

~~SECRET~~

MEMORANDUM OF CONVERSATION

Participants: SUBJECT: Lahore Advisers Meeting

Americans

Henry A. Kissinger, Assistant to the President
Joseph J. Sisco, Assistant Secretary of State
Maurice Williams, Assistant Administrator, A.I.D.
Ronald Ziegler, Special Assistant to the President
Harold H. Saunders, NSC Staff
Helmut Sonnenfeldt, NSC Staff
Christopher Van Hellen, Deputy Assistant Secretary of State
James W. Spain, Charge d'Affaires ad interim
Jordan T. Rogers, Deputy Chief of Mission

Pakistanis

S. M. Yusuf, Foreign Secretary
Major General S.G.M.M. Peerzada, Principal Military Staff
Officer to the President
Syud Ahmed, Secretary of Information
M. M. Ahmad, Deputy Chairman, Planning Commission
A. A. Fareeq, Director-General, Ministry of Foreign Affairs
G. W. Choudhury, Director-General, Ministry of Foreign Affairs
Agha Hilaly, Ambassador to the United States

The group joined President Nixon and President Yahya for the last fifteen minutes of the meeting.

Date and Place: August 1 in the Governor's House in Lahore, Pakistan, 2:30 - 4:30 p.m., during President Nixon's visit.

Yusuf: Welcome

Kissinger: Thanks. President has special feeling for Pakistan, and we approach these talks in same spirit.

We taking this trip not to press any detailed scheme. Perhaps useful just to sum up our approach at other steps - why thought this the right time to take this trip.

~~SECRET~~

Press has speculated about a new U.S. Asian policy. Better way to say it is that conditions have changed. We were predominant. Many new independent nations. Then most of the schemes for security were developed in Washington, and we gave the impression that we had a greater interest in the security of some areas than they themselves.

New we seek more permanent arrangements. The U.S. can not be asked to assume total responsibility. Our theme is not that we are withdrawing from Asia but that in order for us to stay in a meaningful way we must have a new relationship.

President has emphasized that we remain determined to keep our commitments and nothing in the new approach should be interpreted otherwise.

Internal subversion best handled by programs of development. Where it occurs, American manpower should not be deployed -- we can give technical assistance. We have to look at these underlying aid programs.

No nation in this area can exist in complete isolation -- regional and sub-regional cooperation necessary. Not at American initiative, however.

Larger context of international relations.

- Sino-Soviet rivalry a combination of ideological and geopolitical rivalry. These are existing realities--we take no special encouragement from this dispute but we will not commit ourselves in advance to be permanent enemies of anyone. we are always ready to negotiate, but negotiations have to be specific -- not sentimental.
- Do not know what Brezhnev had in mind. We will not participate in a US-USSR condominium against China. If Asians organize on their own we will look on this with favor.

— Vietnam. We are not on this trip to ask support for our policy on Vietnam. We do say that the kind of future commitments we can make in Asia will depend on how the Vietnam war ends -- American frustration would make future involvement difficult.

We feel we have put forward the best proposition we can make: simultaneous withdrawal -- have not even required other side to admit they have forces there; put future of Vietnam to test of supervised elections. We cannot and should not make additional proposals. We not putting this on a take it or leave it basis because negotiations would produce give and take. Is not an unlimited amount of time.

We have said exactly same thing at each stop.

Yusuf: We know that your policy still in process of maturation.

We recognize you are a Pacific power. The question is what that form should be.

We understand you want Asians to take initiative. What sort of initiative are you looking for? Would U.S. be in favor of organizing a collective security arrangement by yourself?

Kissinger: No.

Yusuf: Your assessment of threat of Chinese expansionism? Are you going to leave countries to organize against that or are you just talking about meeting insurgency?

Communism can come in two ways -- conquest or subversion. Days of conquest seem to be over. But subversion always possible. Not so easy to export Communism. Highlights need for economic aid, though every country needs some military.

Kissinger:

We want to hear your assessment of the Chinese threat because you are so much closer.

President has said (1) we would keep all our existing commitments and (2) a major military aggression -- even where we have no commitments -- involves the possibility of reaction by other major powers. We have obligations under UN charter -- especially true that we have interest in opposing any effort to make nuclear blackmail an established international tool. Your assessment of China?

Yusuf:

China-Pakistan. Have to take account of the existence of China. A collective security arrangement might increase tensions. China as a strong power might not increase tension.

We have found China to be a very good neighbor. Pk experience may be unique -- no Chinese minority as in Southeast Asia. China has made no attempt to subvert Pakistan. We think we can coexist.

China has assured Pakistan it would like to see Pakistan remain united -- Chinese interest in strong Pakistan as counter to India.

China a good friend -- economic and military aid. Never said Pakistan should take aid only from China.

Pakistan does not believe in over-commitment. Survival better served by broader relationships. Same policy toward USSR.

