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PA/HO, Department of State SENIOR REVIEW GROUP MEETING
E.O. 12958, as amended
June 9, 2005

February 1, 1972

Time and Place: 2:35 p.m. - 3:57 p.m., White House Situation Room

Subject: South Asia

Participants:

Chairman: Henry A. Kissinger

State: Mr. Joseph Sisco
Mr. Christopher Van Hollen

Defense: Mr. Warren G. Nutter
Mr. James H. Noyes

JCS: Adm. Thomas H. Moorer
B/Gen. William C. Burrows

CIA: Mr. Richard Helms
Mr. John Waller

Treasury: Dr. Charls Walker
Mr. John McGinnis

AID: Mr. Maurice Williams

NSC Staff: Mr. Hal Saunders
Mr. Mark Wandler

SUMMARY OF CONCLUSIONS

It was agreed that:

--an effort will be made to schedule an NSC meeting -- for information purposes -- on South Asia just prior to the President's visit to China. The NSC staff will work with the State Department to prepare a comprehensive discussion paper for the meeting. The State Department will also prepare a Talking Paper for the President to use in discussions with Chinese leaders.

--Dr. Kissinger will try to obtain Presidential decisions on immediately contributing 125,000 tons of food grain to the UN feeding effort in Bangladesh and on future aid commitments. The participants felt the U.S. could give one-

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third of what other UN donor countries are contributing, going up to a limit of 725,000 tons of food grain. At that point, we would have to take another look at the situation. In the meantime, we should reserve decisions until we have the world-wide call of the UN and until we determine how much other countries are contributing.

-- Mr. Williams, in his testimony before Congress, could say that the U.S. is prepared to participate in the relief operation.

-- The question of replying to an appeal by the UNHCR for Pakistani refugees in India will be held in abeyance for the moment.

-- A decision on our participation in the IBRD reconstruction and rehabilitation efforts in Bangladesh will be deferred until after the China trip.

-- We should have a forthcoming attitude on debt-rescheduling for Pakistan.

-- AID will prepare a paper on future development assistance to India. The paper should include a glossary of terms, alternative strategies, and percentage comparisons.

Concerning the ceasefire, we should be helpful to Pakistan in its efforts at the UN Security Council. We should also try to privately encourage low-key negotiations between India and Pakistan.

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Dr. Kissinger: We have three sets of issues to discuss today. The first is the basic strategy we should follow, the second is humanitarian and economic aid and the third is militarily related issues. In order to determine the basic strategy, I think we need to have an NSC meeting - either immediately before the China trip, or right after it. As I understand the State paper, we have two basic strategies - one for going slowly with India and one for going more rapidly. Just to clarify my understanding of the options, can you tell me what the difference is between the two strategies? It seems to me that one of them calls for going slowly through February, and the other through March. (to Mr. Sisco) Is that right?

Mr. Sisco: Yes, that's basically correct. We should go slow and take another look at the situation after the Peking visit. That's an oversimplification, of course. The main point is that we should look at everything again after the China trip.

Dr. Kissinger: But we have been looking at the situation for a long time.

Mr. Helms: I would like to mention one thing right away about recognition. Seventeen countries now recognize Bangladesh, and it looks as though fourteen more are getting ready to do so. I think we must ask ourselves if the U.S. really wants to recognize Bangladesh while Indian troops in effect occupy the country.

Dr. Kissinger: In any event, we would not consider recognition before March.

Mr. Helms: I think the whole structure of our policy relates to this recognition factor.

Dr. Kissinger: I read the State paper, but I don't think it develops workable choices which can be put before the President. It's going to be difficult to schedule an NSC meeting before March. Perhaps we can have an information meeting, though, a day or so before we leave for China. In reading the paper, I also noticed a couple of trick phrases. For example, in the "faster" strategy, it says "move the U.S. to a more independent position vis-a-vis the three major powers in the area." Some people feel that we are already taking a position ~~for~~ ^{an} independent Bangladesh. We have an independent position vis-a-vis India right now. So this really means to move away from Pakistan. What are the intentions of the Indians? I wonder if we could express the strategies presented in this paper in terms of meaningful choices. Suppose we want to repair our relations with India. Timing will play a great role. For one thing, we must go to China first in order to determine how we will play the triangular relationship in South Asia. One could argue that we should repair our relations with Bangladesh before we repair our relations with India. On the other hand, one could also make the opposite argument. That's the sort of choice we have to put before the President - rather than a slow-fast choice.

