

DECLASSIFIED

Authority E.O. 12958
By PRO NARA Date 8/19/03

DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

[REDACTED]

MEMORANDUM OF CONVERSATION

PARTICIPANTS: T. N. Kaul, Ambassador of India
Mr. Eric Gonsalves, Minister for Political
Affairs, Embassy of India

Dr. Henry A. Kissinger, Assistant to the
President for National Security Affairs
Mr. Harold Saunders, NSC Senior Staff
Mr. Peter W. Rodman, NSC Staff

DATE AND TIME: Saturday, July 14, 1973
11:10 a.m. - 12:10 p.m.

PLACE: Dr. Kissinger's Office
The White House

Dr. Kissinger: When Braden comes back I don't want to see one unfriendly article about me! Jha was diabolical. I could always tell where he had had dinner.

Ambassador Kaul: I am not diabolical and neither is Tom. All I have said about our last meeting is that it was a friendly talk and we both expressed our desire for progress in our relations.

Dr. Kissinger: Of course, I can only say it is fortunate for us that you are here in a period of improving relations, because I think you would be a formidable opponent. [Laughter]

Ambassador Kaul: I want to congratulate you on the agreement with the Soviets. It is an improvement on the Shanghai Communique, from our point of view. You cleverly skirted some issues.

Dr. Kissinger: Which? On South Asia?

[REDACTED]

CLASSIFIED BY HENRY A. KISSINGER
EXEMPT FROM GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY 5b (13)
AUTOMATICALLY DECLASSIFIED ON Imp to Det

DECLASSIFIED

Authority E.O. 12958
By 120 NARA Date 8/19/03

DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007

2

Ambassador Kaul: Yes, and on the Mideast. The phrase about "the legitimate interests of the Palestinians" is an improvement. Could you tell me if South Asia and the Gulf were discussed? I saw Joe Sisco but he couldn't tell me. I got some inkling from Dobrynin. I will be frank with you. He shed more light than Sisco.

Dr. Kissinger: What is the conflict in the Gulf area that we should have referred to?

Ambassador Kaul: There is talk in the press about India sending secret advisers to Iraq, and competing with Iran in the area. Also, in India itself, there is the apprehension about the U.S. arms to Iran going to Pakistan. Particularly the Phantoms.

Dr. Kissinger: We would not put it in the Communique with the Soviet Union!

Ambassador Kaul: Also, there is our concern with the Gulf generally. The Shah/Bhutto meetings, and Zahedi's speech at Georgetown. If Iran attacks Pakistan, Iran will act. The Shah said that.

Mr. Gonsalves: But Zahedi was stronger.

Dr. Kissinger: But you won't attack Pakistan, so it is all irrelevant.

Ambassador Kaul: Those are our concerns. Iran wants to dominate the Gulf. It has made no secret of it. Its arming should be commensurate with its needs. Phantoms have a range of 1,500 miles. If Iran's threat is from Iraq, Phantoms are not necessary.

Dr. Kissinger: First, on the summit. Obviously this sort of problem was not discussed. There was a general review of the situation, including South Asia, in which -- it is fair to say -- both sides indicated they would act with some restraint and not feel we are in mortal conflict with one another and have to line up countries against each other there. On specific issues, my impression is we both use our influence in a pacifying way. But there was no concrete discussion on, for example, how to handle the prisoner issue, etcetera. Our view we have told you -- without any insistence. We don't think the Soviet Union is competent to deal with your problem, therefore we don't feel we should make an agreement with the Soviet Union about matters that concern you.

TOP SECRET
EX

DECLASSIFIED

Authority E.O. 12958
By 280 NARA Date 8/19/03DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007

~~TOP SECRET//SI~~
~~EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION~~

3

There was no discussion of the Gulf area at all. There was an extensive discussion of the Middle East.

Ambassador Kaul: There was no discussion of the joint offer of April 17 of India and Bangladesh?

Dr. Kissinger: There was some discussion between Gromyko and me about the need for restraint in arming the Gulf states -- but not Iran. Oman, for example.

Ambassador Kaul: How is China taking it, if I may ask?

