THE WHITE HOUSE

WASHINGTON

ACTION 27870

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SECRET

MEMORANDUM FOR THE PRESIDENT

FROM:

Henry A. Kissinger

SUBJECT:

Policy Options Toward Pakistan

I do not normally bother you with tactical judgments. But in the case of the present situation in Pakistan, policy depends on the posture adopted toward several major problems. The purpose of this memo is to seek your guidance on the general direction we should be following.

The Situation

Three weeks after the West Pakistani military crackdown, these three judgments seem to characterize the situation we must deal with:

- -- The West Pakistani military seem likely to regain physical control of the main towns and connecting arteries. The resistance is too poorly organized and equipped to prevent that now.
- --Physical control does not guarantee restoration of essential services like food distribution and normal economic life because that requires Bengali cooperation which may be withheld.
- --Suppression of the resistance, even if achieved soon, will leave widespread discontent and hatred in East Pakistan, with all that implies for the possibility of effective cooperation between the populace and the military, for eventual emergence of an organized resistance movement and for the unity of Pakistan.
- -- Tension between India and Pakistan is at its highest since 1965, and there is danger of a new conflict if the present situation drags on.

Those judgments suggest that there will probably be an interim period, perhaps of some length, in which (a) the West Pakistanis attempt to reestablish effective administration but (b) even they may recognize the need to move toward greater East Pakistani autonomy in order to draw the necessary Bengali cooperation.

What we seem to face, therefore, is a period of transition to greater East Pakistani autonomy and, perhaps, eventual independence. How prolonged and how violent this period is will depend heavily on the judgments made in East and West Pakistan.

--In the East, leaders of the resistance will be faced with the problem of weighing the political disadvantages of cooperating with a West Pakistani administration against the need to restore essential services, especially food distribution. Without that restoration, large-scale starvation seems unavoidable.

--The West Pakistanis, on their part, face serious financial difficulties within the next several months. They have told us that unless they receive emergency foreign exchange help they will have to default on outstanding external loan repayments and restrict imports to the point of stagnating the economy and possibly bringing on a financial crash. It may well be that, as these costs become apparent to a wider group in West Pakistan, the pressure on President Yahya to let East Pakistan go will mount.

Outside actors will also play roles of varying significance:

--India will be the most important. By training and equipping a relatively small Bengali resistance force, India can help keep active resistance alive and increase the chances of a prolonged guerrilla war. From all indications, the Indians intend to follow such a course. They could also make it difficult for Yahya to negotiate a political transition in East Pakistan by recognizing a Bengali government. They seem more cautious on this.

--The US will be an important factor from outside the area: (a) We still have influence in West Pakistan and remain important to India. (b) US economic support--multiplied by US leadership in the World Bank consortium of aid donors--remains crucial to West Pakistan. Neither Moscow nor Peking can duplicate this assistance. (c) Our military supply, while relatively small and unlikely to affect the outcome of the fighting, is an important symbolic element in our posture.

- --The USSR is concerned that instability will work to China's advantage and has shown perhaps more inclination in recent years than the US toward trying to settle disputes in the subcontinent. In the short run, Soviet interests seem to parallel our own, although they would certainly like to use this situation to undercut our position in India.
- --Communist China could (a) be West Pakistan's main ally in threatening India with diversionary military moves and (b) eventually enter the contest with India for control of the East Pakistani resistance movement. For the moment, the Chinese seem to have cast their lot with the West Pakistanis.

The Options

The options are most clearly understood in terms of decisions on our ongoing programs. There are three, each described in terms of concrete actions that would be taken:

Option 1 would be essentially a posture of supporting whatever political and military program President Yahya chooses to pursue in the East. Specifically:

- --On economic assistance, we would support debt relief and go on with our full development aid program as soon as the West Pakistanis could assure us that the money would go for development purposes, not to financing the war effort. We would not concern ourselves that most of the aid would go to the West.
- --On <u>food assistance</u>, we would proceed with all shipments at the request of the government and state no conditions about how they distribute or withhold food from specific areas in East Pakistan.
- --On military assistance, we would allow all shipments but ammunition to proceed. We would delay ammunition without taking any formal action.

