

*Intelligence
Note* - 21U.S. DEPARTMENT OF STATE
DIRECTOR OF INTELLIGENCE AND RESEARCHRECEIVED
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January 10, 1966

To : The Secretary
 Through: S/S
 From : INR - Thomas L. Hughes *TUH*
 Subject: The Tashkent Communique

*India -
Pak*

The meeting between Pakistani President Ayub Khan and Indian Prime Minister Shastri closed in Tashkent on January 10 with the issuance of a communique that suggests some modest progress during the week-long session. Little was expected from the meeting; that the two sides were able to meet and agree on a communique at all, together with the prospect for further meetings, gives all concerned some grounds for satisfaction. The real significance of the meetings, however, will only gradually become apparent.

Troop Withdrawal. The most important item in the communique was the agreement to withdraw by February 25 all armed personnel to positions held prior to August 5, 1965. The UN cease-fire resolution of September 20 had called for this, but had specified no time limit. Apparently Ayub and Shastri were able to agree on the general principles for withdrawal that had eluded negotiators until now. The UN Observer Mission has been conducting talks aimed at securing a withdrawal, and will presumably provide the machinery for effecting the Ayub-Shastri agreement.

Non-intervention. A major stumbling block to withdrawal had been Indian insistence that Pakistan guarantee to cease infiltration operations into Kashmir. The communique's pledge that both sides will eschew interference in each other's internal affairs will be interpreted in New Delhi as a non-infiltration guarantee. The Pakistanis, on the other hand, do not recognize

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By *jc*, NARA, Date *5-19-04*

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that Kashmir is India's "internal affair." In fact, it appears that infiltration operations have long been suspended, but the securing of withdrawal without any specific guarantee on infiltration is a slight victory for Pakistan. (It will be interesting to learn whether Ayub gave private assurances on the infiltration question.)

"No-war" Pact. A major event of the conference had been Shastri's reiteration of the long-standing Indian offer of a no-war pact, and Ayub's rejection of the proposal unless a Kashmir settlement was reached. Although not mentioning a no-war pact, the communique speaks of the need for good relations and reaffirms the obligation of both sides not to settle disputes by force, as stipulated by the UN Charter.

Kashmir. According to the communique, "It was against this background (i.e., the avoidance of war and tension) that Jammu and Kashmir was discussed, and each of the sides set forth its respective position." Shastri apparently held firm to his refusal to bargain on Kashmir, but Ayub can claim that he was able to make Kashmir once more an acknowledged subject of Indo-Pakistani discussion. This was a minimum requirement for Ayub in order to justify his policies that had led to war and heavy military losses by Pakistan. In sum, however, the Indians probably came off somewhat better on the interrelated no-war and Kashmir issues; obviously no substantive progress toward a Kashmir settlement was made and the Indians appear to have retained the option of procrastinating the issue indefinitely.

Other Matters. India and Pakistan also agree in the communique to exchange prisoners of war; discourage propaganda against each other; resume normal diplomatic relations; discuss the vexing problem of cross-border movement of

persons in the East Pakistan-West Bengal area; and "consider measures" for the restoration of normal economic relations. No specific mention was made of the issue of contraband cargoes, but discussions are promised on the return of property and assets seized during the conflict.

Further Meetings. Ayub and Shastri have agreed that meetings between the two sides would be continued "at the highest and other levels." There is no indication of specifics, nor is it implied that further meetings would take place under Soviet auspices. If this agreement has any substance, however, it is a hopeful sign that India and Pakistan accept the need to make gradual progress in solving their long-standing impasse. Provision is made for setting up joint Indo-Pakistani bodies for preliminary work. Prospects for further summit meetings will depend heavily upon the success that lower level meetings can achieve in implementing the broad guidelines set forth by Ayub and Shastri at Tashkent, especially with regard to troop withdrawal, restoration of economic relations, and POW exchange. If there is a "Spirit of Tashkent" it will have to make itself felt at lower levels, often the graveyard of broad high-level Indo-Pakistani agreements.

Balance Sheet. The carefully-worded communique will enable the Indians, Pakistanis, and Soviets to portray the meetings as successful -- and, given the current intense hostility between India and Pakistan, with some justification. Both India and Pakistan can make as much out of the results as they think appropriate for their domestic audiences. While no spectacular results were achieved, any dialogue represents some forward movement. The real significance of the meeting, however, will become clear only in the long run -- i.e., whether it marks a meaningful first step to be followed by concrete actions,

or is only one more in a long series of abortive attempts to reduce some of the deep hostility between India and Pakistan.

The Soviet Role. Kosygin enjoyed a personal triumph. Although we do not know yet the details of the Soviet role, Kosygin's active intervention as go-between and mediator when talks became stalled was apparently instrumental in keeping the conference from breaking up. The Soviets will gain substantial benefits in terms of propaganda, their relationship with Pakistan, and their new-found role as an arbiter of subcontinental affairs. Moscow's relations with India may have been placed on a more realistic basis, now that New Delhi presumably recognizes that the USSR subordinates the Kashmir issue to its desire for peace in the subcontinent.

FORM DS-10
4-1-55

DEPARTMENT OF STATE
REFERENCE SLIP

~~SECRET~~

DATE 10/12/65

TO:	NAME OR TITLE	ORGAN. SYMBOL	ROOM NO.	BLDG.	INITIALS	DATE
1.	Mr. Robert Komer, Ex. Office of President					
2.			Room 372			
3.						
4.						
5.						

APPROVAL	NOTE AND FORWARD
AS REQUESTED	NOTE AND RETURN
COMMENT	PER CONVERSATION
FOR YOUR INFORMATION	PREPARE REPLY
INITIAL FOR CLEARANCE	SEE ME
NECESSARY ACTION	SIGNATURE

REMARKS OR ADDITIONAL ROUTING

GPO 939117

This is a copy of the final text of our
paper as submitted to Mr. Ball on Saturday.

Very good

This transmittal slip may
be downgraded to UNCLASSIFIED
upon removal of attachment.

~~SECRET~~

FROM (NAME AND ORGANIZATION) David T. Schneider	ROOM NO. AND BLDG. 5251
SIGNATURE OCT 13 1965	PHONE NO. 3730

~~SECRET~~

To : The Acting Secretary
Through: S/S
From : NEA - Raymond A. Hare
Subject: Managing U.S. Relations With India and Pakistan Over
the Short Run - ACTION MEMORANDUM

October 7, 1965

India Pak

Attached is an assessment of where we are heading with the closed door policy toward India and Pakistan and some selected, politically realistic steps we could take when it becomes apparent that the closed door policy is denying us the flexibility needed to sort out our long-term problems. This paper has been reviewed by the NSC Subcommittee on South Asia (DDO, AID, White House and State) and represents the consensus of the members. The JCS representative, in addition, recorded the special concern of the Joint Chiefs to retain the U.S.-Pakistan alliance.

The critical question is one of timing. Under present policy we are not moving forward on any front except that of attempting to induce the U.I. to act constructively to end hostilities, until Ayub and Shastri have come to Washington.

The difficulty with this policy is that we are dealing with a situation in which the freedom of action of these two normally reasonable men is limited by the highly explosive political pressures building up at home. Much of this angry nationalism is being directed at us. At the same time, there is some question that the Russians and the French will allow the U.I. to move effectively to reduce the tensions on the subcontinent.

In this fragile atmosphere, we need to preserve the maximum diplomatic flexibility in order to retain an effective bargaining position, and to give all of us time and room to sort out our longer-term problems. I believe, therefore, that we ought to be

prepared

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By *plc*, NARA, Date 5-19-04

OCT 18 1965

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prepared to move ahead on the various courses of action recommended in the attached paper. Especially high priority is attached to getting our P.L. 480 programs on a longer-term basis, to developing a short-term alternative to visits here as a means of getting into better communication with Ayub and Shastri, and to recognizing what we can realistically press for in resolving Indo-Pak differences. The other measures proposed in the attached paper should be phased according to progress in complying with Security Council Resolution 211.

We believe that this paper might be useful to you in exploratory talks with the British Foreign Secretary, October 10-11, on next steps in picking up the pieces of our subcontinent policies.

Attachment:

Closed Door Policy Paper.

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THE VIRTUES AND LIMITATIONS OF THE CLOSED
DOOR POLICY, AND PROPOSALS FOR ACTION

A. U.S. Interests

1. The future of the Indian subcontinent itself and our relations with India and Pakistan are of substantial interest to the United States. Our stake in maintaining a balance of power on the continent of Asia unfavorable to Russia and China has led us to undertake sustained programs in Western Europe, Japan, Korea and Viet Nam. In all of these efforts, apart from Viet Nam, we have been substantially successful. Viet Nam is still unfinished business. Our interests in South Asia are properly part of this broader commitment to retain a favorable balance of power in Asia. At the least, we wish to deny the area to Peking and to Moscow.

As we pursue these interests in South Asia we should recognize that India, with its far greater population, resources, and present readiness to resist Communist expansion cannot be equated with Pakistan and is more central to our interests in Asia. However, it is not realistically possible to base our policy on India alone since Pakistan has sufficient resources to upset stability on the subcontinent. Our problem is to defuse the explosive and destructive potential of Pakistan, and we should seek Indian understanding of India's responsibility as the larger power to help create conditions under which Pakistan can be viable.

2. More particularly, our interests in India will be served to the extent that India maintains

- a. a capacity and determination to sustain its own integrity and independence from the Chicomis;
- b. political stability and strong, responsible leadership;
- c. a moderate policy toward Pakistan, particularly regarding Kashmir;
- d. economic progress adequate to support a stable and strong political structure;
- e. its present decision to refrain from a nuclear explosion;
- f. collaboration with the U.S. in the security field in relation to Communist China;
- g. a determination to limit Soviet involvement in the subcontinent to a tolerable level, in view of obvious Soviet efforts to make India its principal base in non-Communist Asia.

3. In Pakistan,

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By *plc*, NARA, Date 5-9-04

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3. In Pakistan, our interests will be served to the extent it maintains

- a. its political stability and economic progress;
- b. permits us to continue to use facilities;
- c. moderates its policies toward India, particularly on Kashmir;
- d. limits its relationship with Communist China to "normal" diplomacy;
- e. sustains adequate economic performance to sustain a. above.

4. Our interests in both would be well served if the two were able to resolve their differences, which focus on Kashmir. However, the chances of this, at least in the next few years, are frankly very slight, and we should not base our policy on staking all our other interests on a mutually acceptable outcome of the Kashmir dispute. To do so would jeopardize our other interests for slight chance of gain.

B. Present Policy--The "Closed Door"--Short-Run Gains, Long-Run Liabilities

Our present strategy toward India and Pakistan can be characterized as follows: we should hold off on any discussions with India and Pakistan and postpone important aid decisions until the pressures inherent in their present situation become so obvious to both parties that they have to come to us.

1. Its Virtues:

This strategy has certain advantages:

a. It puts India and Pakistan in the position of asking for our help, making clear to them their need for us, and maximizing our own bargaining leverage when they finally ask. This represents a correction of past policies, when we gave such an appearance of over-eagerness to help that they concluded they were more important to us than we were to them;

b. it stiffens the Indian spine by forcing them to face the implications of dependence upon us; and the alternatives open to them;

c. it demonstrates to the Paks that we are not so easily blackmailed as they had earlier thought;

d. it avoids getting the U.S. engaged in their internecine quarrel;

e. it saves any bargaining influence we may have until a critical time down the road when both sides may be more ready to adjust to one another than at present;

f. it gives scope to the U.N. to pursue its efforts to get both parties to negotiate seriously with one another, leaving U.S. influence to be exerted inconspicuously and at our choice, on either or both;

g. it imposes on both sides a greater sense of responsibility to find their own agreement without depending upon the U.S. to help solve a problem which is essentially theirs.

2. It also has liabilities

This approach has been likened to a poker game. But the analogy has only limited aptness. India and Pakistan both believe they have additional games they can play at the same time, in which their cards may be better than in the game we now are offering. The terms of the political game within each country are already shifting while we wait to play. These shifts are not necessarily to our advantage.

As we wait, and hold out little hope for future advantage to Pakistan from retaining a viable relationship with us:

a. the leadership becomes increasingly subject to emotionalism and frustration as it recognizes Indian military superiority while sensing abandonment by the U.S. This is making rational choices increasingly difficult;

b. anti-U.S. tide is running high and reinforcing in Ayub suspicion of our intentions;

c. under these circumstances, in their uneasiness, Pakistani leaders are quite capable of making a major new commitment to the Chinese, even at the cost of ejecting the United States. Such a step would not only be a defeat for U.S. policy vis-a-vis the direct containment of China in Asia, but would spell deterioration of the whole subcontinent for the longer run.

d. we would

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d. we would lose our facilities;

e. any signs of Pakistan's moderation toward India would be the signal for Chinese initiatives to exacerbate their differences.

As we wait, and hold out only uncertainty for the future in our relation with India,

a. those forces favoring closer ties with the Soviet Union are gaining momentum, at our expense;

b. the Soviets may replace U.S. military assistance to India;

c. those forces aspiring to an independent nuclear device are gaining momentum;

d. increasing economic pressures will affect cities first, where communal outbreaks occur most easily;

e. as it becomes more obvious that we are using short-run P.L. 480 allocations as a means of pressuring them to moderate their posture toward Pakistan, they are more likely to become even more intransigent in indignant pride than to adjust their policy to this form of pressure;

As we wait, both sides become publicly more firmly dug into mutually contradictory positions on their differences, both separately and at the U.N. and will begin to take action which will have adverse long-term consequences we cannot stem.

C. Recommendations for Action

As it becomes apparent that the Closed Door policy has achieved its main purpose of shocking the two countries into a realization that the U.S. cannot be taken for granted, and its continuation in its stark simplicity will lose us more than we are likely to gain, we should adopt the following two-pronged approach.

While basing our strategy on the "Closed Door" approach in regard to long-term commitment, we would demonstrate by short-term actions to both parties that we retain a substantial, albeit conditional, interest in the future well-being of the subcontinent. At the critical time, such an added component will be necessary to prevent the shrinkage of our interest in both countries. Elements of this component are presented below:

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1. To make

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1. To make evident the fact that we attach importance to the future well-being of the subcontinent

This could be done by any one or combination of the following actions listed in order of importance.

a. P.L. 480. We should alter our present tactic of keeping the Indians uncertain as to whether and for how long we will approve a P.L. 480 program and should reconfirm P.L. 480 at levels and for a period that serves to increase the effectiveness of economic planning and to forestall a deterioration in U.S.-India (or U.S.-Pakistan) relations that will hurt U.S. strategic objectives. For this purpose we recommend agreements for both countries meeting their food requirements through FY '66. The Vice President or Secretary of State might accompany this with an expression of concern for human need and our concern for the hungry everywhere.

b. Urgent commodity imports. We should indicate privately to both governments our willingness, after consultations with appropriate members of Congress, to negotiate interim emergency program loans to finance the most urgent kinds of commodity imports (i.e., \$48 million to India and \$28 million to Pakistan. This constitutes 20% of last year's commodity loan levels). We might also go ahead with selected project agreements planned for FY '65 funds (i.e., the Mangla Power Transmission Project for Pakistan). This would help to preserve our economic interests and would parallel British action. It would reopen a dialogue with both governments, demonstrating our concern for the difficulties they must be facing, and, in return, obtaining from them their cooperation to prepare the way for continued U.S. assistance.

c. Encourage the IBRD to mount prompt explorations with Pakistan and India to determine the effects the hostilities have had on development plans and resources in both countries.

d. Inform both sides that while we are aware of their pressing security needs, we are unable to discuss with them at the present time military procurement from the U.S. We should tell them, however, that depending on their cooperation in disengagement and cessation of hostilities, we will consider certain cash purchases of selected military items and grant assistance for Indian Border Roads for aid to Nepal. We should say that the possibilities for long-term military aid are not foreclosed but it must come as a result of a high level dialogue.

2. Improve

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2. Improve our communication with both countries:

Both countries are presently confused as to our intentions and in holding our cards so close to our chests we have made it difficult for our Embassies to dispel their doubts. Each country believes we have supported his enemy, neither sees much hope of dependable relationships with us for the future. This situation is not likely to induce reasonableness or rational decisions in either country, necessary to the fulfillment of the Security Council resolution of September 20.

It is becoming increasingly apparent that we cannot rely on the United Nations channels as a means of communicating with both governments, for both sides continue to be acutely intransigent, and the U.N. itself may well be hampered by Soviet and French efforts to prevent the Secretary General from acting with the vigor and ingenuity required of an effective intermediary.

Accordingly, ways must be found so that we get through more directly to Ayub and Shastri the important but subtle aspects of our policy. Under present circumstances, we do not believe they can properly understand our intent. We propose the following:

a) We should send a special emissary to Rawalpindi and New Delhi and get word to Indian and Pak leaders through friendly third countries. We should continue, of course, to pave the way for early visits to Washington by Ayub and Shastri. The burden of our improved communications should be as follows:

(1) We should hold out to both countries tangible hope of mutual cooperation looking toward the improved well-being of the subcontinent, but this would not be possible under present circumstances, beyond the measures noted above. However, as they made progress toward engaging in a process leading to improving their relations, we would be able to review aid possibilities bilaterally and within the consortium.

(2) More particularly, with Pakistan, we should make clear that Pakistan must weigh its Western and Chinese ties and if it chooses to moderate its demands against the Indians and return to simply "normal" relations with China, we are willing to maintain substantial investments in the economic field and to assure in other ways the maintenance of the integrity of Pakistan.

(3) With India, we stress that any sound defense against China requires an amelioration of Indian relations with Pakistan.

We recognize as

We recognize as a fact rather than a matter of choice that India, as the larger country, is of greater importance for the security of the subcontinent. India, which has consistently proceeded to consolidate the status quo in Kashmir, has a responsibility to negotiate peace with Pakistan, if it is to diminish Pakistan's relations with the Chinese, and if it seriously wishes to prevent its rear from being perpetually threatened by hostile Pakistan. It should be clear, too, that it is our judgment that so long as both countries face each other as enemies, economic development resources cannot be used effectively for the purposes intended, and we will not be able to assist it at the levels hitherto established.

b) We should back up our efforts to improve communications with Ayub and Shastri with a plan for communicating with other elements of their governments and their public (e.g., the military; the press).

3. Maintain firmness regarding their search for a framework for negotiating their differences under U.N. Auspices.

a. Our Limited Objectives: We should avoid sponsoring any particular "solution" to the Indo-Pakistan dispute, but should press both sides for the more modest objective of engaging in a process under U.N. auspices to explore their differences on Kashmir and other related issues as provided in Security Council Resolution 211 and Article 33 of the Charter, with a minimum objective of keeping their tensions under control.

As a minimum, this would be designed to provide Pakistan with some face-saving. The hard fact is that Pakistan did not succeed in gaining enough Kashmir territory to induce the Indians to make concessions, while Ayub must have some symbolic gains if he is to hold a moderate course and not be stampeded by domestic political forces into a closer association with Communist China.

Such a "process" will be stormy and take a long time, as both parties attempt to parlay the terms of troop withdrawals into a favorable position on further talks (i.e., the Indians want to talk about Kashmir as little as possible, the Pakistanis only about Kashmir). During this period, both will seek to exert maximum pressure on us to (i) enlist us on their side of the dispute (particularly Pakistan), and (ii) to induce us to assist at previous levels in an effort to dissuade Pakistan from going to the Chicoms and to prevent a sharp rise in Soviet military assistance to India.

b. The

b. The "process" of seeking improved relations: There are a variety of ways this process could be undertaken to fulfill paragraph 4 of SC Resolution 211. Most desirable would be discussions involving the two parties, and a representative of the U.N. Secretary General (who should not be a U.S. national). Two party talks, mediation, arbitration, reference to the ICJ, or any of the other means suggested in Article 33 of the Charter could also be taken as evidence of their serious intent to engage in settling their differences, as called for in paragraph 4 of SC Resolution 211.

c. Pending Progress: Pending such progress for the present, we should maintain the modified Closed Door policy outlined above. If such progress is in sight, we should indicate to both countries we are reviewing our economic and military assistance policies and would welcome discussions with both countries.

d. If Process in Train: If both are engaged in such a "process," we could then undertake substantial assistance, including both project and nonproject aid. The rate at which we resume would depend upon the functioning of the process as well as economic factors.

4. Pakistan's Special Problem

In regard to Pakistan's special problem resulting from the likelihood of insufficient progress on Kashmir to satisfy Ayub's domestic political needs, we should encourage Iran and Turkey to initiate talks with Pakistan promptly to look for practical ways of improving the functional elements of CENTO and the RCD. We should ourselves be prepared to provide some tangible assistance. These negotiations might provide Pakistan with some diplomatic assistance at the U.N. in pressing the Indians on behalf of the Pakistan case. But they would also provide a bridge to the West for Ayub, be helpful to him in emphasizing that Pakistan was not alone, and would thus deter an irrational move toward China.

5. India's Special Problem

Indians are now feeling their oats, increasingly seeking a go-it-alone policy of less dependence on any outsiders. To a point this is healthy, and we should welcome it. However, we should also recognize that this may lead India to be even more intransigent in its relations to Pakistan, and may promote a push toward a nuclear device, particularly if India feels that it must deal alone with both China and Pakistan.

