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DECLASSIFIED  
PA/HO, Department of State  
E.O. 12958, as amended  
June 9, 2005

NSSM-133

CONTINGENCY PLANNING ON SOUTH ASIA

INTRODUCTION

In the three and a half months since the Pakistan Army moved against the Bengalis the problems facing South Asia have increased in complexity and intractability. Although the Pakistan Army has reestablished general control over East Pakistan, military actions have not completely ceased against separatist elements and minority communities. Guerrilla activity, supported from sanctuaries in India, has developed. A massive flow of refugees engendered by the Pakistan Army's activities has taken place. According to Indian sources over six million East Pakistanis, mostly Hindu, have sought refuge in India. To date only a few have returned to East Pakistan and those that remain in India pose a massive threat to the political and economic stability of the sensitive eastern regions of India and to peace in the Indian subcontinent. The situation in the last three months has moved from a level in which our interests were only secondarily involved to one that, because of the danger of war, could pose a direct threat to the bases of US policy in South Asia.

US INTERESTS AND OBJECTIVES

The United States has no vital security interest in the South Asian subcontinent. However, as a global power we are inevitably concerned for the stability and well-being of an area in which one-fifth of mankind resides and which holds a geopolitically

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significant position between China and the Soviet Union. Our interest is that India and Pakistan succeed in their development efforts, maintain or create politically open societies and withstand political pressures which could lead to the dominance of an external power in the region.

Peace is the essential precondition for the maintenance of our interests in South Asia. Hostilities could easily disrupt the economic, social, and political life of the subcontinent, and open the way for outside powers to extend their influence. If, despite our efforts, hostilities did break out it would be our objective to ensure that neither we nor any of the other principal external powers became directly involved.

Within South Asia itself both India and Pakistan are important to US interests. Our interests in India, however, are of greater significance. India, the world's second-most populous country, with strong and stable political institutions, the fourth largest armed forces and ninth highest GNP, is a force in South Asian regional affairs and in the broader context of the Indian Ocean and Southeast Asia. India aspires to be one of Asia's major powers in the next decade. Pakistan, although the world's fifth most populous country, has neither the resources nor the ambition for such a role in world affairs. Its political and economic viability have been seriously weakened by recent developments. Overall, it has a much smaller capability for influencing US global interests. On the other hand, India's internal problems could in time bring about a situation in

which it also could exercise little external influence. In formulating US policy in the region the relative preeminence of our interests in India should be an underlying factor in decisions which we take.

Given our interests in South Asia and recognizing that over the long-term the prospects for the continued viability of Pakistan as a united country are doubtful, US objectives have been to maintain a constructively close relationship with India and reasonable relations with Pakistan avoiding any steps which would mortgage excessively our as yet undefined future relationship with East Pakistan.

I. Present Strategy

Within the overall context of our efforts to pursue constructive bilateral relations with India and Pakistan and in the face of the crisis which has arisen in East Pakistan since March 25 which threatens the peace and stability of South Asia our policy has had three major ingredients:

1. Restraint: Because of the possibility that the situation in East Pakistan and eastern India could escalate dangerously we have counseled restraint on both sides.

2. International Relief:: Because of the enormous human problems which have been created in the area we have supported international efforts to provide humanitarian relief assistance to the refugees from East Pakistan in India and to the peoples of East Pakistan who have been affected by civil strife.

SECRET/EXDIS

4

3. Political Accommodation: We have emphasized that normalcy can be restored in East Pakistan only within the context of a peaceful political accommodation. Such an accommodation is also important in order to create conditions for the return of the refugees in India.

In addition to these steps and in order to maintain a constructive relationship with Pakistan we have taken several important policy decisions.

1. Economic Assistance: We have decided to attempt to keep our economic assistance to Pakistan separate from political pressure on the Government of Pakistan and have indicated that future assistance would be conditioned primarily on developmental and legislative criteria.

2. Military Assistance: We have since early April (a) put a hold on delivery of Foreign Military Sales items from Department of Defense stocks, (b) instructed the Office of Munitions Control to suspend the issuance of new licenses and the renewal of expired licenses for items on the Munitions List under either FMS or commercial sales, (c) held in abeyance any action on the one time exception arms supply offer announced last October.

In addition we have suspended valid licenses issued before March 25 and have not to date stopped shipments of items purchased under these licenses, the total value of which may exceed \$25 million.

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## II. Limitations on Present Strategy

The three major strands of our policy have met our immediate requirements but they have not provided the basis for a viable long-term resolution of the crisis. India has exercised restraint but the refugee problem, which could be exacerbated by a second wave of refugees later this year fleeing famine conditions in East Pakistan, remains unresolved. International relief assistance has begun to reach the refugees. But the total annual cost, according to the Government of India, of supporting over six million refugees is in excess of \$600 million. International contributions have not met even half of this amount. On the Pakistan side, relief and rehabilitation efforts have only begun to get under way. A viable political accommodation with the elected representatives of East Pakistan appears to be only a remote possibility, as President Yahya seems unwilling or unable to negotiate with the Awami League or its leadership.

The longer term prognosis is thus uncertain. The ability of the military and civilian authorities in East Pakistan to revive the economy and prevent famine, even with substantial international help, is in serious question. Many refugees may not return and may pose a virtually permanent burden on India; insurgency may gather momentum under Indian guidance and support; viable political accommodation may not be achieved, and American influence in both Islamabad and New Delhi could continue to decline.

