

## LBJ LIBRARY DOCUMENT WITHDRAWAL SHEET

Page 1

Doc #	DocType	Doc Info	Classification	Pages	Date	Restriction
28	draft	To Rostow	PCI	3	7/1/66	A
29	memo	From Saunders	S	1	5/31/66	A
33	cable	re: Indo-Pak relations	S	2	5/5/67	A
41	memo	Wriggins to Rostow	S	2	10/10/66	A
<del>44</del>	<del>note</del>	<del>Intelligence Note 459</del> open 7/8/17 per NLJTRAC 12-347	<del>S</del>	<del>4</del>	<del>7/21/66</del>	<del>A</del>
45	memo	Intelligence Memo sanitized 11/6/12 per NLJ 12-239 [Duplicate of #128, NSF, CF, Pakistan, V6, Box 152; and #51 & 52 this file]	S	5	6/6/66	A
<del>46c</del>	<del>rpt</del>	<del>"Military Assistance to India &amp; Pakistan"</del> open 7/8/17 per NLJTRAC 12-347	<del>S</del>	<del>7</del>	<del>4/8/66</del>	<del>A</del>
<del>48a</del>	<del>memo</del>	<del>"Indo-Pakistan Affairs"</del> open 7/8/17 per NLJTRAC 12-347	<del>S</del>	<del>4</del>	<del>4/27/66</del>	<del>A</del>
50	rpt	"List of Documents Compiled"	S	1	12/3/65	A
50a	rpt	re: Kashmir	S	2	12/3/65	A
50b	rpt	re: Kashmir	S	5	12/3/65	A

**Collection Title** National Security File, Files of Harold H. Saunders

**Folder Title** "India-Pakistan, 4/1/66-5/30/67"

**Box Number** 14

**Restriction Codes**

- (A) Closed by Executive Order 13292 governing access to national security information.  
 (B) Closed by statute or by the agency which originated the document.  
 (C) Closed in accordance with restrictions contained in the donor's deed of gift.

5/11/2010

  
Initials

## LBJ LIBRARY DOCUMENT WITHDRAWAL SHEET

Page 2

Doc #	DocType	Doc Info	Classification	Pages	Date	Restriction
50c	rpt	re: Kashmir	S	16	12/3/65	A
50d	rpt	re: India-Pakistan Question	C	4	12/57	A
50e	rpt	re: Kashmir	C	6	10/4/65	A
50f	rpt	re: Kashmir	S	4	[12/3/65]	A
51	memo	Intelligence Memo [Dup. of #45 & 52]	S	5	6/1/66	A
52	memo	Duplicate of #45 & 51	S	5	6/1/66	A

**Collection Title** National Security File, Files of Harold H. Saunders

**Folder Title** "India-Pakistan, 4/1/66-5/30/67"

**Box Number** 14

**Restriction Codes**

- (A) Closed by Executive Order 13292 governing access to national security information.  
 (B) Closed by statute or by the agency which originated the document.  
 (C) Closed in accordance with restrictions contained in the donor's deed of gift.

5/11/2010

\_\_\_\_\_  
 Initials

~~SECRET~~

MEMORANDUM FOR WWR

May 12, 1967

SUBJECT: Our Effort to Turn India-Pak Defense Budgets Down

On 2 May, State instructed both Pindi and Delhi to let their clients know at the highest possible levels that we'll be watching their defense budgets. State has also primed the main consortium members here to make similar approaches. This has one pitfall, since some donors may be looking for an excuse not to give. But on balance, we decided to use that channel too.

In Pakistan, Howard spoke to M. M. Ahmad, and Cargo made our pitch under instructions to Uquail and to Foreign Secretary Yusuf. The Pak decision will depend on how the Indian budget goes on 25 May.

In India, Bowles says he had the GOI ready to make a 5% cut. But then Pakistan rejected talks with India on arms limitation, and we announced our new arms policy (which they misread as our rearming Pakistan). Now the cut is in question, though Bowles thinks he may still persuade Morarji Desai to go through with it. The President's letter to Mrs. Gandhi should strengthen his hand.

Where we go from here. NEA is proposing:

--That Secretary Rusk cable Chet saying that Cargo has done his job in Pindi and telling him to follow up on the President's letter.

--That the President write Ayub telling him what he's suggested to Mrs. Gandhi and asking him to follow suit.

--That Secretary Rusk call in Hilaly and B. K. Nehru to underscore our points. (NEA asked whether the President ought to call them in. I agreed that we might box ourselves in too tightly since we're not at all sure we'll win a reduction. Do you agree?)

Our approach is not to get involved in a complicated series of talks at this stage. Our limited objective is to persuade each side to take a unilateral step that would help create a better atmosphere for talks.

Meanwhile, Defense will have a US position on India-Pak force goals in time for our talks with the British here next week.

This follows the course Howard recommended in his wrapup on India-Pak relations.

Hal Saunders

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By cbw/j NARA, Date 2-12-10

India-Pak  
x India 2  
/

May 9, 1967

MEMO FOR DAVID LINEBAUGH

Dave,

I am sure you must have seen these papers before. However, they were sent to us again recently and I thought you at least ought to have a crack at them. They are not far from some of the things you pose at the end of your paper on regional cooperation in South Asia in the 1970s.

Harold H. Saunders

Att: Cy, ltr from Lloyd Cutler of Wilmer, Cutler & Pickering, to WWRostow, 5/1/67 enc. variations of a proposal for a joint India-Pakistan Economic Commission.

India-Pak  
x India

3  
/

May 9, 1967

WWR:

On top is the telegram to Bowles you asked for when you saw G. D. Birla. It's based on Birla's own later written account of the facts.

The other papers from Cutler are Birla's suggestions for a Joint India-Pak Economic Development Commission. These are similar to ideas floated before, but I'll make sure Dave Linebaugh takes a fresh look.

HHS

EYES ONLY

May 9, 1967

TO: Ambassador Chester Bowles  
Amembassy New Delhi

FROM: Walt W. Rostow  
The White House

1. Last week I had chat with G. D. Birla. He made strong pitch for our persuading GOI to do away with stifling bureaucratic over-control on business activity.

2. He cited as example his own application to produce cryolite and aluminum fluoride, which has been hanging fire since 1962. Despite the fact that he is one of India's biggest consumers--and importers--of cryolite, GOI has twice refused license to produce these materials on grounds that there is no room for a second production unit in India. He now has a third application in the mill.

3. I am not going to bat for Mr. Birla but see this as an interesting little case study in how the bureaucracy hampers development. Can you tell me anything about it? Is the bureaucracy responding to pressures, or does it have a reason?

4. Hate to add to your burdens but it is worthwhile for us here to get a fix on these problems whenever the opportunity offers.

5. All the best.

EYES ONLY

India-Pak 4  
x Pakistan

~~SECRET~~ May 9, 1967

MEMORANDUM FOR WWR:

You will recall that Ambassador Hilaly volunteered to come in and brief you on the proposals Pakistan made on Kashmir on the last major India-Pak talks. He has indicated to me that he hopes we will follow up. Do you want to hear what he has to say? or would you like me to try to get what he has?

HHS

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *cm/ly*, NARA, Date 2-12-10

May 2, 1967

INDIA - PAK ARMS POLICY

- Q. The press in both India and Pakistan has criticized our decision to resume limited military sales. Do you have any comment?
- A. We made careful explanations of our policy when we announced our decision, and there is no need to repeat them. However, I do want to say that we are in dead earnest in stressing how important it is that these two countries get a grip on their defense expenditures. It will increasingly difficult for us to provide the economic aid that these countries require if their own economic resources are going into arms.

~~SECRET~~ - EXDIS

April 13, 1967

MEMO FOR JAMES CLARK

These EXDIS cables cover our recent India-Pak arms decision. I promised Victor Zafra I would send them to you.

Hal Saunders

Att: To New Delhi 166539, 3/31/67  
To Rawalpindi 168709, 4/5/67

~~SECRET~~ - EXDIS

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *cbm/ly*, NARA, Date 2-12-10

March 31, 1967

HW:

Bob Ginsburgh would like to be kept posted on the latest status of the India-Pak package. General Wheeler is leaving this afternoon for a CENTO meeting and it would be helpful if he had the latest. I told Bob you were handling and you would keep in touch.

HHS

*India -  
Pak*~~SECRET~~

February 14, 1967

TO: W. W. Rostow  
FROM: Howard Wriggins  
SUBJECT: SIG Meeting February 14, 1967

Attached is the chart prepared over night by CIA on Defense Expenditures in India and Pakistan.

It's a good beginning, and I will work on a revision (eliminating "ratio to exports" and drawing in several other dimensions).

The SIG this morning discussed the problem thoroughly. Nick and Handley's crew will recast the recommendation within a framework of attempting to limit military expenditures and maintain a low-level military balance on the sub-continent.

Vance wants to continue restricting European sales to Pakistan, except on a case by case basis within the above framework; Nick, worried about Congress, agrees this is the best way to do it.

Gaud challenged the \$75-million loan figure, as expected, and re-drafting will make clear that this is no authorized figure, but is a ceiling beneath which specific decisions have to be made on a case by case basis.

I plugged our desire for a recommendation at long last and the importance of security on this very delicate decision.

I'll be back in touch with you on this when the next draft is put forward.

Att: chart

~~SECRET~~

DECLASSIFIED  
Authority NLS034-014-3-1  
by [signature], NARA, Date 2-12-10

*India  
Pak**9*~~SECRET~~

February 13, 1967

TO: W. W. Rostow

FROM: Howard Wriggins

SUBJECT: SIG February 14, 1967 -- Military Credit Sales and Military Supply Policy for India and Pakistan

DECLASSIFIED  
 E.O. 13292, Sec. 3.4 (49)  
 NSC Memo, 1/30/95, State Guidelines  
 By com/jc, NARA, Date 7-28-05

1. The meeting is to decide two interrelated questions:

(a) Should the SIG recommend to the President that the combined military supply program agreed by State and Defense up to -- but not yet including -- the Secretaries, be approved?

(b) Should one part of that -- a \$75 million military purchase credit -- be included in this FY's budget presentation due in Congress last week?

2. The NEA package includes something for both parties:

(a) it permits cash sales of spares, regardless of lethality (primarily to the interest of Pakistan);

(b) we should withdraw MAAG/Pakistan and USMSMI/India (primarily of interest to India, dramatizing the end of our special alliance relationship with Pakistan, which they blame for Pakistan's "unreasonableness";)

(c) it permits the sale by other Western countries to both countries of lethal items, if manufactured with U. S. technology (of interest to both, but primarily to Pakistan which does not have easy access to Soviet supplies);

(d) it permits the sale, on a case by case basis, of end items co-produced with the U. S. in Europe or Japan;

(e) offers limited credit sales for non-lethal equipment (\$40 million for India, \$25 million for Pakistan); complete concessional sale for Star Sapphire radar system in India (\$17 million) and finance a jeep purchase \$4-5<sup>million</sup> for Pakistan);

(f) reopen limited training slots for both countries in CONUS.