We should continue to hold out the promise of continued military collaboration in the event of a renewed Chicom initiative like 1962--
the ~~chances~~ of which we consider to be poor.

probability

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India-Pak

- BUNDY-SMITH
- BATOR
- BOWDLER
- BOWMAN
- CHASE
- COOPER
- JESSUP
- JOHNSON
- KEENE
- KOMER
- MOODY

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BULLETIN

LEAD SUMMIT ****

TASHKENT, U.S.S.R., JAN 10, (REUTERS)-- INDIA AND PAKISTAN TODAY PLEDGED TO RENOUNCE USE OF FORCE TO SETTLE THEIR DISPUTES, AND SAID THEY WOULD WITHDRAW THEIR TROOPS FROM EACH OTHERS TERRITORY BY FEB. 25.

(MORE) LR 5:20A

R20

URGENT ***

FIRST ADD TASHKENT LEAD SUMMIT X X X FEB 25.

A NINE-POINT "TASHKENT DECLARATION" ADOPTED AFTER EIGHT DAYS OF TALKS HERE SAID THE TROOPS WOULD BE PULLED BACK TO POSITIONS THEY OCCUPIED AUG. 5, BEFORE THE TWO ARMIES FOUGHT A 22-DAY WAR OVER KASHMIR.

THE INDIAN AND PAKISTANI LEADERS ALSO AGREED TO SEND THEIR HIGH COMMISSIONERS (AMBASSADORS) BACK TO EACH OTHERS CAPITALS. THE DIPLOMATS WERE WITHDRAWN DURING THE FIGHTING.

(MORE) LR 5:28A

Mr. Komer

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September 28, 1965

TO : MEMBERS OF THE NSC SUBCOMMITTEE ON SOUTH ASIA

FROM : NEA - AMBASSADOR HARE

SUBJECT: AGENDA FOR MEETING AT 11:30 A.M., SEPTEMBER 29
IN MY OFFICE

India/Pak
(Resumption of A.S.)

1. Status report on U.S. approaches to the India-Pakistan situation
2. Consideration of possible measures to limit Indian and Pakistani rearmament expenditures. (Outline of possible approach attached).

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By pc, NARA, Date 5-19-04



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PROBLEMS IN RELATION TO INDO-PAKISTAN REARMAMENT EXPENDITURES

A PRELIMINARY PROBLEM PAPER

I. The Pressure to Rearm:

1. It is likely that the pressures will be considerable within both India and Pakistan to rearm as soon as feasible. Neither believes that the other has given up its enmity; neither believes this was a decisive confrontation, although the Pakistanis who know the situation are likely to be somewhat chastened.

2. The Indians have already asked that the pipe line of military aid be reopened. We expect Shoaib to raise the question when he talks with us next week.

II. U.S. Interests:

1. We have an interest in ensuring that both countries adopt policies toward rearmament which:

- (a) avoid refueling their war machines in preparation for a second round;
- (b) are not so costly as to seriously impede economic development.

2. We have additional interests in each country.

- (a) In India, we want to (i) sustain India's capability against the Chicoms, without refitting that part of their war machine directed against Pakistan; and

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By pc, NARA, Date 5-19-04

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(ii) prevent India from becoming excessively dependent upon Soviet sources.

(b) In Pakistan, we want to avoid the Paks turning to the Chicom and to Indonesia. At the same time, the lack of progress on Kashmir may heighten the sense of threat from India and present a major domestic challenge to Ayub. One of the important elements in GOP's calculation of how its security interests are best served is the availability of U.S. military assistance.

We should also be clear that in Pakistan eyes, military assistance figures as part of the price we pay for Peshawar.

3. We wish to retain all options open at least until Indian and Pakistani leaders visit the President. Steps to be taken in the short run, therefore, should not foreclose alternatives for the future.

III. Proposed Approach to Limiting Military Expenditures:

1. First Steps

(a) Information. We will need to obtain information on attrition, replacement problems and country plans for re-equipping as these must be related to civilian budgets and economic development. We can do little in the military field until there is considerable clarification of each government's plans to resume economic development with a minimum diversion of resources to rebuilding their hostile military machines.

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(b) Consultations. We will need to consult first with the British and then with other Consortium members on the desirable limits to Indian and Pakistani military expenditures.

(c) Immediate Decisions on Outstanding Requests. Requests have already been received from India and are anticipated during the Shoaib visit.

When we are assured that the ceasefire is firm:

We propose:

(i) To permit commercial sales: for follow-on spares (FOS) for equipment in-being, on items not capable of aggressive use, i.e.,

for Pakistan - signal, engineer, medical, and selected sustaining FOS to prevent dissolution of forces; also, possibly trucks which are now on the docks in New York;

for India - signal, engineer and medical, and Border Roads.

(ii) To permit grant aid; to Indian Border Roads to maintain the flow of supplies to road building in Nepal.

(d) Additional items: (i) The Indians are likely to ask for C-119 engines as logistical support for their northern front and 75 mm. mountain howitzers, both parts of our previous MAP program, which have been held up by our embargo on MAP;

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(ii) The Pakistanis are seeking to purchase a number of F-86's from West Germany. Should we seek to prevent others from selling such supplies to either country while negotiations are in train?

2. Major Longer-Run Issues

(a) We should pursue this problem in three ways:

(i) Multilaterally. We should encourage the IBRD to hold consultations regarding the expected level of military expenditures and reach some understanding with the two countries regarding levels of defense expenditure which will avoid significant diversion of resources from development.

(ii) Other Consortium members. We should urge other Consortium members to support this IBRD effort.

(iii) Bi-laterally. In any discussion we may have with the two countries on future aid levels, we should seek, on a confidential basis, information regarding specific rearmament plans in both countries and seek their agreement to parallel limitations on these programs so as to minimize escalation and the diversion of resources.

(b) Credit Sales

When and under what circumstances should we consider resuming credit sales in India, presumably at a reduced scale,

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and beginning a limited program in Pakistan?

Should such programs be conditioned upon Indian and Pakistani agreed rearmament expenditures?

The three following contingencies may require us to review our position:

(i) Chinese action against India. If the Chinese undertake a major military initiative against India, it may prove expedient to step-up the supply of military equipment.

However, it should be recalled that the Indians appear to have done well against the Pakistanis and this may properly permit us to react with greater detachment to a Chinese action against India than was appropriate in 1962.

(ii) India and the Soviet Union. There are no doubt opportunities for Soviet advantage in any effort we may make to restrain India's military build-up. We should remember, however, that in Indian eyes, Moscow, in view of its Communist link with China, is an uncertain friend. The Indians will be no more anxious to become dependent exclusively upon Moscow than they are to become exclusively dependent upon us. We can, to a substantial degree, count on Indian self-interest to retain a balance of military influence.

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(iii) Pakistan's internal problem. If Pakistan gains nothing in Kashmir from the present war but desultory talk, we can expect Ayub's problem at home to become increasingly serious. At some point, therefore, we may find it expedient to assist him militarily in order to confirm his own position with his own military and to help him sustain a foreign policy tolerable to us.

S/P:HWriggins

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SUBJECT: POSSIBLE AREAS OF ECONOMIC COLLABORATION BETWEEN PAKISTAN AND INDIA

India / Pak

This is a very brief statement of a number of areas in which economic collaboration between Pakistan and India might be economically and politically advantageous to both. This is obviously not a complete list, and each of the suggestions requires investigation. I have grouped them under several headings:

Trade

1. Pakistan natural gas for Indian fertilizer production. India is planning the establishment of nitrogen fertilizer plants throughout the country. A number of these are located not far from the borders of both East and West Pakistan. India is planning to use naphtha as the feedstock for all of these plants. There is natural gas in both East and West Pakistan, which, after taking into account the cost of transmission, might constitute cheaper base material than naphtha. Obviously, both the technical and economic aspects of these possibilities need careful examination.
2. Cement from India to East Pakistan. It is my understanding that none of the raw materials for cement production are available in East Pakistan. They are available on the east coast of India, and conceivably cement plants located on India's east coast could supply East Pakistan's cement requirements more cheaply than any other source. Again, careful investigation is required.
3. Coal from India to Pakistan. India has been shipping approximately 2 million tons of non-coking coal per year to East Pakistan. East Pakistan's energy requirements are growing rapidly and it might well be that non-coking coal from the adjacent areas of Bihar and West Bengal would provide the cheapest fuel for power plants and other users in East Pakistan. Conceivably, efficiently organized coast-wise shipment of coal from the same areas to West Pakistan would also be economic.
4. Rice from Pakistan to India. In the last few years Pakistan has developed an exportable surplus of rice. It is entirely conceivable that this surplus will persist and grow. India, on the other hand, may well be in need of rice imports for some years to come. This trade could be fostered if the US Government were to refrain from insistence that Pakistani rice exports be somehow matched by additional Pakistani dollar purchases of wheat from the US.
5. Trade in manufactures, notably Indian machinery to Pakistan. India's machinery building is growing rapidly. Advantages of location and of familiarity with local conditions and requirements should permit the growth of export of such goods from India to Pakistan.

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E.O. 13292, Sec. 3.4

By *ja*, NARA, Date *5-19-04*

SEP 28 1965

Bank role in encouraging Indian and Pakistani trade

The Bank itself could contribute to the development of India/Pakistan trade. The Bank gives some preference to domestic producers, where competitive international sources of supply figure in the use of Bank loan funds. In the case of India and Pakistan the Bank might well consider extending the area of domestic preference to include India and Pakistan in case of loans to either country.

Railroad transport

Rail movement between Bihar and West Bengal on the one hand and Assam on the other hand might well be facilitated and reduced in cost if more direct lines across East Pakistan could be and were used by the Indian railways.

Water resources

There are problems and opportunities in the use of the water resources of the Brahmaputra river basin which can probably be effectively attacked only by a collaborative effort on the part of India and Pakistan.

Exports of jute manufactures

India and Pakistan together supply a major part of world requirements of jute manufactures. An effective agreement between the two, probably also involving the major consumers, could establish a price support and buffer stock operation calculated to yield the maximum long-term returns to both India and Pakistan. Such an agreement would prevent sharp year-to-year price fluctuations and would help to avert both substitution of other materials and destructive price competition.

These are some first ideas. I will supplement them as soon as possible.

PG/NSC-SA#17

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ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
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Remarks:			
<p>The attached notes summarize our existing information on the transit of Indian goods through East Pakistan and Pakistani goods through India.</p>			
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FROM: NAME, ADDRESS AND PHONE NO.			DATE
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65a

Transit Rights Through India and Pakistan

Summary and Conclusions

India does not have the transport capacity to handle Assam's freight requirements exclusively through Indian territory. Most of these requirements have to be serviced by freight travelling through East Pakistan. There are no formal agreements between the two governments for transit rights between Assam and other parts of India through East Pakistan, but there is a working agreement between the railroads of the two countries covering a limited amount of freight traffic. More important, however, are the inland waterways where, even though there is no agreement, goods move freely between Calcutta and Assam through East Pakistan on the Brahmaputra River. An average of about \$60 million in Indian goods are transported across East Pakistan each month, principally on these waterways.

Pakistan, on the other hand, has had to resort principally to coastal and air freight shipments for its freight and passenger requirements between the East and West wings because of India's refusal to grant Pakistan any kind of transit rights. There are not even informal arrangements governing transit rights between East and West Pakistan through India as there is for Indian goods moving through East Pakistan. Although in November 1960 Pakistan and India reached agreement on the

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procedures to be followed for civilian rail passenger traffic across their two countries, it was never implemented because the Government of India has not ratified the agreement.

Indian Transit Rights Through East Pakistan

There are no formal agreements between the Governments of India and Pakistan governing the transport of Indian goods through East Pakistan. There is, however, a working agreement between the railroads of the two countries, believed to have been concluded in 1955, under which India can transport an estimated 2,200 tons of freight daily (100 railroad cars of 22 metric tons capacity each) between Assam and Calcutta. It is believed that all Indian military supplies are transported exclusively over the low-capacity narrow-gauge Indian North East Frontier Railroad, which does not pass through East Pakistan.

Goods are also transported freely between Assam and other parts of India on the inland waterways in East Pakistan, subject only to Pakistani transshipment fees. There is no evidence that Pakistan has placed any obstacles in the way of this traffic. Inland water transport through East Pakistan is the fastest and most economical method of transport between Assam and Calcutta, and it carries the bulk of an estimated \$60 million in freight transported to and from Assam each month, including up to 90

percent of Assam's exports, principally tea and jute, and about 50 to 60 percent of its imports, principally manufactured goods and foodstuffs.

Indian Vulnerability in Assam

Assam is a very underdeveloped area. One of its principal problems, a lack of rail and road transportation, results in a too heavy reliance on inland water transport both internally and for its connections with Calcutta. The only Indian railroad is a narrow gauge one with a daily freight capacity of an estimated 5,000 to 7,000 tons, which cannot nearly meet Assam's freight haulage requirements. In addition the railroad cannot handle the bulky heavy equipment that Assam needs, such as the refinery machinery to expand the Gauhati Refinery. Unless such equipment continues to be transported through East Pakistan, Assam's limited industrialization program would be jeopardized.

Moreover, because of a lack of Indian rail capacity and the wash-out of rails and roads during the annual floods, only a small amount of Assam's normal day-to-day freight requirements can be transported exclusively through Indian territory, Most of it has to come through East Pakistan. However, if the military requirements of the North East Frontier Administration were increased, even this small civilian use of Assam's railroads

would be threatened and would result in even more Indian dependence on freight transported through East Pakistan.

Assam's principal exports to Calcutta are tea and jute, which are also India's leading world exports. These shipments from Assam make a significant contribution to India's foreign exchange earnings, which would be seriously threatened were the supplies to Calcutta curtailed. Assam produces an estimated 50 percent of India's tea production and about 15 to 20 percent of jute production. The best jute in India is produced in Assam and processed in the Calcutta mills, which are dependent on its continued supply for their operations.

As indicated above most goods to and from Assam are transported via the East Pakistan inland waterways, an over-dependence which has created problems for India in the past. For example, concurrent with the 1962 Chinese conflict, there was a 56-day strike of seamen (predominately Pakistani) employed on East Pakistan inland waterway vessels, and the movement of traffic to and from Assam was seriously reduced.

One significant transport activity of Assam that has been virtually eliminated from dependence on transit through East Pakistan is that of petroleum. Assam is one of the two exploration and oilfield development areas in India. From Upper Assam crude oil now flows through a pipeline with a 1.5 million tons capacity

to the refineries at Gauhati and Berauni, Bihar. Refined products from the Gauhati Refinery in Assam also flow by pipeline to Siliguri in northern West Bengal.

Pakistan Transit Rights Through India

Between 16 and 18 November 1960 Pakistani and Indian officials discussed the grant of rail transit facilities for the movement of Pakistani passenger traffic across India and reached agreement regarding the procedure to be followed for such transit traffic. Although it was apparently envisaged that if passenger traffic between East and West Pakistan could be satisfactorily worked out, the arrangements might be broadened later to include freight transit, the 1960 agreement has not been implemented because India has never ratified it.

Under the 1960 agreement, if it is ever approved, a person would be able to travel economically by rail between East and West Pakistan in three days under simplified visa and custom arrangements, as an alternative to the expensive air flight or the eight day sea voyage. India would also receive additional direct transit services across East Pakistan, including a rail spur from the East Bengal Railroad into Tripura which, at present, is not served by rail.

There are no arrangements for freight transit rights between East and West Pakistan through India. Coastal trade between East

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and West for the period July 1963 - June 1964 was \$271 million. West Pakistan obtained about \$100 million, principally tea, gunny bags, and paper products, while East Pakistan obtained about \$171 million, principally cotton, tobacco, drugs, and food products. In addition there was about 5,000 tons transported annually each way by air.

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DIRECTOR OF INTELLIGENCE AND RESEARCH

Research Memorandum ⁶⁰

INR-25.9, September 23, 1965

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Handwritten signatures and initials

To : The Secretary
Through: S/S
From : INR - Thomas L. Hughes *Thomas L. Hughes*
Subject: Chronology of Indo-Pakistan Conflict

INR is preparing, at the request of S/S, a daily chronology of events pertaining to the Indo-Pakistani conflict. The chronology covers cables, intelligence reports, press reports, meetings held by senior Department officials and significant telephone conversations. This Research Memorandum covers the period September 19-20, 1965, the thirteenth installment in a continuing series to be issued during the acute stage of the crisis.

Karachi 553, September 19, LOU

Karachi newspaper Dawn comments on alleged statement by Mr. Gaud of AID to effect that US may soon resume military aid to India.

New Delhi 702, September 19, SECRET

Embassy has no indication that Indians have used MAP-furnished weapons or ammunition against Pakistan.

Karachi 557, September 19, LOU

Karachi English press attacks Secretary General's report to UNSC and also attacks US for favoring India.

Rawalpindi 84, September 19, SECRET/LIMITED DISTRIBUTION

In a conversation with Ambassador McConaughy, Pakistan Finance Minister Shoaib said he had talked with President Ayub on September 18, finding him in an increasingly moderate mood and interested in seeking an honorable cessation of the India-Pakistan conflict. Ayub told Shoaib that Bhutto would not be sent to New York to appear before the Security Council.

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Authority NLJ-032-026-001/21

By _____ NARA, Date 5-18-04

OCI 11411 (India-Pakistan Sitrep), September 19, CONFIDENTIAL

TASS reports that Soviet Premier Kosygin has invited President Ayub and Prime Minister Shastri to meet in Soviet territory "to reach agreement on restoration of peace between India and Pakistan." Latest Soviet action reflects its growing concern over possible consequences of deeper Chinese involvement in current crisis.

FBIS 86, Colombo, September 19

According to diplomatic sources here, India has asked Colombo Powers to intercede in threatened Sino-India dispute.

Paris POLTO 327, September 19, CONFIDENTIAL

While in Paris Foreign Minister Isik expressed Turkish views on conflict including following: He "assumed everybody (including Pakistanis) would realize that Turkish aid (to Pakistan) is essentially symbolic." He also said some form of arbitration is now indicated in attempts to achieve Kashmir settlement.

Rawalpindi 86, September 19, SECRET/LIMITED DISTRIBUTION

Ambassador McConaughy reported that he sensed a power struggle ensuing in the top echelon of the Government of Pakistan between the moderates and the jingoists. Ayub's ouster remained a possibility.

Rawalpindi 89, September 19, SECRET/LIMITED DISTRIBUTION

Pakistan Finance Minister Shoaib expressed the view that Chinese Communist Chen Yi snubbed Pakistan Foreign Minister Bhutto by failing to stop at Karachi en route to Communist China.

Deptel 454 to Karachi and 86 to Rawalpindi, September 19, SECRET/LIMITED DISTRIBUTION

Undersecretary Ball emphasized to Minister of Pakistan Embassy that US-Pakistan relations would suffer further if Pakistan did not take steps to remove growing appearance of Pak-Chinese Communist collusion. The Minister was urged to inform his government that cease-fire acceptance might not only terminate immediate crisis, but also provide the basis for an uptrend in US-Pakistan relations.

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Deptel 518 to New Delhi, September 19, SECRET/LIMITED DISTRIBUTION

Undersecretary Ball Told Ambassador Nehru that the US is placing heavy reliance upon United Nations to meet India-Pakistan crisis. The Undersecretary also stated that the US does not wish at this juncture to engage in US-India contingency planning against Communist China.

AP, UN, New York, September 20, UNCLASSIFIED

At 1:45 a.m. UNSC passed resolution on Kashmir 10-0 (Jordan abstaining), and text included following points: Resolution demands that cease-fire take place at 3:00 a.m. EDT on September 22 and calls for subsequent mutual withdrawals back to positions held before August 5, 1965. It also notes "differing replies" by the parties to cease-fire appeal set out in Secretary General's report and states in preamble that "early cessation of hostilities is essential as a first step towards a peaceful settlement of the outstanding differences between the two countries on Kashmir and other related matters."

USUN New York 822, September 20, CONFIDENTIAL

Referring to UNSC resolution just passed, Indian representative Chagla stated that India would accept and carry out cease-fire if Pakistan did so.

Reuters 12, September 20, UNCLASSIFIED

Re Russian Premier Kosygin's proposal of a meeting on Soviet soil, Pakistan replied it appreciated the offer and was giving it "earnest consideration." Indian officials said Prime Minister Shastri was studying the proposal.

Reuters 14, September 20, UNCLASSIFIED

Pakistan radio said Pakistani AF had bombed Ambala for second time and had also bombed Jodhpur and Jamnagar. Lull was reported on Lahore front with Indian and Pakistani forces facing each other across canal four miles from Lahore outskirts.

Calcutta 65, September 20, CONFIDENTIAL

During conversation with Consul General September 19, Gen. Manekshaw said that at time of 1962 Chinese invasion Indian Army had moved into Chinese territory at Jalep La and Natu La passes and had established defensive positions which were subsequently abandoned. Although partially destroyed, he thought these might be used in Chinese propaganda.