Although our military supply and economic assistance policies toward Pakistan have succeeded to a degree in maintaining a constructive relationship with Pakistan, they have not resolved the basic underlying

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political and economic problems. Our decision not to impose a total embargo on shipment of arms has been generally well received in Pakistan. However, when these shipments are completed, pressures to remove our hold on DOD deliveries and the one-time exception will build up. Insistence on developmental criteria for aid has halted new commitments to Pakistan. Given the disruption of the East Pakistan economy, it is unlikely that normal developmental criteria can easily be met soon.

On the Indian side, our failure to embargo arms shipments to Pakistan has resulted in bitter criticism of US motives and policies, and has affected our efforts to promote a constructive relationship with India. A resumption of aid or military supply to Pakistan would have a seriously adverse affect in our relations with India. Thus the dilemma which we face is that existing policies will only maintain a constructive relationship with Pakistan for a limited period. In the interim our relations with India suffer and our credibility and influence in New Delhi decline. Aid to Pakistan sufficient to restore or maintain our influence would, on the other hand, be seen in India as an endorsement of the repressive policies of the martial law regime, and not as an instrument for future US influence in Islamabad. Under these circumstances, if we are to help preserve the peace in South Asia, to avoid enhanced Chinese and Soviet influence and to support the political and economic development of the area, additional

~~SECRET/FOUO~~

7

efforts will be required. The following sections review the basic elements of our policy and indicate the steps which we might take to build upon the policies which have been followed since March 25 and to use our limited influence in support of our basic interests.

III. Additional Steps.

A. Restraint. In the emotionally-charged atmosphere prevailing in the subcontinent after March 25, even though we have counseled restraint, the dangers of war have continued. The two most likely scenarios for escalation assume that (a) India may take unilateral military action designed to bring about political change in East Pakistan which will in turn act to stop the further flow of refugees into India, and (b) that Pakistan will take action against Indian cross-border activities. We have urged restraint and forbearance on both governments through letters from the President to Prime Minister Gandhi and President Yahya, in private discussions with the Indian and Pakistani ambassadors here, and in discussions with the respective governments. These demarches have contributed to some extent to the restraint being exercised on both sides, but tensions continue at a dangerous level.

In India cross-border support for separatist guerilla activity continues although it has not reached major proportions,

in part because of a lack of Bengali capabilities. The Prime Minister has appealed against political pressures designed to force the Indian government into precipitous action against Pakistan, most recently in a meeting with members of her own party on June 29. Our counsel has reinforced the advice against war which she has received from her military advisors. On the other hand, our intelligence indicates continued contingency planning for an attack against East Pakistan and growing internal pressures for forceful Indian action.

Our counsels of restraint in Pakistan have been less successful. Although military action against Hindus has declined, it has not ceased and communal tensions have not been checked. The flow of refugees has been greatly reduced from its high point in excess of 100,000 per day, but it has continued at a rate in excess of 30,000 per day in recent weeks. Nonetheless, Pakistan has responded less sharply than might have been anticipated to Indian cross-border activities and has been more forthcoming on questions of admitting a UN presence for refugee rehabilitation.

Additional Steps: Our efforts to achieve restraint will need to be continued either as long as conditions in East Pakistan do not return to normal, there is no political accommodation, and the refugees do not return, or until the Indians accept the permanent resettlement in India of most of the refugees. The use of both diplomatic channels and public statements will be needed. Specific actions which we might take include:

~~SECRET/EXDIS~~

9

1) Public speech or statement by either the Secretary of State or the President outlining US policy towards South Asia. It would include a public call to India and Pakistan and if necessary other external powers to exercise restraint while efforts to deal with the refugee problem and achieve a political solution are being worked out. We would also plan to use such a statement to express for the first time at a high level our humanitarian concern over the East Pakistan refugee situation, and to renew our commitment to humanitarian relief under UN auspices on both sides of the border.

Pro -- would put the United States more clearly on record than in the past in opposition to conflict in South Asia.

-- might encourage other countries to join us in support of restraint and of relief and reconstruction efforts.

-- would demonstrate high level concern for the humanitarian aspects of the situation.

Con -- would be resented in India, as have past demarches and statements, as an unjust equating of India and Pakistan.

-- would have only a limited impact on Indian and Pakistani policy makers.

-- reference to external powers could irritate Peking which has in fact exercised considerable restraint.

~~SECRET/EXDIS~~

2) Consultations with the Soviet Union. Since the single most-likely cause of hostilities is an Indian attack designed to put an Awami League Government in power in Dacca and since the Soviet Union has both greater credibility and greater influence in New Delhi than the United States at the present time, we may wish to attempt to engage the support of the USSR in counseling restraint by India and Pakistan. Since the 1966 Tashkent Conference the Soviets have consistently identified themselves with peacekeeping efforts in South Asia although their efforts have been designed to support their greater interests in India. A high level approach to the Soviet Union urging its constructive cooperation with us in the maintenance of peace could be undertaken. Soviet Ambassador Dobrynin raised the Pakistani crisis with the Secretary on March 26 -- asking about US plans -- so we could easily take up a dialogue, underlining our own policy of restraint and expressing hope for a similar Soviet policy. We might indicate to the USSR that we would continue to counsel restraint in both capitals as well. We might also take this opportunity to seek Soviet acceptance of and support for a larger UN role and presence, not only in the coordination of relief efforts, but also in facilitating on both sides of the border the return of refugees to East Pakistan.

