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FOL REPEAT OF NEW DELHI 1978 TO SECSTATE INFO ISLAMABAD FEB 11

QTE:

NEW DELHI 1978

EXDIS

E.O. 11652: GDS
TAGS: MASS, PFOR, PK, IN, US
SUBJECT: U.S. MILITARY SALES POLICY: WHAT CAN WE
TELL THE INDIANS?

SUMMARY. THE INDIANS ARE ALREADY MAKING UP THEIR MINDS ABOUT WHAT THEY BELIEVE WILL BE A CHANGE IN OUR MILITARY SALES POLICY. WE HAVE BEEN EMPHASIZING THAT OUR POLICY OF NOT FUELING AN ARMS RACE AND AVOIDING ALTERING THE STRATEGIC BALANCE REMAINS IN EFFECT. WE ARE URGING THAT INDIA AVOID A HASTY REACTION WHICH MIGHT INTERRUPT PURSUIT OF OUR MUTUAL INTERESTS THROUGH SUCH AVENUES AS THE SUBCOMMISSIONS. WE CAN EXPECT STRONGER REACTIONS STRATING NEXT MONDAY WHEN PARLIAMENT CONVENES. WHAT MORE CAN WE TELL THE INDIANS? END

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SUMMARY.

1. AS OUR REPORTS ON INDIAN PRESS AND OFFICIAL REACTION TO REPORTS OF A CHANGE IN US ARMS POLICY SUGGEST, THERE IS CONSIDERABLE UNEASE AND UNCERTAINTY ON THIS SUBJECT IN NEW DELHI AND A CAREFULLY PHRASED OFFICIAL INDIGNATION IS BEGINNING TO BE EXPRESSED. THE FOREIGN MINISTRY IS BEING RESTRAINED AND IS BUILDING A CASE THROUGH ITS BRIEFINGS OF THE PRESS THAT INDIA HAS GIVEN THE US AMPLE NOTICE OF INDIAN OPPOSITION TO A CHANGE IN US POLICY. SO FAR THE PRIME MINISTER IS BEING CAUTIOUS, HER INTERVIEW WITH THE NEW YORK TIMES (NEW DELHI 1839) ILLUSTRATING HER RESERVE.

2. IN THE ABSENCE OF MORE EXPLICIT INSTRUCTIONS, I AM LIMITING MYSELF IN CONVERSATION WITH INDIANS TO NOTING THAT THE WHOLE SUBJECT CONTINUES TO BE UNDER CONSIDERATION AND, DESPITE PRESS SPECULATION TO THE CONTRARY, THAT NO FINAL DECISION ON ARMS POLICY HAS BEEN MADE. I HAVE EMPHASIZED THAT WHATEVER DECISION IS MADE, IT IS OBVIOUS THAT THE POLICY WILL FIT WITHIN THE BASIC PRINCIPLES ENUNCIATED BY THE SECRETARY IN NEW DELHI AND RESTATED BY THE WHITE HOUSE AT THE TIME OF THE BHUTTO VISIT, NAMELY, THAT THE US WILL NOT CONTRIBUTE TO AN ARMS RACE, THAT IT WILL NOT DO ANYTHING THAT WILL ALTER THE STRATEGIC BALANCE IN THE AREA, AND THAT IT CONTINUES TO ENCOURAGE THE PROCESS OF RECONCILIATION IN SOUTH ASIA. THIS, I HAVE POINTED OUT, REPRESENTS THE CONTINUATION OF A LONG-STANDING US POLICY IN THE REGION, A POLICY WHICH IS IN INDIA'S INTEREST AS WELL AS THAT OF THE US. THAT THIS THEME MAY BE EFFECTIVE HERE IS INDICATED IN THE STATESMAN THIS MORNING WHICH NOTED EDITORIALY THAT WHAT WILL REALLY MATTER REGARDING OUR MILITARY SALES POLICY IS THE EFFECT OF AMERICAN ARMS SUPPLIES ON THE BALANCE OF POWER ON THE SUBCONTINENT AND WHEN ON TO CITE THE SECRETARY'S PRESS CLUB DECLARATION THAT THE US WOULD NOT UPSET THE STRATEGIC BALANCE. THE STATESMAN IS BEING UNUSUALLY RATIONAL ON THIS MATTER AND I DON'T MEAN TO SUGGEST THAT WE CAN EXPECT THE NATION TO FOLLOW SUIT--BUT THE EDITORIAL INDICATES THAT THERE ARE SOME INDIANS WHO CAN BE REACHED WITH RATIONAL ARGUMENT.

