



The President's Daily Brief

7 March 1972

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PRINCIPAL DEVELOPMENTS

President Bhutto promises to convene the national assembly next month as a step toward restoration of civilian rule in Pakistan. (Page 1)

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The UK and Malta have narrowed the gap on important issues but some financial questions remain unsettled. (Page 3)

We have photographed China's Mao-class submarine at an operational base for the first time. (Page 4)

Soviets [REDACTED]

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PAKISTAN

After three days of negotiation with leaders of the major opposition parties, President Bhutto announced yesterday that the national assembly would meet to discuss an interim constitution on 14 April and that martial law would be lifted four months later.

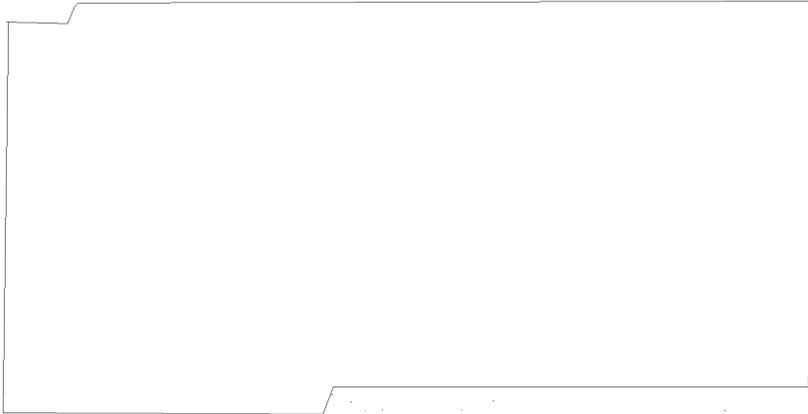
Bhutto's promise to convene the long-suppressed national assembly and ultimately to return to civilian rule will reduce tensions and may induce the government's most influential critic, Abdul Wali Khan of the National Awami Party, to cooperate. The agreement caps a series of measures Bhutto has taken in recent days to strengthen the stability of his government. These have included the beginnings of a land reform program designed to attract peasant and left-wing support, a shakeup of the military chiefs intended to assert the supremacy of the presidency over the armed forces, and the removal of restrictions on travel abroad that will appeal to big business leaders.

Bhutto needs support and tranquility at home as he prepares for difficult negotiations abroad.

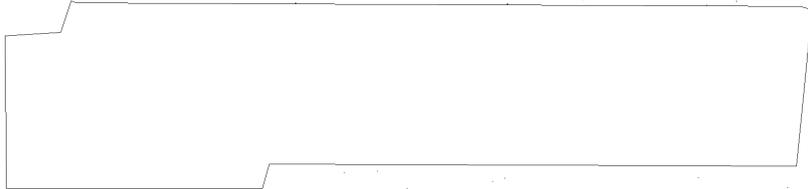
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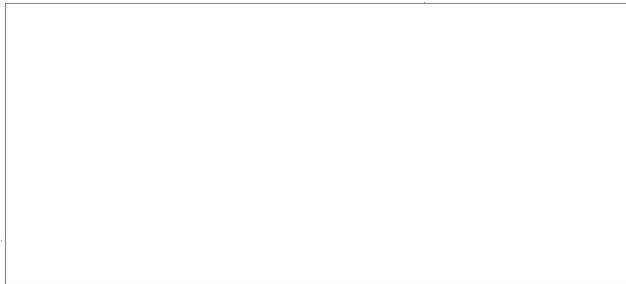
WEST GERMANY