Pro -- If the Soviets were to act vigorously their action would probably be decisive in achieving Indian restraint.

-- would lay the basis for cooperation with the USSR in the event hostilities broke out.

-- would be a positive response to the Soviet discussion of March 26 indicating US willingness to cooperate in strengthening peace and in creating conditions for the return of the refugees.

Con -- The Soviets might be reluctant to offend the Indians and might see our approach as an effort to obtain their support for the Pakistanis and hence to weaken their influence in New Delhi.

-- could be seen in Peking and Islamabad as a collusive Soviet-American effort against them.

3) Discuss the Chinese Threat with the Indians. We have some intelligence indicating that the Chinese may have given a conditional undertaking to support Pakistan if India attacks Pakistan. We estimate that China will limit its support to increased military and economic assistance, although we cannot rule out the possibility that it might seek to create increased tension along the Sino-Indian frontier, perhaps by provoking border incidents. We have no indication of imminent Chinese military moves. We would probably not wish to share our assessment of the relatively restrained Chinese position with the Indians as that might convince them that they could engage in hostilities with little risk of Chinese intervention. If more direct evidence of Chinese military intentions were available we might wish to share it. We might, also, with the danger of escalation in mind, pass an alarmist assessment of Chinese intentions to the Indians, and in private and confidential discussions with the Indians indicate that they could not count on our support or on the automatic implementation of the 1964 Air Defense Agreement if China

attacked as a result of an Indian attack on Pakistan.

Pro — would indicate to the Indians the perils of an attack on Pakistan.

— a sharing of intelligence would be seen as a positive collaborative action.

Con — reference to the Air Defense Agreement would be seen as a threat by the United States, and would be bitterly resented in India.

— if it became public could further undermine our bilateral relationship with India.

— any alarmist assessment shared with the Indians would risk undermining our credibility in New Dehli which has independent means of making its own intelligence assessment.

4) Seek to Encourage Chinese Restraint. The Chinese in recent years have pursued a restrained policy towards South Asia and probably would be reluctant to involve themselves deeply on Pakistan's side. If there appeared to be a change in Chinese policy we might, however, wish to discuss with the Canadians, the French or other third powers with missions in Peking, Islamabad and New Dehli the possibility of approaching the Chinese to urge them to act with caution in the present situation. If we made such an effort we might consider informing India of it in confidence.

Pro — could lessen the danger of additional third country involvement in the sub-continent.

-- would be seen as a constructive effort favorable to India.

Con -- unlikely to be effective in influencing Chinese policy.

-- if the Chinese were responsive could, in fact, act as an encouragement to Indian military action against Pakistan.

-- pressure on the Chinese could have an adverse impact on our relations with Pakistan.

5) UN Involvement and Presence in Border Areas. The UN High Commissioner for Refugees has indicated a willingness and interest in placing UN personnel in refugee camps and resettlement centers on both sides of the border. While the primary purpose of such a presence would be to assess relief needs and facilitate refugee return, it might also have a deterrent effect on Indian cross-border activities and military intervention. We are encouraging and should continue to encourage the UNSYG and his representative the UNHCR to proceed with the latter proposal and to seek Indian, Pakistani and Soviet support for such a proposal.

Pro -- provides an additional measure of restraint on Indian activities.

Con -- By provoking Indian and/or Soviet opposition could endanger the UNHCR's broader relief role in India.

B. International Assistance. Because the refugee burden represents the most likely proximate cause for escalation, our efforts have concentrated on mitigating the burden which the refugees represent for India. To date we have offered grants of \$70.5 million and a \$20 million supplemental development loan. We have been instrumental in supporting the international relief effort of the UNSYG through his designated representative, <sup>the</sup> UN High Commissioner for Refugees. The more than six million refugees represent an increasing political and economic burden to India and are a serious destabilizing factor. There is no way in which we can directly address the political problem which the refugees pose for India. We can assist and have assisted in easing the economic burden but we should not exaggerate the effect of our aid which leaves untouched the social and political problems. This burden is likely to continue for a long time into the future as many of the refugees, particularly of the Hindus, who constitute perhaps three quarters of the total, may return to East Pakistan only in circumstances in which the government in power is one which they can trust. Such a government would have to be truly secular in outlook.

On the Pakistan side we have also actively promoted an international relief effort, both to deal with the immediate relief needs in the area and also to facilitate the return of refugees. Within the framework of this international effort we have signed two \$1 million grant agreements to enable the Government of Pakistan to charter foreign vessels to deliver food grains and other essential relief supplies to the cyclone affected areas in East Pakistan and other places where

serious food shortages now threaten.

Additional steps on which we should focus include (a) the creation of conditions conducive to the refugees' return, (b) contingency planning for the permanent resettlement of at least some refugees, and (c) the encouragement of a more extensive UN role on both sides of the border.

1) Conditions in Pakistan Conducive to Refugee Return. We have tried to impress on President Yahya the need to create conditions conducive to the refugees' return. He has responded by indicating publicly his government's willingness to see the return of all refugees irrespective of religion. He has established reception centers to receive returning refugees and facilitate their return home. Nonetheless, we have intelligence reports that suggest these public statements are designed for international consumption while some action against the Hindus continues. Specific programs have not yet been articulated to assure the refugees that they will in fact get their homes and property back, that they will receive relief until they can reestablish themselves or that they will be compensated for damages caused by the Pakistan Army.