FBIS 23, September 20

According to NCNA, all Peking papers of September 20 carry under banner

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headlines the CPR note of September 19 to the Indian Government. Prominently front-paged is the Indian soldiers' intrusion and harassment of Chinese territory in the western sector of the Sino-Indian frontier on September 18. People's Daily reports that the western press is shocked by China's note to India.

FBIS 38, September 20

Delhi domestic service reports that it is authoritatively learned in New Delhi that there is no truth in the reports put out by the Associated Press quoting NCNA that there has been a skirmish on the Sikkim-Tibet border.

FBIS 67, New Delhi, September 20

Indian Defense Minister Chavan broadcast to nation yesterday (text given). Re Chinese action, he said "we are prepared to face it with grim determination." He also stated "we have no territorial ambition against Pakistan."

Rawalpindi 91, September 20, SECRET/LIMITED DISTRIBUTION

Pakistan President Ayub Khan told Ambassador McConaughy during the course of the 35-minute conversation that the US should take the initiative in seeking an India-Pakistan settlement and that the Pakistanis were not acting in concert with the Chinese Communists. Ayub avowed that he had "recently" told the Chinese Communists not to involve themselves in the India-Pakistan conflict.

Rawalpindi 92, September 20 SECRET

The Government of Pakistan, with Director General of the Ministry of Foreign Affairs Salman Ali as its spokesman, took the position that an attack on any portion of Pakistan constituted an attack on Pakistan as a whole. This statement, made to an Embassy officer, was in response to a US approach that East Pakistan be spared from becoming a battleground in the present India-Pakistan conflict.

September 20

At 11:00 a.m. there was a meeting between Acting Assistant Secretary Handley and Mr. Komer at the White House.

New Delhi 712, September 20, UNCLASSIFIED

Prime Minister Shastri addressed Lok Sabha concerning September 19 Chinese note. He stated they obviously did not want peace and that they

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are "in collusion with their ally Pakistan." He said ultimatum had been deferred because Chinese wanted to see what would happen in UNSC. Indian offer of joint investigation remains open, and Chinese are free to raze any structures on their soil. He also announced Chicom's had fired on Indian posts in Sikkim and Ladakh, and said "we shall resist them and fight them."

Rawalpindi 93, September 20, SECRET/LIMITED DISTRIBUTION

Ambassador McConaughy suggested that, in the interests of influencing Ayub to accept cease-fire, President Johnson might consider sending a personal appeal to the Pakistan President. The British and Iranians remained in close touch with Ambassador McConaughy in working out ways to surmount the crisis.

Rawalpindi 94, September 20, SECRET/LIMITED DISTRIBUTION

In his conversation of September 20 with Ayub (see Rawalpindi 91), Ambassador McConaughy found the Pakistan President in a state of agonizing indecision as to whether or not to accede to the Security Council call for a cease-fire.

September 20

At 3:30 p.m. there was a meeting of Ambassador Hare, Acting Assistant Secretary Handley, Miss Laise, Mr. Buffum, and Gladwyne Hughes (UK) including discussions on current situation.

September 20

Secretary Rusk, Ambassador Goldberg and Assistant Secretary Sisco attended a White House meeting on UN strategy.

USUN New York 820, September 20, CONFIDENTIAL

On morning September 19 Permanent Representatives to UNSC considered and made changes in draft resolution. It is also noted Soviet Foreign Minister Gromyko arrives in New York today.

Hong Kong's 450, September 20, CONFIDENTIAL

"We here are inclined to the view that Peking's failure to act on the first ultimatum takes some steam out of the threat and increases doubts that the regime has a fixed determination to use military force. Indeed, the tone of the new Chinese Communist note to India suggests that the Chinese Communist consider they have already won a great moral victory over the Indians through the Indian response to the Chinese Communist note of September 16. Alongside this tone of Chinese moral victory, we

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detect in the note a degree of sensitivity toward Indian efforts to arouse international opinion regarding the regime's bullying tactics against an adversary who is clearly at a disadvantage. The thought also occurs to us that one of the major Chinese Communist goals in the unfolding exercise on India is to bring about overt, unmistakable US-Soviet support for India which could be taken as 'collusion' between 'imperialists' and 'modern revisionists.'

Hong Kong's 452, September 20 CONFIDENTIAL

"The People's Daily September 18 editorial entitled 'Who Are Backing the Indian Aggressors?' represents the fiercest Chinese Communist attack thus far on the Soviet attitude toward the Indian-Pakistani conflict. Dropping the term 'modern revisionists,' the editorial directly charges the 'Soviet leaders' with collusion with US imperialism."

UPI 44, September 20, UNCLASSIFIED

"Gangtok, Sikkim. More Chinese Communist troops moved toward the border of Sikkim today. The reinforcements moved up from Yatung, about five miles from the border, where the Chinese have an estimated 17,600 man-division. More than 400 Red Chinese soldiers approached to within 200 yards of Indian positions along the border yesterday."

FBIS 75, September 20

Delhi domestic service reports that an official spokesman said in New Delhi this evening that the Chinese have come in some areas almost up to the border in both Sikkim and Ladakh. The Chinese firing in Sikkim was directed toward Dongko La. The firing in Ladakh was at Dumchele in the Demchok area. He added that the Chinese in Ladakh seem to have disregarded the 20-kilometer zone from where they had themselves said they would withdraw **their** troops.

FBIS 82, September 20

Peking NCNA: "Djakarta. A rally of 500,000 people from all walks of life in Surabaya, Indonesia, was held last Saturday strongly denouncing India for its barbarous aggression under the instigation of US imperialism against the Kashmir and Pakistan people."

FBIS 107, September 20

NCNA reports that at 0330 hours on September 21, a CPR Foreign Ministry official handed the Indian Chargé a note protesting an incident on September 19 when a group of Indian soldiers allegedly intruded into Dumchele in the western sector of the Sino-Indian border. The note charges that the Indians opened fire on a group of Chinese civilians working in the area and that the latter had to "strike back" and thus repulsed the "invaders."

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FBIS 111, September 20

Delhi Domestic Service: "A Press Trust of India message from Cairo says the UAR Government is understood to have conveyed its concern to Peking over the Chinese ultimatum to India. UAR Premier Sabri summoned the Chinese Ambassador last night and conveyed to him his Government's views."

FBIS 120, September 20

Peking NCNA: "British Prime Minister Wilson said yesterday his government viewed the Chinese note to India 'pretty seriously' and could not consider it a 'bluff,' according to a London report."

FBIS 125, September 20

Peking NCNA: "A statement issued by the Yugoslav Tito group in connection with the Indo-Pakistan conflict openly shields the Indian aggressor, according to a report from Belgrade."

FBIS 127, September 20

Cairo Domestic Service: "UAR Foreign Minister Mahmud Riyd tonight met for one hour with the CPR Ambassador in Cairo at the Foreign Minister's request."

25X1A

[REDACTED] September 20, SECRET/NO FOREIGN DISSEM

25X1C

[REDACTED] On September 14, a number of olive-colored Chinese military jeeps arrived at Sakya (N 28-53, E 88-03) carrying what appeared to be British 303 type rifles and bandoliers. A Chinese military official on the scene stated the rifles and ammunition were to be distributed to Tibetan "local forces." This is the first known instance of the Chinese arming Tibetans who are not in military service. At noon on September 14, one Chinese army truck-mounted crane arrived in Sakya.

25X1A

[REDACTED] September 20, SECRET/NO FOREIGN DISSEM


25X1C

[REDACTED] During late August, Chinese officials at Chudu (N 28-34, E87-50) informed local citizens that males inducted into the army would be brought in in three stages, dividing the ages from 18-40. The official stated that conscription of all age groups had to be finished by the end of September 1965.

25X1A

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 SECRET/NO FOREIGN DISSEM

25X1X  Indian Defense Minister Chavan's views on cease-fire as follows. Chavan is opposed to India's acceptance of unconditional cease-fire, but is willing to support it since he believes Pakistan could not back down on its stated three conditions. He also believes India has been too quick to ask for US, UK and USSR support against China since this will give credence to Chinese arguments and undermine India's non-aligned position.

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U.S. DEPARTMENT OF STATE
DIRECTOR OF INTELLIGENCE AND RESEARCH

Research
Memorandum

RNA-47, September 13, 1965

To : The Secretary
Through: S/S
From : INR - Thomas L. Hughes *Thomas L. Hughes*
Subject: Probable Political Effects of the Imposition of Various Types of Sanctions on India and Pakistan

028

At the request of the Assistant Secretary, NEA, we have prepared estimates on the probable political effects of various types of sanctions that have been or might be imposed on India and Pakistan.

CONCLUSIONS

US sanctions against India and Pakistan to date, i.e., cessation of military aid shipments and of new loans and grants for economic purposes, do not appear likely of themselves to bring about a prompt end to the fighting. A combination of further US actions, ranging from stoppage of development aid program shipments to a total embargo of US resources, might achieve the desired objective. An embargo on POL supplies would be the measure most likely to have a telling effect.

Nevertheless, the chances of forcing a prompt end to the war through US sanctions alone would still not appear to be very high; the price would probably be substantial in terms of basic US interests. A coordinated international effort on any or all of the measures which the US might take unilaterally would increase their impact and reduce the political cost to the US. Even so, at any given time in the immediate future the military positions of India and Pakistan relative to each other, and the broader international climate, will probably be as important in determining subsequent developments as any sanctions that may be imposed.

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E.O. 13292, Sec. 3.4
State Dept. Guidelines
By *clj*, NARA, Date 5-9-04

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SEP 15 1985

General Considerations

It is already clear that both India and Pakistan will resent any kind of sanctions that are imposed on them and that, with one or two exceptions, neither is likely to pay much attention to the benefits to it of sanctions imposed on the other. In the specific discussion below, we (1) assume that the same sanctions are imposed on both countries; and (2) judge that, except in the most exceptional circumstances, none of the sanctions considered are likely to result in immediate major internal political upheavals in either country. We are concerned mainly with the short term -- the period before and immediately after fighting ends -- but, where pertinent, touch on longer term implications.

In reviewing the specific sanctions and their political effects as outlined below, it is important to remember that reaction in India and Pakistan to all will be significantly affected by two important variables. The first of these is each country's assessment as to where it stands militarily vis-a-vis its opponent at the time the sanctions are imposed. (Generally speaking, the better its position, the less it will resent measures designed to end the fighting.) The second variable centers on the position of other important "third countries" at any given time. (Again, generally, the more either thinks it can compensate for the loss of US resources through added support from the USSR, Communist China, or lesser powers, the more intransigent it is likely to be.) Taken together, these two variables mean simply that the closer either is to achieving its primary objective -- for Pakistan, negotiations for a settlement on Kashmir, and for India, Pakistan's abandonment of the use of force to achieve such negotiations -- the more amenable it is likely to be to measures, including sanctions, designed to end the fighting.

A. Suspension of US Military Assistance to Both Countries (Already done)

1. Political Effect re India: India's leadership has already indicated that it recognizes that the suspension of US arms shipments hurts Pakistan more than India and New Delhi's reaction to date has been relatively mild. The cut-off probably will not have any major effect on New Delhi's willingness to cooperate with the US and the UN in search of a diplomatic settlement. It will increase India's susceptibility to further dependence on the USSR in the military field (e.g., the very favorable Indian reaction to Soviet submarine sales) but is unlikely of itself to cause New Delhi to abandon its desire for continuation of a security relationship with the US.

2. Political Effect in Pakistan: Top Pakistani officials already have made clear that they consider the US action "a stab in the back," and a rising tide of press and public criticism of the US is anticipated. There will be great susceptibility to Chinese and Indonesian advice; greater dependence on Chinese and Indonesian support; increased pressure for aid on local allies and Moslem friends, such as Iran, Turkey, and Saudi Arabia; and intensified efforts to court a more favorable Soviet attitude. As long as the outcome of the war with India remains uncertain, however, Rawalpindi is likely to limit expression of its annoyance to restrictions on US personnel, lack of cooperation on such matters as evacuation, and intransigence in regard to efforts aimed at ending the fighting.

B. US Refusal to Make Any New Loans or Grants Under Existing Economic Aid Programs (Already done)

1. Effects re India: The full impact of this action does not yet appear to have been felt in India, although elements of the press and official leadership have expressed keen dissatisfaction. However, Indian leaders are in no condition to retaliate with actions which would require fundamental decisions on their long-term development program while still in the middle of a war. The actual political effects in India are likely to be controllable, as long as the action is seen as a temporary one until a cease-fire is obtained, rather than a US decision permanently to abandon long term development support; as long as there is no actual stoppage of the pipeline; and barring the unlikely event that the USSR will step in with a blanket offer to underwrite India's future development program regardless of the outcome of the present crisis.

2. Effect re Pakistan: For the moment, the impact of the US President's decision to make no new loans or grants without consultation with Congress has been lessened in Pakistan by the much more immediate problems raised by our military aid cut-off. There will probably be some realization that this action in effect cancels out the advantage India had by virtue of its having had a US development consortium commitment this year while Pakistan has not. More likely, however, dissatisfaction will become intense as the present action is coupled with the earlier US avoidance of a consortium pledge and with realization of Pakistan's much greater dependence on US development aid in view of India's Soviet alternative. This situation is likely to raise grave doubts in many Pakistani minds as to the long-term value and reliability of US development aid. Having little hope that large scale economic aid will be forthcoming from Peiping, Pakistan will be eager to see what can be worked out with the USSR -- just at the time India's interest in the same possibility will be increasing. Still, Pakistan, as India, is unlikely to be willing to make basic decisions on such fundamental problems during a war; unless it finds itself in a situation where it believes virtually all is lost anyway, it is unlikely to take actions, such as expulsion of the US facilities, which might close out the possibility of continuation of large scale US support for development when the present crisis is past.

C. Partial or Complete Stoppage of Shipments Under On-going US Aid Program--
Except for Food and Medicine (Contingency Measure)

1. Re India: Despite the fact that such an action would not have a major economic effect for some time, the political and psychological impact would probably be immediate and strong. The required readjustment of sources of supply of some raw materials and possible suspension here and there of production or construction, even if minor in economic terms, would be tangible reminders of the extent of India's dependence on the US and its vulnerability to economic sanctions. Even if food and medicine were excluded from the ban, the uncertainty and resentment excited among the population at large would be keen.

The first response would probably be one of acute resentment directed at the US and urgent efforts to compensate for the stoppages through arrangements with the USSR. Willingness to cooperate with US-supported arrangements for a cease-fire would decrease sharply. Normal diplomatic and security relations with the US would probably be disrupted and some harassment of US personnel and programs (along the lines already experienced with Pakistan) would probably begin. Should the action take place at a time when India was at a disadvantage in its struggle with Pakistan, and especially should it coincide with particularly strong Chinese pressure, the US would probably become the scapegoat for any defeat India might suffer. The US action, unless paralleled by similar action on the part of the USSR and most of India's other possible sources of supply, would probably not be enough to force a decision to end the fighting.

2. Re Pakistan: The reaction and effect in an already very bitter Pakistan would be an intensification of that discussed in paragraph B 2, above.

D. Stoppage of Shipments under On-going US Aid Programs--Including Food and
Medicine (Contingency Measure)

1. Re India: This would hit very hard indeed in India. It would be seen as favoring Pakistan, which at present is much less dependent than India on US food supplies. The situation would probably transcend to some degree considerations based on the present struggle and leave in the eyes of the Indian leadership and population (as well as much of the world) an image of the US as a great power willing to enforce its will at the cost of suffering by masses of Asian people. This would almost inevitably call into question India's whole relationship with the US and would make much more difficult the resumption of US-Indian relations after the crisis. While some informed Indians would probably realize that any measures the USSR might take to appear to compensate for the withholding of US food would not solve India's basic problem, the general reaction would probably be one of belt-tightening and willingness to rely on any Soviet gestures that might be forthcoming.

2. Re Pakistan: A few of the more hard-headed of the Pakistani leaders would probably realize that a cut-off of US food would hurt India more than Pakistan and might be prepared to encourage such action by the US against both countries by deliberately increased intransigence. They would be aided in this purpose by an acutely hostile reaction on the part of the bulk of the population, whose resentment at other US measures would be intensified by fear of starvation in Pakistan--even if this fear were not in fact justified. Thus the image of the US as a brutal great power would be added to that of it as an ally which could not be trusted. The inhibitions on decisive moves, such as expulsion of US facilities and commitment to reliance on Communist China, would be further reduced, and the chances that every arrow in the Pakistani quiver would be discharged against the US would grow.

E. US Embargo of All US Shipments, Including Commercial Ones* (Contingency Measure)

1. Re India: The association of private American companies with a USG effort to apply sanctions would have a strong impact in India which would almost certainly result in prompt countermeasures against the considerable property and interests of these companies in India. The adjective "capitalist" would be added to the charges of "imperialism" which would be levelled at the US and the long term effects on American private investment could be formidable. In broader terms, the impact of this action would vary markedly in its relationship to the food and medicine issue. Should the embargo be applied before Option D above and should an exception be made for food and medicine, the principal effect, apart from that already suggested, would be a scurrying for alternative Western and Soviet sources of supply. Should the embargo include food and medicine (in which case it would presumably be applied after Option D), the results would be much more acute--i.e., an intensification of the already very severe effects noted under D above.

2. Re Pakistan: The question of whether or not food and medicine were included in the embargo would also have a significant effect in terms of the impact on Pakistan. In view of Pakistan's very heavy dependence on US-made supplies and spare parts to keep its military machine running, however, US denial to Pakistan of the opportunity to buy the means of defense in time of war would add to the resentment. As in India, the immediate reaction would probably be countermeasures against private US companies and a frantic search for alternative sources for a variety of imports.

* Because of its complexity, the question of POL supplies is discussed in a separate section below, although denial of petroleum would obviously be a key factor in any embargo.

F. Denial of POL Supplies (Contingency Measure)*

1. Re India: Assuming that in the event of a cut-off of POL imports, India would be able to fill its military requirements and even restricted civilian requirements for POL supplies for not much longer than two months, the political effects of such a situation would be very sharp. The first effort would probably be to intensify fighting to achieve a victory while enough POL remained to sustain a sophisticated military effort and the minimum fuel requirements of the modernized sector of the economy. Should this fail, the choice would be between ceasing fighting and continuing the battle on a much more primitive basis. In this situation possibly more than in any other, India would be inclined to cooperate in a cease-fire. Whether or not it would actually end the war, however, would probably still be determined more by other factors, e.g., Pakistan's position and the international context at the time, than by the mere exhaustion of POL supplies of itself.

2. Re Pakistan: Assuming that Pakistan would run out of POL a few weeks sooner than India in the event of a cut-off of imports, it would face the same problems and choices in an even more acute form. Surer of its own fighting spirit and inherent martial qualities, less dependent on external sources for food, and with a somewhat less modernized economy, Pakistan might see an advantage in fighting on a more primitive level for a while longer, but its assets would be offset by India's slightly greater staying power in the POL field and by the power of Indian numbers. Under the circumstances, the exhaustion of POL supplies could be decisive in Pakistan also. Again, however, the military situation on the ground and the atmosphere on the international scene would be equally important.

G. Application of Some or All of the Above Sanctions by a Substantial Proportion of the International Community (Contingency Measure)

1. & 2. Re India and Pakistan: Which country, if either, would be hit harder by an international application of sanctions is impossible to estimate at this time, since the effect would depend heavily on the exact nature and scope of the overall effort. Generally speaking, and especially should the USSR cooperate to some degree, the chances are that India would suffer most--just because it is bigger and has more bi-lateral and multi-lateral relationships and requirements (political as well as economic) than Pakistan. Also, in the present context, Pakistan has more specific friends which are more likely for a variety of reasons to support it even in the face of international sanctions: Communist China, Indonesia, the Moslem countries of the Middle East.

* See Appendix for the analysis on which the assumptions re POL supplies used in this section is based.

The question of whether or not a substantial international effort could bring about an end to the war if a unilateral US and British actions could not is also virtually unanswerable at this time. A review of the analysis under Options A through F above suggests that the chances that a unilateral US application of sanctions could of itself force an end to the fighting are not very high. An organized international effort would certainly increase these chances. Whether or not it would be enough to achieve the desired end is unlikely to be clear unless and until such an effort is made.

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APPENDIX: POL Situation in India and Pakistan

1. India

Assuming that storage facilities were reasonably full at the time fighting started, it would appear likely that India can sustain the all-out consumption rate required by military operations for about two months and for a longer period at a reduced rate.

India is heavily dependent upon imported crude to maintain its refining capacity at a level adequate to supply its peacetime needs. Even assuming that the rate of imported crude would have continued to drop at the same rate as in the past two years almost 65% of its crude needs would have to be imported in 1965. However, if all crude storage facilities were filled at the opening of hostilities there would have been on hand some 23 days supply of crude and if all product storage facilities were also filled there would have been on hand some 72 days supply of products (at the 1964 consumption rate).

If the governments of the parent private companies supplying all India's imported crude were to act to prevent these firms from supplying crude, India's POL availabilities would be severely reduced because indigenous production provides only about 25-35% of requirements.

