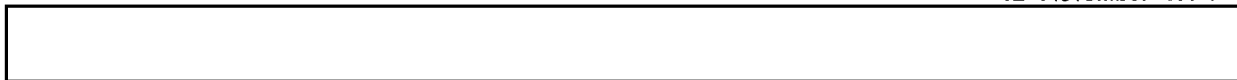


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OAS

Frustration and bitterness marked the meeting of OAS foreign ministers in Quito last night as participants remained deadlocked over the Cuba sanctions issue.

The foreign ministers canceled efforts to achieve a compromise solution when it became obvious the attempt would be futile. Several small countries and Brazil--the swing votes on the Cuba issue--failed to move from their neutral positions.

Most of the blame for the indecisive outcome is falling on the US. The Venezuelan and Costa Rican ministers have publicly criticized the absence of Secretary Kissinger, and others are blaming the US position of neutrality for the divisiveness that has surfaced.

A final vote on the issue is scheduled for today, when the foreign ministers vote on a resolution sponsored by Venezuela, Colombia, and Costa Rica asking for the repeal of sanctions against Cuba. Following the resolution's expected defeat, a session will be held to formally adjourn the conference.

Press reports from Quito indicate that Brazil, fearing the breakup of the OAS, will propose that the foreign ministers meet in Panama City in three months, after Latin American countries have had time for new consultations. [REDACTED]

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CHINA

The internal political situation is settling down along relatively pragmatic and order-oriented lines.

Preparations are well under way to convene a National People's Congress--the first in a decade. This meeting, which almost certainly will be preceded by a plenum of the Central Committee, will probably complete the long-drawn-out process of governmental reorganization and confirm a number of ministerial appointments, some of which have been filled only on a de facto basis for years.

The anti-Confucius campaign also appears to be drawing to a close. The campaign has been in low gear since early summer and now seems likely to be phased out completely. The campaign began to lag when Chou En-lai became seriously ill, which suggests both that the Premier played a large role in it and that Chou's putative enemies have been unable to take advantage of his inactivity. Editorials and central directives for some time have been stressing unity and have been warning against factionalism, which became acute last spring. The central directives also have been emphasizing the need to increase production and fulfill quotas, a theme that is likely to be reiterated at the congress.

Government and party administrators have long been concerned that political ferment could seriously interfere with economic activity, and, in fact, the factionalism engendered by the campaign has led to slowdowns and bottlenecks in a number of areas. Emphasis on economic factors suggests that considerable attention at the upper levels is being accorded to Chou's longtime lieutenant, Li Hsien-nien, who oversees economic and financial affairs.

Perhaps the most significant indicator of retrenchment and a damping down of political ferment is a statement attributed to Mao himself in a recent central directive to the effect that "eight years of Cultural Revolution are enough." Criticism of certain Cultural

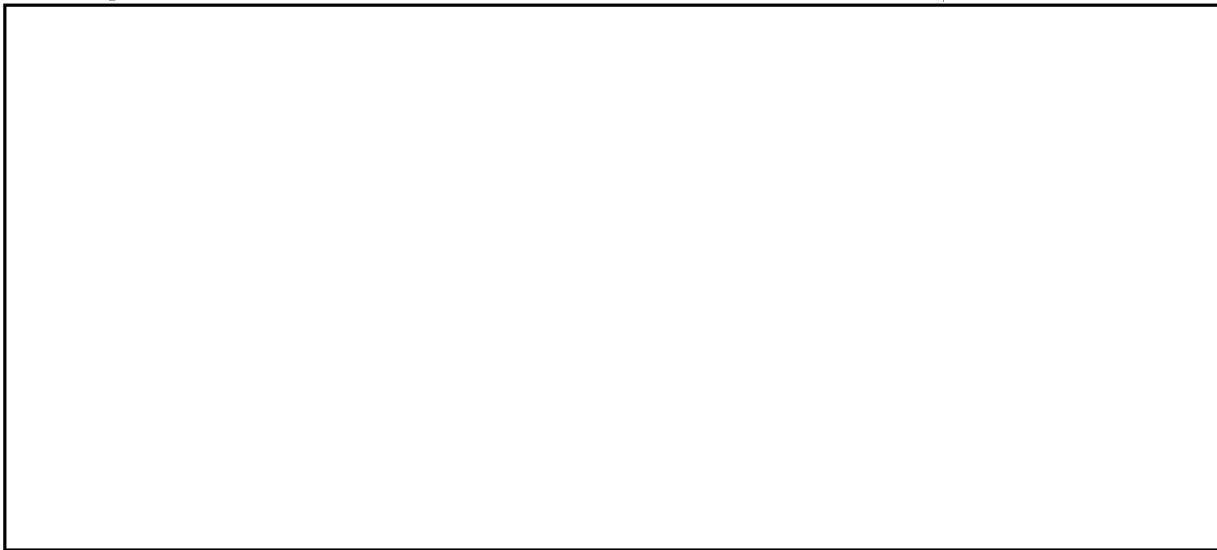
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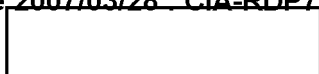
Revolution practices and excesses appeared to underlie some of the propaganda associated with the early stages of the anti-Confucius campaign, but a strong "leftist" countercurrent beginning in late February redefined the campaign, in formal terms at least, as a defense of the Cultural Revolution. This change of front does not appear to have been successful, however, and the new statement attributed to Mao is a stronger repudiation of political ferment than any issuing from the Chairman in 1968 or 1969 when the Cultural Revolution itself was being phased out.

