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31 JUL 1965

Dear Tom:

Thank you for your paper on Pakistan dated 21 July 1965. I have noted it with great interest, as have a small number of my interested colleagues.

Sincerely,

W. F. Raborn

W. F. Raborn

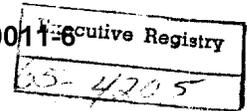
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Mr. Thomas L. Hughes
The Director of Intelligence and Research
Department of State
Washington, D. C.

WElder:MMW (29July65)

Orig - Addressee
2cc - O/DCI
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STATE review(s) completed.



DEPARTMENT OF STATE
THE DIRECTOR OF INTELLIGENCE AND RESEARCH
WASHINGTON

July 21, 1965

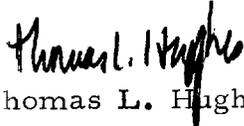
PERSONAL

MEMORANDUM FOR: The Honorable
W. F. Raborn,
Director of Central Intelligence.

At last week's USIB meeting you asked if I could describe our policy problems with Pakistan. Since the matter is a complicated and detailed one and I may only know part of the story, I did not really respond to your question at the time.

Afterwards I asked our people to go through the exercise of drawing up a grievance list on Pakistan as a possible means of giving you in summary form an impression of the record which is presently of concern to the policy makers. This paper has no status as a policy document nor is it in any sense an estimate. Since it was prepared for you, we have, in the section on "Military and Security Matters" classified "Background Use Only", drawn in large part from special CIA sources.

If you think the other USIB members would be interested in having a copy of this informal memorandum, I will need your permission to release it to them.


Thomas L. Hughes

Attachment

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Over the past several years the Government of Pakistan has taken a long series of actions that have been counter to U.S. interests. In the following pages, we list the most important of these, dating from late 1962 until the present. They are grouped chronologically, according to certain critical areas of interest.

We recognize, of course, that Pakistan has had more or less valid reasons for taking many of these actions -- its fear of India, domestic political considerations, a desire to play a large role in Afro-Asia -- and do not underestimate their importance. Also there have been a few instances, such as Ayub's refusal to support China on the Vietnam issue during his Peking visit of March 1965, for which Pakistan deserves credit. On balance, however, the record is a disappointing one considering the U.S. investment in Pakistan.

I. Our Alliances

--We have bi-lateral security arrangements with Pakistan, as well as shared membership in SEATO and CENTO. Imperfect as any alliance system may be, there are certain minimum standards of behavior that we expect from any ally. We feel that Pakistan has fallen short of these standards in a number of respects, especially since 1962; even before that time, the Pakistanis attempted to divert the alliances to its regional quarrel with India and have encouraged other members to do likewise.

--At the time of the Chinese attack on India in 1962, President Kennedy asked President Ayub to signal India that Pakistan would not take any action that would undermine India's position vis-a-vis China, while India was under attack. Pakistan refused, thus threatening the unity of the subcontinent in the face of Communist attack.

--Although in 1960 Pakistan had declared itself willing to send troops into Laos in support of SEATO commitments there, in November 1962 Ayub, speaking before a secret session of the National Assembly, asserted that Pakistan had no military commitment to SEATO. He added, and has repeatedly reaffirmed, that he sees India as a greater threat than international Communism. Such an attitude is clearly not in accord with the purposes of SEATO.

--In November 1963, exercise MIDLINK took place. We hoped to see the exercise receive good publicity in Pakistan as a reaffirmation of our common purpose. The Pakistan government kept publicity to a minimum.

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downgrading and
declassification

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--In March 1963, and again in March 1965, the Pakistanis apparently offered their assistance to Peking in developing diplomatic ties between Communist China and Turkey. Aside from countering our general objective of keeping Peking isolated diplomatically, the Pakistani action was particularly repugnant in that it used ties established through CENTO.

--In April 1963, Foreign Minister Bhutto declined to attend the SEATO Foreign Ministers Conference. Instead, he attended a preparatory meeting for the Second Bandung Conference, at which Pakistan joined forces with Indonesia and China.

--On June 23, 1964, Ayub charged in a press interview that U.S. policy had lost its moral content and that the U.S. had let down its friends. In addition, he claimed that the agglomeration of U.S. power on the periphery of China increased the chances of a Korean-type war. Such statements clearly undercut the rationale of our alliances.

--On August 12, 1964, Ayub returned to the attack, stating that Pakistan had no intrinsic interest in SEATO and joined the treaty organization only to accommodate the U.S.

--On August 13, 1964, Pakistan formally withdrew its offer to send troops to Laos.

--In the fall of 1964, Pakistan cancelled its participation in joint naval exercises with the Royal Navy.

