

The President's Daily Brief

17 June 1971

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~~*Top Secret*~~

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

17 June 1971

PRINCIPAL DEVELOPMENTS

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The speeches of Soviet and East German leaders at the East German party congress have been positive in tone toward the Berlin negotiations while offering no change in substance. (Page 2)

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Incomplete returns indicate that the Malta Labor Party of Dom Mintoff has won a narrow victory in the parliamentary elections. (Page 4)

The position of Bolivian President Torres is becoming increasingly precarious as a result of sharp political divisions. (Page 5)

[Redacted] Soviet [Redacted]
(Page 6)

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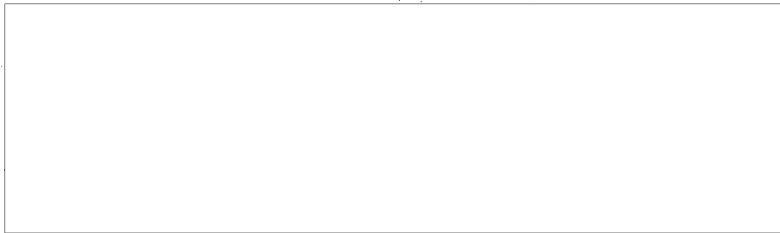
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EAST GERMANY - USSR

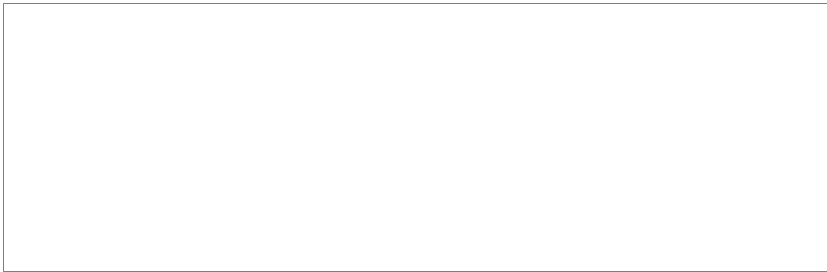
In their speeches at the East German party congress, Soviet and East German leaders have adopted a positive tone toward the Berlin negotiations, but have offered no change in substance. Brezhnev's comment that the talks are "now transferring" to the stage of concrete proposals marks the first time that the Soviets have acknowledged that the negotiations have gone beyond the exploratory stage. He put special emphasis, however, on Soviet and East German unity concerning the talks and on the point that there would be no concessions at East German expense.

Honecker also stressed the unity theme. He said that East Germany, in the interest of detente, was prepared to contribute to the "normalization of relations vis-a-vis West Berlin," and voiced no objections to the course of the four-power talks.

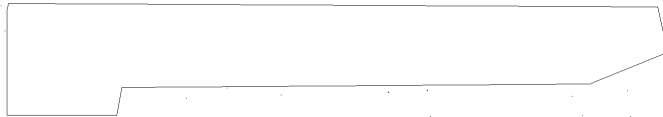
In discussing East German talks with the West Berlin Senat, Honecker departed from past practice to assert that "West Berlin is a city with a special political status," and that it never did and never will belong to the Federal Republic. This is a less offensive version of Pankow's standard formulation that West Berlin is a separate political entity situated on East German territory. On the broader question of the relationship between East and West Germany, however, Honecker firmly maintained Pankow's long-standing position that it must be "on the basis of the rules of international law" and not on Bonn's concept of a special "inner-German relationship."

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MALTA

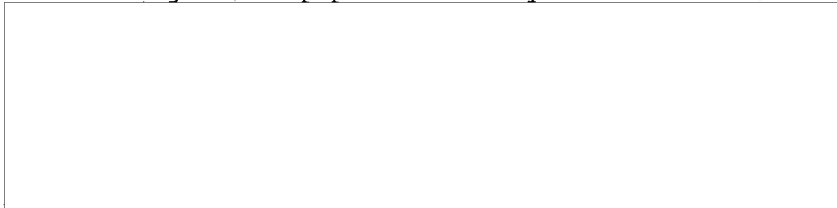
Incomplete returns from the parliamentary elections of 12-14 June indicate that Dom Mintoff's Labor Party has won a one-seat victory.

Victory by such a narrow margin could cause the new prime minister to move cautiously. He may feel strong enough, however, to take a more neutral position on some foreign policy issues and try to obtain economic benefits for Malta by playing off East against West. Prior to the election, he suggested that the small NATO presence on Malta (the naval headquarters for Southern Europe) violated his concept of "positive neutrality." Labor's election program, however, avoided any reference to NATO, and Mintoff has hinted that he would permit NATO's presence if Malta receives "adequate" compensation. He is also likely to seek a revision of the UK-Malta defense and financial assistance agreement in order to reduce British control over key elements of Maltese foreign policy and to secure development aid beyond 1974, when the present arrangement expires.

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BOLIVIA

The extreme leftist student and labor circles known as the "popular forces," which have maintained a grudging neutrality toward President Torres, are reconvening their "popular assembly" on 22 June.



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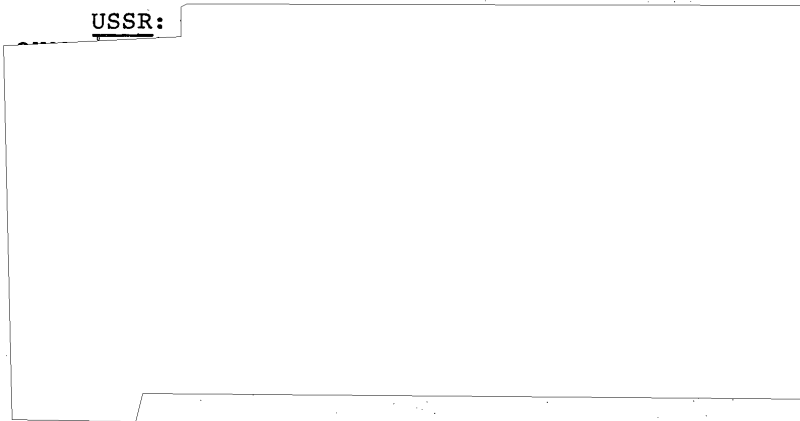
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The Torres government is internally divided, with some officials cultivating the extreme left and others pressing for a moderate, relatively pro-US policy. It is thus equally possible that the "popular assembly," which Torres has already declared to carry no official weight with the government, will develop into a showdown between Torres and the extreme left.

Torres' failure to acquire a solid base of support for his government has left him vulnerable to attack no matter how he handles the current situation. Although the contending forces may continue to cancel each other out, Torres' own position appears to be weakening.

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NOTE



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