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3. I HAVE ALSO SOUGHT TO POINT OUT THAT THE FUNDAMENTAL CONSIDERATION FOR THE US AND INDIA IS HOW TO ENSURE THAT OUR MUTUAL UNDERLYING INTERESTS--AS REFLECTED

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IN THE VERY SUCCESSFUL SUBCOMMISSION MEETINGS OVER THE LAST SIX WEEKS--NOT BE UNDERCUT BY AN IMMEDIATE AND HASTY REACTION TO CURRENT EVENTS. I BELIEVE THAT THERE ARE THOSE IN THE INDIAN BUREAUCRACY, PARTICULARLY THOSE WHO HAVE AN INTEREST IN JOINT COMMISSION RESULTS, WHO ARE SYMPATHETIC TO THIS POSITION.

4. IS THERE ANYTHING MORE THAT I CAN SAY AT THIS TIME? APPARENTLY THE GOI IS AWAITING WORD FROM US BEFORE REACTING FORMALLY TO ANY NEW POLICY. IT IS EQUALLY CLEAR THAT THE GOVERNMENT EXPECTS THAT A POLICY CHANGE IS IN THE OFFING. MY POINT IS THAT BY THE TIME WE DECIDE TO CHANGE THE POLICY (IF WE DO), MINDS HERE ARE LIKELY TO BE ALREADY MADE UP. IF WE ARE TO HAVE AN EFFECT ON THINKING WE SHOULD BE ACTING NOW.

5. ON FURTHER FACTOR MAKES EARLY ACTION ADVISABLE. PARLIAMENT CONVENES NEXT MONDAY, AND THE GOVERNMENT WILL HAVE TO TAKE A POSITION ON THE ARMS ISSUE AND RESPOND TO ATTACKS FROM THE LEFT AND RIGHT IF ITS POSITION IS NOT STRONG ENOUGH. THE PAPERS THIS MORNING REPORT THAT THE CABINET HAS APPROVED THE TEXT OF THE PRESIDENT'S OPENING ADDRESS; HE WILL EXPRESS HIS CONCERN OVER AN IMPENDING CHANGE IN OUR ARMS POLICY. WE ARE TOLD BY OUR FRIENDS IN THE EXTERNAL AFFAIRS MINISTRY THAT QUESTIONS FROM M.P.'S ARE ACCUMULATING RAPIDLY ON THE AMERICAS DESK.

6. IT WOULD ALSO BE HELPFUL IF WE COULD PROVIDE SOME INDICATION TO THE GOI AT A HIGH LEVEL THAT WE ARE AWARE OF ITS BROADER POLITICAL CONCERNS CONCERNING SOUTH ASIA. FOR EXAMPLE, IT WOULD BE EXTREMELY USEFUL FOR US TO BE ABLE TO PASS ON TO THE GOI--EITHER IN WASHINGTON OR HERE--BHUTTO'S COMMENT TO THE SECRETARY THAT HE HOPED THE INDIANS WOULD NOT REGARD PAKISTANI REACTION TO THE GOI-SHEIKH ABDULLAH AGREEMENT (WHICH WOULD BE CAREFULLY CONTROLLED) AS A DEPARTURE FROM HIS COMMITMENT

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TO PEACFUL RELATIONS. SIMILARLY HIS COMMENT, PARTICULARLY IF MADE AT A HIGH LEVEL, THAT PAKISTAN HAS TURNED AWAY FROM CONFRONTATION WITH INDIA (STATE 29538).


7. IN SUM, I BELIEVE WE WOULD BENEFIT FROM A BIT MORE COMMUNICATION WITH THE GOI ON THE MILITARY SALES SUBJECT DURING THE NEXT SEVERAL DAYS, AND I HOPE THAT I MAY BE GIVEN SOMETHING MORE TO SAY. IT WOULD ALSO

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BE HELPFUL IF I COULD EXPLICITLY SAY (SINCE IT IS
IMPLICIT IN OUR STATEMENT ABOUT THE ARMS RACE AND THE
STRATEGIC BALANCE) THAT THE OPTIONS WE ARE CONSIDERING
ARE ALL LIVSTED, AND IF POSSIBLE, IN WHAT WAY THEY
ARE LIMITED. FINALLY, IT WOULD ALSO BE HELPFUL IF BHUTTO
HIMSELF AT SOME TIME WERE TO CONVEY PRIVATELY TO THE
GOI A SENSE OF REASSURANCE AND RECOMMITMENT TO THE
SIMLA PROCESS ANALOGOUS TO WHAT HE OFFERED, IF
BOLIQUELY, IN HIS PRESS CONFERENCE IN WASHINGTON.
SCHNEIDER UNQUOTE INGERSOLL


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