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The campaign itself seems to be dying without much visible accomplishment. The military probably has been further nudged from the political center stage, but thus far there have been no major purges of important military figures. Nor has the "left" appreciably increased its political strength. Chiang Ching, Mao's wife, has been more active than she was in the period immediately following the Tenth Party Congress, frequently greeting and occasionally shepherding important visitors about the country. She also has asserted her role as cultural arbiter, but, except in the area of higher education, there have been no major departures from the policies adopted in the early 1970s.

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Chiang Ching has clearly inspired recent propaganda suggesting that she would be a logical successor to Mao.

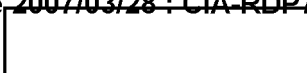


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The "rehabilitation" of officials disgraced during the Cultural Revolution is continuing, despite signs this process does not sit well with "leftist" elements. Indeed, the single figure who has profited most in the course of the anti-Confucius campaign is Teng Hsiao-ping, the very personification of the "capitalist-roaders" who were disgraced early in the Cultural Revolution. Other officials rehabilitated appeared at the National Day celebrations on October 1. Some of these, as well as others who reappeared earlier, are likely to be assigned to important posts just before or after the National People's Congress.



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JAPAN

The shuffle of the Japanese cabinet yesterday neither changes the balance of factional power in the ruling party nor signals new directions for national policy. Prime Minister Tanaka's two chief allies--Finance Minister Ohira and International Trade and Industry Minister Nakasone--retained their portfolios, as did Foreign Minister Kimura. Sosuke Uno, a former vice minister of trade and industry, replaced Sadanori Yamanaka as director general of the Defense Agency.

Tanaka named a member of his own party faction to head the Science and Technology Agency and Atomic Energy Commission, replacing a minister who had opposed ratification of the Nuclear Non-Proliferation Treaty.

Tanaka's critics in the party, former finance minister Fukuda and former deputy prime minister Miki, did not try to weaken the position of the Prime Minister by forcing their own factional supporters to resign, and both factions have retained their full complement of posts. [REDACTED]

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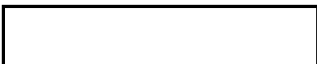
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NETHERLANDS - WEST GERMANY - NATO

The Dutch government has decided to purchase the US-built Lance tactical missile system, despite an earlier intention not to acquire the system. The Dutch, however, plan to buy only the non-nuclear version, which means that their decision will not allay NATO concern that the Dutch are trying to reduce their nuclear responsibilities to NATO.

The Dutch decision to purchase the conventional Lance on their own presumably means that they are unwilling to accept a deal suggested by the West Germans. Late last year, Bonn offered to buy and operate the nuclear version of the Lance in support of the Dutch forces stationed in West Germany. Bonn's offer was prompted by the recommendation of a NATO group that the Dutch purchase the nuclear Lance or find another NATO member to obtain and operate it for them.

The Lance is designed to provide battlefield nuclear or conventional fire support at the army and corps level. NATO plans call for the Lance to replace the Honest John and Sergeant missiles in the European NATO forces over the next four years. The US began replacing the older missiles in its European force with the Lance in late 1973.



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GREECE

A recent Supreme Court ruling on what constitutes a political party has badly damaged Communist chances in the election on November 17.