--In Moscow on January 13, 1965, Bhutto spoke out in favor of a nuclear-free zone in the Indian Ocean. Ayub, in Peking on March 2, joined the Chinese in opposition to the introduction of nuclear weapons into the Indian Ocean. Both of these statements undercut U.S. attempts to increase its naval strength in the Indian Ocean and make the establishment of U.S. facilities there (e.g. on Diego Garcia) more difficult.

--In April 1965, Foreign Minister Bhutto again found it inconvenient to attend an alliance conference -- this time the CENTO Ministerial conference. Instead, he went to Moscow with President Ayub.

--During the spring of 1965, Pakistan introduced new strains into its alliance with the U.S. during border conflicts with India over the Dahagram enclave and the Rann of Kutch. In the latter case, Pakistan almost certainly used U.S. MAP-supplied equipment against India in violation of the terms under which it was supplied. In both cases, Pakistan pressured the U.S. by demanding to know whether we would "stand by" our treaty commitments to assist Pakistan against "Indian aggression." There was no clear-cut case of Indian

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aggression in either case, and the Pakistani tactics were obviously attempts to rationalize their own shortcomings as an ally.

--In late June 1965, Pakistan reportedly provided the Indonesian Air Force with replacement parts for C-130 aircraft. These parts had been supplied to Pakistan for its own use by the United States, so that the Pakistani action is in violation of the terms of our military aid agreement. In addition, since the Indonesian C-130s are used in operations directed against Malaysia, the Pakistanis are tacitly supporting Indonesian aggression against a fellow Commonwealth member.

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II. Communist China

A. Political Matters

As Pakistan has loosened its ties with the U.S., SEATO and CENTO, it has increasingly come to look to Communist China for reinsurance against India. This has been a self-reinforcing process. Although Pakistan had never been a strong critic of China, the increase in Sino-Pakistani ties has come at a time when the confrontation between the U.S. and Communist China has been reaching critical proportions. Parallel to the decline in relationships with the U.S., the rapprochement with China can best be dated from the time of the Chinese attack on India. As we have noted, Pakistan refused to give any comfort to India at the time of the Chinese attack. Indeed, it has exploited India's discomfiture for its own purposes and gone further by actually condoning Chinese behavior.

--In November 1962, the Pakistani Foreign Minister (then Mohammed Ali) stated that the Chinese withdrawal from south of the McMahon line was proof of Chou's statesmanship. The Pakistanis supported the Chinese position on the border conflict.

--In December 1962, Pakistan and China announced their intention to "align" their common border. Since the area in question lies in Kashmir -- which is claimed by India -- this provocative announcement dealt an inevitable death blow to any hope that Indo-Pakistani talks on Kashmir -- then in progress -- might be successful. We attempted to dissuade the Pakistanis from this move, but they proceeded with it, and a border agreement was subsequently signed. Completion of a border agreement with Pakistan enabled Peking to claim that, among its neighbors, only "recalcitrant" India had failed to come to an amicable border settlement.

--In February 1963, Foreign Minister Bhutto visited Peking.

--In August 1963, Pakistan and Communist China signed a civil air agreement that was implemented in June 1964. Peking thus acquired direct air access to South Asia and beyond. There is now some speculation that the Chinese air line may seek to extend its operations into Africa, using Pakistan as a transit point. The Pakistani agreement marked China's first significant breakthrough on the international civil air front.

--In February 1964, Chou En-lai paid a formal visit to Pakistan. Since then, he has stopped over in Pakistan on a number of occasions and had

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several consultations with Pakistani leaders, including President Ayub.

--Following the Chinese nuclear test, Pakistan supported Peking's call for a world-wide summit conference on nuclear matters, and on December 2, 1964, President Ayub termed the test "a most significant achievement of the Chinese government and people." Pakistan's attitude in this regard was particularly unhelpful, coming at a time when we were attempting to mobilize world opinion against the Chinese nuclear threat.

--On February 19, 1965 Pakistan and China signed an agreement for a \$60 million Chinese loan to Pakistan.

--In March 1965, President Ayub visited Peking and received exceptionally full ceremonial treatment. The visit was the occasion for a number of statements condemning "imperialism" and praising Sino-Pakistani friendship. Although Ayub stood firm on the Vietnam issue, the visit of a U.S. ally to Peking clearly benefited the Chinese international position.

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B. Military and Security Matters

In addition to the relatively overt indications of political ties, there have been several reliable reports - some of them extremely sensitive - of collaboration between Peking and Rawalpindi in military and security matters.

-- The first indications of Pakistani interest in a security arrangement came in the summer of 1963, when Ayub made his statement (July 8) that the "smaller nations" of Asia would have to look to China for protection against India. On July 17, Bhutto claimed that in case of Indian aggression the "largest nation in Asia" would come to Pakistan's assistance. There were rumors in Pakistan at the time of a Sino-Pakistani security understanding. We do not know if any existed then; the Chinese reportedly did, however, privately support Bhutto's statement.

