

THE WHITE HOUSE  
WASHINGTON

SECRET/EXDIS

February 3, 1971

MEMORANDUM FOR

THE SECRETARY OF STATE

SUBJECT: Military Sales Credit for Pakistan

In response to your memo of January 14, "Military Sales Credit for Pakistan," the President has made the following decisions:

1. The recommendation that the one-time-exception package remain a cash sale is approved.
2. The President would prefer that \$13 million in credit be offered for FY 1971.
3. The President has instructed that Pakistan's credit requirements be very sympathetically considered in consolidating the FY 1972 program.
4. In connection with the above, the following is approved as a position to take with the Government of Pakistan:

As President Nixon told President Yahya on October 25, the U. S. will continue to be as helpful as it can in assisting in meeting Pakistan's financial needs. As President Yahya knows, U. S. assistance programs are limited in appropriations and subject to various restrictions. Indeed, when President Yahya last visited the U. S. the future of the entire military

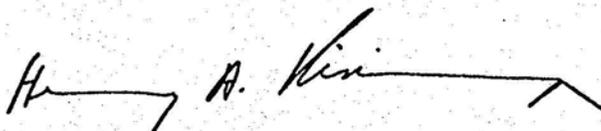
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credit program was still being vigorously contested in the Congress. President Nixon's remarks at that time, therefore, were a general statement of intention to be helpful and were not intended to address specific elements of the new arms package. Given the problems the U. S. must cope with, it is necessary to adhere to the original financial terms of the special offer that was made last June. However, in order to be as helpful as possible, the U. S. will increase the credit available for other Pakistani purchases in the U. S. to \$13 million in U. S. FY 1971. The U. S. will similarly be as sympathetic as possible to Pakistani financial needs in the next fiscal year.



Henry A. Kissinger

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