All of India's crude has been imported from Iran (59% in 1964), Saudi Arabia (36% in 1964) and Indonesia (5% in 1964) by three private foreign owned companies Burmah-Shell, Esso and Caltex for use in their own Indian refineries.

None of India's refineries produce aviation gasoline and the country is entirely dependent on imports for this product. In 1964 imports of a gas were overwhelmingly from free world sources with the USSR supplying only about 4%. India has, on the other hand, been able to supply not only all of its needs of motor gasoline from its own refineries, albeit with imported as well as domestic crude, but has exported this product. This is a key commodity for its UK and US manufactured armor. High Speed Diesel Fuel is another key commodity since India's Soviet manufactured armor and the vast majority of its trucks (both civil and military) required this fuel. While domestic crude would not alone be the source of HSD some 70% of India's 1964 consumption was supplied from its own refineries. Furthermore, HSD is one of the commodities, the others are jet fuel and kerosene, for which convertible foreign exchange was cut off in the spring of 1965 because the Indian Oil Company would handle all imports of these products for Rupee payment to the USSR.

In judging availabilities of jet fuel one must assume that illuminating kerosene and naphtha would be used as well as the specifically produced aviation turbine fuel. On this assumption some 60% of India's 1964 requirements were produced domestically, 10% of the amount consumed came from the Soviets.

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By jcjc, NARA, Date 5-19-04

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Key ancillary factors in the POL picture are ocean shipping and inland transport. In 1964 some 81% of all POL supplies came by ocean tanker (mostly foreign flag since India has only six ocean tankers under its own flag). Pipelines for internal distribution of crude and product are very limited with a total of only about 1200 miles of pipeline. Thus, for internal distribution India is very dependent upon rail and truck tankering, with rail providing some 90% of 1964's movement. Disruption of the rail system would severely limit India's capabilities to maintain all-out military activity.

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2. Pakistan

It is assumed that at the start of hostilities Pakistan had on hand about three months supply of POL at the consumption rate of recent years, an amount which would last an estimated four to six weeks at the increased consumption rate of all-out warfare.

Pakistan is almost entirely dependent upon imported crude to operate its two refineries (both in West Pakistan at Karachi and Rawalpindi); better than 80 percent of processed crude in 1964 was imported. With such a high percentage of imported crude required and the very limited crude storage facilities (about 10 days supply at the maximum rated daily capacity of the two refineries) any interruption of the flow of crude would seriously disrupt domestic production of refined products.

While Pakistan does not apparently produce any aviation gasoline, it is fairly self sufficient (given supplies of crude) in the production of motor gasoline, having imported only about 19 percent of its consumption needs in 1964. Pakistan's refineries produced about 65 percent of the aviation turbine fuel consumed in 1964, some of which was used to bunker international aircraft. Furthermore, domestic production of kerosene is capable of augmenting the supply of jet fuel, since high quality kerosene may be used for this purpose. While Pakistan is close to self sufficiency from the standpoint of refinery output in high speed diesel fuel (only 17 percent of 1964's consumption was imported) light diesel oil has been imported at the rate of close to 80 percent of consumption needs.

Most imports of refined products are delivered to East Pakistan, which does not have a refinery, while all crude is delivered to West Pakistan. Until the start of this year Caltex, Burmah Oil Company, Burmah-Shell, and Esso (the four firms own 60% of the Karachi Refinery, while Burmah Oil Company is associated with the Rawalpindi refinery), all distributed products in East Pakistan. Starting February 1, 1965 a private Pakistani firm, Pakistan National Oils, Limited, was given a two year monopoly over the import of all refined products into Pakistan (this means a virtual monopoly in the east wing, because of the absence of a refinery), and will import from ENI of Italy and from the Gulf Oil Company of Kuwait. Some East Pakistan POL imports came from Singapore and Indonesia prior to the new arrangement. All crude supplies come from the Persian Gulf (primarily Iran).

Pakistan is vulnerable on delivery and distribution of both crude and refined products. It is dependent upon foreign flagships almost entirely, with only one ocean tanker under its own flag. Internally, distribution is heavily dependent upon railway tank cars and trucks, since petroleum pipelines are extremely limited.

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INTERNATIONAL SECURITY AFFAIRS

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ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301

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1 0 SEP 1965

Indira/Pak

Mr. Robert W. Komer
National Security Council
Executive Office Building
Washington, D. C. 20501

Dear Bob:

I attach an interim contribution to the developing dialogue; it is far from complete, but I hope you find it useful.

In the immediate present, the issues and choices in the Indo-Pak situation seem to rotate in circular fashion, and we find no attractive or compelling handle which can be grasped and thereafter used to determine a clear course of action. Nothing we have tried to do thus far has given us any leverage with either side. The Chinese threat to India could become such a handle and, while I would not welcome its development in menacing dimension, it might provide an opportunity to which we should be alert.

If the Chinese threat to India should materialize (in the form of serious preparations for attack, or actual attacks) and India should ask us to "consult on air defenses", I have the following thought. We should respond affirmatively, but should use the opportunity to demand that India restore its sense of proportion regarding the security of the subcontinent, cease its offensive actions against Pakistan, withdraw troops to its own borders, and agree to "give" something substantial in the interest of a Kashmir solution. If the Indians would accede to these conditions, we should consult with them seriously on the Chinese threat, be prepared to support them with US forces, and resume military aid. We should then immediately approach the Paks, advise them of the Indian agreement to break off the fighting and to make important concessions on Kashmir, and of the US decision to assist India against China. We should press the Paks to break off hostilities, stating that otherwise the US would have to assume Sino-Pak collusion.

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It is possible that the impact of a serious Chinese threat to the subcontinent would sober both India and Pakistan; if on the contrary, such a situation revealed that the Paks were already too deeply committed to the Chinese, at least the locus of US interests and the required actions to defend them would be clearer.

Jim

Townsend Hoopes
Deputy

Enclosure

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OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

INTERNATIONAL SECURITY AFFAIRS

9 September 1965

MEMORANDUM FOR MR. McNAUGHTON

SUBJECT: Points on India and Pakistan

- 1. US has three fundamental choices:
 - a. To turn its back on the present conflict;
 - b. To play a constructive role, using US influence to achieve an Indo-Pak settlement and preserve good US relations with both countries;
 - c. Choose sides in the struggle and accept the consequences.

No

2. Up to this point, we have generally pursued 1.a. above, while hinting we may adopt 1.b. (through our support of the UN).

3. We have suspended military aid to both sides. Following seem to be the mid-term consequences of this:

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- a. India is relatively favored;
- b. Pakistan will seek help elsewhere;
- c. Russians are not a probable source of military aid, as they are unlikely to jeopardize their present investment in Indian good will;
- d. Indonesia might be willing, but could provide only negligible help;
- e. Iran and Turkey might be tempted to give assistance, but US restraining leverage would be conclusive;

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f. The ChiComs appear as the only meaningful source, but logistical difficulties and material availabilities would produce only a trickle of useful equipment in the mid-term.

4. Meaningful Chinese help to the Paks would be confined to threats or attacks on India. Following are possibilities:

a. Action confined to angry noises that would pin down certain Indian forces on the Himalayan frontier;

b. Small attack on the 1962 scale (about 50,000 men);

c. Maximum supportable attack from the north and northeast (156,000 men and substantial tactical air);

d. Total maximum supportable attack (scale of c. above, plus 120,000 troops through Burma);

e. Any sizable action would severely strain ChiCom transport capability and severely drain POL stocks. Any effort through Burma would violate neutrality of that country;

f. No Chinese attack above the 1962 level could be accomplished without significant strategic warning.

5. India is better equipped militarily today to fend off Chinese attack.

a. India has equivalent of about ¹⁶⁻¹⁸~~20~~ divisions;

b. About 11 now deployed on Himalayan frontier, about 5 deployed against Paks and remaining 4 deployed for internal security purposes;

c. India could probably resist effectively a maximum supportable Chinese attack;

d. Its ability to withstand a combined Pak-Chinese attack would be doubtful.

6. In the event of any substantial Chinese attack, India would probably request US consultation and assistance.

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many not reflects current redeployments,

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a. US would have to make up its mind as to where its strategic interests lie;

b. If US acted in accordance with a policy of turning its back on the subcontinent, a ChiCom-Pak attack might overwhelm India;

c. Result might be chaos and eventual ChiCom takeover.

7. If, consistent with "back turning" policy, US also cuts economic aid (including food) to both sides, following would happen:

a. The fighting would probably go on for some time, inconclusively and at a low level;

b. More authoritarian governments would probably emerge in both countries, dedicated to military efficiency, belt-tightening, and chauvinism;

c. Both sides would seek substitutes for US assistance;

d. Soviets would respond on fairly large scale to Indian request for both economic and military assistance;

e. China would respond similarly to Pakistan, but on lesser scale;

f. US influence in both countries would be swiftly displaced by the world's two major Communist powers;

g. Present momentum of economic development would be swiftly arrested in both countries;

h. Increased starvation, especially in India;

i. Probable increase of riots and communal violence;

j. US would save \$500 million per year in economic aid and \$40 million in military aid to Pakistan; US savings in India would be approximately \$1.6 billion in economic aid and \$50 million in military aid.

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8. Following are arguments for US to adopt a positive, responsible role toward conflict in the subcontinent:

a. India and China are the two polar reference points in the underdeveloped world, representing diametrically opposed political and social systems;

b. Because of their size, strategic location, population and resources, the winner or survivor in the contest will set the pattern for national development throughout the underdeveloped world;

c. In this context, the survival and success of India as a democratic, free enterprise society is in the direct interest of the United States;

d. Conversely, defeat for India and triumph for China would be defeat for the United States;

e. If future Asian development turns Communist under the heavy influence by a successful ChiCom development and an Indian failure, the US may be foreclosed from meaningful relations with the area--i. e., the US ability to communicate with, trade with, cooperate with, or even have access to the area could be placed in serious jeopardy;

f. The aggregate of these Asian resources would tend to be placed at the disposal of a central Communist power and employed in the scales against the United States and the Free World.

9. In the present conflict, only the application of maximum US influence, either alone or in support of the UN, has a chance of bringing the antagonists together.

a. Only the US has the resources and power to provide the inducements and threats required to achieve a workable Kashmir settlement;

b. It is possible that US leverage is not sufficient, but without it failure of a settlement seems a virtual certainty;

c. US should be seeking to develop a specific formulation for a Kashmir settlement;

d. Possibilities are a plebiscite leading to Kashmir accession to the winner; a plebiscite leading to creation of an autonomous state; partition; or arbitration by the World Court which could lead to any one of the foregoing results;

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d. An essential element is to force India to "give" something for the sake of a Kashmir solution. US should therefore determine what pressures or inducements are required;

f. In addition to continued US military aid to India, one possibility is to double economic aid in a serious effort to bring India to the "take off" point of self-sustained growth within 7 to 10 years. Some economists believe this to be a serious possibility.

10. If it comes to choosing sides, we should clearly opt for India, accepting the following consequences:

a. The Paks would align themselves with China, and would over time receive substantial Chinese military aid, and some economic aid;

b. They would pay a high political price for the relationship, which would severely curtail their independence;

c. Ayub might not survive in the longer term, and might be replaced by a Communist;

d. Pakistan would leave CENTO and SEATO;

e. East Pakistan might seek a union with India;

f. Economic development would be much slower, but the Pak economy would not collapse.

11. A situation requiring a US choice assumes no basic modus vivendi between India and Pakistan. Therefore the following conditions would probably obtain:

a. Continuing tension along the Indo-Pak borders;

b. India would face a more serious danger of a two-front war;

c. US would be more deeply committed to the military support of India;

d. Soviet position is uncertain, but if the Sino-Soviet chill endures, they probably would not help the Paks;

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e. India might conceivably retain a middle position between Soviets and US, but if Chinese dangers were considered serious, and if Soviets were disinclined to be publicly and basically opposed to the ChiComs, India would be drawn ever closer to formal military alliance with US.

TWA

Townsend Hoopes

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DEPARTMENT OF STATE
Counselor and Chairman
Policy Planning Council
Washington

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September 7, 1965

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TO: Planning Group Members

SUBJECT: Planning Group Meeting,
Thursday, September 9, 1965, 12:00 noon

Attached is a paper prepared within the Policy Planning Council and containing the outlines of a comprehensive approach to the Indian subcontinent for the longer-term. It will be discussed at the Planning Group meeting next Thursday, September 9, 1965, at 12:00 noon.

This paper attempts to reflect discussion at the Planning Group meeting on September 2, but it should not be construed as in any sense representing State Department views. Because of the current Kashmir situation it has not been possible in the limited time available to obtain reactions within the Department to this draft.

W. W. Rostow

Attachment
As stated

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September 3, 1965

THE LONGER-TERM IN THE INDIAN SUBCONTINENT:
THE OUTLINES OF A COMPREHENSIVE APPROACH

I. The Problem

We face a major turning point in our relations with the sub-continent.

-- The Kashmir situation presents great dangers but also, if a cease-fire is arranged and reason prevails, a possible opportunity to contain if not to settle this problem.

-- Our relations with Pakistan are at a critical stage; Pakistan may remain moderate though more independent of the U.S. or present momentum may bring it to a radical nationalist posture entailing a substantial loss to us.

-- Equally important, though not so sharply etched, are the major issues we confront regarding India including decisions about economic aid levels, military aid, and the possibility that India may opt for a nuclear capability.

Our ability to achieve a more satisfactory relationship with India and Pakistan depends in important ways on the outcome of the present Kashmir situation:

-- On whether the military action proceeds to a point which has basic effects upon the Indian and Pak calculus of national interests: on whether quick Pak victories convince Pakistan it has improved its bargaining position or Pak defeats convince it that its policy of force has failed; on whether a look over the brink by both (and, perhaps, increased Indian uncertainty about Soviet support) increases receptivity to new UN mediatory or negotiatory mechanisms:

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-- On whether a Pak failure to achieve its objectives (and/or heavy U.S. aid pressures on Kashmir or other issues) will result in Pak acceptance of failure and strategic retreat from present policies or whether, in frustration, Pakistan will turn its back on us and turn sharply toward the ChiComs, Soviets and radical nationalists. This in turn depends in part on Pak understanding of U.S. intentions toward Pakistan.

II. The Bases of An Approach

Our policies should be guided by the following assumptions:

-- We have major interests in both India and Pakistan and should continue to seek to avoid "choosing" between them.

-- While we have no interest in any particular substantive outcome of Indo-Pak disputes, we cannot escape the consequences of those disputes. They are central to Pakistan's foreign policy.

-- Dramatic breakthroughs on any aspect of our relations are unlikely but the present situation of change may offer some opportunities for progress.

-- The threat of aid withdrawal is unlikely to be an effective lever in achieving U.S. political objectives in a short-run crisis environment and its principal value as a lever in the longer run is in creating a situation in which India and Pakistan, in formulating their policies, are sensitive to the possibility that they may affect aid prospects. (Nonetheless, if we are faced by the prospect of a disastrous major war on the subcontinent, we may be forced to suspend military and perhaps other aid to one or both sides.)

We need a design for the future and a comprehensive approach to our problems in the subcontinent even though we cannot solve them quickly or all at once.

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-- The problems are interrelated and must be dealt with as parts of a whole: military aid to India affects Pakistan's relation with China; the confrontation between the two is a drain on resources which affects economic development, etc.

-- We need to define a new across-the-board understanding with Ayub regarding our relations since both he and we know we cannot reestablish the 1954-62 relationship.

-- To a somewhat lesser extent there is a need to restate and clarify our posture toward India in order to reduce uncertainties and misunderstandings which have arisen from developments during the past few months.

-- A comprehensive approach to Ayub and Shastri would reflect a reassertion of US leadership on the sub-continent and provide an opportunity for all three countries to move forward again in constructive directions.

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III. A Comprehensive Approach to Pakistan and India

The following briefly outlines the approach we might take in comprehensive high-level talks with Pakistan and India.

A. To Both Pakistan and India on the Relationship Between U.S. Aid and Their Foreign Policy Postures

We believe that our aid is legitimately related to their foreign policy postures in two basic respects:

- If their foreign policies militate against our mutual interests in their economic development.
- If they take positions seriously contradictory to vital U.S. national interests where their own vital interests are not involved.

In either type of case they can expect the U.S. to reconsider the aid relationship.

B. To Pakistan:

1. On General Pak-U.S. Relationship: We seek a mutual redefinition of the U.S.-Pak relationship which realistically recognizes basic changes and which will provide a firmer base for the longer term. We do not expect to turn back the clock - to re-establish the old alliance relationship or to ask Pakistan to abandon its policy of normalizing relations with Communist China.

2. On Communist China: We consider ourselves to be engaged in a major struggle with Communist China. We seek assurance that, before Pakistan takes any steps with Communist China which it considers might affect vital U.S. interests, it will consult with us. By way of illustration we would consider a Pak agreement with

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Communist China which constituted a de facto alliance or which otherwise provided for any form of military collaboration to be incompatible with the U.S.-Pak alliance relationship and strongly opposed to U.S. interests.

3. On Vietnam: In view of the fact that vital U.S. interests are engaged in the struggle in Vietnam we would expect, at a minimum, an avoidance of statements by Pak officials which contain major criticisms of the U.S. or which offer major support to Communist positions. At a maximum, we would seek some indication of Pak support on Vietnam. (The latter might take the form of statements sympathetic to U.S. efforts to find a negotiated settlement and explicitly or implicitly critical of the Communist position on negotiations; vide Shastri's recent statement.)

4. On Treatment of the U.S. within Pakistan: First, we seek fairer treatment by Pak officials of U.S. views and actions. Second, we seek restoration of channels of communication within Pakistan which will permit our ideas and viewpoints to compete on an equal basis with contrary ones. We seek a reversal of the process through which, by institutional changes and personnel selection relating to information media, the Pak population has gradually been cut off from access to our views.

5. On SEATO and CENTO: While we are not happy with present attitudes of Pakistan toward SEATO and CENTO, we are prepared to live with those attitudes provided Pakistan pursues a policy of relatively passive negativism and does not actively seek to disrupt the alliances.

6. On Indo-Pak Relations: (The present situation in Kashmir makes it difficult to go beyond fundamentals which would need to be adapted to the tactical situation at the time conversations occurred.)

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We recognize that Indo-Pak problems are central so far as Pakistan is concerned; they are of great concern to the U.S. as well. They divert resources, talents, and energies in both countries away from the development task; they distort the politics of the two societies; and they undermine U.S. public and Congressional support for foreign aid in general and aid to India and Pakistan in particular.

The U.S. is committed to and will continue whatever assistance the U.S. and India jointly agree to be necessary to defend India against ChiCom attack. We will not be diverted from this task by Pak attitudes. The U.S. will continue to discourage any Indian decision in favor of a national nuclear capability.

The U.S. cannot be enlisted by pressures from either side to support either the Indian or Pak positions in Indo-Pak disputes. We will, however, continue to adhere publicly to a position of favoring peaceful settlement through negotiations. We do believe it would be desirable to renovate U.N. observer machinery and U.N. mechanisms for maintaining continuing communication between India and Pakistan with respect to their differences. We will work to this end in the U.N. and if machinery is established will seek to keep it in working order and active. To establish new machinery it will be necessary to wipe the slate clean of past UNCIP revolutions (thus eliminating the U.N. commitment to a plebiscite).

(Among possibilities that might be considered would be a new U.N. fact-finding body which would bring back recommendations to the Security Council; establishment of separate Indo-Pak discussion forums under U.N. auspices on Kashmir and on other issues with simultaneous discussion in the two forums in the presence of a third party chosen by Pakistan from a panel submitted by India; expansion of the number of observers and new terms of reference to permit more initiative.)

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We would favor Pak-Indian negotiations on issues other than Kashmir in any event and would support joint Indo-Pak ventures. For example, the U.S. would be willing to support a request to the World Bank to survey the control and development of the Ganges and Brahmaputra Rivers, a massive problem vital to the interests of both countries.

7. On U.S. Economic Aid: The question of pledging for the first year of the Third Plan at the Consortium meeting on September 23 is currently under discussion through the good offices of the British. The U.S. is prepared to continue a long-term substantial aid relationship with Pakistan if Pakistan is prepared to proceed with a new relationship with the U.S. generally along the lines of the above.

8. On U.S. Military Aid: No new action is possible until fighting stops (i.e., implicitly, no resumption of major MAP deliveries). We intend to reduce the extent to which the U.S., through its military aid, provides the means by which the dispute between India and Pakistan is prosecuted. Accordingly, while the U.S. is willing to continue a military aid program to Pakistan on a long-term basis, it will be much more selective in the items which it provides to Pakistan (will require review of pipeline as well as new aid requests). The U.S. will not provide F-104's desired by Pakistan until there is some further de-fusing of the Kashmir situation (beyond a cease-fire but otherwise undefined).

C. To India:

1. On the General U.S. Relationship to Subcontinent: We recognize that changes which have occurred since the Chinese attack upon India in 1962 have created a situation calling for a redefinition of U.S. relations with the subcontinent. (Then describe

general

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- 8 -

general character of our effort to redefine a satisfactory relationship with Pakistan and argue that our definition of a satisfactory relationship with the Paks also serves Indian interests.) The relationship which has developed between the U.S. and India has been generally satisfactory, but certain matters now require clarification.