3. The package has some virtues:

(a) Since both countries must meet what they believe to be their security requirements, this package permits us to participate and may give

~~SECRET~~

us some influence on their defence policies -- to do nothing virtually eliminates our ability to influence their security policy.

(b) It will meet the President's (presumed) desire to get on with spares for Pakistan to keep a tolerable relationship with Ayub.

(c) It meets a modest India interest in seeing MAAG withdrawn from Pakistan.

(d) It opens Pakistan's opportunities to acquire some lethal equipment without it coming directly from us.

(e) It opens a line of credit for non-lethal purchases by both from us, which will be of some interest to India as well as Pakistan.

(f) The limited credit sales for non-lethal items keeps us in the business, retains our connections of utility to both services; helps our balance of payments and avoids turning both over to the tender and expensive mercies of the European merchants.

4. But it has substantial disadvantages:

(a) Bill Gaud argues it is absurd to provide military credits, when we can't even supply development loans to the extent these countries require.

(b) Since the political forces within the Congress Party remain delicately poised and are likely to remain so until the new Cabinet is formed -- action now could contribute to the choice of a more aggressive, rather than a more moderate Foreign Minister.

(c) Some fear such a step as this would re-open the arms race without gaining us commensurate advantages in Pakistan.

(d) Given the mood on the Hill, such a proposal is likely to spark sharp criticism -- even though a case can be made that this is a modest and balanced proposal.

5. On balance, I conclude that we are not likely to find a better package. ~~But~~ If we are to go for spares in Pakistan, that step should be combined with others such as those proposed in the package.

An alternative would be to hold off for another period until we see how the election and cabinet-making in India come out. This is in one

~~SECRET~~

- 3 -

sense cowardly to continue to put off a decision, but since the Chinese are in such bad shape, the Pakistanis have nowhere else to go.

6. I take it you will not go to the SIG on this subject. How do you want me to play it?

~~SECRET~~

India - Pak 10

February 8, 1967

Walt -

Indo-Pak Air Incident

1. Both sides are damping this down.
2. The Paks were right in claiming it was a civilian Cessna Cessna-type plane, with civilian markings. But the student pilot was flying over militarily sensitive areas in the Punjab.
3. Indian Air Marshall Arjun Singh says the Indian pilot who shot the plane down was an experienced pilot, but he incorrectly identified the plane as military and followed SOP when the plane did not respond to his signals.
4. The Indian military authorities are expressing regrets through official and personal channels. Little has been made of it in public on either side.

Howard Wriggins

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4 (4)  
NSC Memo, 1/30/95, State Guidelines  
By clm/jc, NARA, Date 7-28-05

*Saunders*  
*India - Pak //*

TO: W. W. Rostow

January 21, 1967-

FROM: Howard Wriggins

SUBJECT: Abortive Indo-Pak Talks November - December 1966

In order to be as clear as possible regarding Ayub's "performance" in exploring talks, I have gone over the play between India and Pakistan in November and December. This note is a bit long, but the detail evokes the intractability better than anything else.

1. During Harriman's visit to Pindi on November 3, Locke first broached the subject to Ayub, using State's instructions which linked a resumption of the supply of spares to efforts to open talks on arms limitation and "create conditions which give promise of peace in subcontinent." (State draft 10/6/66.)
2. On November 6, Locke heard from Foreign Secretary Yusuf that "Pakistan would welcome agreement with India on arms limitation." Delhi was the best place for talks to minimize speculation and avoid the usual Indian delaying ploy of waiting for instructions. The talks "should be held within the framework of a political settlement" -- which Locke interpreted to mean Kashmir -- and "proceed simultaneously with arms limitation talks", but need not involve the same representatives or be held in the same place. (Pindi 1751 - Nov. 6)

Note: To insist that arms talks be "within the framework of a political settlement" is to insist on the search for a resolution of the Kashmir dispute, i. e., India must show itself willing to talk about giving up something substantial.

3. On November 8 State instructed Chet to take up the question of Indo-Pak talks with Mrs. G. (Dep 81259).
4. November 12, Pickard (U. K. High Commissioner, Pindi) thought a freeze on military build-up all we could hope for.
5. November 22 - Bowles saw L. K. Jha and urged quiet meeting with Paks be held to explain why substantive negotiations not possible before elections, but that moratorium against further arms purchases should be effected now. Jha said Indians studying latter proposal. Bowles also reported Pak High Commissioner had seen C. S. Jha twice during last two days and Indian Deputy Hicom was now in Delhi (Delhi 7476).

~~SECRET~~

SECRET

- 2 -

Note: Chet did not follow instructions to propose substantive secret discussions begin now, but he did urge some discussions now--GOI would infer from this conversation as reported, that we fully sympathized with India's position.

6. November 22, C. S. Jha says Indians would be ready for preliminary discussions with the Paks, if discussions were without preconditions. He noted, however, that Ayub's speech at Chatham House saying Hindus and Muslims could not live in peace, disturbed even sober Indians.
7. November 23 Embassy Pindi inquires of Delhi on type of moratorium Indians have in mind--for spares; or not spares but new equipment; or no change in force levels.
8. November 28 (Delhi 7762) Delhi replies that details of moratorium idea not worked out and only the two parties can do that; expresses general skepticism about possibility of progress through talks now.
9. December 2 - In the Lokh Sablia, Chagla makes a sharp rejoinder to Ayub's London speech. C. S. Jha tells Bowles the efforts to start talks "fizzled out", because they had been unable to reach agreed language covering Kashmir.

According to Jha, the Paks had insisted that Kashmir be discussed "on a priority basis," while the Indians had "offered a series of general formulations for unconditional talks which could include discussion of Kashmir." Jha said that India's Foreign Minister could not "cut his own political throat by accepting the Pak formulation and apparently the Paks could not accept a concept that would simply permit each side to say what it wished about Kashmir," i. e., according to Jha, the Paks wanted to have it in writing that Kashmir was on the agenda. The Indians sought to leave a discussion of Kashmir permissive.

10. December 16 - Locke reports Pirzada's more detailed account of the Delhi talks--Chagla says there is no dispute over Kashmir, since Kashmir is an integral part of India.

--Paks are still ready for separate and simultaneous discussions of Kashmir and arms.

SECRET

11. December 17 - (Pindi - 2198) Yusuf elaborated -- Swaran Singh and Pirzada had friendly talk at the start of GA (Pirzada believed due to strong nudging of Indians by U.S. or USSR) and agreed talks should be picked up in Delhi. When Swaran Singh returned to Delhi, he "started hedging." Talks switched to C. S. Jha and Pak High Commissioner. Pak High Commissioner pressed for some formulation of what the secret talks should be about. In regard to Kashmir, he noted that at some point the Indians would have to tell their people there was a dispute--not now, but when a settlement reached; the people would have to know.

When Chagla became foreign minister, he said "dispute" had legal connotations, that "difference" was word eventually settled on at the UN, and Tashkent had settled on "talking about all disputes between the two countries," which was consistent with Indian position that Kashmir is not in dispute.

Note: A beautiful example of Indian sophistry!

12. On November 28 final meeting, Chagla took hard position--no dispute, therefore no talk on Kashmir.

13. Comment:

a. The accounts differ sharply. By the time the final analyses were reported to Washington, the talks were three weeks old, India was in the midst of the food crisis, and no effort was made to sort out the conflicting accounts of what happened.

b. The Pak effort, even on their own account, appears to have sought to link any talks on arms, etc. to real progress toward a settlement of Kashmir satisfactory to them. This was asking substantially more than simply to talk about Kashmir.

c. The Indians' evasive tactics were more blatant and showed no real desire even to just talk about Kashmir.

d. The whole exercise was a dud--except demonstrating that the problem is not now susceptible to the kind of approach we would consider reasonable.

India - 12  
Pak

November 15, 1966

TO: W. W. Rostow

FROM: Howard Wriggins

Yesterday afternoon I participated in a meeting in S/P in which Dave Linebaugh surfaced a paper on Indian assistance and Indo-Pak relations. Handley, Henry, Joe Yager also were there. We suggested Dave broaden out the paper to include several alternative ways of approaching the Indian problem, in order to loosen up the Secretary of State's intellectual muscles on this problem a bit.

I'll keep you au courant as successive revisions take place.

~~CONFIDENTIAL~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *clark* NARA, Date 2-12-10

~~SECRET~~

November 10, 1966

*India-Pak*

TO: W. W. Rostow

FROM: Howard Wriggins

SUBJECT: Quiet release of very miscellaneous spare parts in  
APO storage in Delhi and Pindi.

During and following the Indo/Pak war last year, small packages of specialized spare parts accumulated in the Delhi and Pindi APO storage bins. These are estimated to be worth \$160,000 in India and \$105,000 in Pakistan. They include very minor but sometimes critical items such as clutch plates, screws, specialized cotter pins, screw drivers, etc. They have been sorted to exclude an additional \$10,000 worth of spares destined for lethal end items. They have already been paid for out of previous appropriations. To reincorporate them in our own pipeline would cost much more than they are worth. Colonel Jorden in ISA discussed this with me several weeks ago.

Now Defense, including Tim Hoopes, would like to get rid of these non-lethal miscellaneous spares by quietly releasing them to the respective military services. The lethal spare items will be brought home.

In your absence, and after consulting with Handley about State's position, I indicated that a Presidential decision was not necessary; and that since both State and DoD were agreed this was the only reasonable man's way of handling this messy little problem, they should go ahead.

~~SECRET~~DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *cbm/s* NARA, Date 2-12-10

*Saunders*

*India - Pac*

14

September 15, 1966

TO: W. W. R.  
FROM: Howard Wriggins  
SUBJECT: Indo/Pakistan military talks

There is as yet no information on these talks except a FBIS report (#82, 14 Sept., attached).

The gist appears to have been that as far as possible troops should be kept in peace stations, and if any movements are necessary, they should be carried out with advance notice to the other side, so that there may be no misunderstanding and tension may be avoided. No troops are withdrawing from any territory.

The meetings between the military representatives were thoroughly cordial. The Pakistan Commander in Chief-designate is General Yahya Khan, and India's Chief of Army Staff is Kumaramangalam. The two generals are old friends and were in a prisoner of war camp together in Italy in World War II!

India-Pak.  
Kashmir  
file  
15

September 3, 1966

Mrs. Territo:

Attached is the statement you asked for on the India-Pakistan war last fall. I have cleared it with State, and Brom Smith has seen it.

I don't know what your editorial standards are. My own view is that the first sentence could be simplified if need be. However, State feels very strongly it should be written as it now stands.