Dr. Kissinger: I think it was in less than complete accord with us. It is a wrong conception on their part -- because if we want a condominium with the Soviet Union we can do it on specific issues and we don't need agreement of this kind. We have the experience that whenever we meet with one, the other is worried.

Ambassador Kaul: As the third would be if the other two met.

Why are the Europeans all het up about it? I read in the Washington Post today that they are upset about the Brezhnev visit.

Dr. Kissinger: First of all, the Post has a vested interest in dismantling our foreign policy now that they have done it to our domestic policy. I happen to know Davignon's views are not what the Post said they are. Mr. Ambassador, you will have to separate what you see in the eastern press -- we have been through this before. Though this is more acute.

On the Europeans -- you know from your experience -- and you are less and less dependent -- that when you have been in a period of dependence, even if you have confidence in the current leadership you can't count on it forever. And you are in an undignified position. So there is an endemic insecurity. Secondly, there is a bureaucracy with vested interests in thinking up things that could go wrong. Third, there is the objective problem of the new military balance. It is a different situation with 1,500 Soviet missiles then when there were 50.

You read the agreement. You are a diplomat. It is an extremely subtle document. There is both more and less than meets the eye. It refers to

~~TOP SECRET//SI~~
~~EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION~~

DECLASSIFIED

Authority E.O. 12958
By YLO NARA Date 8/19/03DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007~~TOP SECRET / SENSITIVE~~~~E~~

4

"their policies," not "their policy." Then there is the organic link with overall restraint and conventional war. It applies to diplomacy before a war, not to the conduct of war. But fevered minds in Europe have figured out that there could be a consultation after a conventional war starts but before a resort to nuclear weapons. The point of the document is that it is necessary that there be restraint. It is essentially about restraint in peacetime.

Ambassador Kaul: We will probably have another talk on that, because I have other points to raise.

Dr. Kissinger: Of course, it is primarily directed towards India.
[Laughter]

Mr. Gonsalves: We think you have plagiarized from ours.

Dr. Kissinger: What do you think of it?

Ambassador Kaul: The press asked me. I said it is a good thing, it relaxes international tensions, it is reassuring to other countries. It cannot be seen as an attempt to divide the world into two camps, because that theory is out of date.

Dr. Kissinger: And if we were doing it we wouldn't do it in a published agreement. That is in our secret agreement!

Ambassador Kaul: They asked me about your internal affairs, whether it would affect foreign policy. I said it is an internal affair.

Dr. Kissinger: We appreciate your Prime Minister's note from Lake Placid. The President will definitely see you as soon as he is back from the hospital.

Ambassador Kaul: On bilateral matters. On the American School, we signed an agreement. It removes an irritant.

I was glad to hear that Moynihan will start the rupee negotiations. I have not seen the Saulnier Report.

~~TOP SECRET / SENSITIVE~~~~EXCLUSIVELY FOR~~

DECLASSIFIED

Authority EO 12958
By RLO NARA Date 8/19/03DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007

5

Dr. Kissinger: [To Saunders] Let the Ambassador see the Saulnier Report. On the exact figures, we may have to go higher than the Saulnier Report, but it reflects the spirit of how we shall proceed. With a constructive attitude on both sides, we will solve it.

[To Saunders] The Ambassador can come here and read it.

Ambassador Kaul: We are disappointed with the attitude of your delegation on the rescheduling of debts. Mr. MacDonald -- his proposal has the effect of delaying the whole process, the idea that we should deal with the other lenders first. We gave a note saying we would do what we can. But to make it conditional

Dr. Kissinger: I know the general problem, but not the specifics. Hal, what is the time frame?

Mr. Saunders: There is an ongoing discussion. We will have another crack at the position.

Ambassador Kaul: I am having lunch with McNamara today and can raise it with him.

Dr. Kissinger: I will let you know within a week.

Ambassador Kaul: The third thing: I saw Secretary Butz. I said we would need 4.5 million tons of wheat between now and October because our crop is not due before then.

Dr. Kissinger: Have we got 4.5 million tons?

Ambassador Kaul: You have 12 million after your crop. There is some commitment to Bangladesh and Korea, but I understand the trouble is not quantity. Butz said you don't know what Phase IV will do to exports.

Dr. Kissinger: That is true.