2. On Indo-Pak Relations: Follow same policy line as suggested above for Pakistan with following additional arguments. Our efforts to reach basic understandings with Pakistan of a fundamental kind, which would also be in India's interests, are less likely to succeed if means are not found for a more permanent de-fusing of the Indo-Pak conflict through the initiation of a process of communication. This requires some movement on India's part.

While recognizing the shorter-run political difficulties involved in even beginning a process of communication at present, we urge India to consider its longer-range interests taking account of such factors as the apparent shift in the Soviet position; the costs to Indian development; the adverse effects of the conflict on U.S. public support for continued U.S. aid; and the adverse effects (in terms of Indian interests) of continued conflict on the balance of political forces in Pakistan.

3. On Military Aid: No new action is possible until fighting stops. (Then advise India of new, more selective, policy toward military aid to Pakistan.) The U.S. will, in general, provide India with whatever we continue mutually to determine to be essential to meeting the ChiCom threat. However, because of past history we do not feel we can provide F-5 aircraft until there is some further de-fusing of the Kashmir situation (beyond a cease-fire but not otherwise defined). We are similarly conditioning our response to Pakistan's requests for F-104's.

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- 9 -

4. On U.S. Support for the Fourth Plan and Required Indian Economic Actions: We support the views of the World Bank Staff with respect to essential Indian economic actions; Indian agreement to these will affect the level of U.S. support for the Plan. We have, as India knows, a few additional suggestions which we consider important.* We are seeking to work out with Bank officials and will be discussing with the GOI what additional resource requirements (above existing aid levels) may be involved.

5. On An Indian National Nuclear Capability: We would simply state that an Indian decision for development of a national nuclear capability during the period of the Fourth Plan would force the U.S. to undertake a most basic reconsideration of its aid to India because of the impact of such a decision on Indian economic development and Indo-U.S. agreements on the level of Indian defense expenditures. (Note also the adverse effects upon Pakistan and broader implications for anti-proliferation efforts.)

What might at first appear to be a decision for a relatively low-cost, nominal capability could very easily lead to an increasingly costly program. We would welcome an opportunity to explore with the GOI the reasons why we believe that a nominal capability is unlikely to turn out to be attractive from a military point of view. (S/P is doing a separate analysis of the Indian strategic problem on which this discussion could

*The actions desired by the U.S. and the IBRD are detailed in USAID papers under the headings: decontrol; exchange rate adjustment; exports; foreign private investment; agriculture; mobilization of manpower and rural development; and family planning.

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- 10 -

be based. Projected cost figures for a larger program should be developed.)

Particularly if India, in response to the above, indicated a willingness to offer a five-year moratorium on a decision (and some Shastri statements suggest that this may be consistent with Indian thinking), we might offer a unilateral declaration of assurance with respect to U.S. response if either India or Pakistan were placed under threat of nuclear attack. (To have any utility such a statement would, at a minimum, have to be along the following lines: "Communist China should anticipate that any nuclear attack upon another Asian country would bring a prompt U.S. response.") We might also offer to discuss with the Indians what other forms of cooperation in defense against nuclear threats would give concreteness to our intentions. Parallel offers to Pakistan - even less likely to be accepted - should be advanced if the Indians indicate interest.

6. On Food: (Assuming this issue is still unresolved.) We consider the question of food to be a matter not directly related to these other issues. We are willing to undertake immediate negotiations for a generous PL 480 agreement (perhaps along the lines of the August 20 proposals of the Embassy).

(NOTE: We may wish to add a further point on the effects of the level of the already-planned Indian defense effort upon Indian economic development and to condition aid under the Fourth Plan on some reduction. We do not appear now to have an analytic basis for a position on this question. Study of the matter should be undertaken urgently if it is our view that this is potentially a serious problem.

IV. Estimated

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IV. Estimated Outcome

1. On Indo-Pak Issues: The possibility of even procedural progress (e.g., new UN mechanisms) is a very long shot and depends a good deal on the evolution of the current military situation in Kashmir. If the Indians and Paks should go to the brink of a general Indo-Pak war, it is just possible that both would, out of a sense of serious concern with the direction of events, turn with some relief to new mediatory or negotiatory mechanisms. Such procedural progress, though immediately useful in de-fusing the conflict, would be of limited long-term value - the extent of its value depending upon whether the Paks had become resigned to the status quo or the Indians accepted, over time, the need for some change in Kashmir. Neither, of course, seems likely at present.

The extent to which the U.S. made an effort on behalf of new UN machinery in talks with the Indians and Paks and otherwise should depend very much upon our estimates of the prospects for creating such machinery. The effects of another major and futile U.S. effort could be more negative than positive. There might be better prospect for negotiations on non-Kashmir issues; further efforts in this regard might be pursued with U.K. support.

The linking of U.S. provision of F-5's and F-104's with further progress on Kashmir could cause the Indians and Paks to turn to the Soviets or to purchases in Western Europe. Apart from the aircraft issue, Pakistan will be greatly concerned about the implications of the intended change in general U.S. military aid policy for Pakistan. India will welcome the change while remaining skeptical as to its real meaning until that is spelled out in implementation.

2. On Issues With Pakistan: Pakistan will probably welcome a frank effort to redefine the U.S.-Pak relationship and may be relieved that we do not seek unrealistically to return to the relationship of the 1950's.

The Paks

The Paks might volunteer some change in their position on such issues as a Western nuclear presence in the Indian Ocean although they would resist any effort to force Pakistan into broader changes in its China policy. Beyond this, we might expect to obtain procedural agreement to consult on major moves vis-a-vis Communist China although they would, in such consultation, not necessarily accept our views as to the proper definition of the outer limits of their policy.

Ayub would reinstate his order to his cabinet to avoid public criticism of the U.S. and unhelpful statements on Vietnam would be avoided. He would not go far in positive support of U.S. policy, but might endorse our effort to find a negotiated solution. Opening up channels of communication to Pak society would require persistent U.S. effort, but assuming a general improvement in U.S.-Pak relations, progress could be made over time.

Reassurance with respect to long-term U.S. support would permit continued progress under a free economy. (Reversion to extensive government controls would be a likely accompaniment to a sharp turn toward radical nationalism if aid were actually cut-off as a result of a failure of Pakistan to give assurances we seek.) If Pakistan has developed doubts as to whether the conditions for continued aid are consistent with continued Pak self-respect and has therefore tended to write off U.S. aid, clarification of the limits of U.S. objectives would make aid considerations a more important part of Pak calculations on such questions as how far it can safely go in Kashmir.

3. On Issues With India: India would assent generally to the need for economic reforms and would implement many of these while resisting others. A U.S. willingness to provide aid beyond the present level could be crucial in determining the degree of Indian performance - it would cushion the adverse effects of decontrol and thereby make them less likely.

Our

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-13-

Our statement on the relationship between aid and the Indian decision on a national nuclear capability could have marginal effect on that decision as could the suggested assurances to India (assuming we are prepared to offer them).

V. Tactical Issues

The above proposals concentrate on the substance of what we might communicate to the Indians and the Pakistanis. The "how" and the "when" (and how these in turn affect substance) are obviously difficult to define now in a manner that will be valid at the time of implementation because we are caught up in two on-going simultaneous crises. One is Kashmir, the other is the issue of our aid relationship to Pakistan and the position we will take in the Pak consortium meeting still scheduled for September 23. Without getting into these issues in detail, two illustrations may suggest some of the issues.

If (as is most likely) Ayub does not come here before September 23, if the British communication of our views on aid produce no effect, but if there is a cease-fire in Kashmir we may face questions of how to communicate with Pakistan either on the above broad basis or some narrower basis prior to September 23. The dispatch of a Presidential emissary could become the most desirable course.

If the fighting in Kashmir continues and threatens a general war between India and Pakistan, we may cut off all aid or only military aid (including the pipeline) to one or both. This would certainly create a different atmosphere and policy context for talks.

~~SECRET~~

S/P - RJohnson
DLinebaugh

INCOMING TELEGRAM *Department of State*

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Control: 2200
Rec'd: APRIL 2, 1965
3:38 P.M.

FROM: KARACHI

ACTION: SECSTATE 1887

INFO: LONDON 573
CINCMEAFSA UNNUMBERED

DATE: APRIL 2, 6 P.M.

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- ~~BUNDY-SMITT~~
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- ~~SAUNDERS~~
- ~~SAYRE~~
- ~~THOMSON~~

DACCA'S TEL ACTION KARACHI 964 INFO NEW DELHI
51 CALCUTTA 36 RAWALPINDI 86 RPTD FOR YOUR INFO:

DAHAGRAM INCIDENT.

CEASE FIRE EFFECTIVE 1730 MARCH 31. ONE HOUR EARLIER INDIAN
DEPUTY HIGH COMMISSIONER ISSUED TRANSIT VISAS TO PAKISTAN OFFICIALS.
PAKISTAN HIGH COMMISSIONER AT DELHI HAS GONE TO RANGPUR TO
OBSERVE RE-ENTRY INTO DAHAGRAM OF PAKISTAN OFFICIALS AND FORMER
RESIDENTS WHICH DUE BEGIN TODAY.

INDIAN HIGH COMMISSIONER IN CONVERSATION CONSUL LAST
EVENING SAID NEGOTIATIONS IN DACCA HAD PROCEEDED IN FRIENDLY
SPIRIT. IT HAS BEEN ESSENTIAL INTRODUCE MORE FLEXIBILITY IN
DISCUSSIONS AND MAKE SOME COMPROMISES. ALSO NECESSARY FOR BOTH
SIDES RECOGNIZE IMPORTANCE OF REACHING AGREEMENT WHICH WOULD
BE SATISFACTORY TO BOTH SIDES AND YET PROVIDE CERTAIN
AMOUNT FACE SAVING. TO THIS END INDIAN HICOM EXPRESSED
WILLINGNESS ORDER CEASE FIRE AT SAME TIME PAKISTANIS ORDERED
CEASE FIRE AND TO ISSUE OFFICIAL VISAS AT ABOUT SAME TIME.
THESE WERE ACTUALLY ISSUED AN HOUR AHEAD OF CEASE FIRE. IN
RETURN PAKISTAN CHIEF SECRETARY AGREED TO MEETING OF CHIEF
SECRETARIES IN DACCA AND SET APRIL 9 DATE, ALTHOUGH EXACT
DATE NOT SPECIFIED IN OFFICIAL RELEASE.

LAST MINUTE HITCH YESTERDAY WHEN WEST BENGAL PROTESTED ALLEGED
HEAVY FIRING BY PAKISTANIS IN BERUBARI AREA. WEST BENGAL

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-2- 1887 APRIL 2, 6 P.M. FROM KARACHI

CHARGED THAT CONTINUATION FIRING BERUBARI WOULD JEOPARDIZE ANY CEASE FIRE IN NEARBY DAHAGRAM. INDIAN HICOM SAID HE PERSUADED WEST BENGAL AUTHORITIES UNILATERALLY EFFECT CEASE FIRE BERUBARI AND HAS BEEN ASSURED EAST PAKISTAN WILL TAKE SIMILAR ACTION. IN ANY EVENT CEASE FIRE SEEMS TO BE IN EFFECT AND PAKISTAN MAKING MOVE RE-ENTER ENCLAVE TODAY.

COMMENT: FINAL RESOLUTION CEASE FIRE ISSUE LARGELY TO CREDIT EFFORTS INDIAN HICOM KARACHI AND PAKISTAN HICOM DELHI. BOTH APPROACHED ISSUE WITH WILLINGNESS GIVE AND TAKE AND WERE ABLE REACH MUTUALLY SATISFACTORY ARRANGEMENT.

SETTLEMENT BASIC ISSUES RAISED BY DAHAGRAM INCIDENT-STATUS OF ENCLAVES, TRANSIT RIGHTS OF ENCLAVE RESIDENTS, OFFICIAL ACCESS TO ENCLAVES, ETC.-IS PRINCIPAL TASK FOR CHIEF SECRETARIES AT THEIR MEETING ON APRIL NINE.

MCCONAUGHY

JCF/26

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December 14, 1965

Mr. Robert W. Komer, Deputy Special Assistant
for National Security Affairs
The White House, Room 372
Executive Office Building
Washington, D. C.

Dear Mr. Komer:

I appreciate your and Mr. Saunders listening to the briefing on our India-Pakistan interconnected grid and economic plan. As you mentioned, it is probable that mixing the Kashmir situation into the concept is unwise at this time. If the economics of the grid look good after thorough analysis, however, it may serve later --- after tempers cool down a bit --- to assist the two countries in their search for normal diplomatic and economic relations.

After leaving your office yesterday, I went directly to see Mr. Farr; he had with him Mr. Vieregg of the AID engineering staff whom I have known for some time. They were both kind enough to listen to my story and apparently felt that the idea of interconnecting the India-Pakistan grid systems has good potential. AID has already participated in some Indian studies relating to a certain amount of internal interconnection and Mr. Vieregg said that the international aspect of our plan could very well supplement these other studies.

I emphasized to both Mr. Farr and Mr. Vieregg that our idea is only preliminary and that it would be well to test it by means of an overall India-Pakistan long range study. Such a study should consider all current local interconnection planning and pinpoint the specific benefits to both countries for international integration of their electric power systems.

Again, thank you for your time, advice and kind words about our plan. Let us know if there is any other information we can furnish to you.

Sincerely yours,

LARAMORE, DOUGLASS AND POPHAM



R. R. Popham, President

RRP/mf

cc: Mr. Walter Farr, Jr.
Mr. A. B. Vieregg

DEC 16 1965

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December 14, 1965

India/Pakistan

Mr. Walter Farr, Jr., Deputy
Assistant Administrator
Near East and South Asia, Room 6724
Agency for International Development
Department of State
Washington, D. C.

Dear Mr. Farr:

I was pleased that you and Art Vieregg had time to listen to our story on the proposed interconnected India-Pakistan grid system. Basically the plan seems to be an extension and broad synthesis of various local studies for India and Pakistan in which AID is already participating.

As mentioned to you and Art, our plan is still only a broad concept and needs considerable research and detailed economic analysis. It would seem imperative that any such comprehensive analysis should have access to all local planning studies that have been recently completed or are now under way, and therefore should be undertaken under the authority of AID, the IBRD or the two of them jointly.

If, after you have the opportunity to consider the plan more thoroughly, you care to explore the possibility of an overall subcontinent inter-connection study, we would certainly be happy to discuss it with you further.

Sincerely,

LARAMORE, DOUGLASS AND POPHAM

R. R. Popham, President

RRP/mf
cc: Mr. Robert W. Komer
Mr. A. B. Vieregg

THIS COPY FOR

Mr. Kuman

DEPARTMENT OF STATE
COUNSELOR AND CHAIRMAN
POLICY PLANNING COUNCIL

13

Bob -

This is, I think,
pretty good.

What do you think?

WJ

DEC 18 1965

13a

DEPARTMENT OF STATE
POLICY PLANNING COUNCIL
WASHINGTON

10 December 1965

TO: W.W.Rostow

FROM: S/P-D. Linebaugh

Attached is an idea about Indo-Pak negotiations which I have sent to SOA. It obviously needs refinement but I believe it would be useful if the President had something positive and specific to say to Ayub on this subject.

DEC 18 1965

S/P W W R
736

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AYUB VISIT

*India
Pak*

A PROPOSAL REGARDING INDO-PAK NEGOTIATIONS

Explanation:

It seems highly unlikely that Ayub or Shastri will give anything away with respect to Indo-Pak problems before their summit meeting at Tashkent early in January. Furthermore, in his talks with Ayub, the President will doubtless wish to emphasize the responsibilities of the UN and of initiatives by Pakistan and India themselves in this field.

None-the-less, the President might wish to have in reserve a specific proposal to suggest to Ayub. This may be the case because: Our posture on this subject is of great importance in our relations with Pakistan; reconciliation between India and Pakistan is a major US interest; and the present UN effort, now being spearheaded in the field by a Chilean Brigadier General, may, in the Pak view, be a dead end.

Relevant Factors:

The President would say privately to Ayub that in his view any approach with respect to Indo-Pak problems must take account of the following factors:

Both

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DECLASSIFIED
E.O. 13292, Sec. 3.4
State Dept. Guidelines
By *jc*, NARA, Date 5-19-04

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2.

--Both India and Pakistan need "to enjoy the benefits of time" to improve their relations.

--Kashmir needs to be dealt with but subsumed in a broader framework.

--The UN Security Council resolutions and responsibilities need to be supported, not circumvented.

--Neither Bhutto nor S. Singh should be in the forefront of these negotiations.

The Proposal:

The President would suggest that Ayub and Shastri should each appoint a Special Representative (individuals in whom they both would have confidence) who would be given two broad mandates.

First, they would be asked to design a comprehensive procedure for settling problems between the two countries. They would thus be responsible for recommending what issues needed to be settled, in what sequence, and in what manner. The President would indicate that he assumes this would involve negotiations in a variety of forms about, for example, refugee problems arising out of the conflict, population

movements

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3.

movements in East Pakistan, border problems in East Pakistan, unsettled financial issues, and water problems.

Second, the two Special Representatives would be named as the principal point of contact with the UN Secretary General's representatives in the subcontinent with respect to the fulfillment of the Security Council Resolution of September 20. This would involve, in the first instance, the negotiation of a withdrawal plan but also discussions with respect to the establishment of a procedure for dealing with Kashmir. The President could point out that this approach would thus involve a third party (the UN Secretary General's representative) which he understood the GOP considered important.

Incentives:

The President would say that if Ayub responded affirmatively to the idea, we would:

--Propose it to Shastri.

--Urge the UN Secretary General to appoint an individual of international stature to represent him in the subcontinent with respect to his responsibilities under the Security Council Resolution of September 20.

--Indicate

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4.

--Indicate our intention to be helpful in other ways with respect to the negotiations. For example, if the Paks and Indians desire it, the President would be glad to urge George Woods of the World Bank to be of assistance in negotiations about water or economic problems or in supporting joint projects.

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THE DIRECTOR OF CENTRAL INTELLIGENCE RECEIVED
MCGEORGE BUNDY 8 December 1965

1-Kafar
J. R. T.
74
India - Pakistan

1965 DEC 9 AM 11 17

Dear Mac:

In anticipation of President Ayub's visit the Department of State requested the United States Intelligence Board to consider the consequences of certain U. S. courses of action with relation to our policy toward India and Pakistan.

The Intelligence Board completed this estimate on 7 December and I am sending you an advance copy of the final text in hopes it will prove useful in planning for President Ayub's visit.

25X1A

Sincerely,


W. F. Raborn

The Honorable McGeorge Bundy
The White House

- Copies to:
- The President
 - Secretary Dean Rusk
 - Secretary Robert McNamara
 - Secretary Cyrus Vance
 - General Earle G. Wheeler
 - Under Secretary George Ball
 - Assistant Secretary John T. McNaughton

DEC 9 1965

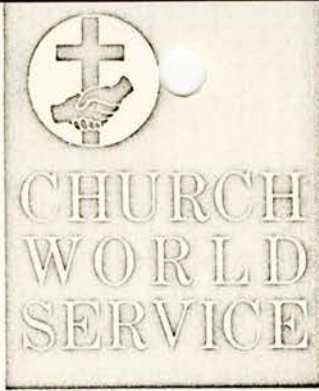
~~SECRET~~
Att: SNIE 31-32-65
7 December 1965
Indo-Pakistani Reactions to
Certain US Courses of action

SANITIZED

Authority NLJ-032-026-002/1

By je NARA, Date 5-18-04

12/10



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Field Representative
Dr. Donald F. Ebright

December 8, 1965

India Pak
Reply by Pak - 12/17/65

The President
The White House
Washington, D. C.

Mr. President:

I have just read a November 30, 1965 article in the Los Angeles Times, "U.S. Will Harden Line Toward India, Pakistan". What I have read in several newspapers since August 5, 1965, disturbs me greatly. I am more disturbed when I note that Prime Minister Ayub Khan will be in Washington this month.

Having lived and worked in India for 22 years, I was there during the 1947 Partition of the old sub-continent into modern India and Pakistan. My book, Free India: The First Five Years, documents the initial conflict between Pakistan the aggressor, and India. Eighteen years later, Pakistan strikes again.

My concern is that actions regarding India could be taken at this time which will endanger democratic opportunities in Asia . . . for India is democracy's hope in Asia. I was shocked when the United Nations' Security Council received Mr. Z. A. Bhutto and permitted him to make a unilateral appeal, charged with emotion, at a time when reason was needed. Someone should speak firmly with President Ayub Khan and say, "Come, let us reason together". When we look at facts, legality and reason, the Kashmir controversy, the "plebiscite", and the recent warfare, it is plain to see that Pakistan stands condemned, and India must be aided and defended by the United States. Let us hope that sanity and reason will return to Pakistan.

*Rec. Donald Ebright
to RFB
12/8/65*

To Dale

December 8, 1965

It is a tragedy that we alienate India through the favoritism shown Pakistan. We must consider India and Pakistan two separate nations and cease the unfortunate habit of asking about Pakistan's response whenever we face a decision of importance for India's security. When free, democratic India requests food for her famine or arms for defense against Chinese aggression, we do not need ask, "What will Pakistan think?" Our question should be, "What does India need?"