Mr. Sisco: I think it would be valuable to have an NSC meeting - an information meeting - just before the China trip. Unless other people object, I don't think we have to do anything else other than just have the NSC meeting. We could do one paper, saying that we looked at the two alternatives, putting forth our posture in the area and recommending that we hold off for the time being at least on recognition of Bangladesh. We could glean whatever is useful from the present papers. This new paper would then be good for a general NSC discussion.

Dr. Kissinger: We have to determine where we want to go in the area. Otherwise, we will have a series of operations which will be hard to keep track of. (to Mr. Sisco) You sent over a list of recommendations. We need to know, however, what we want with Bangladesh and India over a period of time. What can be done to bring about better relations with India? What do we mean when we say "better relations?" We have a ^{unique} opportunity now not to slide back into the situation that existed before. If we don't have a basic strategy, we run the risk of being nicked and dined to death by the various bureaucracies which have a vested interest in the programs that existed before. I don't know. Maybe we should be doing this. But first we should try to develop a basic strategy.

Mr. Van Hollen: (to Dr. Kissinger) With this in mind, have you seen the paper/Secretary's memorandum to the President of January 17? This memo addressed ^{under the} questions of our relationship with Bangladesh, as opposed to India and China.

Dr. Kissinger: If I remember correctly, the memo had four options, only one of which was viable. Regardless of the way the paper approaches the problem, however, it may reach the right conclusions.

If I could be the devil's advocate for a moment, let me say that one could make a case for the proposition that we had a common interest with China during the war, but not now. China may want a radical Bangladesh, while we want a moderate Bangladesh. So it may be that we have more of a common interest with India in Bangladesh than we have with other countries.

Mr. Van Hollen: We addressed that problem in the Secretary's memo.

Dr. Kissinger: The point Dick [Helms] made before was a good one. From the foreign policy point of view, it would buy us six more months with China if we hold off recognizing Bangladesh until the Indians leave.

Mr. Van Hollen: Mujib is on the record, you know, as saying that the Indian troops are wanted. He also wants us to recognize Bangladesh.

Dr. Kissinger: This is exactly the sort of issue that should be surfaced at an NSC meeting. We should be able to discuss our priorities with Pakistan,

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Bangladesh and India at the meeting. If we want to move with India, we should discuss how this could be done. Should it be with economic aid? Should we try to get a political dialogue going first? (to Mr. Sisco) Perhaps we can get at all of these issues if you re-work your paper. Then we could send the paper to the President for his review.

Mr. Sisco: I agree with you. The question is how do we do this paper?

Dr. Kissinger: Perhaps we can do the paper over here. We would, of course, show it to you, and it would serve as the basic paper for an NSC discussion. I think we have to make sure the President gets these issues into his head before the China trip. We could have an hour-long NSC meeting to expose these issues. It wouldn't be necessary to make any decisions at the meeting.

Mr. Sisco: Yes, we should do that. I will get together with Hal (Saunders) right away. I might also mention that we are trying our hand at getting a talking paper ready for the President.

Dr. Kissinger: We've been trying to get a talking paper.

Mr. Sisco: We're working on it. I think it would be helpful for the President.

Dr. Kissinger: It's absolutely essential.

Mr. Sisco: We're doing a talking paper on the Middle East as well.

Dr. Kissinger: (to Mr. Sisco) I'll give you a piece of inside information. They [the Chinese] are not in favor of proximity talks.

Mr. Sisco: Oh, no. I'm not sure the Egyptians want proximity talks either.

Dr. Kissinger: Can we have the talking paper on South Asia by the end of the week?

Mr. Sisco: We'll try.

Dr. Kissinger: You should keep in mind the Chinese sensitivities when you do this paper.

Mr. Helms: (to Dr. Kissinger) When are you leaving for China?

Dr. Kissinger: We're leaving on the 17th, and we will be back around noon on the 28th. We arrive in China about the 21st.