Ambassador Kaul: It could be worked out that the traders get some kind of assurance of an export license subject to Phase IV decisions.

Dr. Kissinger: I talked to Butz and told him we have a foreign policy interest. He was trying to use me to block export controls on agricultural

TOP SECRET
RESTRICTED
EYES ONLY

DECLASSIFIED

Authority E.O. 12958
By 200 NARA Date 8/19/03DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007

[REDACTED]

EX [REDACTED]

6

products. I agree with him. Historically our position has been the opposite. [To Saunders] Can you check with Chuck Cooper by Monday?

[To Kaul] I will get back to you. Some decision has been made but I don't know how it affects India.

I can't tell you what the availabilities are, but I can tell you what our policies are. Insofar as political judgments apply, we will use our influence with the Agriculture Department to meet your needs to the maximum extent possible. Your priority would be very high even in relation to any other requests.

Ambassador Kaul: Butz said there were three possibilities; out-and-out cash sale, a 2-3 year credit arrangement, or concessional terms.

Dr. Kissinger: It would have to be one of the first two.

Ambassador Kaul: We are prepared for any of the three, but we are more interested in quantity and need it between now and October because of the key period.

Dr. Kissinger: When I talked to Butz he said the problem was export controls. But he said our crop was very good, and the Soviet purchase was much less than last year.

Mr. Saunders: To be delivered by October?

Ambassador Kaul: Yes, August - October is the leanest period.

Dr. Kissinger: Do you have the ships?

Ambassador Kaul: Yes. We will do that.

Dr. Kissinger: [To Saunders] Get the worldwide numbers, the other commitments and see what the possibility is of juggling it from here.

Ambassador Kaul: My understanding is that you have 12 million. If you can't give 4.5 million, we would like at least 4, and we can get 500,000 from Canada.

On development assistance, Sisco said no decision was possible until we know more about our whole economic relationship. I quoted to him about

[REDACTED]

EXCLUSIVE [REDACTED]

DECLASSIFIED

Authority E.O. 12958
By Y20 NARA Date 8/19/03DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007

7

[REDACTED]

the President's step-by-step approach. I said the rupee matter is the first step. I told him, whatever the amount, the sooner the decision the better, because it is holding up our five-year plan.

I am glad you are changing the name of A. I. D. "Cooperation" is better. We had an aid mission in Nepal and Mrs. Gandhi changed the name. She said it's not aid but cooperation.

I am taking your advice and seeing many House committee members.

Dr. Kissinger: Yes. It is important.

Frankly, I think it is moving -- maybe not as fast as you want -- but our intentions are positive.

Ambassador Kaul: I want to leave with you an idea about the Gulf area. There could be some understanding with you and the Soviet Union and Iran and Pakistan for guaranteeing the stability of the area.

Dr. Kissinger: What would be the practical content of the agreement?

Ambassador Kaul: Like Indochina, the two superpowers and the others would guarantee the independence, sovereignty, and territorial integrity of the area, meet together if there is trouble, and agree not to provide arms.

Dr. Kissinger: Have you talked to the Soviet Union about this?

Ambassador Kaul: I haven't even spoken to our government yet. I wanted your views first. I did mention it to Dobrynin in a rough way. But I have taken it no further yet until I hear your opinion.

Dr. Kissinger: I will think about it. It moves in a direction to which we are sympathetic -- to keep the area stable and keep it from exploding. It depends on who is defined as a Gulf state.

Do you mind if we discuss it with the Shah? Not as your idea.

Ambassador Kaul: No problem.

Dr. Kissinger: I almost always meet with him alone when he is here. He is an intelligent man. I will raise it.

TOP SECRET
EXCLUDED FROM AUTOMATIC
DECLASSIFICATION

DECLASSIFIED

Authority E.O. 12958
By [redacted] NARA Date 8/19/03DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007

[redacted]
TOP SECRET//SENSITIVE
[redacted] ONLY

8

Ambassador Kaul: I tried this method with Sihanouk.

Dr. Kissinger: What do you think about what he is doing? There are two possibilities: He means it, or he is puffing himself up for a negotiation.

Ambassador Kaul: I think the latter.

Dr. Kissinger: I do too. He hasn't too many places to go.