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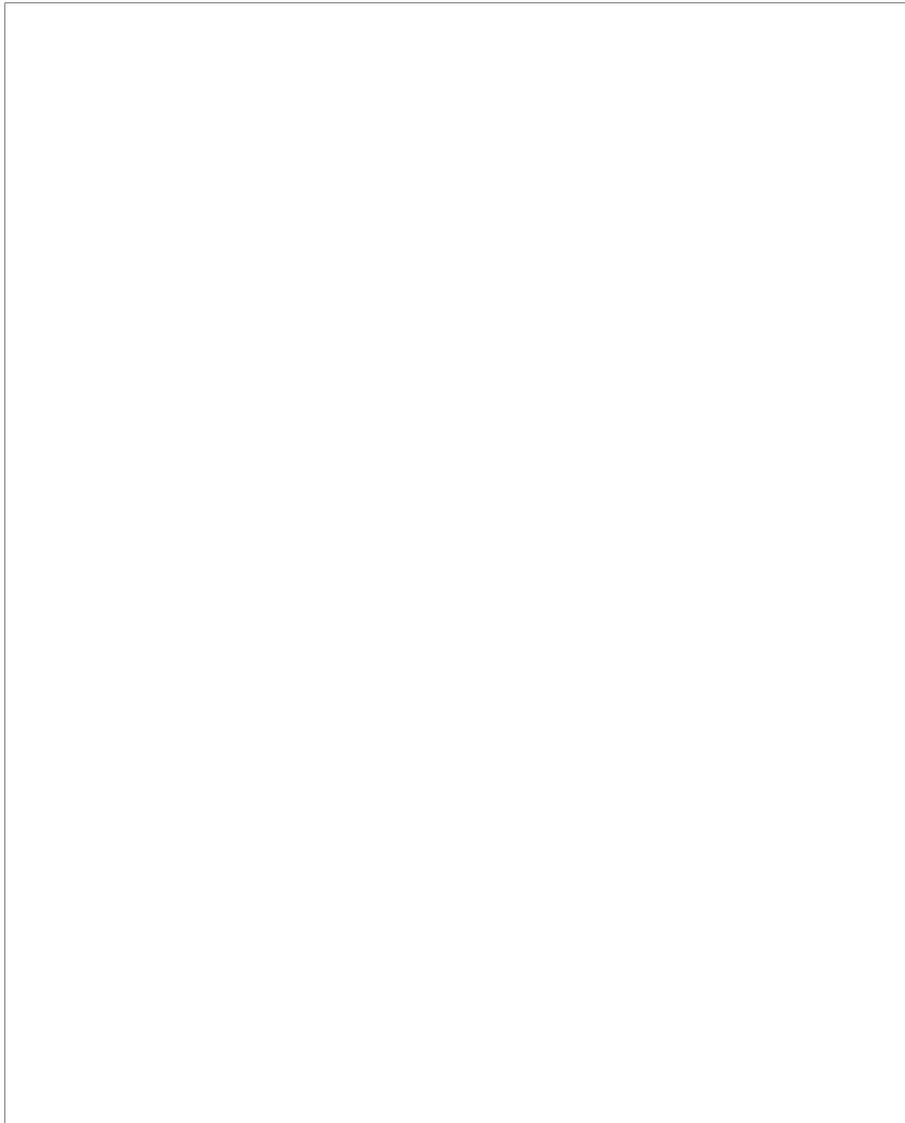
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MALTA-UK

The meeting in London yesterday between Prime Ministers Mintoff and Heath resulted in progress on crucial bilateral issues. Mintoff accepted new and more generous British proposals that call for a gradual phasing down of the number of Maltese employed by UK forces. The prime ministers also appear to have come close to an understanding on the key question of pay for Maltese serving in the British armed forces.

The chief remaining bilateral problems concern Mintoff's demands that Britain stand by its offer to the previous Maltese government of \$7.8 million in aid for improving Malta's drydocks, and that UK forces no longer be granted exemptions from certain import duties. Mintoff rejected London's compromise offer to split the difference on these demands. He also continues to insist on an additional, one-time payment of \$13 million beyond the final UK-NATO offer of \$36.4 million annually.

Mintoff will return to Valletta today. The Maltese parliament is in recess until 20 March, thus giving Mintoff additional freedom of action in bargaining with London. Heath, however, reminded Mintoff that time is short and that if the British completed their withdrawal an "entirely new situation" would be created. No further meetings have been scheduled and British Defense Secretary Lord Carrington said that the next move was up to Mintoff.



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NOTES

Indochina: An intensified phase of North Vietnam's dry season logistics program began on 1 March and is expected to last at least through the end of the month.

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China: The Mao-class attack submarine (probably nuclear) was photographed at the Hsiao-ping-tao base in late February, the first time it has been seen at an operational base. It had last been observed fitting out at the Hu-lu-tao shipyard in November.

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