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Mr. Sisco: (to Dr. Kissinger) We'll get that paper for you.

Dr. Kissinger: We should have some discussion now about the series of State/AID recommendations on operational points, some of which are acute. The first of these is whether within the framework of the UN Relief program with international support, the U.S. would make available for relief in East Bengal PL 480 food grain and oil, utilizing portions of the 725,000 tons which were committed for relief efforts in East Pakistan last August and September but not shipped. The question, as I understand it, is do we earmark the whole amount now, or do we respond with smaller amounts to a series of requests?

Mr. Williams: The UN has now requested a contribution from us of 175,000 tons of grain for the UN feeding effort in Bangladesh. They want an answer as soon as possible.

Dr. Kissinger: To whom would the pledge be made?

Mr. Williams: To the UN. It was originally in an agreement with Pakistan and would have to be shifted. I might add, too, that these 725,000 tons are already in the public domain. The UN has also asked for \$386,000, the remainder of an earlier two-million dollar pledge we had made to cover administrative costs. Both of these requests are on the public record.

Dr. Kissinger: These pledges were made under different political circumstances.

Mr. Williams: I understand that the UN, however, sees itself as the same body in the area.

Dr. Kissinger: (to Mr. Sisco) Joe, what do you think?

Mr. Sisco: I make a distinction between these two pledges. The UN says that food is needed now, in advance of a revised aid program. I say that we should respond favorably and that we should earmark 175,000 tons. However, we should make it clear that we are waiting to see what the new aid program will look like. If we do this, it will be tangible evidence that we are doing something in Bangladesh. Bangladesh will see that we are doing something meaningful. On the other matter, I feel that if we can hold off, we should. The British have made a new pledge of \$2.5 million, and the Belgians will be pledging \$400,000. The UN is not in such dire straits in administrative costs that it will fall apart without the remainder of our original contribution. I say yes to the question of earmarking the 175,000 tons, and I say that we should hold off making financial commitment.

Mr. Williams: That financial request was between the U.S. and the UN.

Mr. Sisco: (to Mr. Williams) Yes, Maury, but that was for a different program under different circumstances.

Dr. Kissinger: (to Mr. Williams) Are you saying in effect that if Czechoslovakia is annexed by the Soviet Union, and if the UN calls for relief efforts, we would have an obligation to the UN?

Mr. Williams: I don't know about that. But I do know that we said we would support the mission in Dacca. After the war began we even asked them to stay at their posts. We talked to U Thant in the middle of the night, and asked him to keep somebody in Dacca. We pledged \$2 million to support the administrative costs. Since the amount of money involved now is very small, I think we should go ahead with the pledge.

Dr. Kissinger: I would like to take these issues to the President. He is strong on not recognizing Bangladesh, but he is, of course, in favor of humanitarian aid. (to Mr. Helms) Dick, what do you think?

Mr. Helms: I frankly am not convinced by the argument that we must follow through with our commitments to the UN. Those commitments were made during an entirely different situation. If we want to make these commitments now, that's fine, but we shouldn't be burdened by what we said we would do in the past. It's time now to make some new decisions.

Dr. Kissinger: (to Mr. Helms) Does that hold for food commitments, too?

Mr. Helms: We simply have to decide now what we want to do. Personally, I think it's a good idea to send food to Bangladesh.

Mr. Sisco: I'm making some assumptions, which I think all of us around this table are also making. Basically, we see stability in Bangladesh to be in our interest. There is a new situation now, but we are under no illusions that a commitment of 175,000 tons of food grain to a new program will bring about new circumstances. This would simply be the beginning of a new program.

Dr. Kissinger: What is the value of 175,000 tons of wheat?

Mr. Williams: It's worth about \$10 million.

Mr. Sisco: That's not a bad chunk for a signal, you know. Once we make this commitment, we could wait to see how the new situation looks.

Dr. Kissinger: We can respond to the UN request by saying that we are reviewing a new situation, or we can pledge 175,000 tons of food grain or we can pledge the whole package. I would like to try this out on the President, just to get his temperature. When will we know what the UN is requesting? Will we know next week?

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Mr. Williams: Yes, I think so.