Moreover, the threat of famine, continued disruption of transportation and basic government services, and a minimal level of economic activity, persist throughout the province. Only as the conditions in general improve will there be a chance for specific measures to encourage refugee return to be effective. We should therefore persist with our efforts to get the Government of Pakistan to take measures to deal with the basic human problems of the population remaining in East Pakistan, and the creation of an effective international humanitarian program to support those measures. It is not

at all clear how long it will be before some semblance of normal economic life returns. Meanwhile, we should suggest to the Government of Pakistan, and have the UNHCR encourage, various additional steps which need to be taken to facilitate the return of refugees. Specifically these steps should include a program of (a) guarantees of personal security, (b) restoration of or compensation for real and personal property, (c) resettlement allowances, (d) housing reconstruction, (e) food and general relief assistance. Support for such measures could be included in the scope of our humanitarian aid for East Pakistan through the UN. We would keep the Indians fully informed of our efforts.

Pro -- would be a positive step in encouraging the return of those refugees who are willing to go back without regard to the terms of political settlement.

-- would encourage the Indians to continue their policy of restraint by holding out hope for a substantial refugee return.

Con -- would possibly be seen as an overly intrusive attempt to influence Pakistani internal decisions.

-- could be seen in India as an indication that the international community did not intend to intervene to achieve political accommodation in East Pakistan. It might therefore reinforce the arguments of those in India who argue that India must take unilateral action.

2) Conditions in India Conducive to Return. While the primary problem connected with refugee repatriation is in Pakistan, there are also additional steps which need to be taken in India. At present the Indians are reluctant to agree to an international presence in the refugee camps to facilitate refugee return. They also seem to be taking the position that the refugees should not be encouraged to return unless a friendly government is in power in Dacca. This position takes into account domestic political pressures and the fact that they cannot afford to urge the refugees to return if there is any remaining threat to their lives and security. Finally Indian support for Bengali cross-border operations contributes to the general sense of fear and insecurity in East Pakistan. We should raise these issues with the Indians urging them (a) to agree to a UN presence in the camps, (b) to be flexible in setting political conditions on repatriation, and (c) to curtail their support for cross-border operations.

Pro -- would, if followed, somewhat enhance on the Indian side the likelihood that the refugees would return.

-- might make political accommodation easier.

Con -- would in the present climate in Indo-US relations be resented.

-- even if agreed to might only marginally increase the chances of a substantial refugee return.

3) Permanent Resettlement Planning. From all evidence available to us a substantial portion of the Hindu refugees may never wish to return to East Pakistan. At present the Government of India is not prepared to

DECLASSIFIED  
PA/HO, Department of State  
E.O. 12958, as amended  
June 9, 2005

consider permanent resettlement which would be an enormously complex and expensive proposition and would imply that political accommodation was impossible. Although for the time being any public acknowledgment on the part of the US Government that it regarded the refugee return as impractical would be of concern to the Government of India and offers of resettlement assistance would be rejected out of hand, we have begun contingency planning for such an eventuality. We should specifically consider (a) financial resources required to transport refugees to other parts of India, (b) USAID initiatives to create labor-intensive projects in West Bengal where most of the refugees remain and where the most urgent need of housing and accommodation will arise, (c) a US initiative with regard to Calcutta redevelopment, (d) a possible UN role as resettlement coordinator.

4) Enhanced Relief Contributions to India. If the economic burden which the refugee problem represents for India is to be truly eased more than the contributions of the US will be required. To date the contributions of other countries have been inadequate. We have already gone to the UNSYG and to the UNHCR to suggest that they appeal directly to potential donors for more substantial contributions. We should again encourage the UNSYG and the UNHCR to launch a more active publicity campaign, and support these efforts through our Embassies. We should simultaneously encourage the Indians to be more active in seeking international assistance.

- Pro -- is essential step if adequate resources are to be mobilized.
- would help meet Indian demands for a more adequate international response.
- Con -- could generate pressures for further large US contributions.
- would not deal with the political roots of the refugee problem.

5) Relief in East Pakistan. The UN-coordinated relief program in East Pakistan is just getting under way. To date however the only significant bilateral contribution to support the program has been our own. The UN appeal for assistance of June 16 has evoked very little other response, and U Thant is considering a further appeal. We should encourage the UN to develop further support for the relief program and should urge other countries to contribute. We should also press the Pakistan Government to help in this process by gearing up their own relief organization in East Pakistan and restoring equitable and effective civil administration.

- Pro -- is important to give substance to a program of relief and rehabilitation to strife-torn East Pakistan.
- without such a program, conditions conducive to the return of refugees in significant numbers may not evolve.

Con — does not deal with the basic political question.

— given Bengla Desh guerrilla activity restoration of effective civil administration may be beyond the Government of Pakistan's capabilities.