The problem is to avoid in a book of this kind any assessment of blame for the war beyond the assessment already made in the UN debate. The sentence as it now stands does this.

However, if you have editorial problems, please call me (ext. 3330).

Harold H. Saunders

FOOTNOTE PUTTING IN CONTEXT THE PRESIDENT'S  
STATEMENT ON THE INDIA-PAKISTAN CEASE-FIRE

The longstanding dispute between India and Pakistan over Kashmir led in August, 1965, to increasing violations of the 1949 Kashmir Cease-Fire Line--crossing of armed personnel from Pakistan into Indian-held Kashmir, Indian retaliation against the other side of the line--and the conflict escalated in September into three weeks of open warfare in Kashmir and the Punjab. Working through the United Nations Security Council, the United States and other powers sought a cease-fire. U. S. Ambassador Goldberg, who was president of the Security Council, played an important role in ensuing diplomatic efforts, and U. N. Secretary General U Thant himself went to the subcontinent on a peace mission which resulted in the cease-fire of September 22.

524 Statement by the President on the Cease-Fire Agreements by India and Pakistan. September 22, 1965

I SPEAK for every American when I commend the statesmanship and restraint shown by the leaders of Pakistan and India in their acceptance of the cease-fire call of the United Nations Security Council. The leadership shown in both nations thus takes us a long step away from the terrible dangers which have threatened the subcontinent of Asia.

On behalf of the American people, I want to express our deep appreciation and gratitude to Secretary General U Thant for his fairness and firmness in the service of peace in these last weeks. I am especially proud of our own gifted Ambassador Arthur Goldberg and members of his new U.N. team. As President of the Security Council he has given his able and untiring support to the efforts of the Secretary General.

We now hope that both nations, in the spirit of the Security Council resolution, will move forward to peaceful settlement of their outstanding differences. The job of the U.N. has just begun. We will fully support it every step of the way by our actions and our words.

NOTE: The statement was read by Bill D. Moyers, Special Assistant to the President, at his news conference at 11:30 a.m. on Wednesday, September 22, 1965, in his office at the White House. It was not made public in the form of a White House press release.

*I thank you  
D.H.*

*Room 396*

*India -  
Pakistan*16~~SECRET~~

August 10, 1966

TO: W. W. R.

FROM: Howard Wriggins

SUBJECT: Locke's Report on Conversation with Bowles

They met for two and a half hours in Bangkok.

They agree on a number of items of long-run importance -- I'll report on these later -- but they still disagree on going forward with the State/DoD agreed paper.

They agree that India's interests are served as the Paks limit their relationship with China. Bowles believes there are built-in restraints on Pakistan's relationship with China: (a) the class interests of Ayub and Co.; (b) the political leverage we have from threatening the cut-off of economic assistance to Pakistan; and (c) limits on Chicom capability to supply what Ayub wants (in my view there is much in these arguments).

Bowles is ready to do all he can to minimize flak from Pak purchases from third countries.

Locke, however, ~~is~~ remains in favor of the State/Defense paper, which urges we attempt to use conversations with Ayub to move toward arms limitation on the subcontinent.

Bowles has not yet been heard from.

Locke wants approval by August 12, when Ayub returns from Dacca -- but Jim Spain figures August 16 would be tolerable.

DECLASSIFIED  
E.O. 13292, Sec. 3.4 (#10)  
NSC Memo, 1/30/95, State Guidelines  
By etm/jk, NARA, Date 7-28-05

India/Pakistan 17

August 8, 1966

Walt,

Here is my Restow-to-LBJ summary  
of the issues and recommendations on  
Military Supply Policy for India and Pakistan.  
Secretary Rusk may bring this up tonight.  
The paper is complicated, but this summary  
is simple.

It is in the form of a Presidential  
approval and it might expedite a decision if  
you have a copy of the paper and these five  
copies of the summary Memorandum.

Howard Wriggins

att: ?

*India-Pak Military*

August 3, 1966

~~CONFIDENTIAL~~

WWR:

Just to confirm what I told you on the phone, the India-Pak military aid paper is on Secretary Rusk's desk. He wants to talk with Secretary McNamara about it before he sends it over here.

The deadline we are working against is Ambassador Locke's arrival in Pindi, probably August 9. He will see Ayub shortly after his arrival and will want to talk about this.

I have prodded S/S again today to try to get this to us as quickly as possible, since obviously the President will be preoccupied over this weekend.

Hal Saunders

~~CONFIDENTIAL~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *cbm/f* NARA, Date 2-12-10

*India  
Pak*~~CONFIDENTIAL~~

August 1, 1966

TO: W. W. R.

FROM: Howard Wriggins

SUBJECT: Pulling together the Indo/Pak Scenario

On Saturday Carol Laise and I discussed the problem of pulling together the scattered pieces of the military package for the Sub-Continent. It has at least the following components:

- (1) closest collaboration between State and Defense, from both Indian and Pakistani points of view;
- (2) diplomatic explorations in both Rawalpindi and New Delhi;
- (3) encouraging the British in London to use the occasion of the Commonwealth meeting to get the principals together;
- (4) encouraging George Woods to carry forward his role;
- (5) possibly probing Moscow once again to see if they would be ready to limit the military race on the Sub-Continent;
- (6) preparing by November 1st an orderly statement of alternatives and recommend a specific decision to the President.

All of this is complicated, and without an office director, needs a special coordinating mechanism. After some discussion, I suggested that David Linebaugh might be assigned to carry the main analytical and intellectual responsibility, while Bill Handley could do the front work, perhaps even including a visit to London.

She agreed this was a good approach and would press ahead with assignments.

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 13292, Sec. 3.4 (#16)

NSC Memo, 1/30/95, State Guidelines

By *cbu/jc*, NARA, Date *7-28-05*

*India -  
Pakistan* 20

~~SECRET~~

July 27, 1966

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Pakistan accusations against India -- it has decided to go nuclear via Plowshare.

On July 19 Pakistan sent a letter to U Thant, accusing the Indians of having decided to go nuclear via Plowshare. They requested U Thant to bring it to the attention of the Eighteen Nations Disarmament Committee. Thant then sent it to Fisher and Roshchin as Co-Chairmen.

Fisher recommended the Co-Chairmen circulate it to the ENDC members, since it demonstrated the urgency of a non-proliferation treaty, and underlined that non-members had easy access to the committee's members.

ACDA and State here demurred and sent different instructions, which Spurge, Chuck Johnson and I concurred in. Fisher was instructed as Co-Chairman, to take the position that the letter should not be circulated (since to circulate it would give it a status we did not want to give it), while letting members know it was available in the event they wanted to see it (in order to avoid the position of blocking non-members' communications from going to the members). To Rawalpindi went a strong message, instructing Cargo to make clear to Pindi our belief that such charges, unless based on solid evidence, only provoke the Indians further and are likely to light up those very fires the Pakistanis would like to damp down. If they have solid evidence, we would be glad to see it.

Meanwhile, I have alerted Dick Helms to this Pakistani move, and his boys will be watching with particular care for new evidence of an Indian "decision." Probably the best information is still Wiesner's on his return from India, that the GOI is still holding firm against a decision to go nuclear, though the Plowshare route may well be preferred (unless we take a firm position against Plowshare soon).

Howard Wriggins

cc: Mr. Keeny  
Mr. Johnson

DECLASSIFIED (4/02)

~~SECRET~~

Authority RAC-NWJ-001-152-227  
By *cmf/ks*, NARA, Date 7-28-05

*Mr. Saunders*

*India  
Pak  
21*

~~SECRET~~ - PERSONAL

July 27, 1966

MEMORANDUM FOR: Ambassador Raymond Hare  
Miss Carol Laise  
Mr. James W. Spain

SUBJECT: Indo/Pak Arms Limitation -- Yet Another Angle

Perhaps we should set as our ultimate objective a serious joint Indo-Pak examination of their respective security problems, looking toward agreed self limitation. This approach might focus on two small teams, meeting secretly outside the Sub-Continent. They would include (a) calm and serious-minded personal representatives of both Ayub and Mrs. Gandhi (in the Indian's case, it would have to be a political figure of some kind); (b) a senior Finance Ministry type from each country who would press home the need for hard choices, and the foreign exchange costs to development of a continued and unrestrained defense race; (c) some military professionals who have had previous professional association or, even, family relationships.

Perhaps a third party intermediary might be helpful, though I assume both sides would need to want it rather badly before we should consider putting an American in such a position.

It is probable that nothing along this line could take place until after the Indian election. But would there be any way in which there could be enough fruitful exploration of the matter by both sides between now and then to effect a standstill on new military orders at least until, say, March of next year? This has point, particularly in view of India's receipt or prospective receipt of some 600 tanks altogether following the 1965 war.

Howard Wiggins

cc: Mr. Rostow  
Mr. Saunders ✓

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *Chm/f*, NARA, Date 2-12-10

~~SECRET~~

*India - Pak*  
22~~SECRET~~

July 27, 1966

MEMORANDUM FOR: Mr. Bator  
Mr. N. Davis

SUBJECT: To bring up with Prime Minister Wilson - India/Pakistan

1. Arms Limitation - Thus far there is little evidence that India and Pakistan are seeking ways to limit their military expenditures. We are encouraging George Woods of the IBRD to use consortium pressure and our two Ambassadors are encouraging restraint.

We very much hope that Wilson will use the Commonwealth meeting in London in September as an occasion to get both Mrs. Gandhi and Ayub together privately for serious examination of how they can limit their defense expenditures.

2. Kashmir: Similarly, we are considering encouraging our Ambassadors to discuss with each Government the possibility of using the London meetings as an occasion for exploring how they might examine their outstanding differences, including Kashmir. One thought is that each might assign to an agreed third country a representative in whom they have great confidence. Over many months, and without fanfare, these representatives could explore their differences and seek viable compromise solutions.

The Brits may have better ideas. Is there anything Mr. Wilson could tell us on this subject?

Howard Wriggins

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *bm/8*, NARA, Date 2-12-10

India -  
Pak~~SECRET~~

July 26, 1966

MEMORANDUM FOR: Miss Carol Laise  
Mr. James W. Spain

SUBJECT: India/Pakistan Arms Race

It seems increasingly unlikely that India and Pakistan, if left to themselves, can move toward concerted control of their competitive arms buildup. NIE 31/32-66 points out that when present commitments are fulfilled, India will have received 620 tanks, 86 MIG-21's and 19 SA-2's from Eastern Europe and the Soviet Union. The Pakistanis will have received from the Chicom between 135 and 150 tanks and 40 to 75 MIG-19F's. In addition, the Indians are increasing their loans to defense industry ten times. Both countries have added some 20,000 men to their forces. Between 1962-63 and 1966-67 India's over-all defense expenditures nearly doubled. Pakistan's nearly doubled between 1964-65 and 1965-66.