Adm. Moorer: How far will the 175,000 tons of food grain go? Will it feed about one million people for one month?

Mr. Williams: It is about a one-month import requirement for Bangladesh.

Dr. Kissinger: Then the U. N. will be asking for the same amount every month, won't it?

Mr. Williams: The U. N. will be making^a world-wide call. Some people estimate that the annual figure will be about 1.5 million tons. This is a minimal estimate, however. Others say that the figure will be 2.5 million.

Adm. Moorer: I would think it would be at least 2.5 million.

Mr. Sisco: We will know better when the call is made and when other countries announce their contributions.

Mr. Helms: What is the time gap between the decision to commit food and delivery?

Mr. Williams: Generally, the food is taken from existing stocks in the area. New deliveries are then used to replenish the drawdown stocks. It takes about two months from decision to delivery.

Adm. Moorer: I think this should be an entirely new situation, with a new commitment. I assume the 175,000 tons are standing by at the ready. If we give it to them, it would be a new commitment.

Mr. Van Hollen: We can try to find out what the other countries are planning to do. We can call New York.

Mr. Williams: Yes, we should do that. Canada is contributing \$18 million, but it's hard to know if this contribution was in the works before, or if it is a new program.

Mr. Sisco: This is sort of a pilot program for us, a test of what other nations will do. We can take a small step in this new situation without committing ourselves to further actions.

Mr. Helms: Let's say for a moment there is a famine in Bangladesh. If people are fed, there will be less pressure -- from Congress, the press, do-gooders and others -- put on us to make other decisions. Just remember what happened with Biafra. We have less control over the situation in the long run if we hold back on aid.

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Dr. Kissinger: That's a good point. I'm not sure, anyway, that our offer would be a test of the Bangladesh attitude. Why wouldn't they take 175,000 tons of food grain?

Mr. Williams: I think we should wait for the overall assessment need, which will be accompanied by a call for help. Then I think we should give 30-35 percent of that call. This will be a proportionate, reasonable share of the help.

Dr. Kissinger: I assume the 175,000 tons would be counted as a part of our share.

Mr. Sisco: Yes, it could be.

Mr. Williams: That should certainly be communicated to the U. N. The political circumstances have obviously changed, but the same U. N. people are in the field. In the context of our basic policy, as I just stated it, I think we should go ahead with these commitments.

Dr. Kissinger: I don't know what our policy is.

Mr. Williams: I said "as I stated it."

Adm. Moorer: What will be the effect of future aid to India on India's ability to assist Bangladesh?

Mr. Williams: What is our aid to India?

Adm. Moorer: The Indians have to feed their forces in Bangladesh, and there are starving people in India itself. Where are they going to get the food? Will they transfer some of our aid?

Mr. Williams: There are no starving people in India. They've had five surplus harvests in a row.

Adm. Moorer: But they certainly howled about the refugee situation.

Mr. Sisco: If there is a bad ^{wheat} harvest, India might be in trouble. But that isn't the case right now.

Dr. Kissinger: What was the economic strain on India?

Mr. Williams: There was economic strain in budgetary terms, but, nevertheless, they had a surplus of wheat.

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Dr. Kissinger: I understand the issue. I will try to get a Presidential answer next week.

Mr. Williams: Let me repeat again that I think we should wait for the call. Then I think we should respond in tranches, pledging one-third of what other countries put up.

Dr. Kissinger: Let's move on to some of the related issues now. Concerning the recommendation that our support of the short-range UN relief and rehabilitation effort should be in the range of 30 - 35 percent of the total actually made available by all donors, how did we hit upon 30- 35 percent? Is this our share of the U. N. budget?

Mr. Sisco: In the voluntary programs, we're somewhat over 40 percent. In the UN budget, we contribute just over 30 percent. I would say that the figure of 30 - 35 percent can be justified because it is roughly our budgetary contribution. In fact, I would say that we should use the exact figure of 33 1/3 percent.

Mr. Williams: This 30 - 35 percent figure is also reinforced by the recent Proxmire report. This report said that our share of the aid to refugees on the sub-continent should be about 30-35 percent of the total from other countries. If we are asked where we got the figure from, we can say that Proxmire recommended it [referring to his forthcoming testimony before the Kennedy subcommittee].