Pakistan not interested in Brezhnev proposal.

Doubt border tension will lead to Sino-Soviet war. Chinese contend USSR wants maintain benefit of Czarist conquests.

We believe strong China need not lead to increase in tensions.

~~SECRET~~

Page 5

You should continue your economic aid. This one way of stopping Communism, which is abhorrent to Pakistan. We beholden to U.S. for aid and have made good use of it.

Our recent changes here partly because we have not given "social sector" the attention it deserves.

Last consortium meeting useful. U.S. played helpful role. Hope Nixon administration will press aid bill. This is a crucial period for Pakistan.

Stop of U.S. arms supply in 1965 hurt Pakistan. Indian factories produce own weapons. Pakistan has no sinister design -- just want minimum deterrent.

Kissinger: President has made no public reference to India-Pak settlement / this in response to statement by Yusuf/.

Yusuf: If strong power wants status quo and nobody has interest in negotiation, then smaller power has to rest with status quo. Friends should press for negotiation.

When we try to buy arms, India raises hue and cry and friends /read U.S./ are sensitive to this.

Pakistan wants minimum deterrent -- chance to buy and manufacture equipment. Need help with defenses so as not to bleed social sector.

[from?]

Letter for Mrs. Gandhi -- nothing new. If commission proposed is going to make sense, should be time limit on talk and then move to next stage of mediation, arbitration, adjudication. Indian government does not want this.

Small agreements on normalization do not require special machinery. Resolution of these does not mean basic disputes will be resolved.

~~SECRET~~

Unless some workable machinery not going to get anywhere.

Just want weapons U.S. judges obsolete.

M. M. Ahmad: You suggested leaving Asian system to Asian initiative. If they don't what will you do?

Kissinger: We want to avoid arms race. We are looking at military supply policy and will attempt to be sympathetic.

Sisco: Third-country military sales have come under Congressional scrutiny.

M. M. Ahmad: You suggested U.S. will rely on Asian initiative. If they don't will you let the situation be or try some new approach. You are a global power.

Kissinger: In next period, other countries will not be able to persuade us that, if they are occupied by powerful neighbor, it was worse for us than for them. At some point, world balance could be affected by expansionism. We would have to act in our own interests. I have not^{ed} been impressed by fact that U.S. zeal has not produced regional cooperation in Europe, draw ^{at} some lesson for Asia.

Sisco: We'd be faced with difficult situation. We would carry out our obligations. Just because we not seeking be world policeman doesn't mean we unconcerned about aggression. We probably would have to respond if change in balance of power threatened.

As far as regional cooperation concerned, one must maintain a healthy skepticism because each country trying to do very difficult jobs of economic development. There is a mutual interest among Asian countries.

Spain: RCD is regional organization which has had most success -- local initiative.

Kissinger: Any change in power balance would be regarded seriously.

M. M. Ahmad: Model of development in Pakistan should qualify for special support.

On economic side, few countries of Pakistan's size that have performed as well -- 5.5% per annum; 8% growth in export for last 10 years; in agriculture, West Pakistan nearly self-sufficient. For every dollar of aid we raise three.

Pakistan's model qualifies for special support -- liberal policies, private sector, avoided nationalization, good use of aid. We have shown that aid does work.

Recent disturbances have led to review of policy -- some difficult choices.

U.S. aid falling off.

Special problem this year. \$140 million aid appropriation this year should be protected if there are sharp Congressional cuts.

The group joined the Presidents at this point.

M. M. Ahmad: Quoted President Nixon to effect that aid of great significance for developing countries.

President Nixon: We've had a good talk on India-Pak relations, Asia, broader perspectives.

One of the things I've learned: Two words important -- frankness and trust. There have been some strains. Mutual trust diminished. We cannot resolve problems in this meeting. We can establish basis for new approach -- will be on up-and-up with each other. We won't criticize or take responsibility for the past but build for future.

Going beyond that, our policy is to try to work toward better relationship. Pakistan's relations with other countries is a matter for Pakistan to work out. We want to know the areas where we can help.

Sisco: We covered a number of these questions. We have begun a constructive exchange.

President Nixon: How the situation has changed since 1953, especially the usefulness of CENTO and SEATO. Our commitments remain, but threats of a difference character now.

President Yahya: We have "traveled all over the world" in our talks. Have to have a new look at relationships many nations in this part of the world.

India-Pak. I have explained tragedy that two major powers of South Asia cannot work together.

We have not forgotten our close relationship with U.S. We understand why we are not "the most allied ally now." But we are still allies.

What we have achieved in these two hours relieves our minds.

President Nixon: I'm convinced that in the last third of this century that part of the world which has the greatest potential for either growth or destruction is Asia. Here is where the action is going to be. I know this area better than any President in this century.

We have not discussed Vietnam, but the way that war ends will determine the role the U.S. will play in the future.

~~SECRET~~