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NAID 969012
By ST/VSW Date 4/29/98

5/5 7207063

AID (US) INDIA

REPRODUCED AT THE NATIONAL ARCHIVES

FORM DS 322 (OCR) 19 APR 72Z 16 50
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XR AID (US) PAK

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NEA/INC: DTSCHNEIDER
4/18/72 EXT 22141
U: JNIRWIN II

NEA: CVANHOLLEN
AID: DMACDONALD
S/S: MR. MISSKELLER
S&S: 7207063

PAF: LBLAINGEN
H: KNFOLGER (INFO)
WH: MR. SAUNDERS

67420

IMMEDIATE NEW DELHI
ROUTINE ISLAMABAD, DACCA

SUBJECT: AID PRESENTATION PAPER FOR FY 1973

JNIRWIN
DTS
CVH
LBL
DMAC
KNF
Keller
Parrin

1. UNCLASSIFIED AID PRESENTATION PAPER FOR FY 1973 WILL BE SUBMITTED TO CONGRESS APRIL 20 AND LIKELY TO RECEIVE PRESS ATTENTION SOON THEREAFTER. THIS DOCUMENT WILL CARRY FIGURE OF DOLS. 75 MILLION FOR PAKISTAN, PROVISIONAL FIGURE OF DOLS. 90 MILLION FOR INDIA, AND UNALLOCATED AMOUNT OF DOLS. 110 MILLION TO SUPPORT DEVELOPMENT PROGRAMS IN ELIGIBLE ASIAN COUNTRIES. CONCERNING INDIA DOCUMENT WILL STATE QUOTE IN REGARD TO INDIA, U.S. ECONOMIC ASSISTANCE RELATIONS {#} RELATIONSHIPS ARE UNDER REVIEW. INDIAN LEADERSHIP IS PLACING INCREASING EMPHASIS ON SELF-RELIANCE AND SEEKS TO REDUCE THE COUNTRY'S DEPENDENCE UPON ECONOMIC AID FROM FOREIGN NATIONS. THE DOLS. 90 MILLION IN DEVELOPMENT LOANS PROVISIONALLY CARRIED FOR INDIA IN THE FY 1973 PROGRAM REFLECTS ALL THESE CURRENT UNCERTAINTIES. END QUOTE. IN REGARD TO UNALLOCATED AMOUNT DOCUMENT WILL STATE QUOTE THE DEVELOPMENT LOAN REQUEST FOR FY 1973 INCLUDES AN UNALLOCATED AMOUNT OF DOLS. 110 MILLION TO SUPPORT DEVELOPMENT PROGRAMS IN ELIGIBLE ASIAN COUNTRIES IDENTIFIED HERE. THE FLUID SITUATION IN SOUTH ASIA IS A MAJOR FACTOR IN THIS TREATMENT. THE LOAN PROPOSAL FOR PAKISTAN COULD BE A MINIMUM CONSIDERING THE ECONOMIC DISRUPTION CAUSED BY THE WAR AND THE LOSS OF EAST PAKISTAN. AS NOTED ABOVE, U.S. ECONOMIC ASSISTANCE FOR INDIA IS UNDER REVIEW. THERE ARE ALSO CLAIMS FOR DEVELOPMENT LOANS BY THE SOUTH ASIAN NEIGHBORS OF INDIA

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DECLASSIFIED
PA/HO, Department of State
E.O. 12958, as amended
June 9, 2005

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E.O. 12958, Sec. 3.4

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AND PAKISTAN, AS WELL AS OTHER ASIAN COUNTRIES. END QUOTE. THEREAFTER DOCUMENT LISTS FOLLOWING COUNTRIES AS POSSIBLE ADDITIONAL RECIPIENTS: CEYLON, NEPAL, AFGHANISTAN, KOREA, PHILIPPINES, INDONESIA.

2. BECAUSE ABOVE TEXT LIKELY RAISE QUESTIONS REGARDING U.S. INTENTIONS WITHIN GOI, EMBASSY SHOULD INFORM BOTH MINISTRY EXTERNAL AFFAIRS AND MINISTRY OF FINANCE AT JOINT SECRETARY LEVEL PRIOR APRIL 20 OF PLANNED SUBMITTAL OF AID DOCUMENT TO CONGRESS. EMBASSY SHOULD READ ABOVE QUOTED SECTIONS OF AID PRESENTATION PAPER TO GOI OFFICIALS. EMBASSY SHOULD ALSO EXPLAIN TO OFFICIALS THAT WE HAVE AGREED UPON THIS PROVISIONAL REPEAT PROVISIONAL ALLOCATION FOR INDIA AND UNALLOCATED AMOUNT FOR ASIAN COUNTRIES IN ORDER TO KEEP OPTIONS OPEN WHILE ECONOMIC ASSISTANCE RELATIONSHIPS WITH INDIA CONTINUE UNDER REVIEW. DECISIONS ON ALLOCATION WILL DEPEND ON RESULTS OF THAT REVIEW AND ON CIRCUMSTANCES AT THE TIME, AND YOU SHOULD MAKE CLEAR THAT NO INFERENCE SHOULD BE DRAWN ONE WAY OR THE OTHER REGARDING WHAT AMOUNTS, IF ANY, MIGHT BE MADE AVAILABLE. SHOULD GOI OFFICIALS INQUIRE REGARDING PRESENT STATUS U.S. AID FOR INDIA (E.G., DOLS. 87 MILLION SUSPENSION), EMBASSY SHOULD REPLY SITUATION REMAINS UNCHANGED. 44

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PA/HO, Department of State
E.O. 12958, as amended
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