Dr. Kissinger: If you say that, it will make you very popular upstairs.

Mr. Sisco: The President should know that Pakistan assumes and agrees that we should be contributing to the UN effort. Raza came in specifically to talk about this.

Dr. Kissinger: As I recall, he said that he had no objections to our contributing.

Mr. Sisco: Bhutto has also said that he understands why we want to provide aid. He said the important thing is non-recognition of Bangladesh.

Mr. Williams: If I am asked about this during my testimony on the Hill, I can say that we are studying the situation.

Mr. Sisco: (to Mr. Williams) Maury, why don't you show the draft testimony that I looked at to Henry?

Mr. Williams: This testimony is already in the Committee's hands. Hal (Saunders) has seen it.

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Mr. Saunders: It follows our general line.

Dr. Kissinger: Just for my information, can I see it?

Mr. Williams: Yes, here it is.

Dr. Kissinger: Does the 30-35 percent figure include our financial contribution?

Mr. Williams: Yes.

Dr. Kissinger: What bothers me is that we might be committed to spend the \$250 million that the President asked for under different circumstances.

Mr. Williams: That's not correct. We will do what we want to do.

Dr. Kissinger: I'm not sure that we aren't automatically committed to continuing what we were doing before.

Mr. Williams: What do you mean?

Dr. Kissinger: I'm talking about the \$250 million the President asked for.

Mr. Williams: That request is still before Congress.

Dr. Kissinger: But it was sent up under different circumstances.

Mr. Williams: You wouldn't want to withdraw it, would you?

Dr. Kissinger: Does everyone agree that one-third is the right figure to use with our commodity and financial contributions?

All agreed.

Mr. Nutter: Isn't there some question about our overall UN contribution?

Mr. Sisco: No. We pay our dues and 30 percent of the general budget, although this has been reduced over the years. After China was admitted, we reduced our contribution to the UN development program.

Adm. Moorer: For what it's worth, we also pay about one-third of the cost for ^{the} NATO infrastructure.

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Dr. Kissinger: We can ask the President (a) if he wants to do anything and (b) if so, how much we should contribute. He can say 25 percent or 40 percent.

Mr. Williams: Absolutely. You can also be sure that I will say nothing tomorrow that will affect this.

Mr. Helms: Won't we contribute less than we did before the war?

Dr. Kissinger: If we say we're contributing 30-35 percent, won't this be less than what we were giving before?

Mr. Williams: Before the war, we were contributing about 70 percent of the total cost.

Dr. Kissinger: It may be possible then that we will be giving a smaller percentage now, but that it will be the same amount.

Mr. Williams: That depends on what we finally do. In any case, I don't think it will be the same amount.

Mr. Sisco: There's one critical issue we have to make a decision on regarding Maury's testimony. Can he say that the U.S. is prepared to participate in the relief operation? Can he say that we will take some general share?

Dr. Kissinger: Yes.

Mr. Sisco: He can keep his testimony general and not make any commitments.

Mr. Williams: It will be easy to do that because there is no UN assessment yet.

Mr. Sisco: This was the important thing to be decided at this meeting.

Dr. Kissinger: What about recommendation 5-- our reply to an appeal by the UNHCR for Pakistani refugees in India?

Mr. Saunders: That's the recommendation on page 3 of the humanitarian assistance paper. This is like the issue we were just discussing, only it relates to refugees in India. I think we have to wait for a final call from the high commissioner for world-wide funds before we can make any decision.

Dr. Kissinger: I am also reluctant to go ahead with it without Presidential approval. This is a totally new situation, and the refugees are allegedly

going back.

Mr. Sisco: I don't think we have to give anything to India. (to Mr. Williams) What do you think, Maury?

Mr. Williams: I said in this room last week that if we do anything, we should do it in Bangladesh. I asked State to sort this issue out [noting that the State paper recommended \$10 million.]

Mr. Sisco: Both the Secretary and I feel we should make our effort in East Bengal.

Dr. Kissinger: Do we all agree then that we should hold this in abeyance and not put it before the President?

Mr. Sisco: Absolutely.