Ambassador Kaul: You would be prepared to talk to FUNK?

Dr. Kissinger: I would like to know the probable outcome, the framework of the negotiation. We have talked to every other group in Indochina.

First, Cambodia shouldn't be settled by the United States but by the Cambodians primarily. While they all say they want to talk to me, I don't want to do more than the framework negotiation, not the details.

Ambassador Kaul: Sihanouk talked to our Embassy -- I have the impression he talks big publicly but might be willing to negotiate.

Dr. Kissinger: What is his power? Can he deliver?

Ambassador Kaul: He has a popular following in Cambodia. He seems resigned to be only a titular head. But when he returns he may be tempted to do more. He may try to change the balance of forces if he can.

Dr. Kissinger: Yes.

Ambassador Kaul: On the Shah's visit, we see no conflict of interest. We share the desire to see stability in Pakistan and no dismemberment. There should be understanding on this.

Dr. Kissinger: You would be prepared to have an understanding on this? I was impressed with what you said at the lunch. Because many of your concerns about transfers would become academic in that context. We would be prepared to help this.

Ambassador Kaul: I would be prepared to see the Shah about this idea.

[redacted]
TOP SECRET//SENSITIVE
[redacted] ONLY

DECLASSIFIED

Authority E.O. 12958
By 720 NARA Date 8/19/03

DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007

9

Dr. Kissinger: You should discuss it [i. e., the question of an appointment with the Shah] with their Ambassador. I will mention the idea to the Shah.

Ambassador Kaul: I know the Ambassador. He is a little too outspoken, and leaves too little negotiating flexibility in his talks. I could discuss the appointment with him, but he is not the best person to discuss the idea with.

Dr. Kissinger: I will undoubtedly see the Shah alone.

Ambassador Kaul: There is a great possibility of economic cooperation between Iran and us. We have a joint refinery at Madras. There is the possibility of transporting it through Pakistan. Why not? Pakistan is suffering from all this. If he could also help Pakistan consider the joint offer that we and Bangladesh made with great difficulty....

Dr. Kissinger: I understand Bangladesh still wants war crimes trials.

Ambassador Kaul: My personal feeling is that if he recognizes Bangladesh, that question can be sorted out.

Dr. Kissinger: My impression is that he is willing to recognize Bangladesh if that question can be sorted out.

Ambassador Kaul: Now he has the authorization from his Parliament on recognition. I have the feeling -- and some basis for that feeling -- that it can be sorted out.

Dr. Kissinger: Bhutto is coming September 11. The Shah's visit is still on.

Ambassador Kaul: If a meeting on the 24th [between India and Pakistan] makes some headway, we can have a trilateral arrangement.

Dr. Kissinger: Can I convey to Bhutto what you said? As an impression?

Ambassador Kaul: As an impression. But don't quote my name, please.

EXCLUDED FROM RELEASE

DECLASSIFIED

Authority E O 12958
By WLO NARA Date 8/19/03DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007

10

Dr. Kissinger: Our interest, if we have one, is to have an amicable solution and normalization on the Subcontinent. Maybe simultaneity is the answer. And we will talk to the Shah about your idea. How do you visualize it?

Ambassador Kaul: The five principles of peaceful coexistence.

Dr. Kissinger: If the Soviets come in, the Chinese will have to.

Ambassador Kaul: It could be between just Iran, Pakistan, India and Bangladesh.

Dr. Kissinger: Has Haksar technically retired?

Ambassador Kaul: Yes.

I wanted to make a suggestion. On your way to Peking or on your way back, could you stop in India a few days?

Dr. Kissinger: It may be difficult on this trip -- but in principle. Because I will have other occasions to go into the area.

After the President returns, and the Shah's visit -- within a week after the Shah -- I will arrange a visit with the President. And before I go to China you and I should meet. Also, if the Principal Secretary wants to come over, he and I can meet. If somebody from New Delhi, whoever the Prime Minister wants -- of course I am happy to deal with you -- I am very willing.

Well, Mr. Ambassador, you and I will talk again soon. And the next time we go to San Clemente we will have you out there.

~~TOP SECRET / SENSITIVE~~
~~TOP SECRET EYES ONLY~~