C. Political Accommodation. The third element in our current strategy is to urge the Government of Pakistan to proceed as expeditiously as possible with political accommodation. Recognizing the complex issues involved and that because of domestic pressures in Pakistan Yahya may have limited political flexibility, we have not endeavored to spell out the details of such an accommodation. We have, however, urged Yahya to deal with representative political leaders. These efforts have had only a limited effect and have not as yet led to a meaningful basis for a political settlement. Yahya has stated he hopes to transfer power to the people in about four months' time, but has not lifted his ban on the Awami League or shown any predisposition to negotiate with East Pakistan's outstanding popular leader, Sheikh Mujibur Rahman. While we will need to continue urging Yahya to work toward a political settlement, for our urgings to be effective we may have to be more direct in our suggestions for such a settlement, pointing out to him our concern that failure to achieve a settlement could increase the dangers of war. Specifically, we might suggest the following:

1) Shorter Timetable for Accommodation. The four months which Yahya has referred to would mean that no transfer of power would take place before late October or early November. If by early

September Yahya could have promulgated what seems to be a firmly scheduled and otherwise reasonable return to civilian rule, having some democratic basis and a fair degree of regional autonomy, it is possible that conventional Indian military action might be forestalled.

Pro -- would support our efforts to achieve Indian restraint.

-- would be the first step towards a longer-term political settlement.

Con -- would be resented by Yahya as unnecessary interference and be rejected as running counter to his own domestic requirements for a more delayed transfer of power.

2) Lifting the Ban on the Awami League. Although we do not wish to involve ourselves in suggesting the terms of any constitutional settlement, we might indicate to Yahya our view that the Awami League is the only party in East Pakistan with a genuine popular following and that its participation is essential to a viable political settlement in East Pakistan. While it would be desirable if Yahya could be brought to negotiate with Mujibur Rahman directly, it is extremely unlikely that we could bring this about. Even direct negotiation with the Awami League will not be easy to achieve since it may run counter to Yahya's own assessment that the Bengalis will knuckle under to a less extensive form of political accommodation.

Pro -- reflects our assessment that a viable political settlement is unlikely without Awami League participation.

-- if accepted would offer the basis for a lasting political accommodation.

Con -- such suggestions could well be rejected out of hand by Yahya who has devised his own political timetable and who believes Mujib to be a traitor.

-- could be resented as interference in Pakistan's internal affairs and might precipitate Yahya's overthrow and replacement by a more extreme military government.

3) Indian Flexibility. While we are pursuing a political strategy with Yahya we will want to urge the Indians not to be inflexible in their own position on the terms for a political settlement in East Pakistan. In particular, we might emphasize to the Indians the desirability of continuing to conduct their relations with the representatives of East Bengal now resident in India with circumspection. We should also urge them to continue their policy of not recognizing the Bangla Desh government in exile, and to limit support for it.

Pro -- would reinforce policies which India is already pursuing.

Con -- could be resented as gratuitous advice.

4) UNSYG Involvement. Since our leverage in Islamabad is limited we should also consider mobilizing other forms of international

opinion on behalf of a political accommodation. This might include encouraging the UN Secretary General to adopt a more open political role, going beyond his present efforts in support of an international relief effort. We might for example encourage him to make a public appeal for a political settlement, or to travel to South Asia to seek the views of representative political leaders in Pakistan, or to offer mediatory assistance. We might urge India and Pakistan to request, or accept, his good offices.

Pro - If successful, would bring greater pressure to bear on Yahya - hence add to the chances for an accommodation.

- would follow logically from UN relief efforts
- would prolong the talking stage between the parties.

Con - Might not be welcomed by the UNSYG

5) Third Party Involvement. In addition to the UN Secretary General we may wish to consider approaching other third parties to see if they would be willing to offer their good offices either in dealing with the internal Pakistan political problem or with the Indo-Pakistan problem. Muslim nations such as Iran, Jordan or Turkey, might be useful in the former role. Impartial neutral states such as Ceylon or Malaysia might be used in the latter case. In addition, going beyond the possible role of individual third parties we should consider the possibility of calling an international five-power conference, including the USSR, China, France and the United Kingdom and ourselves to work out a permanent political settlement between India, Pakistan and possibly Bangla Desh. Such a proposal would be premature at this stage, but may

be necessary if tensions in the Sub-continent intensify.

Pro - Any single or multinational mediation effort, if acceptable to the parties involved would provide a graceful facade behind which difficult compromises might be made.

Con - unlikely to commend itself to smaller powers in view of the deepseated and bitter animosities involved.

- a five-power approach might be difficult to achieve because of Sino-Soviet differences.

6) UNHCR Facilitative Role. The UN High Commissioner for Refugees has indicated to us his willingness and interest in placing UNHCR representatives on both sides of the border not only to assess relief needs in India, but also to act as a facilitative body in both countries for the return of refugees. The Government of Pakistan has indicated its willingness to allow a UNHCR presence in the reception centers. The Indians, however, have initially balked at a similar presence in the Indian refugee camps. In addition to the obvious facilitative role which such a UN presence would have, it would also have a significant deterrent effect on Indian cross-border activities and perhaps overall on the prospects for escalation. To achieve such a presence we will not only need the acquiescence of the Indians but probably also the support of the Soviet Union which may not be enthusiastic about an expanded UN role, particularly if costs for participating nations looked to be high. (This subject would be suitable for discussion with the Soviets in addition to the general problem of restraint proposed in

Section 1 on page 10 above.)

Pro - an effective UNHCR facilitative role could be important in reassuring refugees that they will not be mistreated on their return.

Con - Pressure on the Indians to permit a UN presence could be abrasive in our relations with them.

