WASHINGTON — With India now apparently seeking to dismember Pakistan, the United States on Monday suspended $523 million—about 40%—of its economic aid to India.

There were no present plans to freeze the now, which is largely committed through letters of credit to banks and suppliers of commodities. State Department spokesman Charles Rup said, “When matters continue under review.”

The purpose of the cut-off, Rup said, was “to be certain the United States was not contributing to the Indian economy in the short run to make it easier for India to sustain its military efforts.”

President Nixon discussed the India-Pakistan situation late Monday with his top diplomatic and military advisers, including CIA Director Richard Helms, Secretary of State William P. Rogers, Deputy Defense Secretary Donald Rumsfeld, national security advisor Henry A. Kissinger and Gen. William C. Westmoreland, acting chairman of the Joint Chiefs of Staff.

**Express Hope**

Sharing a view that a peace agreement is possible, White House Press Secretary Patsy Zieglar said it was “quite encouraging to receive recent favorable international trends” for India to use “armistice negotiations”.

She emphasized that the United States was not involved “in a physical standoff or military standdown” and said she hoped the parties would “not descend into barbarism.”

It is “difficult for us to understand the resort to military confrontation, to military force, to deal with the situation,” said Zieglar, who told reporters he was relaying the President’s view.

For example, she said that the U.S. economic action will have a great impact on the Indian economy. The U.S. move was a “tangible sign of disassociation with India.”

**Economy Ailways**

On the other hand, India’s economy already had been “hard” against, she said, following the 40 million unrefined from East Pakistan, she said, “This country needs help.”

Total U.S. economic aid has the year previously at $223 million, according to U.S. contributions to India via multilateral agencies like the World Bank. Total aid was about $120 million.

With India’s recognition of the government of East Pakistan, the conclusion here was that the U.S. now faces a “clear” but “very difficult” situation.

In addition, U.S. contributions to India via multilateral agencies like the World Bank total almost $130 million.

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**Support for the Last Week**

In support of the last week, President Nixon moved to make the refugees to return to East Pakistan.

The possibilities of such a return, however, seem more complicated as a result of the new agreements between Hindus and Muslims. The United States, Nixon said, is overestimating the situation. Nixon’s army, like India, is overwhelmingly Muslim. The Indian sweep through East Pakistan is expected to result in much bloodletting between religions.

Most of the refugees—up to 90%, according to some estimates—are Hindu. Their flight was as much motivated by religion as by politics.

These Hindus refugees are unlikely to be welcomed back by the Muslim populace, particularly after aBangladesh government is created by Indian guns. The same Indian guns may have to face the secession of the refugees.

**Potential Trouble**

The refugee exodus and the potential for trouble in Red China, State Press Secretary Richard M. Ziegler said, pointed out that Fidel would not remain in power.

Any war made by China risks bringing the Soviet Union into the conflict through its treaty of friendship with China. The Chinese could act loosely, however, through support for the ultra-left, Nixon said, “merit movement that exists in Bangladesh.”

Except for seeking to block a big-power clash between Russia and China, U.S. concern in the region is minimal in terms of national interest as state.

Some officials privately contend that no U.S. national interest is at stake.

[Source: La Angeles Times; U.S. Cuts Off 40% of Economic Aid to India: Move Taken to Make Certain American Funds Don't Help New Delhi War Effort]

**By Robert C. Toth**

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On the other hand, India’s economy already had been “hard” against, she said, following the 40 million unrefined from East Pakistan. The U.S. cut-off, plus the rise of further U.S. aid stoppage, would significantly curtail Indian development efforts over the long term.

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