-- Cooperation in the security field was almost certainly a topic of discussion during Chou's visit to Pakistan in February 1964. Two reliable and sensitive reports indicate that both Bhutto and Foreign Secretary Aziz Ahmed knew of a secret memorandum that Ayub had made of his talk with Chou. The Pakistanis claim that they have no secret understandings with China.

-- In November 1964, Bhutto again discussed with Aziz Ahmed a secret Sino-Pakistani understanding, but did not reveal its content.

-- As early as August 1963, there were reports of Chinese military personnel in Pakistan. The Indians have frequently made charges of this type and covert reporting has noted the presence in East Pakistan of otherwise unaccounted-for Chinese. We do not know any details, however, and cannot assess the significance of their presence.

-- The Indians also charge that Pakistani military personnel are receiving training in guerrilla warfare and other fields in Communist China. The Pakistanis have informed us that six of their officers are **there** undergoing language training.

-- In September 1964, Gen. Liu Ya-lou, Chief of the Chinese Communist Air Force, visited Pakistan. Covert sources report the visit of other Chinese military personnel to Pakistan, some of whom may have met privately with President Ayub.

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-- In the spring of 1965, Foreign Minister Bhutto met with the Chinese Chargé d'affaires in London and briefed him on the proceedings of the SEATO ministerial conference. It is not known how much detail was given.

-- In summary, it appears likely that there is some degree of military and/or security cooperation between Communist China and Pakistan. There is also probably some sort of understanding between the two, perhaps relating to actions that either side might take in case the other was involved in conflict with India. Although we do not believe that such an understanding is very formal the Pakistanis have probably been dealing with China in sensitive areas behind our backs.

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III. The USSR

Pakistan has shown some interest in improving relations with the USSR as well as China, but the potential for improvement has been limited by the Soviet commitment to India and, probably, by Soviet concern over the special US facilities in Pakistan. Some progress has, however, been made.

-- On October 7, 1963, Pakistan and the USSR signed a civil air agreement that enables Aeroflot to expand its operations still further in South Asia.

-- In June, 1964, the Soviet Union extended a \$10 million loan to Pakistan. The USSR has been assisting Pakistan in the field of oil exploration.

-- In January, 1965, Bhutto paid a visit to Moscow. In April, President Ayub also journeyed to Moscow and toured the USSR. The visit was kept in very low key, and apparently contributed little towards developing Soviet-Pakistani relations.

IV. Southeast Asia

Directly connected with both Pakistan's alliance policy and its relationships with China, has been the shifting course of Pakistani policy in Southeast Asia. Pakistan was never an overly enthusiastic member of SEATO; it did, however, cooperate in SEATO planning and was willing to commit troops to Laos in 1960. With the intensification of conflict in Vietnam, and the confrontation between Indonesia and Malaysia, however, Pakistan has adopted positions that are at least unhelpful towards its allies, especially the US.

-- In July 1964, Pakistan announced its support for the May French proposals for a Fourteen Nation Conference on Laos. The call for such a conference has been supported by China, the USSR, Cambodia and North Vietnam. The US and the UK had rejected it on May 21.

-- On 13 July, 1964, Ayub warned that an expansion of the Vietnam war would lead to Chinese Communist involvement. He urged a political solution, and noted that Pakistan would be unable to participate militarily because of its pre-occupation with India. He commented on 19 July that he could not see why Pakistan should get involved in Vietnam, and on 12 August informed us officially that Pakistan would not participate. Pakistan's total commitment to the Free World position in South Vietnam amounts to an investment of about \$7,000 of relief supplies.

-- On 16 June, 1965, Pakistan called for a cessation of US bombings in North Vietnam. In general, Pakistan has urged "moderation" on the United States, with little corresponding pressure -- in public at least -- on the Communists.

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-- In late June, 1964, Foreign Minister Bhutto met with the North Vietnamese Foreign Minister, and discussed Vietnam. The latter praised Bhutto for his "correct appreciation" of the President's speech offering unconditional peace talks. Both North Vietnam and China have been generally appreciative of Pakistan's failure to support the US in Vietnam.

-- With regard to Malaysia, the Pakistanis have adopted a position of "neutrality", refusing to support their fellow Commonwealth-member against Indonesian aggression. Within the Commonwealth framework, the Pakistanis have worked to weaken Commonwealth support to Malaysia, even at the verbal level.

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MEMORANDUM FOR: Mr. Catchfield

23 JUL
23 1965

Per our conversation.

W. Elder

HAND CARRY

23 July 65

(DATE)

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DEPARTMENT OF STATE
THE DIRECTOR OF
INTELLIGENCE AND RESEARCH

July 23, 1965

Memorandum for Admiral Raborn

I was waiting to give this
to you personally at USIB on
Wednesday.



Thomas L. Hughes