At the moment we see few signs of serious efforts on either country's part to move ahead arms limitation. There are the following possible ways in which we or others could contribute to this purpose:

1. Continue to exhort both sides to limit defense expenditures. (We are already doing this.)
2. Continue to provide substantially less foreign exchange assistance than either country needs for optimum development. This strategy forces both governments to make hard choices but it slows down the pace of development which has its domestic political costs. (We are already doing this.)
3. Encourage George Woods of the IBRD to use the leverage of the consortium whenever big aid decisions are in the making to press for a reduction in arms expenditures as a requisite for large scale assistance. While this is attractive and may have some influence, there are the following limitations in Woods' capability: (a) he has to use essentially economic criteria, whereas both sides are getting quantities of military equipment at very cut rates from their respective Communist supporters;

~~SECRET~~

DECLASSIFIED  
Authority NW 034-014-2-3  
By            NARA, Date 2-2-10

(b) while Woods worries about costs, each country worries about the actual delivery of hardware to the other; (c) the Bank cannot go too far in pressuring both countries while retaining its reputation as an international non-political institution. (Nevertheless, we should continue to encourage G. Woods in this track.)

4. As a prerequisite for any further initiative, we require an objective analysis of what each side needs as a minimum defense against the other. India's special problem of China and Pakistan's obsession with India are components of any such calculation. Such a study is now under way in the DoD (Fred Haynes in charge) and will be available the first week in September.

5. Once this is prepared, and we have explored the ground in both countries as suggested by the memo "Military Supply Policy for India and Pakistan," we should explore whether :

(a) as suggested in State/DoD paper we should encourage the Brits to press upon both a serious discussion of arms limitation at the Commonwealth Conference;

(b) we also might want to appoint a special high-level visitor known for his fair mindedness -- such as Elsworth Bunker -- to discuss concretely in both capitals the problems they face in getting down to arms limitation discussions;

(c) could we undertake some discussions with Moscow looking toward a limitation on arms to both countries in order to reduce the chances of Chicom gains from an Indo-Pak dust up?

(d) could the Institute of Strategic Studies in London develop a special seminar on "National Security and Arms Limitation on the Sub-Continent" with both high level Indians and Pakistanis participating at say, Bellagio, or some other insulated conference site, for off-the-record but protracted policy-oriented conversations, outside the sponsorship of any Western Government?

Howard Wriggins

cc: Mr. Rostow  
Saunders  
Col. Ginsberg

~~SECRET~~

*India  
Pak*  
24

~~SECRET~~

July 26, 1966

MEMORANDUM FOR: Ambassador Ray Hare  
Mr. James W. Spain  
Miss Carol Laise

SUBJECT: National Security and Arms Limitation on  
the Sub-Continent

In reflecting on additional ways of getting at the Indo-Pak security and arms race trap, it has occurred to me that Alistair Buchan might be a good person to mount something.

I can well imagine an Institute of Strategic Studies conference, very select, with a substantial number of top level Indians and Pakistanis, meeting in some obscure place like Bollagio. No statements to the press, no hurry, but a considerable determination to examine this problem. It is a familiar example of the "security dilemma" which has beset the United States and the Soviet Union since the beginning of the cold war. Yet it has especial overtones because of the poverty of both and their dependence upon outsiders for development. Alistair might use a sanitized version of Fred Haynes' study as a basis for getting them together if we decide we or the Brits can't do it officially.

What do you think?

Howard Wriggins

cc: Mr. Rostow  
Mr. Saunders ✓  
Mr. Ginsberg

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *cbm/ly*, NARA, Date 2-12-10

*India-Pak*  
25

July 23, 1966

Walt,

Indo-Pak talks may be in preparation.

Tickers from both Delhi and Karachi report that contacts are now in train looking to a resumption of official talks. There is no official confirmation of these press reports, but they do have an authenticity about them. State is inquiring of Rawalpindi, since up till now it has been Pindi which has been reluctant.

H. W.

*Pak -  
India*

July 13, 1966

TO: W. W. R.

FROM: Howard Wriggins

SUBJECT: Paks still behaving themselves  
in East despite a statement by  
Chavan (Calcutta 43)

The senior Indian Army Commander  
in Eastern India, Manekshaw, confirms  
that the Pakistanis have not -- repeat not --  
been supporting Mizos and Nagas, at least  
since Tashkent.

He labeled Chavan's earlier statement  
implying Pakistan support for these rebellions  
as "political and not accurate." (See para B,  
1 and 2.)

*India Pak file 27*

~~SECRET~~/DRAFT

MEMORANDUM FOR W. W. ROSTOW

July 11, 1966

There is one rather sensitive personnel matter left over from the Bundy-Komer. During the high level strategic review last fall of our major aid program, the President called in Arthur Dean to take an especially hard look at India and Pakistan. Then he had Dean here in Washington during both the Ayub and Gandhi visits. All through that time Bob Komer and I kept Dean fully informed via a series of memos and packets sent to Dean in New York.

My own impression is that by the time of the Gandhi visit Dean was more a proforma consultant than one whom the President heavily relied upon. He was obviously on the fringes of the Gandhi visit and we have had no contact since. There was some talk that we might send him out to Rawalpindi or New Delhi as a Presidential emissary, but the need for that has not arisen.

The question now arises whether we should continue to let this relationship drift into oblivion. This, of course, depends ultimately on the President's wishes. However, you obviously can influence the President's thinking. One argument is that Dean might be very useful because of his disarmament experience if we come down to the wire in trying to negotiate some sort of India-Paki arms control.

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *dm/ly* NARA, Date 2-12-10

~~SECRET~~

- 2 -

I personally am not sure Dean would be the right person to do this job, but this right now is the only area where I can see him contributing at all--especially now that the President has made up his mind on the overall direction of our policy on the subcontinent.

The other argument is that Dean really isn't all that useful anyway. Howard doesn't see how he could be of any use at all--and that we should just politely let this relationship drift off. If we are going to do this, I just don't know how the best way to handle it would be. One possibility would be for the President to send a nice note to Dean thanking him for his services and saying that, while plenty of difficulties lie ahead, the President now feels that we are on the right course with India and Pakistan. The other possibility would be just <sup>not</sup> now to say anything and let this dribble away.

One of us might talk to Bob Komer about this since he knows more about the origin of Dean's enlistment than any of the rest of us. Failing that, you might have to take it up with the President. Before we do any of these things however, we wanted to get some sense of your own involvement and feeling about the problem.

Hal Saunders

Let's not raise this with the President \_\_\_\_\_

Raise it with the President with negative recommendations \_\_\_\_\_

Discuss with Bob Komer \_\_\_\_\_

~~SECRET~~

*India Pak*

~~SECRET~~

May 18, 1966

Note for Mr. Handley:

Tashkent is dying - what do we do?

Dear Bill,

It is obvious that Tashkent is dying fast, if it is not moribund already. Although both parties briefly learned the costs of unresolved differences, they have slumped back to familiar postures. We have already had our high level discussions here with both parties, but we were not so single minded or confident of success as to make further assistance conditional on improved Indo-Pak relations. I infer from a conversation with Johnnie Lewis that few Indians thought we were very serious about either party truly engaging in that "process" looking toward improved relations, if it would mean any substantial domestic inconvenience to either party. With the IBRD we are now moving back into dialogue on the aid business. We are considering sales of lethal spares to Pakistan. These steps will signal that we have given up on Indo-Pak relations and require nothing more of them but what each will do naturally without our influence.

As you know, I doubt this is good enough, and that we will come up against a hard political wall on the Hill if there are not some more signs that they are seriously engaged in the process of improving their relations. We have indicated we believe the ball is in the Indian court.

This very quick and dirty draft, if carried out, would put us in a more appropriate posture vis-a-vis India than Chet's cables as yet suggest. I would envisage something like this as a specific follow up to the more properly general letter being prepared for the President's signature which I discussed with you this afternoon. I send this over as perhaps of some use to you; we are not planning any other action.

You will note that it does not tackle the problem of military spares for Pakistan, a separate but related issue which I understand is part of your present overall review with Tom Hoopes.

cc: Rostow  
Saunders ✓  
Linebaugh

Howard Wriggins

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *cbm/ly*, NARA, Date 2-12-10

~~SECRET~~

Draft cable to New Delhi from Mr. Rusk:

Now are in process of seriously considering economic assistance to both India and Pakistan, in close collaboration IBRD. G. Woods undertaking heavy responsibility on economic grounds to ensure both countries hold defense expenditures within reasonable limits. But fact remains that aid negotiations are sufficiently far along that implicit leverage we believed previously held by uncertainty regarding aid futures is now substantially reduced even though we have not, repeat not, yet made specific longer run assistance commitments.

Accordingly, there is now all the more need to bring home to GOI the need we see here for the GOI to take clear initiative toward reopening discussions with Pakistanis on all outstanding issues including Kashmir, in the spirit of Tashkent. Since India is the largest of the two, and has substantially increased its defense outlays and manpower since 1962, India must recognize that it has a responsibility to go some way toward assuaging real Pakistani anxieties, reducing Pakistani hostility, and demonstrating to those outside the subcontinent that it does seriously seek adjustment of differences with Pakistan. India cannot expect Pakistan to remain without a

~~SECRET~~

DECLASSIFIED  
 E.O. 13292, Sec. 3.4  
 By *cbm/j* NARA, Date 2-12-10

substantial military capability and aloof from China, as the Indians desire, while the GOI continues its defence build up with Soviet help and takes few concrete steps to seek that degree of accommodation believed implicit in the Tashkent Agreement. We believe this to be a good deal more in India's long run interest than in our own and we reluctant passively watch while each party returns to familiar position.

To this end you should indicate to Mrs. G. our satisfaction that she has so successfully been able to avoid the charge of "selling out", which we know was much on her mind when she was here. Our discussions with Ashoke Mehta were very helpful to us in clarifying India's proposed economic policies.

You should indicate to her, however, that we are concerned at the lack of apparent progress in pursuing the Tashkent spirit. It has been our understanding that the ball is in India's court for initiating the next Ministerial round. While the Congress can readily be appealed to for an emergency, like food aid, we want to be sure that she does not misconstrue our quick action on that aspect of her problems to mean that Congress is now ready to act on all India's needs. Before we can move forward very far, there will need to be clearer evidence of serious efforts to pursue Tashkent. We recognize that Pakistan's policies have not been helpful to such a GOI initiative, but as the larger and stronger of the two, the GOI has a greater measure of

responsibility for constructive action, as U. S. under FDR had to take initiative in Good Neighbor policy toward Mexico despite repeated rebuffs and substantial harm done to specific U. S. interests.