Option 2 would be to try to maintain a posture of genuine neutrality. Specifically:

- --On economic assistance, we would delay all further aid until the IMF and World Bank were satisfied that Pakistan has a satisfactory development plan revised to take account of the recent disruption in economic activity and to assure equitable allocation of resources between East and West Pakistan.
- --On <u>food assistance</u>, instead of deferring to the West Pakistani government on distribution, we would insist before resuming shipments on assurance that food would be distributed equitably throughout East Pakistan, in the cyclone disaster area and in the countryside as well as in the army-controlled towns.
- --On military assistance, we would have to defer all deliveries of ammunition, death-dealing equipment and spare parts for it. Non-lethal equipment and spares might continue.

Option 3 would be to make a serious effort to help Yahya end the war and establish an arrangement that could be transitional to East Pakistani autonomy. Such an effort would have to carry with it the understood possibility that, if the political effort broke down, US aid might have to be reduced by virtue of our being unable to operate in the East. But our approach for the time being would be to support emergency help for the Pakistani economy to tide them over while we work with them in restructuring their development program in both West and East. We would not withhold aid now for the sake of applying pressure. We would face that question only after giving the West Pakistanis every chance to negotiate a settlement in the face of the costs of not doing so. Specifically:

--On economic assistance, we would state our willingness to help in the context of a West Pakistani effort to negotiate a viable settlement. We would have to point out that it will be beyond US--or World Bank or IMF--financial capacity to help Pakistan if the situation drags on and Pakistan faces a financial crisis. We would also have to point out that US assistance legislation requires that economic aid be reduced to the extent that there is a possibility of its diversion to military purposes. We would back World Bank and IMF efforts to provide short-term emergency assistance while helping West Pakistan to reshape the rationale for the development lending program--but with the intent of providing a framework to move ahead, not of

seeking a facade for cutting aid. To justify this approach, Yahya would have to produce an administration in East Pakistan that would have enough Bengali acceptance to win popular cooperation in restoring essential services and preventing a further constitutional crisis soon. In the meantime, we would continue to process any loans whose development purposes have not been disrupted by the war.

- --On food assistance, we would allow shipments to resume as soon as food could be unloaded and move into the distribution system. We would not stipulate destination, except perhaps for that amount committed to the cyclone disaster area. It would be implicit in our overall approach, however, that our objective would be the broad distribution that would come with restoring essential services.
- --On military assistance, we would take a line similar to that on economic aid. In practical terms, this would amount to allowing enough shipments of non-lethal spares and equipment to continue to avoid giving Yahya the impression we are cutting off military assistance but holding shipment of more controversial items in order not to provoke the Congress to force cutting off all aid.

Comment on the Options. My own recommendation is to try to work within the range described by Option 3 above.

- -- Option 1 would have the advantage of preserving our relationship with West Pakistan. It would have the disadvantage of encouraging the West Pakistanis in actions that would drag out the present situation and increase the political and economic costs to them and to us.
- --Option 2 would have the advantage of creating a posture that would be publicly defensible. The disadvantage would be that the necessary cutback in military and economic assistance would tend to favor East Pakistan. We would be doing enough to disrupt our relationship with West Pakistan but not enough to help the East or promote a political settlement.
- -- Option 3 would have the advantage of making the most of the relationship with Yahya while engaging in a serious effort to move the situation toward conditions less damaging to US and Pakistani

interests. Its disadvantage is that it might lead to a situation in which progress toward a political settlement had broken down, the US had alienated itself from the 600 million people in India and East Pakistan and the US was unable to influence the West Pakistani government to make the concessions necessary for a political settlement.

If I may have your guidance on the general approach you wish taken, I shall calibrate our posture accordingly on other decisions as they come up.

Prefer Option 1--unqualified backing for West Pakistan_

Prefer Option 2--neutrality which in effect leans toward the East ____

Prefer Option 3--an effort to help Pahya achieve a negotiated settlement