Dr. Kissinger: What we will put before the President is the question of whether we will contribute to the UN effort and whether our contribution will be 30-35 percent of the total given by other countries.

Mr. Williams: I agree with Joe that we should not make an effort in India.

Dr. Kissinger: What about the 725,000 tons of food grain? Should we put that issue before the President?

Mr. Williams: I don't think we need to have a decision on that.

Dr. Kissinger: Do we agree we would release 175,000 tons, provided we are in the range of 30-35 percent of the total contribution? After that we would then take another position on what to do with the remaining tonnage.

Mr. Williams: We should be prepared to release the 175,000 tons, even if it is ahead of the percentage. The additional tranches, however, would be in the 30-35 percent range.

Mr. Sisco: The important thing to remember at this point is that we have no further commitments.

Mr. Williams: 725,000 is a meaningless number. It is not an operational figure.

Dr. Kissinger: Following through on what you just said, we might end up giving more than 725,000 tons.

Mr. Sisco: That's conceivable.

Mr. Nutter: We could use some kind of limitation. For example, we could use the figure of 30 percent, but say no more than a certain absolute sum.

Mr. Sisco: I think we can work with the 30 percent figure now. When it is put before the President, he might decide to do more or less.

Dr. Kissinger: I assume our contribution of 175,000 tons will be retroactive and will count against the 30 percent figure.

Mr. Williams: Yes. After we make that contribution, we could hold back and not take the lead.

Dr. Kissinger: How high could the total figure be?

Mr. Williams: I don't know.

Dr. Kissinger: Can you try to give us an idea, in addition to the estimate of what other contributions will be?

Mr. Williams: Let's say the total call is \$750 million for the first year. One-third of that, our share, would be \$250 million. I guess we would have to take a good hard look at that, to see if we want to do it. But first we have to have the call. The only recommendation before us now is for a percentage figure of one-third.

Dr. Kissinger: We will give one-third of what other countries contribute. We will go up to 725,000 tons, and then we will take a new look at the situation. Does everyone agree with that?

All agreed.

Dr. Kissinger: What about our financial contribution for humanitarian relief? Should we give the \$386,000 plus whatever else we want to give? There is also the possibility of another \$5 million.

Mr. Saunders: This refers to the earlier question discussed between Mr. Williams and Secretary Rogers of authorizing a commitment of \$5 million for administrative costs. This has been pre-empted, however, by the \$386,000 issue.

Dr. Kissinger: The next question concerns our participation in the IBRD discussion on longer range reconstruction and rehabilitation efforts in Bangladesh. Do we have to make a decision on this before the China trip?

Mr. Williams: What does "participation" mean? The IBRD says it will prepare an assessment and a report of the situation. There's no need for us to make a decision on this.

Dr. Kissinger: Then we could hold it off until after we return from China.

Mr. Williams: Definitely.

Dr. Kissinger: Next we have the question of what our attitude should be on debt -rescheduling for Pakistan. Your recommendation is that we be forthcoming. Does anyone oppose that recommendation?

No one opposed.

Dr. Kissinger:
Let's talk now about the 1971 pipeline for India. You recommend that we should hold this in abeyance for now, and this is okay with us. But we want to have two or three choices with regard to future development assistance to India. Can you get this to us, with all the pros and cons? Can you tell us what the Indians will do?

Mr. Williams: We will get that for you. When do you want it?

Dr. Kissinger: Can we have it by the middle of next week?

Mr. Williams: Okay. We're planning to take a fresh look at aid for Pakistan in March, ^{and} we could do the same thing for India at that time.

Dr. Kissinger: (to Mr. Williams) You're not going to come out against it, are you? [restoring the pipeline in March]

Mr. Williams: I think I will recommend it, but I want to wait until then. The issue must be looked at, and we can do it when we proceed with the assistance to Pakistan.

Dr. Kissinger: But we're talking about India right now. Can we think about what kind of program we would like to set up in the new fiscal year?

Mr. Williams: Sure. _____

Mr. Sisco: We held up a \$80 million, _____ but we let more than \$100 million in the pipeline go.

Mr. Williams: One problem we will have is that Congress will probably cut the development assistance funds. We will, of course, have to make new decisions. But right now we have no commitments.