7) Resort to the Security Council. India at various times since March 25 has threatened to take the East Pakistan issue to the Security Council, but has found no firm grounds on which to do so. We have actively discouraged the Indians from such an initiative pointing to the rhetoric which such a session would probably create. Given the heightened tension in South Asia, however, we may wish to reconsider this position. The objective of UNSC consideration of the problem now would be to achieve an even-handed resolution calling on both parties to reduce tensions and urging all states to promote the peace and stability of the area. Such a use of the Security Council would not be designed as an effort directed against one party but as an even-handed attempt to get both sides to cool their confrontation.

Pro - would throw spotlight on situation and may thus help deter the parties.

- could demonstrate parallel US-USSR interests in maintaining peace in South Asia.

- by having UN in the middle would help preserve US credentials and leverage with both parties

- precedent exists for UN involvement in India-Pak problems
- could provide logical basis for further UN mediation effort, e.g. SYG or SYG representative
- Con - Security Council resolution might go unenforced since UN has no enforcement capability
- sessions could degenerate into Indian-Pak shouting match with no positive result.
- might detract from quiet diplomacy among parties and interested powers
- Pakistan may oppose SC consideration, arguing East Pak situation is "internal affair"; this might also have adverse effects on US/PAK relations if we press for, or support UNSC discussion.

#### IV. Military and Economic Programs.

In view of our desire to develop cooperative relations with both India and Pakistan, our economic and military assistance programs take on considerable importance. The dilemma inherent in those programs in Pakistan is that while they support our interests in Pakistan they simultaneously damage our interests in India.

A. Military Supply. The stability of the Martial Law Administration is heavily dependent on the continued strength and morale of the military. Military sales therefore are of paramount psychological and practical significance to the martial law regime. Our decisions in this area are regarded by the Government of Pakistan as an earnest of our overall policy towards Pakistan. Under our existing policy,

only orders for military equipment licensed prior to March 25 are being shipped to Pakistan. Major items of military significance, including those in the 1970 one-time exception, are being held in abeyance. This residual program has been strongly criticized by India which sees any arms to Pakistan as a direct support for the Army's suppressive actions in East Pakistan. It has damaged our ability to maintain a constructive relationship with India. Our ability to influence India in the direction of restraint has declined, since India believes we are increasingly committed to a policy of support for Pakistan and give only secondary importance to India's role and importance in South Asia.

Pakistan is also likely to become dissatisfied with our policy which denies to it many of the end-items and spare parts which it had hoped to procure in the future. The policy is also highly vulnerable with Congress which strongly opposes any arms shipment to Pakistan.

At present the principal requirement of US policy is that there not be any recourse to armed force. This will require the support and cooperation of India. We therefore recommend a suspension of all shipments of arms to Pakistan, including any residual shipments which remain from the pre-March 25 period, in order to restore a degree of credibility to our calls for restraint and to support the relative preeminence of our interests in India. Once peaceful conditions are restored and a satisfactory political settlement achieved, we should then review this suspension. If we wished to stop short of a publicly announced suspension of all further shipments to Pakistan we might state that we had

decided to review remaining items in the pipeline, clearly implying that sensitive items, such as lethal spare parts and ammunition would not be permitted to be shipped.

Pro - Would support our primary interest in influencing India to act with restraint

- would improve relations with India and increase our influence in New Delhi
- would remove an abrasive source of dispute with the Congress and thus hopefully would gain us broader support for our policies in South Asia.
- would have a positive impact on public opinion in East Pakistan and hence ultimately on any future relations with East Pakistan.

Con - would seriously irritate the Government of Pakistan and greatly reduce our influence on it.

- would increase Chinese influence in Pakistan as the major arms supplier
- might lead to more intransigent Pakistani positions with respect to military action against Bengalis and political accommodation
- could encourage India to take military action against Pakistan.

B. Economic Assistance

Our basic economic assistance strategy has been to condition future development loans, which would provide fungible sources of foreign exchange to the Pakistanis, primarily on developmental and legislative criteria. Political criteria are being minimized and economic aid

is not being used directly to put pressure on Pakistan to achieve a political accommodation. This policy is consistent with our worldwide view that aid should not be conditioned on short-term political considerations. In adopting this position we have set ourselves apart from some of the other donor countries, who have specifically set political conditions for resuming aid, but have nevertheless taken a position broadly consistent with that of the Aid to Pakistan Consortium as a group. Aid is an important ingredient in Pakistan's development, and given the enhanced pressures on the Pakistan economy since March 25, it will be an increasingly important factor in the future economic viability of Pakistan. The prospect of US aid in the future is a carrot which we are holding out before the Pakistanis and which may be important if we are to have an effect in dealing with sensitive political subjects such as political accommodation with Mujib. We recommend that we adhere to our policy of deemphasizing political criteria for aid but insisting on developmental criteria to ensure that our aid will go for purposes of economic development and that the entire country will benefit from our resources.

Pro - makes aid the major positive ingredient in our relations with Pakistan

- is consistent with worldwide policies
- indicates our continuing concern for Pakistan's developmental prospects and to a degree protects our past inputs.
- will somewhat counterbalance Chinese influence in Pakistan.

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PA/HO, Department of State  
E.O. 12958, as amended  
June 9, 2005

- consistent with approach adopted by other members of Aid to Pakistan Consortium.

Con --if the situation in East Pakistan does not improve sharply, application of developmental criteria could lead to provision of very little aid except humanitarian assistance, and to the ultimate erosion of our leverage with the Government of Pakistan.

- any aid to Pakistan will be resented by India, although if it was clearly conditioned on developmental terms would not necessarily be a major negative factor in our relations.