As we understand it, the talks have not yet been undertaken because of Pakistani insistence on discussing Kashmir first and Indian reluctance to accept such a subject. Being willing to talk about Kashmir is perhaps a minimum necessary face-saving step if the political pressures in Pakistan are to be contained and President Ayub is to retain an option of limiting his Chinese relationship. At the same time, we would assume that if India offered a forthright invitation to such talks, Pakistan would find it very much against her interest to refuse. FYI: We have in mind a clear Indian invitation to the Pakistanis for further conversations, admitting Kashmir as an early agenda item, but including other differences, with the balance of the discussion focussing on (a) further means for thinning out military forces facing each other to reduce mutual anxieties, and (b) setting up means for further energetic exploration of joint economic projects of mutual advantage. We of course cannot define the exact scenario here, but some such combination was discussed by Rostow and others during Mehta visit and appeared reasonable to Indians present. The important thing is to get Indians to think concretely

~~SECRET~~

- 6 -

on steps they could now take to improve relations with their  
admittedly difficult but much smaller neighbor and to get on with  
the job before we face impossible political resistences here to  
further aid to both countries. End FYI

~~SECRET~~

*Saunders*

*India-Pak*

*31*

May 17, 1966

~~SECRET~~

TO: W. W. Rostow

FROM: Howard Wriggins

SUBJECT: Tashkent is running out -- what to do next?

It is increasingly clear that the Tashkent spirit is rapidly dissipating, and we have fewer cards to play.

Both parties are rapidly returning to previous positions. Although both briefly learned the costs of unresolved differences, they are quickly slipping into all-too familiar postures. The "process" we had hoped to engage them in last September has virtually broken down.

We have already had our high level discussions, but we were not so single minded or confident of success as to make further assistance conditional on improved Indo-Pakistani relations. With the IBRD, we are now moving back into dialogue on the aid business. We may soon have to consider sales of lethal spares to help Ayub continue. These steps will signal that we have given up on helping to improve their relations.

It is therefore time for another Presidential initiative, perhaps along the following lines, which might include:

- (1) parallel letters to each Prime Minister, with slightly different signals on the substance of an approach to accommodation;
- (2) a high level but inconspicuous emissary, not of the Arthur Dean type, but of the Ray Hare, Bill Handley level, beefed up with a special designation from the President for this purpose (inconspicuousness would be important).

If you approve, should we float it as a staff recommendation to Mr. Rusk? \_\_\_\_\_

Take it up in advance with Hare? \_\_\_\_\_

~~SECRET~~

DECLASSIFIED  
 E.O. 13292, Sec. 3.4  
 By *cbm/ly*, NARA, Date 2-12-10

file

32

India - Pak

April 15, 1966

MEMO FOR MR. FARR  
MISS LAISE

The attached proposal has  
come our way, and I'm wondering  
what you think of it. Could you try  
it out on Ambassador Bowles too?

I don't need a formal response,  
but would appreciate your views.

Harold H. Saunders

Att: Proposal on Joint India-Pakistan Economic  
Development Commission 3/18/66

India-Pak

34

# INCOMING TELEGRAM Department of State

~~SECRET~~

Att. to Hqs memo  
WWE - 5/12/67

Action  
NEA  
  
Info  
SS  
GPM  
SP  
SC  
SAH  
L  
H  
EUR  
P  
USIA  
NSC  
INR  
CIA  
NSA  
DOD  
ACDA  
IGA  
AID  
MC  
GDP  
RSR

ZNY SSSSS  
R 051430Z MAY 67  
FM AMEMBASSY RAWALPINDI  
TO RUEHC/SECSTATE WASHDC  
INFO RUEDPSAUDCINCSTRIKE/USCINCPAC  
RUFHOL/AMEMBASSY BONN  
RUQVQR/AMEMBASSY KARACHI  
RUDTCR/AMEMBASSY LONDON  
RUSBAE/AMEMBASSY NEW DELHI  
RUEHCR/AMEMBASSY OTTAWA  
RUJALOT/AMEMBASSY TOKYO  
ZEN/AMCONSUL DACCA  
ZEN/AMCONSUL LAHORE  
ZEN/AMCONSUL PESHAWAR  
STATE GRNC  
BT  
~~SECRET~~ RAWALPINDI 4174

005780

1967 MAY 5 PM 11 52

*[Handwritten signature]*  
*[Handwritten signature]*  
*attached*

- BATOR
- BOWDLER
- BUDGET
- DAVIS
- GINSBURGH
- HAMILTON
- JESSUP
- JOHNSON
- JORDEN
- KEENE
- KOMER
- MOYERS
- TAYLOR
- WRIGGINS

SUBJECT: REDUCTION INDIAN-PAK DEFENSE SPENDING  
REF: STATE 186607 *(attached)*

1. I SPOKE ON BASIS REFTEL TO FINANCE MINISTER UQUAILI THIS MORNING, MAKING CLEAR THAT I WAS SPEAKING UNDER INSTRUCTIONS AND THAT SIMILAR APPROACH BEING MADE GOI.
2. UQUAILI SAID HE WAS CONVINCED THAT CONTINUATION OF PRESENT PATTERN OF MILITARY EXPENDITURES BY INDIA AND PAKISTAN WOULD BE "SUICIDAL." HE SAID HE PERSONALLY WELCOMED U.S. APPROACH AS IT WOULD STRENGTHEN HIS OWN POSITION IN DEALING WITH PROBLEM WITHIN GOP. HE SAID HE WAS FAMILIAR WITH HOWARD WRIGGINS' COMMENTS MAY 2 TO M.M. AHMAD (INTER ALIA EMPHASIZING DANGERS OF ADVERSE CONGRESSIONAL REACTION TO CONTINUED INDO-PAK HIGH DEFENSE EXPENDITURES AND PARTICULARLY TO BUDGET INCREASES IN IMMEDIATE FUTURE) AND REFERRED TO ACTING AID DIRECTORS' COMMENTS TO HIM MAY 4.
3. UQUAILI SAID HE WAS NOW AWAITING NEXT GOI ANNOUNCEMENT OF BUDGET POSITION. IF RECENT GOI INTERIM INCREASE IN MILITARY BUDGET WITHDRAWN OR A DECREASE ANNOUNCED, HIS POSITION WOULD BE MUCH STRONGER. IF, HOWEVER, BUDGET INCREASE WERE MAINTAINED BY GOI, HE "DID NOT SEE HOW HE COULD FACE UP TO GENERALS." AFTER MY RESTATEMENT OF REASONS FOR INDEPENDENT GOI ACTION TO REDUCE, HE SAID ONLY THAT POINTS MADE WOULD BE BORNE IN MIND. UQUAILI SAID HE WAS SEEING DEFENSE MINISTER KHAN IMMEDIATELY AFTER OUR MEETING AND SAID HE WOULD REPORT OUR CONVERSATION.

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *[signature]* NARA, Date 2-12-10

SECRET

-2- RAWALPINDI 4174, 051430Z MAY 67

4. AT MEETING CALLED BY M.M. AHMAD OF CONSORTIUM AMBASSADORS TODAY TO DISCUSS GOP CONSORTIUM POSITION, BRITISH HIGH COMMISSIONER PICKARD ALSO MADE GENERAL REFERENCE TO PROBLEM OF DEFENSE LEVELS AHMAD SAID THAT HE WOULD OF COURSE BE READY TO DISCUSS QUESTION AT CONSORTIUM MEETING.

5. COMMENT:

A. GOP OBVIOUSLY HOPING IT CAN AWAIT FINAL INDIAN DECISION BEFORE MAKING ITS OWN. HOWEVER, UQUAILI EXPRESSED SOME CONCERN THAT INDIA MIGHT DELAY ITS DECISION IN EFFORT GET PAK POSITION ON RECORD.

B. THIS CONNECTION, WE ARE INCREASINGLY CONCERNED AT TENDENCY (DELHI 16065 AND PREVIOUS) FOR ANY GOI REDUCTION OF FORTHCOMING DEFENSE BUDGET TO TAKE FROM OF PUBLIC AND CONTINGENT PROPOSAL TO PAKISTAN TO DO LIKEWISE. IN EFFECT, THIS WOULD OF COURSE BE LITTLE SHORT OF PUBLIC NEGOTIATION OF PARTIAL INDO-PAK ARMS LIMITATION UNDERSTANDING. AS POINTED OUT IN KARACHI 5007, GOP IS POLITICALLY UNABLE TO REACH AGREEMENT DIRECTLY WITH INDIA ON ANY SUCH FUNDAMENTAL ISSUE AS ARMS WITHOUT PROGRESS ON KASHMIR, ALTHOUGH GOP POSSIBLY COULD DO TACITLY OR WITH U.S. WHAT IT COULD NOT DO DIRECTLY WITH GOI. ACCORDINGLY, WE FULLY CONCUR IN SECSTATE 186607 VIEW THAT FIRST STEP IN BUDGET REDUCTION SHOULD NOT RPT NOT BE CONDITIONED ON ACTION BY OTHER PARTY AND HOPE GOI CAN BE PERSUADED TO ABANDON CONDITIONAL

AND PUBLIC CHALLENGE APPROACH TO ANY BUDGET DECREASE.

C. WE BELIEVE WOULD BE USEFUL WITH PAKS HERE IF VARIOUS MISSIONS OF MAJOR DONOR COUNTRIES, INCLUDING PRINCIPALLY U.K., CANADA, GERMANY AND JAPAN, WERE ALSO TO MAKE APPROACHES ON MILITARY BUDGET ISSUE. DEPT. MAY WISH TAKE THIS UP WITH GOVERNMENTS CONCERNED WITH VIEW ASSURING APPROPRIATE PARALLEL INSTRUCTIONS ARE SENT TO THEIR REPRESENTATIVES HERE.

D. I EXPECT CONTINUE DISCUSS MILITARY PROBLEM WITH OTHER KEY GOP OFFICIALS.

GP-3. CARGO  
BT

SECRET

# OUTGOING TELEGRAM Department of State

INDICATE:  COLLECT  
 CHARGE TO

India Part  
186607 340

FILE COPY

~~SECRET~~

N. S. C.

MAY 3 10 01 AM '67  
Att. to HHS memo  
to WWR - 5/12/67

MAY 2 8 15 PM '67

- DATOR
- BOWDLER
- HAMILTON
- JESSUP
- JOHNSON
- JORDAN
- KEENEY
- KOMER
- MOYERS
- TAYLOR
- WELDON

3-S

Origin ACTION: CIRCULAR

NEA

Info:

SS STATE/86607 CIRCULAR

GPM REF.: Rawalpindi's 4082; New Delhi's 15511

SP BRUSSELS FOR USRO *state 18512*

L 1. State 184243 addressed itself to general steps ahead in  
H implementing our military supply policy for India and Pakistan  
EUR Pakistan. This message deals with points specifically raised  
P reftels on need to get the two countries to cut back on spending  
USLA for arms.