Dr. Kissinger: Can we find out exactly what is going on? What is the bookkeeping, and what is the real situation? We have to know what the effect on India is so that the President can make decisions. Frankly, I find it bewildering ^(not) to know exactly what happened in December.

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Mr. Williams: In December, we froze U.S. - Indian agreements totaling \$87 million. This had an immediate diplomatic effect on our relations with India because the Indians considered this to be a punitive action. The economic effect is a much slower proposition.

Dr. Kissinger: The point is that if the pipeline is reopened in March the Indians in effect will not have paid anything.

Mr. Williams: I say that we should not give India any ^{new} aid this year.

Dr. Kissinger: I don't even know what "pipeline" means.

Mr. Helms: (to Mr. Williams) Would it be possible to get some sort of a glossary, so that we all know exactly what you are talking about? What about the \$87 million - was it mostly for tanks, oil or other things?

Dr. Kissinger: Yes, Maury, I think it would be useful to get that - for us and for the President. Then we could get some idea of what the effect was of what we decided. And any new decisions we make would make sense. I don't really understand exactly where we are at the moment. Where do we stand with development loan funds?

Mr. Williams: Congress is not finished acting on that yet. I'm sure that the development loans will be cut very deeply. We thought that we would have \$200 million - - like last year. But it will probably be less.

Dr. Kissinger: The President wants to make a decision on this. As our relations with India improve, he could decide to do something. This would be a political decision. He could decide to go back to what we were doing before, or he could announce the program has been cut. The cut could even be done for us by the Congress. In any case, we have already paid the price, and now everyone should look at the figures. Maybe the President would decide to do nothing, or just give a little. However, I don't know what it means to give a little.

Mr. Williams: I will put something together for you.

Dr. Kissinger: If we talk about giving \$200 million in development loans to India this year, how much of a percentage is that of last year's figure? That's the kind of information we have to know.

Mr. Williams: I will get all of this for you - a glossary, alternative strategies, percentages, and other things.

Dr. Kissinger: Can we have it next week?

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Mr. Williams: Yes.

Mr. Sisco: We have a strong interest in the PL 480 program because of the vegetable oil problem. As you know, we've offered vegetable oil in order to stabilize our soybean oil market. India has refused this offer and does not want to talk about aid on a piecemeal basis. I don't think we should go back to the Indians and ask them to take the vegetable oil.

Mr. Williams: The bottom has fallen out of the U.S. market for soybean oil.

Mr. Sisco: India knows this. Agriculture is/ ^{insisting} that we should go back to the Indians. We're reluctant to do that, though, because we fear that they will say the hell with it. They say they want to talk about the broad aid picture, and we can't afford to fall into that trap.

Dr. Kissinger: Let's turn now to the ceasefire. Should we encourage negotiations, or should we let nature take its course?

Mr. Sisco: Pakistan will be asking for a Security Council meeting after the Security Council meetings in Africa are done.

Dr. Kissinger: Will they ask for a observers?

Mr. Sisco: Yes. We told them that we would try to be helpful in the Security Council. I think we should be helpful. I think we should also try privately to encourage low-key negotiations.

Dr. Kissinger: Are there any objections to that?

No objections.

Dr. Kissinger: What's going to happen to the 80,000 prisoners?

Mr. Sisco: That's one reason for having the talks.

Mr. Van Hollen: The Indians have most of the prisoners, and most of these are now held in India. Therefore, this is basically an India - Pakistan problem. There's also the territorial problem on the western front. The prisoners, of course, are a big bargaining counter for the Indians. They could play them off for concessions in the West and Bangladesh.

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Mr. Helms: India has already said that Pakistan should give up the territory it occupied during the war. Haven't the Indians made that clear?

Mr. Van Hollen: They've talked about mutual rectification in the border areas, worked out mutually. India holds approximately 300 - 500 square miles of Pakistan, while Pakistan has about 40 - 80 square miles. This is not at all like the situation in 1965.

Mr. Sisco: India, in other words, has a five-fold advantage in territorial terms. It seems to me that this^{is} a matter [redacted] we should let Bhutto handle.

Mr. Van Hollen: He is trying to internationalize various aspects of this, to improve his poor bargaining position.

