

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

2857 - Add-on

April 13, 1972

~~CONFIDENTIAL~~

Action completed

MEMORANDUM FOR:

GENERAL HAIG

FROM:

HAROLD H. SAUNDERS *HS*

Saunders notified
D. MacDonald,
Assistant Administrator AID on
4/13.

SUBJECT:

Congressional Presentation on South Asian Aid Program

HS
Also told Frey in
OMB.

You will recall from the attached that Henry approved a Congressional presentation for South Asia which includes \$75 million for Pakistan and, on a provisional basis, \$75 million for India, with the remainder for South Asia listed as an unallocated reserve.

AID has now set itself up to go ahead on this basis. However, after seeing it in print, they have raised one additional item for second thought. I remonstrated that they did not come up with this earlier but I promised to sound you out on it.

I hasten to say that their suggestion has all of the wrong atmospherics about it because it immediately looks as if somebody is trying to raise the India program. But let's put the emotions surrounding that issue aside for just a moment and look at the point that is being made.

The point is that if we have the same number for India as for Pakistan, we will provide another point for Indian criticism. The idea that we equate Pakistan and India, as you know, is in Indian eyes an indication that we refuse to recognize the realities of the situation in South Asia. The Indians will criticize us anyway for this Congressional presentation on other grounds and this will just add one more point. But nevertheless it is true that the Indians will react.

Against the background of this argument, AID would recommend using a figure of \$75 million for Pakistan as planned and \$90 million for India.

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My question to you is whether you feel that the point of having exactly the same numbers for India and Pakistan is important to Henry's view of this presentation or whether you feel that he was simply anxious to put in a realistically low figure for India as well as a fair picture for Pakistan. If the latter, then do you feel that there is flexibility to put in different figures, or do you feel that we should leave this the way he left it at \$75 million and \$75 million?

Use 90/75

OR - Hal

Leave at 75/75

*The checked
of HRK*

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MEMORANDUM

NATIONAL SECURITY COUNCIL **URGENT**

ACTION
2857 Add-on

April 7, 1972

~~CONFIDENTIAL~~

MEMORANDUM FOR:

DR. KISSINGER

FROM:

HAROLD H. SAUNDERS
RICHARD T. KENNEDY

SUBJECT:

Congressional Presentation on South
Asian Aid Program

From your response to the attached memo we judge that perhaps our earlier memo was unclear on one point.

You will recall that the option that Maury Williams recommended in making the presentation to Congress on the South Asian aid program was simply to list \$300 million for South Asia and to indicate no specific figure for India or Pakistan. This was the approach that you and Williams agreed on for the budget last December.

The objective of this approach was to stake out a requirement for an appropriation for South Asia so that money would be available if the President wished to have some before July 1, 1973. At the same time, it would in no way commit any money to India at this point.

In fact, we are planning a program of around \$75 million for Pakistan, which is the current estimate of likely Pak needs. If these needs turn out to be higher over time, the \$300 million would give us the capability to move to meet them. We could easily explain privately to the Pakistanis that this money would be available for them to reassure them in the face of the indefiniteness of the Congressional presentation.

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Handwritten notes:
@
K
There is no change in the \$200 million to India
75-
75-

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- 2 -

The principal difficulty will be that Maury Williams will have to explain when he testifies what we have in mind for India. It will not be easy, but he will simply have to say that it has not been possible in the wake of the war to develop concrete programs for the area yet. He will have to stick at that.

This was the purpose of Option 1 in the March 31, 1972 memo. It is not intended to reserve funds specifically for an India program but rather to preserve -- as you had wanted to do last December -- flexibility in South Asia so that the President's options would be open. This would not commit us to anything for India.

Williams is under pressure to get his presentation documents to the Hill early next week to meet the hearing schedules. Accordingly, he has asked that if possible he be given word on how he should proceed by Monday evening (April 10).

Recommendation: That Maury Williams be authorized in the presentation to Congress to list \$300 million for South Asia and to indicate no specific figure for India or Pakistan.

Approve _____

Other _____

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