NSC  
INR 2. Restraint and gradual reduction in defense spending by India  
CIA and Pakistan is a fundamental objective of our over-all policy  
NSA toward South Asia. We made this clear to both countries when  
DOD we resumed economic aid in mid-1966. It has been reaffirmed  
ACDA in general terms in the context of our military supply policy.  
IGA Both Rawalpindi and New Delhi have now emphasized in reftels  
AID the importance of pressing this objective, particularly in the  
MC crucial budget processes now underway both countries.  
CDP

3. Tactics and timing of doing so will differ in each country. Pakistan will point to a downward trend already

Drafted by: NEA/PAF:LBL:ingen:lab 5/1/67 Tel. Ext. 5259 Telegraphic transmission and classification approved by: NEA - Lucius D. Battle

Clearances:  
NEA/PAF - Mr. Spain  
NEA/INC - Mr. Heck  
NEA - Mr. Handley  
AID/NESA - Mr. Palmer (draft)  
DOD/ISA - Mr. Reed (draft)

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *abm/sg* NARA, Date 2-12-10

~~SECRET~~

*Classification*

underway, but this is from a post-1965 high of the kind India reached in aftermath of Sino-Indian conflict 1962, ~~and since which~~ (Since then /India can claim it has been reducing its spending, in real terms and/or in terms relative to GNP.) Both countries will allege hidden expenditures in budgeting processes of the other. Both may seek reciprocal action by the other before cuts are made.

4. Given this context we can only determine specific tactics as we move along in implementing new military supply policy. We see following, however, as fundamental points which both posts should convey now at highest appropriate levels:

a. We welcome fact that downward trend in defense spending, to permit maximum use of resources in development, is a stated objective of both India and Pakistan.

b. We will seek to implement our own military supply policy in manner contributing to that goal. We believe current spending is excessive in both countries.

c. Amounts and pace of that reduction must be decided by Pakistan (India) itself. (FYI: We do not believe we should become identified with specific figure, but we are convinced that current shares of GNP allocated to defense are excessive in both countries, and that reductions of these shares should be our goal. To this end we suggest that forthcoming budgets should show actual reductions in projected defense expenditures; 10 per cent

~~SECRET~~

*Classification*

~~SECRET~~

reduction as first step strikes us as goal to shoot at without jeopardy to security interests either country. END FYI.)


d. continued restraint over time by both India and Pakistan obviously will require reciprocity in demonstrated, publicized efforts to cut spending. We do not however believe that first step by either country should be conditioned on similar action by other. Building mutual trust in delicate area of security will require some risk taking. For one to wait on the other gets neither anywhere.

e. We cannot police either country in its budgeting process. But we will make clear to both that any actual or suspected QUOTE hidden UNQUOTE expenditures on defense will detract from mutual trust which is only way that downward trend can be maintained.

f. In implementing our own military supply policy we will look to both ~~INDIA/PAK~~ for fullest possible information on actual <sup>and projected</sup> spending for arms from all sources, foreign and domestic. We also believe there is need for India and Pakistan to find a way to exchange info on spending. We assume neither will want to go into details with the other but exchange in general terms may help dispell suspicion, as it is clear each has or advances exaggerated notion of other's force levels and equipment. (For Pindi: Would appreciate your comment on GOI proposal State 185152 that QUOTE character and quantum UNQUOTE of US sales to each country be made known to the other.)

~~SECRET~~

~~SECRET~~

g. Increases in upcoming defense budgets by either country could jeopardize whole range of US efforts be helpful to them. We feel they should know this and that it should be called to their attention at this time, not as a threat, but to avoid later misunderstandings or recriminations. 

5. FOR RAWALPINDI: Above guidance drafted prior receipt your 4120 on conversation with Yusuf. Guidance stands and you should draw on it as appropriate in your continuing conversations this subject. We are aware that end of US grant MAP is factor relevant to current Pak defense spending. We would point out however that GOP's stated current total spending of Rupees 2250 million (\$472 million) for defense is still almost double what we understood figure was prior FY 66 and that annual MAP deliveries FY 63-65 averaged not more than \$50 million.

GP-1

END

RUSK

ACTION: RAWALPINDI  
NEW DELHI

INFO.: LONDON  
BONN  
PARIS  
BRUSSELS  
MOSCOW  
OTTAWA  
CANBERRA  
CINCMEAFSA

~~SECRET~~

India PKR

RECEIVED  
H. S. C. 346

# INCOMING TELEGRAM Department of State

MAY 2 10 26 AM '67

87

~~SECRET~~

Action

NEA

BG0JVZCZCQVA559GMA258

Info

RR RUJDTCR RUEHC  
DE RUQVGM 4120 1211455  
ZNY SSSSS

SS

R 011430Z MAY 67

GPM

FM AMEMBASSY RAWALPINDI

SP

TO RUEHC/SECSTATE WASHDC

SC

INFO RUEDPSA/CINCSRIKE/USCINCPAC

SAH

RUJDTCR/AMEMBASSY LONDON

L

RUJBAE/AMEMBASSY NEW DELHI

H

STATE GRNC

EUR

BT

P

~~SECRET~~ RAWALPINDI 4120

USIA

REF: STATE 183251

NSC

SUBJECT: INDO-PAK TALKS

INR

GIA

1. IN MEETING WITH FONSEC YUSUF MAY 1, I DISCUSSED WITH HIM CURRENT STATUS OF EFFORTS TO BRING ABOUT TALKS BETWEEN INDIA AND PAKISTAN ON FORCE LEVELS AND MILITARY BUDGETS. DURING WIDE-RANGING CONVERSATION, I MADE REFTEL VERY FULLY CLAR TO

NSA

DOD

ACDA"

IGA

AID

MC

CDP

RSR

PAGE 2 RUQVGM 4120 ~~SECRET~~

HIM; AND HOWARD WRIGGINS, WHO WAS WITH ME, AND I BOTH PRESSED UPON HIM URGENT NECESSITY OF FINDING MEANS OF COMING TO GRIPS WITH INDIA ON PROBLEM OF REDUCING MILITARY OUTLAYS AND AVERTING FURTHER MILITARY BUILD-UP IN SUBCONTINENT.

2. INDO-PAK TALKS ON FORCE LEVELS: IN RESPONSE TO MY QUESTIONS, FONSEC SAID THAT INDIANS HAD NOT YET REPLIED TO GOP LETTER OF APRIL 7. PAK APPARENTLY NOT INFORMED WHETHER FURTHER INDIAN REPLY WILL BE FORTHCOMING. YUSUF REMARKED THAT INDIAN HIGH COMMISSIONER HAS BEEN IN DELHI, THEN RETURNED TO PAKISTAN, BUT HAD GONE BACK TO INDIA WITHOUT SEEING HIM. YUSUF DID NOT INDICATE THAT ANY SPECIFIC INSTRUCTIONS HAD BEEN SENT TO PAKISTANI HIGH COMMISSIONER IN DELHI TO TAKE FURTHER INITIATIVE. YUSUF DID NOT DEMUR AT MY SEVERAL STATEMENTS OF HIGH IMPORTANCE OF CONTINUING WITH EFFORTS TO GET INDO-PAK ARMS DISCUSSIONS UNDER WAYWW BUT HE MADE NO SUGGESTIONS AS TO NEXT STEPS, APART FROM GENERAL PROSPECT THAT INDIANS MIGHT RESPOND TO PIRZADA LETTER OF APRIL 7. YUSUF SAID PAKS REMAIN READY

FILE COPY

000694

1967 MAY 1 PM 10 15

*Att. to NWS  
memo to WWR  
5/12/67*

- BOWLER
- BUDGET
- DAVIS
- GINSBURGH
- HAMILTON
- JESSUP
- JOHNSON
- JORDAN
- KEENE
- KOTER
- MOYERS
- TAYLOR
- WOODRUFF

DECLASSIFIED

E.O. 13292, Sec. 3.4

By *dem/s* NARA, Date 2-12-10

~~SECRET~~

SECRET

-2- RAWALPINDI 4120 MAY 1, 1967

PAGE 3 RUQVGM 4120 S E C R E T  
TO TAKE UP DISCUSSIONS WITH INDIANS ON LESSER TOPICS ON  
AD HOC BASIS, MENTIONING SPECIFICALLY RESUMPTION OF CIVIL  
AIR FLIGHTS AND TELECOMMUNICATIONS BETWEEN TWO COUNTRIES.

3. PUBLICATION OF CHAGLA-PIRZADA CORRESPONDENCE: WHEN I LET  
YUSUF KNOW OUR CONCERNS ABOUT GOP ACTION IN PUBLISHING RECENT  
EXCHANGE BETWEEN TWO FOREIGN MINISTERS, YUSUF RESTATED HIS  
OWN VIEWS OF PROBLEMS CAUSED BY PREMATURE PUBLICITY ABOUT  
INDO-PAK DISCUSSIONS. IN CASE AT HAND, YUSUF SAID LEAKS HAD  
CAUSED SPECULATION AND INACCURATE RUMORS AMONG PRESS AND PUBLIC  
AND ALSO OBSERVED THAT PAK ACTION TO PUBLISH HAD BEEN TAKEN  
ONLY SOME TIME AFTER PIRZADA'S LETTER HAD BEEN DELIVERED TO  
FOREIGN MINISTER CHAGLA. HE SEEMED TO AGREE TO MY SUGGESTION  
OF VALUE OF CLEAR UNDERSTANDING BETWEEN REPRESENTATIVES OF  
THE TWO COUNTRIES ON RULES OF ROAD ON PUBLICITY AT OUTSET  
OF FURTHER DISCUSSIONS BETWEEN THEM ON SENSITIVE AREAS OF  
INDO-PAK RELATIONS, ALTHOUGH PAST EXPERIENCES WITH SUCH  
UNDERSTANDING HAD NOT ALWAYS BEEN GOOD, HE SAID. HE THOUGH  
IT WAS BASICALLY A QUESTION OF CONFIDENCE AND TRUST.