Of the major political groups in the election, only the United Left (a grouping of two Communist parties and a former Communist front group) is classified as a coalition by the court. The decision will require the United Left to get 30 percent of the national vote in order to be eligible to participate in more than one of the three distributions of parliamentary seats. Most observers believe that the United Left will not win more than 17 percent of the vote.

Behind a facade of unity the Communists have been squabbling over electoral procedures, among other things, which should further reduce their chances. They have begun to attack their principal rival on the left, the Panhellenic Socialist Movement (PASOK), led by Andreas Papandreou, whom they dislike more than they dislike each other. Papandreou, who has been careful to maintain some distance from the Communists, stands to profit from their disunity and from the Supreme Court decision. As a single party, PASOK needs only 17 percent of the vote to be eligible for further distributions.

The US consulate in Thessaloniki--Greece's second largest city--believes that both the United Left and Papandreou will show considerable strength in Thessaloniki; it estimates that Papandreou will win 18 percent of the vote in northern Greece, and the United Left 10 percent. With perhaps as much as 30 percent of the nationwide vote the leftist groups could be a vocal factor in the new parliament.

Papandreou has been drawing smaller crowds than have either Prime Minister Karamanlis or George Mavros of the centrist Center Union - New Forces, but his crowds are better organized and more enthusiastic. He has been exploiting themes of betrayal in Cyprus, hostility to NATO, and anti-Americanism to obtain considerable popularity among radicalized youth.

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Papandreou expects to lose the election to the New Democracy Party led by Prime Minister Karamanlis, but reportedly believes that he will get 26 percent of the vote, edging out Mavros' Center Union for second place in the election. Mavros has some good candidates, but his leadership and organizational ability are weak; more important, he is having a hard time distinguishing his platform from that of Karamanlis and stands to lose votes on both his right and left.

Papandreou has reportedly been trying to ensure that his young following behaves in a nonviolent and disciplined way and is said to be relying on the appeal of popular slogans. Papandreou, however, is mistrusted by the farmers and the middle class, as well as by the establishment, and complicated registration procedures and the requirement that voters must cast their ballots in their place of origin may limit the turnout of student voters. Except for some 12 former deputies and actress Melina Mercouri, Papandreou is running more political unknowns than any other party. He is also running candidates in only 38 out of 56 electoral districts, trying to concentrate his efforts in areas where he anticipates the greatest voter appeal.

Although a Karamanlis victory seems assured, the size of his victory and the showing the left makes will determine how flexible the new government can be on Cyprus, NATO, and relations with the US.

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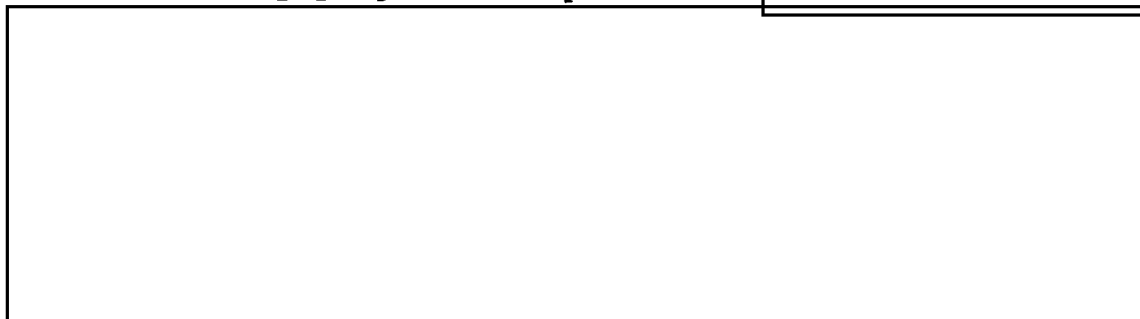
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FOR THE RECORD

Yugoslavia - East Germany: President Tito begins a four-day visit to East Germany today. His talks with SED party chief Eric Honecker will mark the first top-level, bilateral exchanges since Walter Ulbricht's visit to Yugoslavia in 1966. Economic issues will probably lead the list of topics discussed. Both sides are treating the event as a welcome sign that a legacy of bitter misunderstandings and sharp polemics is being supplanted by pragmatic cooperation.

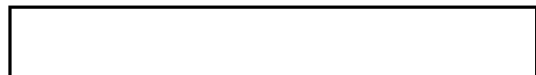
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