Dr. Kissinger: What happened to the license [military supply] situation after the war? Did we or did we not cut off the licenses to India?

Mr. Van Hollen: ~~On Commerce Department licenses, the pipeline did not stop.~~
Only new applications were stopped.

Mr. Sisco: Perhaps we should begin at the beginning.

Mr. Van Hollen: That's a good idea. Let's take Pakistan first. For munitions list items, as of November 8, all licenses were stopped.

Dr. Kissinger: What about India?

Mr. Van Hollen: They [munitions list items] were stopped on December 1 and 3.

Dr. Kissinger: As of December 3, then, Pakistan and India were on the same basis. Is that correct?

Mr. Van Hollen: ^{Yes.} We put a hold on new ~~Commerce/~~ ^{Department} licenses for Pakistan in the fall. The same thing was done for India when the war began. The Pakistani pipeline has been flowing. We proposed to stop the pipeline to India, but Commerce, did not do it. There was no hold on the Indian pipeline.

Dr. Kissinger: You didn't let us know that. Are Pakistan and India on the same basis now?

Mr. Van Hollen: On both commercial licenses and munitions list items, they are on the same basis. With White House approval, we made two exceptions for India. One was on inertial guidance equipment, and the other was on German rockets.

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Dr. Kissinger: Who approved that [the German rockets]?

Mr. Saunders: Haig.

Dr. Kissinger: What are the Germans doing launching rockets in South Asia? Are they trying to protect German East Africa?

Mr. Van Hollen: I don't really know what they're doing.

Mr. Saunders: They are launching sounding rockets from the geomagnetic equator.

Dr. Kissinger: Just for my information, can you tell me what kind of rockets they are using?

Adm. Moorer: The rockets are very much like the ones we send up at Wallops Island.

Mr. Helms: It would be a great grab bag to get a list of all the decisions made on India and Pakistan during the last twenty years.

Dr. Kissinger: (to Mr. Van Hollen) What are the recommendations?

Mr. Van Hollen: On commercial licenses, all holds should be off.

Dr. Kissinger: Who would benefit by that action?

Mr. Van Hollen: There is an approximate balance - \$800,000 for Pakistan and \$900,000 for India - in terms of new license applications.

Dr. Kissinger: What about the pipelines?

Mr. Van Hollen: The monetary advantage would go to India - with two million dollars worth of equipment in the pipeline, compared to \$42,000 worth of equipment for Pakistan.

Mr. Helms: Henry [Kissinger] has learned to ask the right questions.

Dr. Kissinger: But it doesn't do me any good.

Mr. Sisco: We are being pressed hard on this issue by Pakistan.

Dr. Kissinger: But they don't have anything in the pipeline.

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Mr. Van Hollen: Raza is pressing us.

Dr. Kissinger: Are you willing to proceed with the new license applications for Pakistan?

Mr. Van Hollen: Yes. The pipeline has been flowing, but now we're talking about new license applications for India and Pakistan.

Mr. Sisco: Concerning the \$800,000 worth of equipment in the pipeline for Pakistan, Raza comes in to see us every ten days or so. We don't know if Bhutto is involved in this. He never raised the question of military assistance with us. Farland says that Bhutto is putting priority on economic revival.

Dr. Kissinger: So the \$2 million pipeline will flow to India, while there is a torrent of \$42,000 to Pakistan.

Mr. Williams: I agree with Joe. There was some indication that Bhutto does not agree with Raza. I think Raza might be trying to improve his standing by taking this initiative on his own -- or by following a suggestion made by the Army.

Mr. Nutter: Pakistan has 70 tons of munitions list items in a warehouse right now. These items have been paid for, but delivery has been held up.

Mr. Williams: The items were not licensed.

Mr. Nutter: But they were paid for.

Dr. Kissinger: How was that possible?

Mr. Sisco: Some times it is possible to get a license after items have been bought. The licenses are mainly for shipping purposes, anyway. You can get a license before or after you make a purchase.

Dr. Kissinger: The only question, then, is whether we should open up commercial applications?

Mr. Van Hollen: Commerce feels strongly that we should do this.

Dr. Kissinger: (to Mr. Sisco) Let me call you.

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