By all means, let us harden our line with Pakistan, who in collaboration with Red China, crossed into India's sovereign territory on August 5, 1965, after careful and secret preparation, using tanks and planes from the United States that President Eisenhower promised Prime Minister Nehru would not be used against India. Pakistan invaded India. We did not honor our pledge. Let us harden our line with Pakistan. Let us begin with President Ayub Khan's December visit to the United States. How did he achieve his office? Through an election? He is Pakistan's dictator, aligned with Red China, that we aid even though this alienates India, a sovereign, democratic republic whose 450-million people could do so much for democracy and freedom.

I am disturbed that we have failed to appreciate the tremendous achievement of democracy in India, noting its decision to be a secular state . . . in contrast to Pakistan's communal concept of a nation. This letter is sent in the hope that your Administration, our State Department, and our United Nations Ambassador will give full consideration to these facts:

1. India is the third largest Muslim nation in the world, exceeded only by Pakistan and Indonesia. The sixty-million Muslims in India enjoy equal rights and equal opportunity with Hindus, Sikhs, Parsis, Christians, Buddhists, Jains, Jews, etc. It is cynical of Pakistan to express a concern over Kashmir's two-and-one-half-million Muslims in view of India's sixty-million Muslims.
2. Pakistan is, on the other hand, a communal state, a religious nation, "The Islamic Republic of Pakistan". At the time of Partition; only nine-million Muslims left India for Pakistan. The remaining millions of Muslims refused to leave the freedom of secular India for life in Islamic

Pakistan. This vast majority of Muslims rejected Mohammed Ali Jinnah's insistence on an Islamic Republic for Muslims only. There is a Muslim Pakistan. There is not a Hindu India.

3. Please note the number of Muslims holding high office in India. The Vice-President of India is a Muslim. This week, our Los Angeles World Affairs Council heard The Consul General of India, Mohammed Yunus, a Muslim, cite the role of Muslims in secular India. There are no Hindu or Sikh officials in Pakistan. This Fall, Muslim soldiers in India fought shoulder-to-shoulder with Hindu, Sikh and Christian brothers. This would never happen in Pakistan.
4. And, Kashmir! The fact is that Pakistan invaded Kashmir in 1947 because the ruling Maharaja opted to join India. This infuriated Pakistan, which invaded Kashmir, hoping for a quick conquest. But the Muslim community arose, and 200,000 Kashmiri Muslims died in the conflict to halt Pakistani aggression.
5. Let us look again at our arms' aid to Pakistan which was given for the purpose of defense against communist China and which was used against India. Our neutrality ceased when we gave arms to Pakistan and did not honor our pledge to halt their use against India. It is right that we sent troops into Dominican Republic. We are right in Vietnam. Why then do we shrug off our obligation to India and after invasion by China and aggression by Pakistan have no more to say than, "Peace at any price". We can expect the world community to judge our self-proclaimed neutrality as "pro-Pakistan". IF Russia emerges the winner in this conflict, we have but ourselves to blame.
6. Today American soldiers died in South Vietnam. We honor their sacrifice. They died because of the aggression of North Vietnamese troops who marched under communist China's orders or consent. But Pakistan's open alliance with Red China and her attacks upon India, arouse U.S. sympathy for Pakistan rather than condemnation. Think of the heights to which groping nations could have been led by Ambassador Goldberg at the United Nations, had he said with courage, "Pakistan . . . YOU are the aggressor. Cease!" But, no, his words fell flat across the world;

December 8, 1965

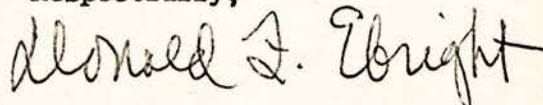
"Peace at any price. Stop, India. Stop, Pakistan. Bad boys. Uncle Sam will spank!" I sympathize with India over this injustice . . . the injustice of being bracketed with the aggressive nation. We must tell Pakistan to withdraw her troops from Kashmir. Only then can India engage in peace talks. But Pakistan is no more ready to talk peace than Hanoi. So, Mr. President, if we are on the side of Democracy, let us be on the side of Democracy . . . in Malaysia, in Thailand, in Korea, and ALSO in INDIA!

7. What are we here in the United States? We are a sovereign, democratic republic. The world's most powerful. What is India? A sovereign, democratic republic. The world's most populace. Like us, India is a secular state. Given understanding, encouragement and ample aid, she will become a strong democracy. Then we can be proud of the role we played. Mr. President, this is one of history's watersheds where a decision during either President Ayub Khan's or Premier Shastri's visit can make or break a great democracy. If we fail to support India, and India dies, we shall have much cause for regret; for we shall then see the end of democracy in Asia.

As I travel around the world I see that America is a land of hope for most people despite the minority protest parades, the "spittings" and "go home" posters. May the United States continue to give a leadership that will justify this hope.

May God give you strength, wisdom and understanding in these difficult but hope filled days.

Respectfully,



(The Rev.) Donald F. Ebright, Ph.D.

DFE:mmm

Comments and suggestions re the forthcoming visits of President Ayub Khan of Pakistan and Prime Minister Lal Bahadur Shastri of India.

MORE IMPORTANT ??

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UNIVERSITY of PENNSYLVANIA

PHILADELPHIA 4 19104

Wharton School of
Finance and Commerce

December 6, 1965

Indeo Pau
Reply by Pauk-12/13/65

The Honorable Lyndon B. Johnson
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

I am encouraged by my participation in the recent White House Conference on International Cooperation to feel that you may be interested in my views on an important matter to which you are presently giving a great deal of attention. I refer to the forthcoming visits of President Ayub Khan of Pakistan and Prime Minister Lal Bahadur Shastri of India, and to the current problems in U. S. relations with Pakistan and India which will inevitably come up for discussion.

I believe that these forthcoming visits can provide a real opportunity to establish a better basis of understanding with the leaders of these two countries and to reverse the present rather discouraging trends in U. S. - South Asian relations. You will probably find that both President Ayub and Mr. Shastri are in a rather defensive mood on some matters, and in a rather critical mood on others. I am sure you realize that they have to face serious political problems and pressures back home, and that they are by no means free agents. One of the best ways to win their confidence, I venture to suggest, will be to show them that you are genuinely interested in their problems, and that you are trying to look at these problems from their point of view, as well as from your own.

You realize, I am sure, that the difficulties which these leaders face at home, and in the relations between India and Pakistan, are deep-rooted, and can hardly admit of clear-cut or speedy "solutions". This is especially true of the Kashmir question, one of the thorniest issues in contemporary international relations, with deep roots in the past, but it is also true of the whole range of Indo-Pakistan relations, intangible as well as tangible. The hope, of course, is that the many interests which the two countries have in common, including the basic interest in survival, will in time prevail over the issues that divide them and that jeopardize their efforts for national integration, economic development, and social cohesion.

*Lyndon B. Johnson to
x B J
12/6/65*

12/9/65

UNIVERSITY of PENNSYLVANIA

PHILADELPHIA 4

*Wharton School of
Finance and Commerce*

2

The United States can properly urge responsible leaders of the two countries to make renewed efforts to resolve their differences, but it should not attempt to use the threat of suspending economic assistance or the kinds of public pressures which affront sensitivities and pride. My own feeling, based on extensive observations in South Asia and on many years of research on South Asian themes, is that the United States should -- and indeed must -- continue economic aid to both India and Pakistan at existing levels, or at higher levels, for some time to come. I think it is quite appropriate to insist on "actions, not promises," but it is important to bear in mind the difficulties which underdeveloped societies face in their efforts to mobilize their human and natural resources more effectively. In many instances the obstacles to such effective mobilization are more political, social, cultural, and psychological, than economic or technical, and cannot be overcome until basic improvements in the political, administrative, and educational structure are made -- and this is obviously a long-time proposition. These observations apply to such basic problems as growing more food and instituting really effective measures of population control.

At the present time both Indians and Pakistanis are in a particularly prickly and sensitive mood. In Pakistan the political situation is difficult, and there seems to be a growing tendency to cut off contacts with Americans, and indeed with Westerners generally. In India the economic situation is difficult, and may be even desperate, especially because of the impact of the pressures from Communist China, the conflict with Pakistan, and the worst drought of the century. This is no time for the United States to "turn the screws on," except in discreet and indirect ways. It is a time for "quiet diplomacy" and not for public criticism on the highest official levels. It will be unfortunate if Indians and Pakistanis come to believe that the richest and most powerful democratic nation in the world is turning from them in an hour of need, and is attempting to take advantage of their distress and difficulties. An unusual amount of understanding and forbearance is called for at this juncture.

In the Philadelphia Sunday Bulletin of Sunday, December 5, Mr. Melvin K. Whiteleather, an able member of the editorial staff, wrote:

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3

"In a predicament like this, humanitarianism ought to take precedent over all other considerations. Instead of being coy about supplying wheat in order to nudge the Indian Government to greater effort in growing its own, the talk ought to be about increasing the 500,000 tons now being shipped on a monthly basis. Current estimates are that even all the wheat that might be available would not be enough to meet the need of this nature-created catastrophe.

"While the Indians are facing famine is an unfortunate time to be putting pressure on them. Our stock in India already is low but our stake in that largest of Asian non-Communist countries remains as high as ever."

This does not mean, of course, that the United States should conceal its disapproval of recent developments in the internal and foreign policies of both India and Pakistan, or should "turn the other cheek" in the face of growing criticism from both South Asian countries. It is important to attempt to persuade these countries to extend rather than contract contacts with the United States and with Americans, on both official and unofficial levels, and to insist on the proper and effective use of the assistance which the United States will continue to provide.

On the economic side the need for continued assistance seems to be overwhelming, and inescapable. I have growing doubts, however, about the desirability of resuming the military aid program to either country. In an article on American aid to India and Pakistan, in the November issue of Current History, I wrote:

"As a basis for long-run policy, the United States might well consider the possibility of continuing the ban on military aid to the two nations. If this does not prove practicable, the United States might try to develop a program of phasing out such assistance as soon as possible.

"This new approach to the problem of military assistance would not lessen American interest in or concern for the defense of South Asia, but it would relieve the United States of embarrassing commitments and obligations and it would give the South Asian states greater freedom of action and responsibility. In the last analysis, the defense of South Asia must devolve on

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4

the countries of the area, and not on the United States. Of course, the United States will continue to stand ready to give advice and assistance under conditions of greater mutuality, and its aid will be available if the South Asian countries are involved in attack from outside their borders on a scale and of a kind which would necessitate assistance from the major nuclear power.

"The United States is already reexamining its military policies in the light of major changes in the international situation and of changes in its weapons and delivery systems. Nowhere is the need for this reassessment more apparent than in South Asia, where local conditions and sensitivities reinforce the broader considerations."

I am sure that you will be able to convince both President Ayub and Prime Minister Shastri that you are genuinely interested in their problems and concerns. You certainly have every right to expect a reciprocal effort on their part, and to be quite frank with them about American expectations and disappointments as far as India and Pakistan are concerned. I wish you every success in the forthcoming discussions.

Yours respectfully,

Norman D. Palmer

Norman D. Palmer
Professor of Political Science
Chairman, International Relations
Graduate Program
Member South Asia Regional Studies
Department
University of Pennsylvania

P.S. I am the senior political scientist in the South Asia Regional Studies Program at the University of Pennsylvania, the oldest area program devoted to South Asia in this country. I have devoted much of my time and attention to South Asian affairs for the past 18 years, and I have visited that area six times, for periods ranging from a few weeks to many months. Early in 1966 Houghton Mifflin Company will publish my latest book, entitled South Asia and United States Policy.

~~SECRET~~

77

The RAND Corporation

RECEIVED
N. S. C.

Nov 28 10 22 AM '65

1700 MAIN STREET
SANTA MONICA, CALIFORNIA

R. L. BELZER
ASSISTANT TO THE PRESIDENT

19 November 1965
L-23309

Special Assistant to the President
for National Security Affairs
Executive Office Building
Washington, D. C. 20501

India Pak
India Road

Attention: Mr. R. W. Komer
Deputy Special Assistant

Nov 26 10 22 AM '65

Dear Bob:

Following up our conversation, I thought you would like to know about some work on U.S. security interests with respect to India and Pakistan that we hope to undertake for ISA. So I am enclosing a copy of a proposal prepared by Paul Hammond of our Social Science Department and George Rosen of our Economics Department. It is intended to be a flexible project which can accommodate specific studies pertaining to the India-Pakistan conflict which hold particular promise, for whatever reason. Since ISA has not yet approved it and discussions which will determine the specific studies to be done are in progress, we would like to get your comments and suggestions.

You may also be interested in a second proposal (also enclosed) prepared by Hammond for Bob Johnson for another related study of the political indications and effects of the Kashmir-Punjab conflict. It was not intended as a part of the first proposal, but reflects Hammond's interest in encouraging target-of-opportunity research of special importance, quite apart from the question of who should do the work.

Hammond will be in Washington during the period 6 to 10 December and would like to talk to you. Will you have time to see him? He could meet with you at whatever time is most convenient for you.

NOTICE: THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18 U. S. C., SECTIONS 793 AND 794. THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

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IF ENCLOSURES ARE WITHDRAWN OR NOT ATTACHED THE CLASSIFICATION OF THIS CORRESPONDENCE WILL BE CANCELLED

NOV 27 1965

Mr. R. W. Komer

-2-

19 November 1965
L-23309

At the risk of inundating you with paper, I am also enclosing copies of the Thailand and Laos studies I mentioned to you. While the reports are quite long, you can get a pretty good overview by reading the comparatively short Preface and Summary of each.

Cordially yours,



R. L. Belzer

RLB:rk

Enclosures: Memo 11/2/65, Hammond/Rosen to Kubal
Memo 11/3/65, Hammond to Johnson
RM-4743-AID/ISA (Secret)
RM-4744-AID/ISA (Secret)

~~SECRET~~

11a

The RAND Corporation

1700 MAIN STREET
SANTA MONICA, CALIFORNIA 90406

19 November 1965
L-23309

Special Assistant to the President
for National Security Affairs
Executive Office Building
Washington, D. C. 20501

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Deputy Special Assistant

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-2-

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Enclosures: Memo 11/2/65, Hammond/Rosen to Kubal
Memo 11/3/65, Hammond to Johnson
RM-4743-AID/ISA (Secret)
RM-4744-AID/ISA (Secret)

November 2, 1965

TO: Robert Kubal

FROM: Paul Hammond and George Rosen

SUBJECT: Proposed Research on U.S. Security Interests with Respect to India and Pakistan

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N.S.C.

This research would examine U.S. policy on the Indian subcontinent on the following specific assumptions:

(1) that a major U.S. policy problem is the hostility of India and Pakistan with respect to each other;

(2) that U.S. military and economic assistance policy with respect to each country must consciously take this relationship into account; U.S. military and economic assistance should be provided to further U.S. interests in each country, taking into account both the relationships of the countries to China and Russia and the hostility of each country to the other; aid should also be regarded as a possible instrument to reduce the hostility of the two countries to each other.

We suggest the following specific subjects for research and objective analysis. It would be proposed that specific studies be prepared on each of the following subjects:

(1) The benefits that the U.S. gets from its military assistance to Pakistan and India. This analysis should include study of the nature of the Communist military threats to both countries, and their existing capacity to meet them. It should also examine proposed military assistance programs to each country in the light of the benefits received and the size of the threat; and should relate various levels and mixes of military assistance, or other alternatives such as guarantees, in the light of the benefits received by the U.S. and an objective analysis of both Communist threats and the two countries' attitudes to each other.

(2) The extent to which the governments of Pakistan or India would be willing to move closer to China or Russia in response to reductions in U.S. aid levels, or other U.S. actions each dislikes. This analysis should consider to what extent the present political pressures within both countries, as well as the present character of their military and economic structures, constrain or encourage such movements. It should examine the costs to India and Pakistan of closer relations to China and Russia, and of commercial purchases of presently supplied U.S. aid. It should also examine the implications of these closer relations to

Memorandum to Mr. Kubal, Nov 2, 1965, Proposed Research on U.S. Security Interests with Respect to India and Pakistan

the U.S., and should consider possible similarities of U.S.-Soviet interests, and complementary goals, in the area.

(3) The meaning of military balance on the subcontinent and the feasibility of this as a goal of U.S. aid.

(4) The extent to which achievement of nuclear capability by either country would affect their relations, and U.S. interests in this question.

(5) The extent to which economic aid can or should be used as a substitute for military aid to both countries.

(6) The extent to which changes in the quantity and mix of economic and military aid can be used to stimulate greater cooperation between both countries by providing opportunities for cooperation or to encourage friendlier attitudes.

George Rosen

Paul Hammond

/dp

77c

November 3, 1965

TO : Robert Johnson

FROM : Paul Hammond

SUBJECT: A PROPOSAL FOR AN INTENSIVE STUDY OF THE POLITICAL
EFFECTS OF THE KASHMIR-PUNJAB CONFLICT

Quite apart from whether the events of the Kashmir-Punjab conflict are important as "causes" with important effects, very likely they have revealed, or can be made to reveal, a number of important political facts which are highly relevant to U.S. as well as Indian and Pakistani interests. In addition to the more obvious revelations -- about allies and opponents and crisis behavior and military capabilities and political leadership -- it should be possible to produce some useful findings which are less obvious. The method would be to use a small team of political analysts who would investigate intensively the episode, taken as a whole.

The episode should yield much to an intensive investigation because it involves the opening up of a situation which, taken as a relationship between two parties, has been frozen for nearly two decades. One should expect that in these circumstances factors and conditions which have lain submerged would surface. In addition, the episode brings two states under stresses which are bound to be revealing about them and produce some significant changes in the internal politics of each -- in interfunctional relationships and the regime's aggregate political support.

In view of the potential value of the episode, a normal level of effort in gathering and processing data on it is insufficient. Let me take India to illustrate.

A heavy constraint in U.S. relations with India, by a common explanation, is the centrifugal character of India's political system. We are constrained in what we can reasonably expect the Indian government to undertake because of the fact that we cannot ask the Indian government to do things which would break up or even severely test the cohesion of the state. The government has to be sensitive to popular sentiments, particularly those which can identify with separatist groupings. The Kashmir-Punjab conflict was a test of the government's capacity to control, not separatist,

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but nationalist manifestations which could have produced communal violence and militant nationalistic government behavior. What does the relationship of government behavior to public reactions in this period indicate about its capacity to cope with popular reactions of any kind, separatist or chauvinist? What does it show about the government's capacity to moderate, arouse, redirect, suppress, sublimate, or otherwise control popular reactions? What does it show about the government's capacity to move with competence and dispatch in handling its external affairs?

How was the decision made to go to war? How active were civilian elements in the direction of the fighting? Were the military or civilians more restrained in their approach to the application of force? What effect has the battle had on civil-military relationships? What consequences should be anticipated from any changes which may have occurred? How has Shastri's position changed as a popular leader, as a party leader, and as head of a large bureaucracy?

What changes can we expect in public and elite appraisals of the conflict, when the costs of it, or a clearer picture of its limited achievements, are known?

How have diplomatic responses to the conflict affected the strength and direction of the internal political dialogue on foreign relations? What consequences should we expect from these changes?

What can be said of India's capacity to handle national crises, based on this conflict? What considerations weighed the heaviest? How influential were party and bureaucracy and public opinion in the handling of the crisis? What political costs and gains were incurred and gains accomplished?



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78

November 16, 1965

Edward S. Mason

Mr. Robert Komer
The White House
Washington D.C.

Dear Mr. Komer:

I am enclosing a letter addressed to Dean Rusk by Richard Gilbert and myself concerning India/Pakistan relations. I believe that Gilbert has spoken to you about this and wants you to see it before he meets with you.

Yours sincerely,

Edward S. Mason

Edward S. Mason

Enclosure

*By fax to
me & Rusk
memo 11/17/65*

NOV 16 1965

78
210 Littauer Center
Harvard University
Cambridge, Massachusetts
November 15, 1965

The Honorable Dean Rusk
Secretary of State
Washington, D.C.

Dear Mr. Secretary:

Some weeks ago a group of Harvard and M.I.T. experts on South Asia wrote you suggesting binding arbitration as an approach to the Kashmir problem. Further thought has carried some members of this group substantially beyond this position. It has long been understood that solution of the Kashmir problem was essential to the reconciliation of India and Pakistan. What should be equally evident is that reconciliation of the countries is also essential to a solution of the Kashmir issue. We have, therefore, been thinking in terms of a strategy which links measures for the solution of outstanding differences, Kashmir and all others, to simultaneous and dramatic moves towards reconciliation, peace, friendship and collaboration.

Commit || Such an approach has already been suggested to the government of Pakistan, which is now actively considering taking the initiative in extending the hand of friendship to India, calling for measures to resolve all outstanding differences finally, peacefully, equitably and honorably. It would suggest negotiation under an agreement for binding arbitration if negotiation should fail and propose, upon this basis, to enter at once into

- a) a treaty of peace and friendship
- b) demobilization, substantial disarmament and the diversion of resources to development
- c) maximum trade development, of which the potential is enormous
- d) joint efforts in economic development, e.g., the taming of the Brahmaputra-Ganges, joint provision of irrigation and power, collaboration in transportation, etc.