#### V. PROSPECTS FOR HOSTILITIES

Although there are strong negative factors working against an Indian decision to attack Pakistan, the danger of war remains real. With the experience of 1965 in mind Indian decision-makers are aware that a decisive victory over Pakistan cannot easily be won. The costs of war are high and there is a recognition that an Indo-Pakistan conflict could result in direct Chinese involvement. The policies suggested in the earlier sections of this paper would reinforce the intrinsically counter-vailing factors in the situation. Nonetheless there is still a significant possibility that India despite these negative factors will in the next three to six months go to war with Pakistan. The Indian decision would be based on domestic political pressures, and an assessment that the influx of refugees is likely to lead to radicalization in Bengal and will ultimately threaten India's inter-communal cohesion, the political fabric

in Bengal, Assam and tribal states of Eastern India, and economic development prospects. These interests India may well consider "vital" and worthy of protection through the "lesser evil" of war. There is probably still an interim period in which the Government of India will wait to see whether international pressures and domestic compulsions in Pakistan will bring about a political accommodation, the restoration of peace and security in East Pakistan and a start to the process of repatriation of the refugees. If no progress is made in these areas by September or October, the chances for hostilities will increase.

Our actions, in the event of escalation would be determined in part by the circumstances in which hostilities broke out. It is most likely that war would result from an Indian attack on Pakistan or from a gradual process of escalation involving border incidents on both sides. In the latter case, responsibility might not be clearly laid on one side or the other.

In the first instance hostilities are likely to be confined to India and Pakistan alone. It would be in the US interest to see that the hostilities not expand to include third parties, particularly China. It would also be in our interest to see that the hostilities were not protracted since a prolonged war would do profound damage to the political, economic and social fabric of India and Pakistan. Thus, should India attack Pakistan despite our efforts, our interests would be best served by an early end to the conflict and by negotiations among all parties concerned leading to a withdrawal of Indian troops and an overall political settlement. The following sections consider options open to the United

**DECLASSIFIED**  
**PA/HO, Department of State**  
**E.O. 12958, as amended**  
**June 9, 2005**

States both in the event of war which was localized to India and Pakistan, though possibly fought on two fronts, and a war in which external powers, particularly China, would become involved.

VI. OPTIONS IN THE EVENT OF HOSTILITIES

In the event hostilities break out between India and Pakistan the United States could pursue one of three broad strategies -- it could: (a) adopt a passive hands-off role, (b) provide military support to the victim of attack, (c) intervene politically to localize the conflict.

A. Passive International Role. We might adopt a relatively passive role indicating our basic neutrality in the dispute. We would seek to avoid being drawn more directly into the dispute on either side. Such a role might be particularly appropriate in circumstances in which the responsibility for the outbreak of hostilities was unclear or where we judged the likelihood of Chinese involvement to be small. A passive role need not necessarily do irreparable damage to our interests in either India or Pakistan. Both sides might interpret our neutrality as implicit support for their position. This stance might allow us to adopt a mediatory position encouraging a negotiated political settlement when circumstances made such a role possible. Such an approach would only be sustainable if the conflict appeared likely to be of short duration, since a protracted conflict would bring serious long-term damage to the internal cohesion and viability of both India and Pakistan, which would not be conducive to the longer term peace and stability in South Asia which we seek. In pursuing this option we could:

- adopt a public posture that we did not intend to become directly involved and would not provide assistance to either side.
- support efforts in the Security Council to end the hostilities
- suspend all aid and military programs to both sides until the outcome of the hostilities was clear.
- offer our good offices in arranging negotiation of a political settlement.

Advantages

- Limits US involvement
- allows US maximum flexibility as events unfold
- preserves a relationship with both India and Pakistan

Disadvantages

- risks serious damage to our interests in South Asia if the conflict were protracted.
- could increase Indian dependence on the Soviet Union and Pakistani dependence on China without any gain for the US in either country.

B. Military Support. At the other extreme would be a decision to support one side or the other with military assistance. The US has limited commitments to both sides (through CENTO and SEATO with Pakistan, and through the 1964 Air Defense Agreement with India). Although neither set of agreements provides for automatic US involvement in an Indo-Pakistan conflict, the Pakistanis or Indians might seek to use them to gain our involvement. If we wished to demonstrate our support for the

party which was the victim of attack we might respond positively to these overtures.

1. To Pakistan. Under the most likely scenario for escalation -- an Indian attack on Pakistan -- the Pakistanis would turn to us as they did in 1965. If we judged it to be in our interest to assert the paramountcy of our interests in Pakistan and in its national unity and integrity we might offer to assist Pakistan's defense effort through the supply of military equipment, although not with US combat personnel. Such assistance would in the short run not affect the outcome of the conflict, but it would be politically effective in creating a new relationship with Pakistan. Such a course would have a serious negative impact on our interests in India and any future independent Bangla Desh and would destroy the basis for a constructive relationship with India. Specific actions we might take include the following:

- develop in coordination with the Government of Pakistan an emergency military supply program
- actively move to terminate all US programs in India
- take the lead in developing international efforts calling on India to end her intervention and return to the status quo ante
- support a Security Council Resolution condemning India

Advantages

- would support our interests in Pakistan and in its national unity

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DECLASSIFIED  
PA/HO, Department of State  
E.O. 12958, as amended  
June 9, 2005