PAGE 4 RUQVGM 4120 S E C R E T  
4. KASHMIR: YUSUF RECOUNTED GOP POSITION ON KASHMIR AT LENGTH  
AND ON FAMILIAR LINES. HE DESCRIBED PAK POSITION AS FLEXIBLE  
IN TERMS OF ADJUSTMENT IN PRESENT KASHMIR STATUS QUO. GOP  
VIEW OF INDIAN UNWILLINGNESS TO REACH SETTLEMENT INVOLVING  
MODIFICATION OF PRESENT SITUATION HAD BEEN CONFIRMED, YUSUF  
SAID, BY DISCUSSIONS G. MUEENUDDIN HAD DURING HIS RECENT  
VISIT TO INDIA (RAWALPINDI 3788) AND ALSO BY SECRETARY GENERAL  
THANT DURING HIS VISIT TO RAWALPINDI ON APRIL 18, 1967.  
FOREIGN SECRETARY SAID IT SIMPLY WAS NOT POSSIBLE FOR PAKS  
JUST TO FORGET ABOUT KASHMIR, AND THIS PRESENTED FOR PAKS,  
HE SAID, REAL DIFFICULTIES IN MOVING AHEAD IN DISCUSSIONS OF  
OTHER MAJOR ISSUES WITH INDIANS SUCH AS ARMS LIMITATIONS.  
HE DISPLAYED, AS HE HAS BEFORE, CONSIDERABLE IRRITATION  
IN SAYING THAT INDO-PAK TALKS ON CIVIL AIR AND TELECOMMUNICATIONS  
RESUMPTIONS HAD BEEN REVEALED TO PRESS IN INDIA WITH TWIST  
THAT PAK WILLINGNESS UNDERTAKE SEPARATE TALKS ON THESE  
ISSUES MEANT PAKS ABANDONED PREVIOUS POSITION ON DISCUSSION  
OF KASHMIR.

5. INDO-PAK FORCE LEVELS AND MILITARY BUDGETS: I PUSHED YUSUF  
VERY HARD ON IMPELLING NEED FOR ARRANGEMENTS IN THE

SECRET

~~SECRET~~

-3- RAWALPINDI 4120 MAY 1, 1967

PAGE 5 RIJQVGM 4120 ~~SECRET~~

SUBCONTINENT TO HOLD DOWN AND THEN DEPRESS FORCE LEVELS AND MILITARY BUDGET. WRIGGINS NOTED ESSENTIAL INCOMPATIBILITY OF ARMS RACE WITH SUBSTANTIAL INTEREST OF US AND OTHER COUNTRIES IN THE ECONOMIC DEVELOPMENT OF INDIA AND PAKISTAN. HE POINTED OUT PRESIDENT JOHNSON'S PROBLEM IN SUSTAINING APPROPRIATIONS FOR AID WHEN LARGEST RECIPIENTS APPEAR UNABLE TO AVOID RISK OF ARMS RACE. IS STRESSED THAT, LEAVING KASHMIR ASIDE, THERE WERE IMPORTANT REASONS OF NATIONAL INTEREST FOR PAKISTAN TO SEEK TO REACH UNDERSTANDING WITH INDIA ON FORCE LEVELS. YUSUF READILY AGREED THAT PAKISTAN COULD NOT STAND ECONOMIC STRAIN OF COMPETITION WITH INDIA ON ARMAMENTS. IS AID I THOUGHT THERE WAS A BASIC MUTUALITY OF INTERESTS AMONG INDIA AND PAKISTAN AND CONTRIBUTORS TO THEIR ECONOMIC DEVELOPMENT TO FIND A PATTERN OF FORCE LEVELS IN THE SUBCONTINENT WHICH, WHILE IN KEEPING WITH SECURITY REQUIREMENTS OF EACH OF THE TWO COUNTRIES, WOULD AVERT RISING SPIRAL OF MILITARY EQUIPMENT AND EXPENDITURES. YUSUF INDICATED HIS AGREEMENT WITH THIS, BUT OBVIOUSLY FLEET BESENT BY COMPLEXITY OF PROBLEM OF TRANSLATING OBJECTIVE INTO REALITY. ON IMMEDIATE BUDGETARY LEVELS FOR DALENSE, YUSUF WONDERED WHETHER INDIANS WOULD GO AHEAD WITH FURTHER INCREASES. HE THOUGHT THAT PAKISTAN WOULD HAVE TO WORK OUT REPLACEMENT OF SOME OF ITS OLD BASIC EQUIPMENT AND THOUGHT WE SHOULD TAKE THIS INTO ACCOUNT. HE NOTED THAT GOP REDUCTIVON IN MILITARY BUDGET THIS YEAR HAD BEEN ACCOMPLISHED NOTWITHSTANDING FACT THAT PREVIOUS US GRANT ASSISTANCE NO LONGER AVAILUULE. BUT HE SEEMED TO BE SUGGESTING THAT SOME MODEST BUDGETARY INCREASE BY PAKISTAN COULD BE JUSTIFIED ON BASIS FACT THAT US GRANT ASSISTANCE HAD NEVER BEEN INCLUDED IN GOP BUDGET, BUT HAD IN YEARS PAST BEEN SIGNIFICANT MILITARY PROCUREMENT FACTOR. WRIGGINS AND I STRESSED BOTH INTRINSIC AND PARTICULARLY SYMOBLC IMPORTANCE OF ACHIEVING DOWNWARD TURN OF MILITARY BUDGET LEVELS IN BOTH COUNTRIES. YUSUF REPEATED MANY TIMES AND IN MANY FORMS THAT GOP DID NOT WANT AND COULD NOT AFFORD ARO RACE WITH INDIA, AND HAD NOT BEEN ESCALATING MILITARY BUDGETS. HOWEVER, HE LIKewise STRESSED GOP DETERMINATION PROVIDE FOR ITS BASIC SECURITY. HE THOUGHT INDIA, AS BIGGER COUNTRY, HAD RESPONSIBILITY INITIATE STOPS TO CUT BACK

6. WE WILL SEND DEPT SHORTLY OUR FURTHER COMMENTS ON GOP POSITION IN CONTEXT NEW MILITARY SUPPLY POLICY.

CARGO

~~SECRET~~

India Pap

INCOMING TELEGRAM Department of **SUMMARY**

RECEIVED 340  
M.S.C.

SECRET

APR 25 8 11 AM '67

90  
Action  
55  
Info

.NVZCZCOSAG42BASS7  
P RUEHC RUEHCR RUDTOR RUFHOL  
DE RUSBAE 15511 1141500  
ZNY SSSSS  
241422Z APR 67  
FM AMEMBASSY NEW DELHI  
TO RUEHC/SECSTATE WASHDC PRIORITY  
INFO RUFHOL/AMEMBASSY BONN PRIORITY  
RUDTOR/AMEMBASSY LONDON  
RUEHCR/AMEMBASSY MOSCOW  
RUQVGY/AMEMBASSY KAWALPINDI  
RUEDPSA/CINCSTRIKE/USCINCSAFA  
STATE GRNC  
BT  
SECRET NEW DELHI 15511

FILE COPY

1967 APR 24 PM 3 35  
024027

*Att. to HHS memo to  
WWR 5/12/67.*

- ~~BATOR~~
- ~~BOWDLER~~
- ~~BUDGET~~
- ~~DAVIS~~
- ~~CHABURCH~~
- ~~HAMILTON~~
- ~~JESSUP~~
- ~~JOHNSON~~
- ~~JORDAN~~
- ~~KEENE~~
- ~~KOMER~~
- ~~MOYESS~~
- ~~TAYLOR~~
- ~~WRIGHTS~~

LIMDIS

BONN TOSEC

DEPT PASS WHITE HOUSE

1. I AM INCREASINGLY CONCERNED ABOUT THE SERIOUS BACKLASH WHICH MAY DEVELOP BECAUSE OF FRAMEWORK IN WHICH USG HAS

PAGE 2 RUSBAE 15511 SECRET

PUBLICLY PRESENTED NEW MILITARY SUPPLY POLICY FOR INDIA AND PAKISTAN. WE HAVE REPEATEDLY EMPHASIZED THAT ITS PRIMARY PURPOSE IS TO HELP CONTAIN ARMS RACE ON SUBCONTINENT AND ENCOURAGE CUTBACK IN MILITARY EXPENDITURES. AS A CONSEQUENCE USG HAS IN EYES OF MANY OBSERVERS TAKEN UPON ITSELF MAJOR RESPONSIBILITY FOR LIMITING ARMS EXPENDITURES IN BOTH INDIA AND PAKISTAN IN INDIA, AND I STRONGLY SUSPECT ON CAPITOL HILL AS WELL, SUCCESS OF NEW POLICY WILL BE JUDGED BY EXTENT TO WHICH BOTH INDIA AND PAKISTAN FOREGO FURTHER ARMS ACQUISITIONS AND REDUCE MILITARY SPENDING.

2. IN THIS CONTEXT I AM DISTURBED BY REPORTS OF SUBSTANTIAL PENDING THIRD COUNTRY DEALS WITH BOTH INDIAN AND PAKISTAN.

A. WE UNDERSTAND THAT PAKISTAN HAS PURCHASED 24 MIRAGE FS FROM FRANCE AND IS SEEKING TO PURCHASE 40 LIGHTNING INTERCEPTORS FROM UK. SIMILARLY INDIA HAS AN ORDER IN FOR SIGNIFICANT NUMBER OF MIG21S AND MAY BE ACQUIRING SU-7 FITTER JET FIGHTERS FROM CZECHOSLOVAKIA. THERE ARE ALSO

SECRET

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By cbm/ly, NARA, Date 2-12-10

PAGE 3 RUSBAE 15511 S E C R E T

REPORTS THAT GOI IS CONSIDERING ADDITIONAL MEDIUM RANGE BOMBERS FROM USSR. THESE ARE ALL ITEMS OVER WHICH USG HAS NO DIRECT CONTROL.

B. IN ADDITION WE UNDERSTAND THAT PAKISTAN IS SEEKING SEVERAL HUNDRED M47 TANKS AND SUBSTANTIAL AMOUNTS OF OTHER US-RELATED LETHAL END ITEMS. ACCORDING TO RECENT INR REPORT (INTELLIGENCE NOTE-297), WHICH DESERVES WIDE READING, THERE IS CONSIDERABLE PRESSURE ON USG TO APPROVE SALE VIA GERMANY AND IRAN OF SUCH ITEMS. WE CAN EXERCISE SOME DIRECT CONTROL IN THIS CASE BY VIRTUE OF LICENSING REQUIREMENTS.

3. THUS WE ARE ON RECORD AS HAVING COMMITTED OURSELVES TO STOPPING AN ARMS RACE SUBCONTINENT AT VERY MOMENT WHEN ARMS RACE APPEARS TO BE ON VERGE OF GETTING OUT OF HAND. ONLY BY THE MOST VIGOROUS AND FORTHRIGHT ACTION CAN WE ACHIEVE OUR STATED GOALS OF BRINGING ABOUT A CUTBACK IN ARMS EXPENDITURES AND LIMITING SUBCONTINENTAL ARMS ACQUISITIONS. I RECOMMEND FOLLOWING STEPS:

A. ALTHOUGH NEIGHT INDIA NOR PAKISTAN IS FULLY SATISFIED WITH PRESENT LEVELS, THIS IS MOST REALISTIC STARTING POINT. THEREFORE USG SHOULD STRIVE TO FREEZE THE LEVELS OF MILITARY FORCES AND EQUIPMENT IN BOTH INDIA AND PAKISTAN AT PRESENT LEVELS BY STRICT ADHERENCE TO THE THREE CRITERIA WHICH WILL PROVIDE BASIS FOR OUR CASE-BY-CASE REVIEW OF PROPOSED SALES OF US SPARE PARTS AND OF END ITEMS VIA THIRD COUNTRIES. PRESUMABLY IF NEW ACQUISITIONS OF END ITEMS OCCUR, SPARE PARTS FOR EQUIPMENT WHICH WOULD BECOME ADDITIVE WOULD BE ACCORDINGLY DENIED.