Such a strategy, properly launched in a noble and conciliatory letter from President Ayub to Mr. Shastri, inviting the support of the great powers, the U.N. and the Pope should stand a good chance of success. It is designed to make the accommodation of positions, which is essential for settlement, not a gesture of surrender but of reconciliation of two nations which, despite the recent enmity, have shared centuries of common history, suffering and aspiration.

The government of Pakistan may, however, fear to take this initiative. Passions have been aroused by the recent fighting, which may make it difficult for President Ayub, for reasons of internal politics, to make such a gesture. The government may also fear that this would be taken as a sign of weakness, impairing the possibilities of a Kashmir solution.

November 15, 1965

And the suggestion of arbitration may appear to mean the abandonment of the principle of self determination and the plebescite, which flows from the very nature of the settlement upon partition, was agreed to by India and supported by the United Nations. All this against the possibility that India might reject the offer.

May we suggest that the United States, in view of its overriding interest in peace in South Asia, take up this strategy. If it were to do so, two lines of action would be open to it. The first would be to encourage Pakistan to take the initiative she is now considering, undertaking at the same time to persuade India, in advance of Pakistan's offer, to accept the proposals.

The other line of action would be to bring President Ayub and Mr. Shastri to make a joint statement of reconciliation along the lines suggested above. For this purpose, and after adequate preparation, the two men might be invited to Washington and issue the statement of reconciliation and perhaps enter into a treaty of peace and friendship under the initiative and sponsorship of President Johnson.

If the government of the United States were to accept the suggested strategy, it would be appropriate to use maximum pressure as well as all conceivable persuasion. Pressure is already being applied to both countries in the stopping of new commitments for development aid and in keeping food aid on a month to month basis. What has been lacking in the policy has been a constructive procedure for solutions. This the above strategy can provide.

In the discussions with India it will be important to couple a clear statement of firm policy with an elaboration not only of the great advantage of eliminating an enemy at its borders and the great promise trade and joint development effort with Pakistan offers, but also of the readiness of the United States and other friendly powers to provide the greater external support which India needs. Some persuasion of Pakistan will also be necessary, though these issues have now been under discussion in Pakistan for the past month.

Much has been made of Indian sensitivity. Would India be willing to accept such a solution? There are differences of opinion on the part of those who know India well on the degree to which the sensitivity is only a bargaining gambit. The significant point is that the strategy provides a minimum of strain on this sensitivity and offers a maximum of advantages. It is our judgment that, given reasonable firmness and skill in the presentation, India will go along. But even if some doubts remain, with such great benefits in the modification proposed, surely the United States should continue its present policy of restriction on aid, while adding the inducements and persuasions suggested above.

November 15, 1965

The advantages of binding arbitration, while perhaps obvious, are worth restating. First, the whole history of negotiation between the two countries demonstrates an inflexibility on the part of the negotiators which doomed every effort. Given the present passions on both sides it is unreasonable to expect that negotiators would retreat significantly from established positions. Second, arbitration is a procedure rather than a settlement, so that the issue presented in the first instance is not a specific compromise solution, but a willingness to accept the fair and dispassionate judgment of outsiders. The procedure for settlement of the Rann dispute has already established a precedent. Third, and of basic importance, the agreement on binding arbitration makes immediate steps toward peace, reconciliation and collaboration possible and, therefore, creates the conditions in which the ultimate solution of the difficulty is likely to be most acceptable. Finally, the agreement on arbitration, by assuring some solution from the outside, greatly increases the prospects for the success of negotiation itself, which could then proceed with all of the advantages flowing from the steps taken toward reconciliation and collaboration.

It is, of course, contemplated that if such a strategy were adopted, every effort would be made to marshal public opinion in the two countries and, indeed, the world over, in its support. Statements made by Narayan and Bhave in India in recent years, if supported and multiplied in the press of both countries, could have a profound effect upon national sentiment. A campaign should be worked out to provide the basis for waves of editorials and speeches of reconciliation and friendship. These could be based on a series of treaties and agreements: the treaty of peace and friendship, a massive trade agreement, a large food agreement (Pakistan will have a half to three-quarter million tons of rice in surplus), an agreement for the development of the Brahmaputra-Ganges, etc. It is our conviction that the relation of these two countries has always been ambivalent. There is love as well as hate. A skillful effort of the sort suggested above could produce a transformation of attitudes.

May we conclude by emphasizing the importance and the urgency of reconciliation of these two great nations. Without it there will always be the menace of a blood bath, the destruction in months of the investments produced with such pain and at such cost, with the prospects of chaos and splintering, offering such obvious opportunities to the Chinese. It should by now be obvious that no counterpoise to the power of China can be created in South Asia without the reconciliation of India and Pakistan. The well-being of these two nations, as well as the basic interest of the U.S. in Asia require reconciliation. There is no viable alternative.

Failure to seize the present opportunity to bring reconciliation and stability to the area will leave the door open to dangers far greater than those with which we are grappling in Southeast Asia. On the other

The Honorable Dean Rusk

-4-

November 15, 1965

hand, resolution of the differences, reconciliation of the two countries would constitute for the United States a diplomatic triumph of the most profound implications for peaceful solutions everywhere. Nor should the promise on the economic side be overlooked. Pakistan has already provided a brilliant demonstration of the great possibilities that lie within the grasp of nations which are prepared to use the market mechanisms and pragmatic and non-ideological economic policies. This has already had a profound effect upon Burma, Iraq, Egypt and, we think, on India itself. Given peace and collaboration, and adequate external support, South Asia can produce massive economic growth, not only for the betterment of its own people, one-fifth of the world's population, but its example can give hope and inspiration to developing countries everywhere.

Sincerely yours,

Richard V. Gilbert

Edward S. Mason

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT
~~CONFIDENTIAL~~ (Attachment)

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Bundy

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1965 NOV 16 AM 11 57

November 16, 1965

TO: Mr. McGeorge Bundy
The White House

FROM: Benjamin H. Read
Executive Secretary

McGeorge Bundy

*India Pakistan
Let's BKS - 11/19/66*

Enclosed for your information is a copy of a briefing memorandum to the Acting Secretary dated 11/15/65 re "Meeting with the British on UK Policy Toward India and Pakistan".

Attachment:

As stated.

*Rec'd 3 30
mail*

~~CONFIDENTIAL~~ (Attachment)

NOV 16 1965

TAB A

MEETING WITH THE ACTING SECRETARY

THE UNDER SECRETARY'S CONFERENCE ROOM

November 16, 1965, 3:30 p.m.

Participants:

- British - Sir Patrick Dean, British Ambassador
- Mr. Cyril S. Pickard, Superintending Under Secretary,
Asia and Atlantic Division, Commonwealth Relations
Office
- Mr. Ronald H. Belcher, Under Secretary, Asia Division,
Ministry of Overseas Development
- Mr. Michael N. F. Stewart, British Minister
- Mr. Nigel C. C. Trench, British Counselor
- American - The Acting Secretary
- Mr. Thomas C. Mann, Under Secretary for Economic Affairs
- Mr. David E. Bell, Administrator, Agency for International
Development
- Ambassador Raymond A. Hare, Assistant Secretary of State
for Near Eastern and South Asian Affairs
- Mr. John T. McNaughton, Assistant Secretary of Defense for
International Security Affairs (tentative)
- Mr. Joseph J. Sisco, Assistant Secretary of State for
International Organization Affairs
- Mr. Robert Komer, Deputy Special Assistant to the
President for National Security Affairs
- Mr. Walter J. Stoessel, Jr., Deputy Assistant Secretary
of State for European Affairs
- Miss Carol C. Laise, Director, Office of South Asian
Affairs, Department of State

Memorandum of Conversation

McGEORGE BUCKENBERRY

orig ret'd BKS 3/11/66 20 H-Kornel 2-Pator 3-Rtd, 81

Part 4 of 6

1965 DEC 7 PM 4 7

DATE: November 9, 1965

Time: 11:00 a.m.

Place: The Secretary's office

SUBJECT: US/UK Policies on Aid to India and Pakistan

U.S.

UK

PARTICIPANTS: The Secretary
Thomas M. Judd, EUR/BNA

Sir Patrick Dean, British Ambassador
Michael N.F. Stewart, British Minister

COPIES TO:	S/S	EUR	Amembassy LONDON
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	G	G/PM	Amembassy KARACHI
	INR/OD	E	Amembassy Office RAWALPINDI
	WH	AID	
	CIA	DOD-OSD	

India-Pak

Sir Patrick said that Pickard and Belcher would be coming over in a few days' time to discuss India and Pakistan, particularly the problem of aid to these two countries. The Secretary said he wished to caution the British not to expect too much from such talks. Only the President could speak with authority on this subject. The President before reaching any decisions wanted to sit down with Ayub and Shastri to talk about their interests and our interests. He wished to find out what common ground existed. We would have to find out where both the U.S. and India and Pakistan were going in order to justify the commitment of one-third of our total aid to the subcontinent.

Sir Patrick said he would report this to London but he thought that Pickard and Belcher would still wish to come. He asked when the Ayub and Shastri visits were likely to take place. The Secretary replied that as soon as we got the Erhard visit set, we would let Ayub and Shastri know they could come any time at their convenience.

Sir Patrick noted that both James and Freeman had recently been in London for talks. He thought that Pickard would want to inform us of the British views on the situation. This was the main

/purpose

DECLASSIFIED
E.O. 13292, Sec. 3.4
State Dept. Guidelines
By *jc*, NARA, Date *5-19-04*

DEC 7 1965

~~SECRET~~

-2-

purpose from the British point of view. He noted that the UK would soon have to reach some decisions in regard to India and Pakistan.

SECRET

~~SECRET~~

MEMORANDUM

TO: General Sibley - JCS
[Redacted]
Mr. Komer - White House
Mr. Wehmeyer - State/L
Mr. Farr - AID

Mr. Hoopes - DOD/ISA
Mr. Hughes - State/INR
Mr. Jackson - State/IO
Mr. Johnson - State/SP
Miss Laise - State/SOA

258XAA

FROM: NEA - William J. Handley

1. In accordance with our deliberations the last time the Planning Group met, two papers have been prepared and are hereby submitted for your review (see attachments). They relate to the process of getting further movement on Indo-Pakistani differences.

2. I am scheduling another meeting of the Planning Group for Tuesday 9 November at 3:00 p.m. for the purpose of considering what planning papers should be prepared in connection with visits to the United States by Lal Bahadur Shastri and Ayub Khan. The meeting will take place in the Policy Planning Council Conference room as before. Should there be any substantial problems with the attached papers, they could also be brought up at that time.

Attachments:

1. "The Negotiation of Indo-Pakistan Differences: How to Get Started".
2. "Approaches to a Resolution of India-Pakistan Differences, Including Those Over Kashmir".

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NEA:SOA:HGHagey:prh 11/5/65

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Authority NLJ-032-026-002/2

By JC - NARA, Date 5-18-01

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MEMORANDUM

THE NEGOTIATION OF INDO-PAKISTAN DIFFERENCES:
HOW TO GET STARTED

Summary of Recommendations

The United States Should:

- 1. Urge Secretary General U Thant to keep under review the possibility that he may need to make a trip to the sub-continent for discussions with Ayub and Shastri as a means of assisting his military representative in the completion of plans for Indo-Pak troop withdrawals, and for a preliminary exploration of the most appropriate means for initiating a negotiating process which would deal with the related political issues.
- 2. Discuss promptly with the SYG the pros and cons of alternative processes for settling Indo-Pak differences.
- 3. Support the Secretary General's efforts through bilateral communications with India and Pakistan which would make clear that what we see is a process, not immediate substantive concessions, and which would cover in general terms the relationship of U.S. aid to the establishment of such a process.
- 4. Initiate some relaxation of the Closed Door policy on aid in conjunction with the SYG's efforts.
- 5. Seek early visits to Washington by Ayub and Shastri.

I. The Objective

The early engagement of India and Pakistan in a process of settling their differences is urgent and important to the pursuit of US objectives:

a. Until

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E.O. 13292, Sec. 3.4
State Dept. Guidelines
By jc, NARA, Date 5-19-01

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a. Until the process begins, the cease-fire will remain precarious and the full withdrawal of armed personnel by Pakistan and India is unlikely to occur. Both sides appear to want a view of the political future before they agree to military disengagement.

b. Our dilemma with respect to aid policy will become increasingly painful. On the one hand, a Closed Door policy is necessary until we have greater assurance that our aid will not be wasted and will promote our mutual interests. Such a policy also serves to a degree as a pressure and an inducement on both parties to make progress toward political accommodation. On the other hand, a Closed Door policy prevents us from pursuing other aspects of our basic national interests -- the economic and political progress of an area of great importance to the U.S. and the rehabilitation and improvement of our bilateral relations with the two countries. The longer we withhold our aid, the greater the risk of adverse political and economic decisions by India and Pakistan that will be difficult or impossible to reverse.

The crux of the problem in establishing a negotiating process is Kashmir.

Pakistan would prefer that we use the full weight of our influence in an effort to achieve a Kashmir settlement, but there are powerful objections at this stage to such a commitment of our influence. Depending on its nature, support for any particular settlement would place serious strains on our relations with either India or Pakistan or both. Furthermore, it is quite doubtful that a formal settlement -- rather than a process of negotiation and adjustment -- is an achievable policy objective. The basic clash of national interests and attitudes between the two countries was, at least for the time being, accentuated rather than weakened by the outcome of the recent fighting; any leverage that our aid programs might provide us would be insufficient to produce a settlement.

India would prefer that we remain relatively non-involved on Kashmir. This strategy could be pursued by spinning out the negotiations in the UN and by taking no initiatives ourselves in response to Pakistan's pressure. This course would appear to mirror the political realities within India and

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its military position vis-a-vis Pakistan. However, it is doubtful that it would bring stability on the subcontinent and it is not consistent with positions we have taken in the UN Security Council. If we passively accept such an Indian strategy, a frustrated and embittered Pakistan, in collusion with Communist China, could greatly complicate the effort to achieve an economically and politically viable India. The total effect might be a major weakening of the Western position in South Asia and a relatively effortless victory for Communist China.

We should therefore follow for the immediate future an intermediate course designed to lock India and Pakistan into a meaningful process of discussion of their differences. It is difficult to judge in advance what success we may have in pursuing this strategy. The key factors in the short-run will be Pakistan's desire to save face and India's willingness to make procedural concessions which would permit Pakistan to do so. Longer-term prospects will depend upon Pakistan's willingness to abandon the use of military pressures and to revert to a strategy of reliance upon political action and diplomacy. Ultimately, prospects depend upon whether forces favoring moderation and accommodation on both sides manage to prevail.

II. Next Steps In The UN

Security Council Resolution 211 of September 20 and the UN Secretary General provide the mandate and instrument for pursuing this course in the immediate future. Reliance on the UN has the advantage of reducing the likelihood of conflict with the Soviets and of keeping the US once removed from the frontline of the negotiations.

The SYG is seeking favorable reactions from India and Pakistan to his designation of Major-General Sarmiento, Commander of UNEF, to formulate with the appropriate military representatives of India and Pakistan, a plan for withdrawal

of

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of forces. It is possible, but unlikely, that General Sarmento will be able to complete a plan of withdrawal without major assistance from the Secretary General. This assistance may need to take the form of a trip to the subcontinent in which the SYG would confer with Ayub and Shastri.

In view of the US-USSR differences that have developed in the Security Council, it is unlikely that the four major powers in the SC will be able to concert effectively in support of the Secretary General's effort. One possibility for bringing additional support to the SYG would be for the non-permanent members to take more initiative. This might have the effect of keeping the Council in effective motion on the problem and preventing an early resort to the General Assembly. If, despite the efforts of the non-permanent members, the SC should be prevented from giving effective support to the Secretary General, it may be necessary for the general problem to be taken to the GA.

III. Framework For Negotiations

The determination of which framework for political negotiations is most likely to be acceptable could be made by the Secretary General on the basis of discussions with Ayub and Shastri. However, it would be useful for the U.S. to explore with the SYG the pros and cons of various alternatives, including the following:

1. Bilateral Talks:

Bilateral talks would be easier for the Indians to accept than other negotiating methods. It is extremely unlikely, however, that Pakistan would agree; it would regard a proposal for bilateral talks as a "sell out" by which India would be enabled to avoid the issue as it has in previous bilateral talks. Pakistan would not receive the "hearing" on the problem which it will certainly insist upon.

Furthermore, the Indian Foreign Minister has now indicated to Ambassador Goldberg (USUN 1470) that third parties might be acceptable to get talks started or to delineate the problems.

2. Trilateral Talks:

Secret talks on Kashmir (and perhaps simultaneous talks on other issues) might take place outside the sub-continent between representatives of the GOI and GOP with a third party -- perhaps a representative of the Secretary General -- present. The terms of reference should be quite general to ease Shastri's formidable political problem of agreeing to talks in any form. Agreement that the talks would be entirely ad referendum might also increase their acceptability to India. The presence of a third party would be important for Pakistan and could help keep the talks from breaking down. The talks could help give Ayub and Shastri the time they need domestically to make accommodation politically possible. The initiation of such talks would probably provide us with a clearer-cut basis for resumption of aid than any other approach except, perhaps, the one just below. (It is, of course, recognized that other bilateral issues will have to be resolved before there can be full-scale resumption of aid.)

3. A Comprehensive Framework for Talks:

The SYG might attempt to obtain the agreement of both parties to simultaneous "technical level" discussions on all outstanding issues, perhaps in three commissions -- military, political and economic -- and perhaps involving participation by a third party in certain of the discussions. Agreements on the technical level would, of course, be subject to government approval. This approach would have major advantages: it might make the question of negotiations easier for India since Kashmir could be subsumed in a more general framework; it might make Pakistan less demanding on Kashmir since there would be prospect for gains in other fields; and it might provide the setting for the kind of "vision of the future" which would strengthen moderate forces within both countries. It would also provide the most clear-cut basis for resumption of aid.

On the other hand, it will probably take longer to

achieve

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achieve agreement on this complex approach; such agreement may emerge only as the product of preliminary discussions which take one of the other forms discussed above and below. It is doubtful whether the Secretary General will have the power to persuade India and Pakistan to agree to such a comprehensive approach without powerful support from the US, and perhaps from other members of the SC. If we conclude that it provides the best basis for resumption of aid and decide that we should seek to move rapidly toward it, we would probably have to support the SYG's efforts with major bilateral efforts.

4. Good Offices or Mediation:

A third party -- perhaps a representative of the Secretary General -- could exercise "good offices" or attempt to mediate differences, including the Kashmir dispute. It would be unnecessary for the two sides to sit at the same negotiating table. The Indians might find this approach politically advantageous. The third party, following the British pattern of the Rann of Kutch negotiations, would deal with each side bilaterally. The terms of reference of the mediator might be general in character in the light of the GOI's position. A time limit might make this formula more acceptable to the Pakistanis. Following its expiration the problem might be referred back to the UN. If the Rann of Kutch is any guide, this method would be particularly time-consuming. Full-scale resumption of aid might be indefinitely deferred because of difficulty in judging net results.

5. A UN Commission:

If the two parties agreed, the Secretary General or a UN organ might appoint a commission either of eminent individuals who were not national representatives or of representatives of selected Afro-Asian countries. Such a commission might examine all of the major issues between the two countries and either recommend the broad terms of a

settlement

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settlement or a procedure for resolving the issues, perhaps along the lines of the standing commissions proposal above. By having this group report back after some time (e.g., to the next General Assembly in the fall of 1966) we would buy valuable time.

On the other hand, an impartial group would be difficult to select, and if it were truly impartial might be unacceptable to the Indians. The delay involved could pose difficult questions for the US with respect to resumption of aid.

6. World Court:

If it should prove impossible to initiate substantive negotiations, or if, once started, such negotiations should later founder on the parties' adamant legal positions, it might prove useful to seek an advisory opinion from the ICJ. A ruling from the Court in such circumstances could move the settlement efforts off dead center. The ruling would afford a common basis for discussion if the two governments wished to negotiate but did not feel they could accept the domestic political risks of departing from their traditional legal positions.

The question for the Court might be framed as follows:

"What is the status, under international law, of the State of Jammu and Kashmir, and what are the international obligations, if any, of India and Pakistan respectively regarding the State of Jammu and Kashmir?"

7. Arbitration:

Arbitration would be highly acceptable to the Paks, but there is no chance that the Government of India would now agree to it. It would therefore appear pointless to press this possibility with the Indians.

IV. The

IV. The Relationship between the UN Effort and Bilateral US Efforts

The question of the relationship between resumption of US aid and progress toward establishment of a process for the reduction of tension between India and Pakistan has been dealt with in other papers and will not be considered in detail here.

