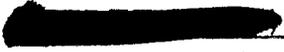


THE WHITE HOUSE

WASHINGTON

March 7, 1973

ACTION
503 Follow-on #1
(revised)



MEMORANDUM FOR: THE PRESIDENT
FROM: HENRY A. KISSINGER *HK*
SUBJECT: Military Supply for Pakistan

It is desirable now to address a basic decision on military supply for Pakistan. President Bhutto's emissary, Governor Khar, will come on March 8 seeking some indication of what Pakistan can count on.

The present situation is this:

--The policy now is not to license for export to either India or Pakistan any equipment for significant military use. You have approved releasing about \$1 million in equipment which is already owned by Pakistan. But otherwise the general embargo still stands on new military equipment.

--This contrasts to a pre-war policy (1967-71) of providing non-lethal equipment and spare parts for previously supplied US-made lethal equipment. This policy was set after the last Indo-Pak war in 1965 under Congressional pressure to suspend supply altogether. It was designed to help the Pakistanis maintain US equipment already supplied and to permit the sale of communications, transportation and other non-combat equipment while staying out of the business of supplying planes, tanks and other major combat items.

--The Paks will be pressing us to provide both spares and new combat equipment. This will be one of the main purposes of Governor Khar's visit. He may very well present a substantial list of new equipment Pakistan would like.

We would like to be as helpful to Pakistan as possible. Theoretically, there are three ways of doing this:

XGDS - 3

DECLAS - Date Impossible to Determine.

BYAUTH - Dr. Henry A. Kissinger



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1. The most practical way is to supply equipment directly. That would return the US fully to the arms supply business in a way that has not been the US practice since 1965. Those in Congress who are pressing for a prohibition against all military supply in South Asia would use this as an argument for Congressional action to stop the flow of arms altogether. This step would also be read in India as a US return to comprehensive US military support for Pakistan "directed against India."

2. If we were not going to supply equipment directly, one theoretical possibility has been to encourage friendly third countries like Iran or Turkey to supply equipment to Pakistan or money to buy equipment. The problem with this approach has been that these countries do not, for the most part, manufacture their own equipment, and the Foreign Assistance Act now prohibits our consenting to transfer of US-made equipment from such third countries unless our policy permits us to supply that same equipment directly. We could encourage Saudis and Iranians to help Pakistan financially to buy arms, but our experience in trying to increase aid for Jordan suggests that not much should be expected along these lines. Thus while we will want to encourage mutual friends to help Pakistan, there will be practical limits on how much equipment can actually be provided in this way.

3. We could return to the pre-war policy of providing spare parts and non-lethal equipment but no planes, tanks or other major combat items. This would not fully satisfy Pakistan, but it would be helpful in permitting the Paks to keep their US-made equipment going. The obvious disadvantage of this policy is that India has a greater capacity to manufacture its own equipment, so Pakistan is more dependent on its outside sources. India and Pakistan, of course, would continue to get equipment from the USSR and China respectively.

The issue is the same one we grappled with in 1970 when you decided to make a "one-time exception" to the limited supply policy and provide one sale of armored personnel carriers and some aircraft. The main consideration then was to help Pakistan while avoiding a fundamental change in policy.

The other side of the issue is that Pakistan very much wants both the symbolism of US support via military supply and American equipment, particularly spare parts. The Pakistanis have rebuilt their forces with significant shipments from both China and France, although Pakistan's weak financial position has limited its ability to buy extensively in France. But they are still anxious for this sign of US support.

The main threat to Pakistan at this point seems to be in terms of its own internal cohesiveness, and we are providing substantial economic aid to help with those problems insofar as economic programs are an answer. Nevertheless, Pakistan must have a military force that can preserve internal integrity and permit Bhutto to negotiate with India from a basis that is as advantageous as the basic balance between the two countries permits. It is in the US interest to help in any way we can to thwart subversion in Pakistan, whoever supports it. And it is in our interest to do what we can in response to ongoing Soviet supply to India.

We must, however, deal with the fact that resumption of full-scale military assistance would risk an almost certain Congressionally imposed embargo. Thus it would seem to me that a return to our 1967-71 policy of limited supply is about as far as we can go. This would be a disappointment to President Bhutto, but it would be helpful, and we would continue to demonstrate support through sizable economic programs.

Apart from this basic decision on long-term policy, you have already made certain decisions on cleaning up past commitments to Pakistan. You have approved releasing to Pakistan \$1.1 million worth of equipment which Pakistan owned but was held up here on the docks in 1971 at the time of the war. The physical release of this equipment awaited only the opportunity to initiate general discussions on our relationship with the Indians, which you approved as part of the game plan.

In this context, Ambassador Moynihan and Secretary Rogers have asked for reconsideration of the earlier decision to release the 300 armored personnel carriers included in the 1970 "one-time exception" to the prohibition on lethal arms supply. The Pakistanis have made a downpayment and the equipment is being held in storage for them. Both the Ambassador and the Secretary feel that this will cause a very strong reaction in India which will not be justified by the gain in Pakistan.

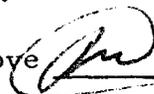
[REDACTED]

I would not minimize the Indian reaction. However, I do not see how we can avoid going through with this earlier commitment. The Indians and those who support their case here will charge that this is just the beginning of a US effort to alter the military balance between India and Pakistan. However, we would be doing no more than reverting to a limited arms supply policy that would not change the military balance that already leans in India's direction. Moreover, it seems sensible to make this move now when you will want to be at least partially responsive to Bhutto's need for reassurance and when India's tolerance may be at its peak because of strong desire to improve relations with the US. Also, it will be possible to explain this to India in terms of clearing the books of old commitments. Thus, while recognizing the storm this may create, I believe it is best to get this done now and wipe the slate clean. Whatever is decided, we will want to give Ambassador Moynihan a chance to explain our policy in Delhi.

In addition to this general point, there is one other issue on the Indian side which must be viewed in this context. If we explain release of the armored personnel carriers in terms of cleaning up past commitments, the question of the \$87.6 million in old economic aid suspended in 1971 will come up. Without clearing away this element of the past, it will be difficult to normalize our relations. Lifting the suspension would permit us to argue credibly that we are clearing away all past commitments to both India and Pakistan.

RECOMMENDATIONS:

1. That we revert to the 1967-71 arms policy for South Asia of selling non-lethal equipment and spares for previously supplied lethal equipment and that you so inform Bhutto's emissary.

Approve 

Prefer not to change basic policy now _____

2. That you reaffirm your decision to provide the Paks with 300 APCs under the 1970 "one-time exception."

Approve 

Hold off for now _____

3. That friendly countries be urged to support Pakistan.

Approve *PD*

Other _____

4. That the suspension of the \$87.6 million in pre-war loans to India be lifted but that the Indians not be informed until after the Pakistanis are told of our military assistance policy.

Approve *PD*

Present this again separately after
Governor Khar's visit _____