B. WE SHOULD CONTINUE OUR STRENUOUS EFFORT TO GET BOTH GOI AND GOP TO CUT BACK ON MILITARY EXPENDITURES. ON MARC H 2 INDIAN FOREIGN MINISTER PROPOSED TO HIS GOP COUNTER-PART TALKS ON SUBJECT OF ARMS LIMITATIONS. TO ENCOURAGE MOVEMENT IN THIS DIRECTION GOI HAD, PRIOR TO PAK REJECTION OF THIS PROPOSAL AND OUR ANNOUNCEMENT OF NEW MILITARY SUPPLY POLICY, PLANNED FIVE PERCENT (EQUAL TO ROUGHLY \$60 MILLION) CUTBACK IN ITS DEFENSE BUDGET FOR NEXT FISCAL YEAR. GOI'S INITIAL REACTION TO NEW US POLICY HAS BEEN TO SAY THAT REDUCTION OF MILITARY SPENDING IS NO LONGER POSSIBLE.

~~SECRET~~PAGE 5 RUSBAE 15511 ~~SECRET~~

HOWEVER THERE IS A FAIR CHANCE THAT I CAN STILL PERSUADE MORARJI DESAI TO ANNOUNCE FIVE PER CENT REDUCTION IN HIS MAY 25 BUDGET MESSAGE, WITH PROVISIO THAT INDIA IS TAKING THIS STEP IN HOPE THAT PAKISTAN WILL MEET IT HALF WAY AND IN EFFORT TO TEST INTENTIONS OF INDIA'S NEIGHBORS AND FRIENDS. SINCE PAK BUDGET WILL BE ANNOUNCED IN JUNE THIS WOULD ALLOW AMPLE TIME FOR RECIPROCAL ACTION BY GOP. WE MUST ASSUME THAT INDIAN DEFENSE CUTS WOULD BE RESTORED IF PAKISTAN DID NOT RECIPROCATATE.

C. WE SHOULD FOLLOW UP OUR EARLIER BILATERAL AND CONSORTIUM EX ORTS WITH STRONGEST POSSIBLE DIPLOMATIC REPRESENTATIONS IN BOTH WESTERN AND EASTERN EUROPE ON BEHALF OF SUPPORT FOR FREEZE ON ARMS SALES TO SUBCONTINENT AND FOR EFFORT TO ENCOURAGE REDUCTION IN INDIAN AND PAK DEFENSE SPENDING.

4. IF BETWEEN NOW AND MAY 25 IT BECOMES KNOWN THAT SUBSTANTIAL AMOUNTS OF MODERN AIRCRAFT AND TANKS HAVE BEEN PURCHASED BY PAKISTAN AND THAT EQUIPMENT WHICH HAS BEEN ACTIVATED BY US SPARE PARTS IS ADDITIVE TO THIS AMOUNT, ANY

PAGE 6 RUSBAE 15511 ~~SECRET~~

HOPE OF CUTBACK IN INDIAN DEFENSE BUDGET WILL BE LOST AND SUBCONTINENT WILL BE HEADED FOR AN ARMS RACE WITH A VENGEANCE AND WITH USG CAUGHT IN MIDDLE. IF WE ARE GOING TO STOP INDO-PAK ARMS RACE, WE HAVE TO STOP IT NOW.

BOWLES

BT

PASSED WHITE HOUSE APRIL 24, 1967 5PM

~~SECRET~~

OUTGOING TELEGRAM Department of State

INDICATE:  COLLECT  
 CHARGE TO

~~SECRET~~

*W. Wiggini* 35  
*Sourless*  
168709

40  
Origin  
55  
Info:

ACTION: Embassy RAWALPINDI  
NEW DELHI  
INFO: Embassy LONDON  
TEHRAN  
CINCINNATI

IMMEDIATE  
IMMEDIATE

*Cy to James Clark, Bob*  
*with HHS memo 4/13/67*  
03

APR 5 9 14 AM '67

STATE  
168709  
EXDIS

DECLASSIFIED  
Authority FRUS, Vol. XXV, #433  
By cbm, NARA, Date 7-29-25

REF: State 166539

Subject: Military Supply Policy for India and Pakistan

Following are your instructions covering military supply policy

conveyed by ref tel.

1. We desire implement decision as soon as Congressional consultations, now underway, are complete; telegram will inform you of completion. While we recognize Ambassador Bowles will need some elbow room on timing of approach to GOI, there is some urgency for Ambassador Locke to inform GOP. We understand meeting with Ayub now set for April 7; we believe GOI should be informed as soon after that as possible

to assure shortest gap possible between presentations, Basic elements of new policy should be communicated as stated ref tel, omitting references to internal USG operations.

2. Both posts should emphasize that new policy reflects intensive review over long period time and with involvement highest levels USG.

Drafted by: NEA/PAT:JWS:pain;LRL:ingeh  
NEA/INC:DHeck:atm 3/27/67  
Tel. Ext. :  
Telegraphic transmission and classification approved by: The Secretary

Clearances:  
NEA - Mr. Handley G/PM - Capt. Coward  
DOD - Mr. Hoopes  
AID - Mr. White  
H - Mr. MacCubbin  
S/S - Mr. Walsh  
WHITE HOUSE - Mr. Wiggini  
U - Mr. Katzenbach

~~SECRET~~

Both should also insure it clearly understood we do not under foreseeable circumstances intend return to supply relationship we had prior September 1965.

3. Our new policy recognizes that fundamental historical changes have taken place. Our purpose is to establish a new relationship that takes into account legitimate defense requirements both countries but rests primarily on conviction that basic security and economic well being of both countries depends on their finding way to lessen tensions between them and thus to reduce share of their resources going to military expenditures.

FOR RAWALPINDI: 4. In conveying policy package to Ayub you should say we were encouraged by his response to our representations on arms limitation in November (Rawalpindi's 1751). On assumption that that response remains basis for GOP arms policy, we now prepared do following within context of stated policy (i.e., only when such actions will contribute to arms limitation or reduced defense expenditures):

- (a) entertain specific requests for cash purchase in US of lethal spares on case-by-case basis;
- (b) continue to consider requests for credit purchase of non-lethal end items;
- (c) discuss his other problems of military supply, including requests for purchase from third countries of US-controlled equipment, but only within policy context stated ref tel;
- (d) resume limited grant training program, if GOP so desires;

~~SECRET~~

~~SECRET~~

5. Before we are able to address Pak request for our concurrence in M-47 tank deal with Germans (Rawalpindi's 3489), we need know: (a) effect of prospective purchases of US tank spares on level operational tanks of US origin; (b) how proposed German deal would further affect tank strength levels; (c) number Pak tanks of Chicom origin; and, (d) effects of foregoing tank strengths on overall armed forces structure.

6. In conveying policy package to Ayub we hope you can get across that we are prepared to help him meet his legitimate security requirements but that manner in which GOP deals in coming weeks and months with recent GOI offer begin talks on arms limitation (State 158121) could have decisive impact on way we are able to respond to GOP requests.

FOR NEW DELHI: 7. We recognize difficult task you face in getting Indians to see that their own interests served by our new policy. There are a number of elements in package designed help meet your problem (i.e., permanent MAAG withdrawal, credit sales, training). We believe it would be useful highlight following points:

(a) This decision terminates grant military assistance to Pakistan and substantially results in the end of a military relationship we have had with Pakistan since 1954.

(b) the withdrawal of MAAG from Pakistan (and USMSMI from India) symbolizes this new policy.

(c) need for some degree of flexibility in our sales policy if we are to have any influence on Pak position regarding arms limitation

~~SECRET~~

~~SECRET~~

(d) fact that military supply is only one element of larger USG policy designed contribute to security, integrity, and economic well being of South Asia as a whole; the record speaks for itself as to what we have done and are ready to do for India, a country that is central to our interests in area;

(e) specific benefits for India include (1) \$17 million on 3 per cent and ten year repayment basis for completion of Star Sapphire project. This is a special concessional rate, no longer available elsewhere and is provided in recognition of importance of completing this project;

(2) authority to continue our credit sales program on case-by-case basis (currently on 5-1/2 per cent and 7 year terms); (3) limited grant training program.

8. We believe it would also be useful for you to reiterate in this context our strong satisfaction over recent Chagla letter to Pirzada on arms limitation talks, adding that we continue believe special burden responsibility rests on India as larger power if progress to be made in such talks.

FOR BOTH POSTS: 9. Para 3 C reftel states policy on replacement items, i.e., the question is not now before us as to replacing an end item of US origin should that item be totally destroyed through accidental loss. That contingency will be considered when it arises.

10. Both GOI and GOP should understand that while we are prepared to discuss arrangements for carrying out our new policy, including handling of any public announcements, decisions of timing and tactics will have to be our own,

~~SECRET~~

~~SECRET~~

influenced particularly by Congressional requirements. You should stress most strongly that we intend handle this matter in as low key as possible and will look to both Governments for their cooperation. We would prefer for present to avoid any kind of public announcement or comment on new policy but recognize difficulty doing so for very long. FYI: We believe it preferable to make low key announcement which focuses on MAAG and USMSMI withdrawal instead of reacting to leaks. This announcement would be made as soon as possible after Ambassador Bowles talks to GOI and might be followed up with <sup>in Washington</sup> backgrounder/with selected journalists, possibly including Indians and Paks who resident here. Will keep you informed. END FYI. Contingency press guidance being prepared.

11. If asked about timing MAAG/USMSMI withdrawal, you should say this still being worked out. FYI: We envisage July 1 as target date. END FYI.

12. FYI: We recognize that conflicting approaches GOI (willingness talk with GOP on all subjects but without recognizing existence dispute on Kashmir) and GOP (willingness talk GOI all subjects but only if Kashmir dispute also discussed) will continue complicate our efforts achieve arms limitation. We believe you should continue take every opportunity urge both sides to moderate their preconditions. Meanwhile, we are prepared for time being to see what we can accomplish bilaterally. END FYI.

13. We intend brief Ambassador Hilaly and Charge Bannerjee as soon as we know approaches made to Governments.

~~SECRET~~

~~SECRET~~

FOR LONDON: 14. As soon as scenario for presentations in Rawalpindi and New Delhi has been worked out, we expect to authorize you to convey new policy to IMG at appropriate level and in closest confidence. In doing so you should say that we will wish consult further on what we might be able to do together to achieve progress toward arms limitation subcontinent.

GP-1

END

RUSK

~~SECRET~~