- would diminish Chinese influence in Pakistan
- would strengthen our relations with Muslim powers of the Middle East

Disadvantages

- would severely damage US interests in and relations with India
- would have little effect on the outcome of the conflict
- would lead to increased Soviet influence in India
- would leave no basis for a conciliatory role by the United States

2. To India. Military support to India is a less likely strategy in the context of a limited Indo-Pakistan conflict. However, if China were to intervene massively on Pakistan's side and seemed to threaten India in a major way, e.g. by an attempt to seize the Brahmaputra valley, we would want to consider providing military assistance to India. Such assistance would be politically easier to provide if India were not the initiator of hostilities with Pakistan. Such support of India if clearly offered in the Chinese context would be a positive element supporting our recognition of India's relatively greater importance to us in Asia. Relations with Pakistan would be strained even though the arms would not be provided for use against Pakistan. It might still be possible to maintain a post-war relationship with Pakistan, particularly if the United States had been actively engaged in simultaneous political efforts (see C below) to achieve a negotiated political settlement. Specific

actions we might take include the following:

- offer to consult with India under the 1964  
Air Defense Agreement
- develop, if India desired, an emergency military  
assistance program
- share intelligence with Indians on Chinese military  
deployments
- coordinate with the British and the Soviets on  
additional assistance measures.

Advantages

- would be consistent with our overall Asian policy of  
assisting states threatened by China, or the victims  
of Chinese aggression
- would establish a firm basis for a close relationship  
with India
- would counteract the recent growth in Soviet influence  
in India
- could form a part of a cooperative effort with the Soviets

Disadvantages

- would create severe strains in our relations with both  
China and Pakistan
- would run risks of gradually increasing US involvement  
escalating into a more extensive commitment, involving  
direct US confrontation with one or more outside powers.

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PA/HO, Department of State  
E.O. 12958, as amended  
June 9, 2005

C. Political Intervention. Given our interest in maintaining relations with both India and Pakistan and our desire to prevent Chinese involvement and to limit external influence in the subcontinent, a policy of political intervention would give us considerable flexibility. The principal purpose of our political efforts would be to localize hostilities and end them. We would also wish to work vigorously for a negotiated political settlement which would remove the basic causes of tension.

Actions we would wish to take immediately on the outbreak of hostilities would include:

- an immediate call for a UN Security Council session to consider the crisis
- support for a Security Council resolution calling for an immediate ceasefire and direct negotiations between the two sides on the terms of withdrawal and a political settlement
- immediate Presidential messages to President Yahya and/or Prime Minister Gandhi calling for an end to hostilities and/or a negotiated settlement.
- immediate discussion with the Soviet Union and with Great Britain on ways to bring the hostilities to an end
- privately urge continued restraint on the Chinese directly or through third parties

If hostilities have broken out because of an India attack on Pakistan we should:

- move to terminate our residual military sales program for India, carefully assessing the likelihood of a Chinese attack on India before taking definitive action
- hold up all shipments and licenses of military supplies destined to India
- not resume shipment of military assistance to Pakistan pending the outcome of our diplomatic efforts to terminate the hostilities
- prepare to hold economic assistance to India in abeyance at least for the duration of the hostilities. (A de facto suspension of assistance would take place in Pakistan since most AID and PL-480 programs would be disrupted as a result of hostilities.)

If the circumstances of the outbreak of hostilities were thoroughly ambiguous and murky we should:

- announce publicly a temporary suspension of military supply to both parties
- consider whether, in order to bring hostilities to an end, to suspend all economic assistance programs to both sides
- urge other arms supplying powers, such as Britain, the Soviet Union, and France to suspend arms shipments.

Advantages

- would provide US maximum flexibility in a complex situation
- would maximize use of US programs and leverage to shorten hostilities, and inhibit third party intervention

- would make it possible for the US to maintain relations with both India and Pakistan (and perhaps Bangla Desh as well) in the aftermath of hostilities.

Disadvantages

- since the actual effect of such a policy could be to put pressure on the invading country (probably India in occupation of a portion of East Pakistan) it could lead to strains in our relations with the Government of India.
- would be seen in Pakistan as a repetition of 1965 and a failure of the US to fulfill its treaty commitments.

  
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**PA/HO, Department of State**  
**E.O. 12958, as amended**  
**June 9, 2005**

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ANNEX A - PRE-HOSTILITIES CONTINGENCY ACTIONS

Irrespective of the political courses which we decided to pursue to keep the conflict localized or to bring it to an end various American programs would be immediately affected and contingency planning by appropriate US agencies should be undertaken to meet these contingencies:

1) US ships destined to India and Pakistan should be warned not to call at belligerent ports if carrying cargo for both belligerents. As in 1965 it can be assumed that any cargo which arrives in India destined for Pakistan or vice versa will be immediately confiscated.

2) Hostilities could involve bombing of airfields on both sides. MAC and commercial air carriers should have made contingency arrangements for overflying the area without stopping in either India or Pakistan.

3) Evacuation plans may have to be implemented on short notice for all posts in India and Pakistan and they should be reviewed in the context of a possible Indo-Pakistan war involving hostilities in both East and West Pakistan.

4) Intelligence coverage of Chinese intentions and capabilities to intervene in South Asia should be intensified in order to provide maximum possible advance warning of any significant Chinese actions.

**DECLASSIFIED**  
**PA/HO, Department of State**  
**E.O. 12958, as amended**  
**June 9, 2005**