As the above discussion of alternative negotiating frameworks suggests, it is impossible to define in advance precisely when we can consider that a "process" of consideration of Indo-Pak differences justifying some resumption of aid will have occurred. Equally obviously, our aid actions should support the efforts of the SYG and, at the same time, support our own efforts to improve bilateral relations. But these two processes may not be perfectly coordinated and we may have to make choices along the way as to which objectives receive priority. In general, so long as there is a reasonable prospect of obtaining movement toward a process for settling Indo-Pak differences, efforts to this end should receive priority since these differences lie at the root of many of our bilateral problems. For the moment, however, we can only suggest relationships between first steps as follows:

1. If a trip to the subcontinent by the SYG proves necessary, it should, if possible, be made before Ayub and Shastri visit Washington. Some movement - or at least some testing of the prospects for movement - on political issues will be desirable to help determine our own priorities in these visits and to provide a more concrete basis for supporting whatever UN efforts are then underway.

2. However, the US should communicate bilaterally with the governments of India and Pakistan in advance of, or simultaneously with, the SYG's mission to make clear (a) that the US will find it difficult to resume full-scale aid to either country until there is a clearer prospect of stability in the subcontinent and assurance that fighting

will

will not soon resume -- to do otherwise would risk serious wastage of aid resources; (b) that the US is not asking for immediate substantive concessions on Indo-Pak differences -- our objective is rather the establishment of a process through which there can be careful and full consideration of these differences; (c) that to this end, we support the efforts of the SYG; and (d) that the US does look forward to the prospect, once such a process has been initiated and certain bilateral problems have been resolved, of expanded relationships with the two countries in the development field.

We should seek to convince Pakistan that Communist China does not provide an alternative source of support which will assure achievement of Pakistan's objectives in Kashmir. Similarly, we should seek to convince India that it can deal effectively with the Pak-ChiCom problem only if seriously it seeks accommodation with Pakistan through offer of concessions on the basic Indo-Pak differences. These points could be communicated by our ambassadors, by a Presidential letter or by special means.

3. If there has been no opening of the aid door before the SYG's visit, it would be desirable that some relaxation accompany or follow the visit if conditions otherwise make that possible.

4. The SYG's efforts over the next few weeks should be supplemented by visits to Washington of Ayub and Shastri in which the whole range of problems between us can be discussed.

S/P:DLinebaugh:RHJohnson
IO:EJackson

October 27, 1965

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E.O. 13292, Sec. 3.4
State Dept. Guidelines
By jc, NARA, Date 5-21-04

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APPROACHES TO A RESOLUTION OF INDIA-PAKISTAN DIFFERENCES, INCLUDING THOSE OVER KASHMIR

This paper assumes that any India-Pakistan agreement to negotiate their political differences will need to be in a broad context, with Kashmir being only one part of the scenario. Regardless of whether Kashmir is the first subject on the agenda or whether other subjects are taken up initially, the question of Kashmir will obviously be a central feature of the negotiations before they are finished.

This paper, therefore evaluates various approaches that could be made on this central issue -- other than a plebiscite as provided in the UNCIP resolutions.

I. The 1963 Bilateral Negotiations

These negotiations started in December 1962 and continued until June 1963. They were held alternatively in India and Pakistan. While no agreement on Kashmir was reached, both governments did in the negotiations move away very substantially from previous positions.

The Indian Approach

Senior officials of the Indian government were prepared to give serious consideration to a partition of Kashmir which would give Pakistan territory in the northwest

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section of the Vale. President Radhakrishnan appeared at the time to favor this kind of solution (and indeed mentioned such an approach recently to Ambassador Bowles). Nehru permitted discussion of this kind of partition to go on with United States and the UK representatives but finally rejected any approach which would involve a partition of the Vale.

The Pakistan Approach

Pakistan was prepared to consider a partition of the State outside the Vale with some kind of international administration of the Vale for a period of perhaps 10 years, pending some form of self-determination in the Vale. President Ayub appeared to be flexible as to the form the self-determination would take.

Functional Arrangements

The United States and the UK representatives had many discussions with representatives of both governments during the bilateral negotiations of various ways in which partition arrangements might still permit relatively free trade and movement by the people of Kashmir in their relations with each other and with India and Pakistan.

The principal possibility discussed was for any partition line through the Vale (irrespective of its location) to be a "soft line" for the people of the Vale (and to some extent for others) with the principal control posts being placed not

on the partition line in the Vale, but on the rim of the Vale. While there were very substantial differences between the Indian and Pakistani approaches to the Vale (and as to where the partition line should be drawn in the Riasi district south of the Vale), arrangements for a "soft line" through the Vale could have had the effect of diminishing the major differences in India's and Pakistan's approaches to the Vale.

Toward the end of the bilateral negotiations the press in both India and Pakistan got wind that partition was one of the approaches being considered. There was a prompt outcry from the people and the press on both sides of the cease-fire line in Kashmir against the State being divided up by the big powers. A sense of Kashmir identity which had previously been largely dormant, suddenly emerged and all forms of partition were denounced.

II. Autonomy for All of Kashmir

Sheikh Abdullah has advocated a large degree of autonomy for Kashmir. It is highly probable that the Pakistanis would alter some of their extreme demands with regard to Kashmir if the Indians would permit the Sheikh to return to political leadership in the State.

If India were prepared to grant a substantial degree of autonomy to the State, to the point of permitting the State to have the degree of independence possessed by Sikkim and Bhutan, it is possible, although unlikely, that Pakistan might be willing to have Azad Kashmir joined in some manner to that part of the State under the Sheikh's administration. Presumably, any such autonomy would have to permit easy trade and cultural relations with Pakistan.

Pakistan would probably insist, however, that there be no reintegration of Kashmir into a single political unit unless the State as a whole were to achieve full independence -- subject to certain India-Pakistan or international guarantees.

Dual Autonomy

One approach to autonomy, which could hold some promise, would be for India and Pakistan each to grant a substantial degree of autonomy to the parts of Kashmir presently under their administration, with functional relationships being established between the two autonomous areas across a "soft cease-fire line". Such moves for autonomy might either be connected in time with the Indian elections or could be made the subject of a round-table conference which might follow the Indian elections. This approach could be combined with the IBRD action suggested in VII 2 of this paper.

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The idea would be that increasing commerce and relationships across the cease-fire line (or some revision of it) might over a period of time lead to a political solution the exact nature of which could not now be foreseen.

Under one version of this approach elections would be held in the Indian and Pakistan areas of Kashmir, at or near the time of Indian elections, and if the elections were won in both areas by parties with identical platforms, India and Pakistan would participate in a roundtable to devise procedures "to give effect to that identity of view". This particular approach might have the disadvantage of injecting Kashmir into the Indian elections. Also elections in Kashmir have notably been rigged and the Paks would be likely to insist on international supervision. The likelihood of parties in the two areas running on completely identical platforms would be low. The result therefore of such a proposal might be a Pak counter-proposal that the issues to be decided in the election be defined in advance.

However, some process by which the people of Kashmir, or their representatives, are brought into the dialogue is probably an essential ingredient if a durable resolution of the problem is to be achieved.

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III. Independence for the State

For Pakistan to accept independence for Kashmir would represent a considerable modification of her previous position. For India to accept it would mean a complete reversal of previous position. It is probably the solution which would be most congenial to the Kashmiri people -- provided it was accompanied by certain defense guarantees and provided international or other arrangements were made for a very substantial input of development financing.

Independence has the theoretical advantage of denying the State to both India and Pakistan. It might have the practical disadvantage of opening the State to subversion from China -- unless Sheikh Abdullah, or other political leadership, was able to develop and sustain a vigorous political base.

The defense guarantees could be by India and Pakistan. They could be supplemented by a United Nations presence.

The financial support could be provided by a consortium, of which India and Pakistan were members, perhaps administered by the World Bank. There is no reason why all the financing should be on a governmental basis. The tourist potential should attract important private investment.

IV. Partition Outside the Vale

Most of the approaches to a Kashmir settlement that have been considered seriously, either in bilateral negotiations between the two governments or indeed in United Nations negotiations, have involved some form of partition outside the Vale with various special arrangements for the Vale itself.

In several UN negotiations it was envisaged that the partition outside the Vale might in fact take place through a system of zonal plebiscites with contiguous areas joining with contiguous areas.

Special arrangements for the Vale could include:

(a) Guaranteed independence. Independence could be by a UN presence. guaranteed by India and Pakistan and buttressed/India would have major problems with this approach.

(b) Autonomy. The autonomy could be of the Sikkim-Bhutan variety, with India handling defense and foreign affairs -- and with easy trade with, and movement to and from, Pakistan. Pakistan would have great difficulty with this approach.

(c) UN administration, pending self-determination. This would be a big job for the UN - perhaps too big -- and would necessitate agreement on the procedure of self-determination and on the financing of the operation.

Under any of these approaches, a "soft line" could be established on the rim of the Vale to facilitate trade and movement into and out of the Vale.

VI. Reference to the ICJ

At some point in the negotiating process it might be useful for there to be a reference to the ICJ Court for an advisory opinion as to the status of the State under international law and as to the international obligations of India and Pakistan regarding the State. Such a move might be related to any one of the approaches outlined above.

We can anticipate that it would be very difficult for India and Pakistan to agree on the formulation of the question that would be put to the Court. India would want a minimum or no reference to the UNCIP resolutions. Pakistan would clearly want some reference to them. The advisory opinion would need to be requested by the UN Security Council or the UN General Assembly. There would be the question of the utility of an opinion if one or both of the parties did not agree with the wording of the question that was put to the Court.

VII. Inducements

Any one of the approaches indicated above would need to be combined with inducements by the international community,

and particularly by the United States and the UK, if there is to be movement and any progress in the negotiating process.

Such inducements might include:

1. A Presidential program for South Asia, comparable in its general character and scope to the Southeast Asia Regional Program, designed to help cover the external requirements of India's fourth Five-Year Plan and Pakistan's third Five-Year Plan, and joint Indo-Pak development projects.

2. Financing for economic development in Kashmir, perhaps through the IBRD.

For instance, the IBRD might tell India that, while the Bank stayed out of politics, it was prepared to support a plan which was in the economic interest of India and Pakistan and which was consistent with the present legal and political position of both countries regarding Kashmir. The IBRD would say that the Bank would support and participate in a Kashmir Development Authority on condition that economic obstacles to the development of the area as a whole were gradually removed. The Bank would define "economic obstacles" as barriers to the free movement of people and goods within Kashmir and between it and India and Pakistan.

The IBRD would also say that the Bank was prepared to move quickly on this plan as soon as there was some assurance to the Bank in the state of the relations between India and Pakistan that its investment would not be wasted. The Bank needed insurance against war. The IBRD might define this more precisely as the commencement of negotiations by the two countries on their differences.

If India agreed, the/^{IBRD} would communicate the proposal to Pakistan.

Both the Indians and Pakistanis might be attracted by the above because of the promise of additional money. India, in present circumstances, would resist any plan for the free movement of people; hence the use of the word "gradual" above. Pakistan would resist the idea if it regarded it as a disguised way of not dealing with the Kashmir issue; hence the condition which relates it to the beginning of negotiations.

3. Assistance to support other Indo-Pak economic projects as they might agree upon, such as the common problems related to the Brahmaputra and Ganges.

4. Financing of a Kulu Valley road from the Punjab to Leh, as a supplementary and less vulnerable link between India and Ladakh.

5. Some resumption of military aid to both countries

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within the context of withdrawal of forces from present positions
and a redistribution of those forces.

IO:EJackson/S/P:DLinebaugh

S/P:RJohnson 10/26/65

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Copy to: Mr. Komer
84

October 13, 1965

John / Paul

MEMORANDUM FOR
THE SECRETARY OF STATE

In the last meeting that George Ball and Bob McNamara had with the President before he went into the hospital, he expressed his unwillingness to think about new emissaries to India and Pakistan and his reluctance to change his current orders on food and aid. When I said that one of our troubles was that our Ambassadors were not getting our stories across very clearly, he said that we ought to write a good, firm, clear instruction to them, and to all our own people, and "get it out."

I gave this drafting assignment to Bob Komer, and after some informal consultation in the Department, he has come in with the attached instruction. Before trying it on the President, I would like to have your own judgment and such editing as Fay Hare and his people may wish to suggest. My own feeling is that Komer has come quite close to what the President would now want said, but you have talked to the Boss more recently than I have.

Would you let me know what you think? I would like to try this on the President within the next two-three days, depending on the rate of his convalescence.

151

McGeorge Bundy

PRESERVATION COPY

OCT 13 1965

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

India Pak
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~~SECRET~~

Tuesday, October 5, 1965, 8:45 PM

MEMORANDUM FOR THE PRESIDENT

Subject: India and Pakistan

This is one subject on which I think you may wish to have a brief meeting before you go to Bethesda. There are storm signals in both countries and we can do better in the next two weeks if all hands have up-to-date guidance from you.

Moreover, your stay in Bethesda obviously puts off the time at which Shastri could come here, and, along with Ayub's unreadiness to move in a continued state of crisis, reduces the prospect that we can move forward by pressing for early conversations with you -- although the Shastri possibility remains important and hopeful, perhaps for late October.

Meanwhile, there is a real danger that both Pakistan and India will misread our policy. The Paks may wrongly believe that their alternatives are crude pressure on us or a crude bargain with the Red Chinese -- this is the way they are talking and acting. The Indians may wrongly feel that we are using food as a blunt instrument and that the only safe reply in Indian political terms is to move publicly and proudly toward isolation from the West. The Indians may also feel -- again quite wrongly -- that we intend to try to trade our assistance for their "surrender" on Kashmir.

These problems are compounded by the fact that our channels to Ayub and Shastri are clogged, both in Asia and in Washington. Except at the moment of truth on the ceasefire, your government has not succeeded in communicating sharply just what we do and do not want. In part this is the inevitable result of our decision to hold everything until Shastri and Ayub get here. But in part it is also the result of the very rapid changes in Pakistani and Indian thinking because of the enormous national crises into which they have steered themselves. We have not yet adjusted our responses to this new situation.

All of this, I suspect, is at least as clear to you as it is to us. But what we now need to do is to sort out our own thinking, and then make some sober and straightforward noises to the Asians.

Not as final answers, but as indications of the shape of the problem, we suggest the following principles and the following tactical conclusions:

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Authority FRUS 64-68, Vol. 25, #239

By JC NARA, Date 5-19-84

OCT 6 1965

THE WHITE HOUSE

WASHINGTON

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A. Principles

1. India is more important than Pakistan and there is enough hope in India to justify continued support by food and economic aid if the Indians in turn are reasonable with us.

2. Within this priority we still need not lose Pakistan if we can show the Paks the emptiness of the Chinese route and the reality of continued Western economic support.

3. We should not kid ourselves about any early Kashmir settlement. American fidgeting over Kashmir will only make us trouble with India and arouse false hopes in Pakistan. The most we can do is what Goldberg is doing: press for acceptance by both sides of the process of peaceful discussion as against the process of trial by arms. (We emphasize this point because it would help wonderfully in this town if you were to announce this conclusion as your own. Kashmir fixers are a plentiful and dangerous commodity.)

4. We cannot tie our economic aid to positive progress on Kashmir. We can tie it to reasonable progress under observance of the UN ceasefire resolution and to the acceptance of political process. We can also tie it to other basic US interests such as:

- a. Keeping the Paks out of Chinese arms;
- b. Keeping the Indians from unbalanced surrender to the Soviets (although Soviet help in itself is not intolerable.)
- c. Keeping the Indians away from nuclear weapons;
- d. Pressing both countries toward better economic and agricultural policies.

B. Tactics

1. The thing which is giving us most trouble right now is the absence of dialogue. We are inclined to think that someone clearly speaking for you should be sent to these two countries within the next two or three weeks. This could be Arthur Dean, who begins work tomorrow, but if you want to

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WASHINGTON

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give him more time to learn, you might want to send one of us this time. There is great advantage in sending someone who really speaks for President Johnson; whatever our other failings, we play your tune, and most people know it.

2. In due course, we should defuse the explosive issue of food as a political weapon. At the same time, we should not get back into long-term agreements. A shift in a couple of weeks from the current one-month basis to a quarterly basis, with appropriate agricultural assurances attached, would do us a lot of good and cost us nothing in terms of leverage.

3. The burden of our song to Ayub and Shastri should be a judicious mixture of firmness, concern, and continued readiness to help on reasonable terms. Specifically, to Ayub:

a. We should drive home to the Paks the folly of threats and the still greater folly of switching to Peking.

b. On Kashmir, we should maintain our commitment to a process, but make it crystal clear that the only real hope the Paks have here is in conciliation and not conflict with India. This is a fact of life, and their adventure this summer proves it.

c. If the Paks are responsive, we are ready to start talking renewed economic aid, but as a simple fact it will be a long time before military assistance can begin again to either party. (These are warnings and expressions of willingness to negotiate -- they should not be commitments, since these ought to be reserved both for a later time and a higher level.)

4. To the Indians, we would make it quietly clear that we accept and indeed support their primary role in the subcontinent, and that in particular we are not agents for Pakistan or supreme judges on Kashmir.

But, within this basic premise, we could and would press the Indians to recognize the necessity for political process and the advantage to them of gradual conciliation, since they too would lose if the Pakistanis made a fatal plunge toward China.

5. With respect to the UN Resolution, and political process, we should emphasize to both that unless there is a return to the methods of peace, it

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is a fact and not a theory that the whole future of US assistance will be gravely jeopardized. How can the American Congress justify long-range, large-scale efforts to people who cannot do what is needed to keep the peace. It is this test, not the test of a specific Kashmir settlement, which the American Congress will apply.

We have sketched these outlines of a policy, not because we are convinced it is the only one, but because we see a prospect of grave losses in both countries if we go forward in the coming weeks with no policy at all. It is this prospect which makes us urge a meeting even in these last hectic days before you go to Bethesda.

McG. B.

McG. B.

R. W. Komer

R. W. Komer

Set Up a Meeting _____

Speak to me _____

Ret Komer

86a

India/Pak

Penned note to Mr. Valenti

Jack -

This is longer; but I do believe the Appendixes will interest the President.

Appendix A shows what our aid since 1958 has achieved in India and Pakistan -- and what happened to Communist China when the Russians bailed out on aid.

/s/ Walt

Oct 2, 1965

re: memo to the President, Oct 1, 1965, "The Future of India and Pakistan. SECRET

OCT 5 1965

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APPENDIX D

Possible Areas of Economic Collaboration Between
Pakistan and India

This is a very brief statement of a number of areas in which economic collaboration between Pakistan and India might be economically and politically advantageous to both. This is obviously not a complete list, and each of the suggestions requires investigation. They are grouped under several headings.

Trade

1. Pakistan natural gas for Indian fertilizer production.

India is planning the establishment of nitrogen fertilizer plants throughout the country. A number of these are located not far from the borders of both East and West Pakistan. India is planning to use naphtha as the feedstock for all of these plants. There is natural gas in both East and West Pakistan, which, after taking into account the cost of transmission, might constitute cheaper base material than naphtha. Obviously, both the technical and economic aspects of these possibilities need careful examination.

2. Cement from India to East Pakistan. It is my understanding that none of the raw materials for cement production are available in East Pakistan. They are available on the east coast of India, and conceivably cement plants located on India's east coast could supply East Pakistan's cement requirements more cheaply than any other source. Again, careful investigation is required.

3. Coal from India to Pakistan. India has been shipping approximately 2 million tons of non-caking coal per year to East Pakistan. East Pakistan's energy requirements are growing rapidly and it might well be that non-caking coal from the adjacent areas of Bihar and West Bengal would provide the cheapest fuel for power plants and other users in East Pakistan. Conceivably, efficiently organized coast-wise shipment of coal from the same areas to West Pakistan would also be economic.

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4. Rice from Pakistan to India. In the last few years Pakistan has developed an exportable surplus of rice. It is entirely conceivable that this surplus will persist and grow. India, on the other hand, may well be in need of rice imports for some years to come. This trade could be fostered if the US Government were to refrain from insistence that Pakistani rice exports be somehow matched by additional Pakistani dollar purchases of wheat from the US.

5. Trade in manufactures, notably Indian machinery to Pakistan. India's machinery building is growing rapidly. Advantages of location and of familiarity with local conditions and requirements should permit the growth of export of such goods from India to Pakistan.

Bank role in encouraging Indian and Pakistani trade.

The Bank itself could contribute to the development of India-Pakistan trade. The Bank gives some preference to domestic producers, where competitive international sources of supply figure in the use of Bank loan funds. In the case of India and Pakistan the Bank might well consider extending the area of domestic preference to include India and Pakistan in case of loans to either country.

Railroad transport

Rail movement between Bihar and West Bengal on the one hand and Assam on the other hand might well be facilitated and reduced in cost if more direct lines across East Pakistan could be and were used by the Indian railways.

Water resources

There are problems and opportunities in the use of the water resources of the Brahmaputra river basin which can probably be effectively attacked only by a collaborative effort on the part of India and Pakistan.

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Exports of jute manufactures

India and Pakistan together supply a major part of world requirements of jute manufactures. An effective agreement between the two, probably also involving the major consumers, could establish a price support and buffer stock operation calculated to yield the maximum long-term returns to both India and Pakistan. Such an agreement would prevent sharp year-to-year price fluctuations and would help to avert both substitution of other materials and destructive price competition.

These are some first ideas.

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