Jeanne Davis -- HAK looked these over on London trip but did not mark whem. I assume they should be treated as other MEMCONs which HAK does not specifically approve.

ACTION

DRH

June 21, 1971

29740X

SUBJECT: Memorandum of Your Conversation with Ambassador Keating

The attached is for your approval and for your files only.

Approve Other Other Other Other

June 4, 1971

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Kenneth Keating, US Ambassador to India

Henry A. Kissinger, Assistant to the President

Harold H. Saunders, NSC Staff

Date and Place:

4:00 p.m. Thursday, June 3, 1971, in

Dr. Kissinger's office

After an exchange of pleasantries, Ambassador Keating asked Dr. Kissinger to "tell me what you know." He said that he had been emotionally upset about developments in Pakistan, but wanted to leave emotion aside and discuss the issues themselves.

Dr. Kissinger said he thought it would be useful to explain the President's views on what has happened in South Asia. He has felt that it is "premature to move on the Paks." We certainly will use our influence to do whatever we can to help solve the current humanitarian problems. But the President has felt that we should give President Yahya a few months to see what he can work out. As the President sees it, if we approach the Pakistanis emotionally now, we would not gain anything and we might lose what ability we may have to influence the situation.

Our judgment, Dr. Kissinger continued, is that East Pakistan will eventually become independent. This, heffelt, is the Ambassador;s judgment too. The problem is "how to bell the cat." The President has

In all honesty, Dr. Kissinger pointed out, the President has a special feeling for President Yahya. One cannot make policy on that basis, but

Dr. Kissinger said that one of the President's main concerns is that India be discouraged from military action. Just to give the Ambassador the flavor of the President's feelings, he recalled that ten days ago when we had received reports that India might be considering military action the President had said he would cut off economic assistance if India moved. "But we don't have to think in those extreme terms." The Pakistanis are already up against a very difficult situation, and our policy is to "give the facts time to assert themselves."

Dr. Kissinger concluded his comment by saying that he knew that if he were in New Delhi watching all of these things at first hand, he would not be so detached in his observations.

Ambassador Keating said that, apart from the humanitarian aspects of the problem and the four million refugees, he had wanted to talk about military and economic assistance to Pakistan. He said he felt that military aid is "just out of the question now while they are still killing in East Pakistan and refugees are fleeing across the border."

Dr. Kissinger interjected that the President's viewswas to hold up on the one-time exception [military package for Pakistan] and to give those spare parts not relevant to the situation. The Ambassador said that he had seen the proposed policy decision memo in the State Department and noted that it included non-lethal military equipment and spares. This, he felt, would mean ammunition. The Ambassador felt this would "bring terrific criticism on the President's head." He said he recognized the special relationship with President Yahya--although he did not understance which would suggest limiting it to non-lethal items. But even that, he felt, would cause criticism of the President. He said he felt "very strongly about military aid."

He said he wanted very much to "see the President succeed." He had "defended the President's Vietnam policy up and down India." He just thought "that to take on this additional burden is an unnecessary burden just out of loyalty to a friend."

Having said that, he felt that on the merits it is wrong to resume military assistance as long as the killing continues in East Pakistan. Dacca is reasonably quiet, although only half the normal inhabitants are there. The Pakistani army is now concentrating on the Hindu population. At first the refugees crossing into India were in the same proportion of Hindu and Muslim as in the whole East Pakistani population. Now, 90% are Hindus.

As for economic aid, the Ambassador continued, no one can complain about continuing PL-480 food into the cyclone area, although there is a problem in getting the ships unloaded. As for other aid, the press had reported that the US, the World Bank and other consortium members

were going to bail Pakistan out economically. Press reports made it sound as if this would be done unconditionally. The Ambassador said he thought that certain conditions should be attached to any further economic assistance: (1) the killing should be stopped in East Pakistan; (2) the refugee flow should be stopped and a process should be started which would permit the beginnings of a refugee return to East Pakistan; (3) steps should be taken to achieve a political settlement. He said he just did not know how or whether this could be done.

Dr. Kissinger interjected that the Pakistanis do not know how a political settlement can be achieved either. The Ambassador said that the West Pakistanis seem intransigent about Mujibur Rahman, !'who is a tin god in East Pakistan."

The Ambassador explained that there are two reasons for India's concern:

- --When Mujib's landslide victory was achieved with platform plank of better relations with India, Indians thought that sounded pretty good and got their hopes up for a Pakistan which would have a dominant political element in it espousing that policy.
- -- The Indians are also concerned about the deep ties of the West Bengalis with the East Pakistanis.

Dr. Kissinger said there was a third Indian concern-that with the passage of time radicals would take over the resistance movement and would eventually cause more trouble for India. He said he understood the Indian point of view. Ambassador Jha is one of the few ambassadors "with whom I have any social contact." He said he had had lunch with Ambassador Jha about March 15. The Ambassador, speaking for himself, said that his government, he felt, preferred Pakistani unity at that time.

Dr. Kissinger continued that we have a difficult gradual process ahead of us while the situation ends up "where you [Ambassador Keating] want it." We want to buy time for this to happen. We have no illusions that West Pakistan can hold East Pakistan and we have no interest in their doing so.

Ambassador Keating noted that, if there is to be an independent Bangla Desh, we would like to have friends there, too. Dr. Kissinger said that we also want to maintain good relations with India but that we do have a "management problem" over the next few months.

Ambassador Keating described his good relationship with Foreign Minister Swaran Singh. He described him as "straight, honorable, a very fine man--a Sikh."

Dr. Kissinger said that he had played with the idea of going to the Korean inauguration and then going to Vietnam and perhaps to India after that. If he did--and he felt there was very little chance he could actually get away for this long--he would be in India around July 5. He asked whether Ambassador Keating felt it would be useful for him to talk to some people there. The Ambassador replied that he should see Mrs. Gandhi and Foreign Minister Singh.

The Ambassador continued that he has been impressed with the real majority which Mrs. Gandhi won in the election earlier this year. She has a real opportunity to move India forward now if she has the will. There are definite signs of India's wanting better relations with the US. Just to give one example, in the field of business and foreign investment, the government had called representatives of Union Carbide and Remington Rand in and told them to move ahead with major expansion for which they had applied. Export licenses, they were told, would follow quickly. The new Minister of Industrial Development is very different from his predecessor. Ambassador Keating had had a discussion with him the likes of which he had not had since going to India. The Minister had noted that India favors the public sector (although only half of the proportion of GNP in India comes from the public sector compared with that in the US) but India definitely wanted private foreign investment.

The Ambassador noted that "we are on the threshold of better relations with the one stable democracy in that part of the world." They are making real progress and want to be more friendly with us.

The Ambassador concluded by quoting the Prime Minister who said that India is a democracy like the US, not an authoritarian country. So there is no need for the US to worry about India's relationship with the USSR.

Dr. Kissinger wound up the conversation by going back to the earlier subject of conversation and noting that "we agree with your assessment." The problem is how to get through the next three months. We are not going to rush into anything on the military assistance side.

The Ambassador said that there would be a consortium dealing with the aid question. He hoped that some conditions could be set for any resumption of economic assistance. We have to have some way that our aid is not used to suppress East Pakistan.

Dr. Kissinger said that he would put the Ambassador's views to the President. He said that he would be seeing the Ambassador during the week that Indian Foreign Minister Swaran Singh is here. He also said that the President would want to see the Ambassador during that week. Ambassador Keating said that he wanted to see the President, too.