



The President's Daily Brief

23 June 1971



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FOR THE PRESIDENT ONLY

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PRINCIPAL DEVELOPMENTS

There are signs that a conference of the Communist Chinese leadership is about to convene. *(Page 1)*

There is considerable tension in Bolivia as the government prepares to deal with coup threats from several quarters. *(Page 2)*

The Western aid consortium has postponed any decision on new economic aid to Pakistan. *(Page 3)*

The new Maltese Government is displaying a tougher attitude toward the West. *(Page 3)*

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COMMUNIST CHINA

There have been an unusually large number of VIP flights between Peking and various provincial capitals since 19 June. This suggests that a major leadership conference is about to be convened in Peking. There are a number of topics we believe the Chinese leaders might wish to discuss at any such confab:

--In conjunction with the anticipated celebrations on 1 July of the 50th anniversary of the Chinese Communist Party, there will probably be a full-scale review of the provincial party reconstruction process, which has been under way since last December.

--The leadership must settle on an agenda for the long-delayed National People's Congress. We have several reports that a Congress is to be held once all of China's 29 provincial-level party committees have been "reconstructed." Only four such committees remain to be formed, and Peking may be preparing to hold the Congress soon after the 1 July celebrations.

--The problem of how to deal with and explain the continuing crackdown on officials accused of "extremist" plotting. The latest manifestation of this was the unpublicized trial of a minor Foreign Ministry officer in Peking earlier this month. Long-absent politburo member Chen Po-ta is reported to have come under heavy fire on this score, and his declining political fortunes may be subject to further deliberation.

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BOLIVIA

Security forces remain on alert under a state of emergency declared Monday night. Coup-plotting opposition groups are still unsure of their readiness to act. They are said to have anticipated government precautions against a coup attempt yesterday in conjunction with the convening of the extreme left's unofficial legislature, the popular assembly. Some middle-ranking officers and peasants who wanted to move against President Torres were apparently persuaded to delay action until a coordinated coup plan could be formulated. Torres, meanwhile, continues to try to secure the support of labor and student groups by establishing an identity of interests between the extreme left and his regime against the "rightist" conspiracy.

This may buy time for Torres, but the forces threatening the precarious political balance persist, and the situation remains unstable.

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NOTES

Pakistan: The Western aid consortium, meeting in Paris on 21 June, has postponed any decision on new economic assistance until the political crisis in East Pakistan eases. Most of the delegations present said they saw no sign that adequate steps were being taken by Islamabad to restore conditions under which economic development programs could be effective. All agreed, however, that humanitarian relief should have a high priority. The World Bank official who chaired the meeting presented a stark first-hand assessment of conditions in East Pakistan. He said he had in mind convening a follow-up session in September or October if there has been enough improvement in the situation by then.

Malta: Prime Minister Mintoff has notified the British that he wants to begin renegotiation of the Malta-UK defense agreement right away. Mintoff will be seeking more financial assistance to Malta as the price for renegotiation. Meanwhile, diplomatic notes concerning proposed visits by US ships later in the summer remain in Mintoff's office awaiting approval. Mintoff has agreed to two such visits this month, but these had already been approved by the previous government. A Maltese official has suggested that the US provide "something positive," such as offering to have substantial Sixth Fleet maintenance and repair work done in Malta.

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